

Registered Office:

"Maithri", No. 132,
Cathedral Road,
Chennai - 600 086,
India

Tel: 91 44 2811 2472
Fax: 91 44 2811 2449
URL: www.ranegroup.com

CIN: L63011TN2004PLC054948



Rane Brake Lining Limited

//Online submission//

RBL/SE/15/2020-21

July 10, 2020

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

Sub: Notice of the 15th Annual General Meeting & 15th Annual Report FY 2019-20- Regulation 34 SEBI LODR

The **Fifteenth Annual General Meeting** (15th AGM) is scheduled to be held on **Wednesday, August 05, 2020 at 15:00 hrs IST** through **Video Conference (VC) / Other Audio Visual Means (OAVM)**. In terms of regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI LODR) the copy 15th Annual Report alongwith the Notice of the 15th AGM dated June 17, 2020 being sent to the shareholders of the Company, is enclosed herewith and the same is also available on the website of the Company at www.ranegroup.com.

The Company has engaged Central Depository Services (India) Limited ("CDSL") for providing E-voting services and VC/OAVM facility for this AGM. Details of e-voting are as follows:

Cut-off date for determining eligibility for the remote e-voting & poll at the AGM	July 29, 2020 (Wednesday)
e-Voting start date and time	August 02, 2020 (Sunday) and 09:00 hrs IST
e-Voting end date and time	August 04, 2020 (Tuesday) and 17:00 hrs IST

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 disseminate to the stakeholders.

Thanking you.

For Rane Brake Lining Limited

VENKAT
by
RAMAN
VENKATRAMAN
Date: 2020.07.10
13:38:33 +05'30'

Venkatraman
Secretary

Encl: a/a



Rane Brake Lining Limited

15th Annual Report 2019-20

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FINANCIAL HIGHLIGHTS

OPERATIONAL PERFORMANCE

(₹ in Crores)

FINANCIAL YEAR	FY 20	FY 19	FY 18	FY 17	FY 16	FY 15	FY 14	FY 13	FY 12	FY 11
Total Income (*)	481.43	520.97	487.21	470.58	451.64	418.49	386.51	379.68	363.52	308.32
Earnings Before Interest, Tax, Depreciation & Amortisation (EBITDA)	70.99	73.95	78.76	62.98	57.65	47.56	42.61	36.08	43.76	36.49
Profit Before Tax (PBT)	44.68	49.31	54.89	42.70	35.48	20.60	16.73	10.92	21.90	19.67
Profit After Tax (PAT)	34.34	36.53	35.75	34.93	25.76	16.11	17.21	9.10	16.19	15.29

KEY PERFORMANCE HIGHLIGHTS

FINANCIAL YEAR	FY 20	FY 19	FY 18	FY 17	FY 16	FY 15	FY 14	FY 13	FY 12	FY 11
Return on Capital Employed (ROCE) %	20.35	24.96	30.29	25.11	21.90	13.82	12.10	9.31	16.41	16.72
Return on Net Worth (RONW) %	15.66	18.36	20.14	22.94	19.84	13.77	16.07	9.16	17.65	18.76
Earnings Per Share (₹)	43.39	46.15	45.16	44.13	32.54	20.36	21.76	11.50	20.45	19.31
Dividend (%) (@)	150	155	155	150	100	70	75	40	70	50
Dividend Payout ratio (@)	42	40	41	41	37	41	40	40	40	30
Book Value Per Share (₹)	289.10	265.03	237.80	210.72	174.27	153.77	141.84	128.88	122.03	109.72

BALANCE SHEET HIGHLIGHTS**

(₹ in Crores)

FINANCIAL YEAR	FY 20	FY 19	FY 18	FY 17	FY 16	FY 15	FY 14	FY 13	FY 12	FY 11
Equity Share Capital	7.91	7.91	7.91	7.91	7.91	7.91	7.91	7.91	7.91	7.91
Shareholders' funds	228.82	209.77	188.22	166.78	137.93	121.71	112.27	102.01	96.59	86.84
Non current Liabilities	3.74	2.89	3.07	6.09	14.34	23.83	39.16	56.63	59.55	46.79
Current Liabilities	126.79	143.13	119.61	104.87	103.61	109.55	116.51	102.87	95.60	73.22
Non current assets	150.25	138.12	131.59	136.30	118.36	129.50	143.14	148.44	132.28	115.14
Current assets	209.10	217.67	179.30	141.44	137.52	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

(*) Total Income are net of excise duty.

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

Note :

- Figures from FY 17 onwards are as per Indian Accounting Standards (Ind AS) prescribed under the Companies Act, 2013. Hence these figures are not comparable with the corresponding figures reported for the previous years.
- EBITDA, PBT and PAT are inclusive of exceptional items, if any, for the respective financial years.

FROM THE DESK OF THE CHAIRMAN

Dear Stakeholders,

The world has changed drastically with the coronavirus pandemic. This is an extreme event – one for which there is no precedence. Rane Brake Lining Limited (RBL) started experiencing the adverse impact of the pandemic from March 2020 with the Government announcing lockdown to contain the spread of coronavirus. This came after six quarters of decline in the automotive market which created an even more challenging business environment. Even with the lockdown eased in various parts of the country, it will take considerable time before normalcy returns.

I would like to share details around the Company's performance in FY2020 and the outlook for the business in these unprecedented times.

The global economy grew at a slower pace in 2019 compared to 2018. There was increased uncertainty driven by rapid shifts in trade policies and resulted in deteriorating business confidence and dampened investment growth across most regions. The Indian GDP growth dipped to 4.2% in FY20 significantly slower than 6.8% in FY19. This slowdown is attributable to credit squeeze negatively impacting consumption, investments and exports. The manufacturing sector remained flat in FY20. The Indian automobile industry faced major headwinds caused by global factors and rapid policy changes which made transition very difficult. An example was limited time given for transitioning to BS6. During the fiscal year the demand environment remained severely impacted by slowdown in the economy.

Despite adverse market condition, RBL was able to reduce the impact of sales drop with the initiatives in the aftermarket segment. RBL focused on new product launches and range expansion across Brake Linings, Disc pads including Two Wheeler products. The Company worked on energy conservation, revamped R&D testing facilities and developed new grades to address future vehicle technologies. Total Quality Management (TQM) principles continued to rule as a basic mantra and enhanced 'Business Excellence Model' helping the company win several accolades.

RBL's sales declined by 8.4% due to drop in demand from Indian OE customers. EBITDA declined 5.2% and the cost savings initiatives of RBL protected the operating margin despite the adverse movement on material and employee cost.

Covid-19 is significantly impacting the performance of FY21 and the Company is working on various cost savings initiatives to reduce the impact. These measures are targeted at improving productivity, optimizing manufacturing cost and includes management staff taking salary reductions ranging from 10% to 35% from Junior to Senior levels.

An excellent, dedicated and professional team of employees continue to drive forward the Company's efforts on winning new orders and improving the operational performance. Our inherent resilience to market fluctuations and prudent conservatism will help the company tide over this critical period and put us in stronger footing when the market recovers.

On behalf of the entire Board of Rane Brake Lining Limited, I would like to thank all our stakeholders – Customers, Employees, Vendors, Investors, Bankers, Government and most importantly our shareholders, who have conferred immense confidence in us, throughout this long journey.

Yours Sincerely,

L Ganesh
Chairman

CORPORATE INFORMATION

Board of Directors

Mr. L Ganesh, Chairman
 Mr. Anil Kumar Venkat Epur
 Mr. Harish Lakshman
 Mr. Krishna Kumar Seshadri
 Mr. L Lakshman
 Ms. Ranjana Kumar
 Mr. S Sandilya
 Mr. Yasuji Ishii
 (Nominee of Nisshinbo Holdings Inc., Japan)

Audit Committee

Mr. S Sandilya, Chairman
 Mr. L Ganesh
 Mr. Anil Kumar Venkat Epur
 Mr. Krishna Kumar Seshadri

Stakeholders Relationship Committee

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

Nomination and Remuneration Committee

Mr. S Sandilya, Chairman
 Mr. L Ganesh
 Mr. Anil Kumar Venkat Epur

Corporate Social Responsibility Committee

Mr. L Lakshman, Chairman
 Mr. L Ganesh
 Mr. Anil Kumar Venkat Epur

President & Manager

Mr. R Balakrishnan

Senior Vice President - Finance & Chief Financial Officer

Mr. M A P Sridhar Kumar

Company Secretary

Mr. Venkatraman

Listing of Shares On

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

Statutory Auditors

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

Secretarial Auditors

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

Bankers

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

Registered Office

Rane Brake Lining Limited
 CIN: L63011TN2004PLC054948
 "MAITHRI", 132, Cathedral Road
 Chennai 600 086
 Phone : +91 44 28112472
 Email : investorservices@ranegroup.com
 Website : www.ranegroup.com

Plants

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

Solar Plant

Muthuramalingapuram Village
 Aruppukottai Taluk, Virudhunagar District,
 Tamil Nadu

Registrar and Transfer Agents

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

NOTICE TO MEMBERS

NOTICE is hereby given that the Fifteenth (15th) Annual General Meeting of Rane Brake Lining Limited will be held on, August 5, 2020 at 15:00 hrs IST through Video Conferencing ("VC")/ Other Audio Visual Means ("OAVM"), to transact the following business:

ORDINARY BUSINESS:

1. **To consider and adopt the Audited Financial Statement of the Company for the year ended March 31, 2020, together with reports of the Board of Directors and the Auditor thereon**

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

"Resolved that the Audited Financial Statement of the Company for the year ended March 31, 2020 together with the reports of the Board of Directors and the Auditor thereon, as circulated to the members and presented to the meeting be and are hereby adopted."

2. **To declare dividend on equity shares**

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

"Resolved that a final dividend of ₹11/- per equity share having face value of ₹10/- each, fully paid-up, on 79,14,980 equity shares be and is hereby declared out of the profits of the Company for the year ended March 31, 2020 absorbing a sum of ₹8,70,64,780/- and that the dividend be paid to those shareholders, whose name appear in the Company's Register of Members as on July 29, 2020 and the interim dividend of ₹6/- per equity share declared by the Board of Directors on January 23, 2020 and paid to the shareholders on February 12, 2020, be confirmed to represent a total dividend of ₹17/- per equity share having face value of ₹10/- each paid out of the profits of the Company for the financial year 2019-20."

3. **To appoint a Director in the place of Mr. Lakshman Lakshminarayan (DIN: 00012554), who retires by rotation and being eligible, offers himself for re-appointment**

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

"Resolved that Mr. Lakshman Lakshminarayan (DIN: 00012554), who retires by rotation under article 111 and 113 of the Articles of Association of the Company and being eligible has offered himself for re-appointment, be and is hereby re-appointed as a Director of the Company."

SPECIAL BUSINESS:

4. **To approve appointment and remuneration of Mr. R Balakrishnan, as Manager**

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

"Resolved that in accordance with the provisions of Section 196, 197 and 203 read with Schedule V and all other applicable provisions of Companies Act, 2013 (the "Act"), the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and applicable provisions of SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015 (SEBI LODR) (including any statutory modification(s) or re-enactment thereof for the time being in force) approval be and is hereby accorded for the appointment of Mr. R Balakrishnan, President, as 'Manager' within the meaning of Section 2(53) of the Act, for a period of five years with effect from January 24, 2020 to January 23, 2025 on the following terms:

(i) Salary

₹2,76,700/- per month. Annual increase will be effective 1st April every year. The quantum of increase will be as decided by the Board of Directors, from time to time.

(ii) Perquisites

Perquisites like superannuation allowance, fee to clubs, personal accident insurance, use of chauffeur driven car/s, telephone at residence, medical insurance for self and family, medical allowance, leave & leave encashment, leave travel concession, education allowance, special allowance etc., will be provided in accordance with the policy of the Company as applicable to Key Managerial Personnel and Senior Management Personnel of the Company. The perquisites will be evaluated as per Income tax Rules, wherever applicable and at actual cost to the Company in other cases. The above perquisites are however, subject to a maximum of 150% of the salary per annum.

(iii) Contribution to Funds

Company's contribution to Provident Fund and Superannuation Fund / NPS will be as per the scheme of the Company. Company's contribution to Provident Fund and Superannuation Fund / NPS as above will not be included in the computation of the ceiling on perquisites to the extent these singly or put together are not taxable under the Income tax Act. Gratuity payable shall be as per the rules of the Company.

(iv) Incentive remuneration

Incentive remuneration of such sum be paid based on the merits to be determined by the Board, provided that the total remuneration of the Manager shall not exceed the limits prescribed under the Companies Act, 2013.

Resolved further that in the event of there being inadequacy or absence of profits in any financial year, during the currency of tenure of the Manager, he will be paid remuneration in terms of Part II of Schedule V to the Act, including any re-enactments thereof or such other limit as may be prescribed by the Government from time to time as minimum remuneration.

Resolved further that the remuneration specified hereinabove, may be enhanced, altered or varied by the Board, in accordance with the relevant provisions of the Companies Act 2013 / Income Tax Act, 1961 and / or the rules and regulations made thereunder including any re-enactments thereof or such other limit as may be prescribed by the Government from time to time as minimum remuneration."

"Resolved that in addition to approval already accorded by the members of the Company vide resolution passed at the 13th Annual General Meeting of the Company held on July 24, 2018, specific annual approval in terms of the provisions of Regulation 17(6)(ca) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI LODR) (including any statutory modifications or re-enactment thereof) be and is hereby accorded for payment of remuneration to Mr. Ganesh Lakshminarayan, (DIN:00012583) Chairman, for the financial year ended March 31, 2020 exceeding 50% (fifty percent) of the total annual remuneration paid to all the Non-Executive Directors of the Company for the said financial year.

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

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

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

To consider passing the following resolution as a special resolution:

Chennai
June 17, 2020

Venkatraman
Secretary

Registered Office:
Rane Brake Lining Limited
"Maithri", 132, Cathedral Road,
Chennai - 600 086
CIN: L63011TN2004PLC054948
www.ranegroup.com

NOTES:

- In view of the Covid-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its circular dated May 5, 2020 read with circulars dated April 8, 2020 and April 13, 2020 (collectively referred to as "MCA Circulars") permitted the holding of the Annual General Meeting ("AGM") through VC / OAVM, without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 ("Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and MCA Circulars, the AGM of the Company is being held through VC / OAVM, without the physical presence of the members at a common venue. The Company has engaged Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means i.e., remote e-voting and voting on the date of the AGM.
- In terms of Section 102 of the Companies Act, 2013 and Secretarial Standard on General Meetings (SS-2), an explanatory statement setting out the material facts concerning special business to be transacted at the AGM is annexed and forms part of this Notice.
- Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. However, since this AGM is being held pursuant to the MCA Circulars through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for this AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
- Corporate members intending to represent through their authorised representatives in the AGM through VC/OAVM and to vote through remote e-voting or vote at the AGM are requested to send to the Company a certified copy of the board resolution authorising their representative to the designated e-mail address of the Company i.e., investorservices@ranegroup.com and to CDSL i.e. helpdesk.evoting@cdslindia.com.

5. The record date for the purpose of final dividend and the cut-off date for the purpose of determining eligibility of members for voting in connection with the Fifteenth AGM has been fixed as **July 29, 2020 (Wednesday)**.
6. Pursuant to the relevant provisions of the Companies Act, 2013, dividend, which remained unclaimed/unpaid for a period of seven years from the date they became due for payment are required to be transferred to the Investor Education and Protection Fund (IEPF). The shares in respect of such dividend are also liable to be transferred to the demat account of the IEPF Authority.
7. Members may also note that the notice of the Fifteenth AGM and the annual report 2020 will be available in the Investors Section on the Company's website www.ranegroup.com and on the website of CDSL i.e. www.evotingindia.com.
8. Listed companies are required to use the Reserve Bank of India's approved electronic mode of payment such as National Automated Clearing House (NACH), National Electronic Fund Transfer (NEFT), Real Time Gross Settlement (RTGS) for making payments like dividend to the shareholders, in terms of Schedule I of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI LODR). Accordingly, shareholders holding securities in demat mode are requested to update their bank details with their depository participants. Shareholders holding securities in physical form are requested to update bank account details by furnishing requisite documents with the RTA of the Company.
9. Members holding shares in dematerialized form are requested to notify any change in their addresses, bank details or e-mail address with their respective DP and those holding shares in physical form are requested to notify the RTA at the following address:

**M/s. Integrated Registry Management
Services Private Limited**
SEBI Registration No. INR000000544
2nd Floor, "Kences Towers", No.1, Ramakrishna Street,
North Usman Road, T Nagar, Chennai - 600 017
e-mail ID: corpserv@integratedindia.in
Phone: 044 2814 0801-803; Fax: 044 2814 2479
10. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are therefore, requested to submit their PAN to their respective DP. Further, in terms of SEBI circular dated April 20, 2018, the Company has sent reminder letters to individual shareholders for updating the details of PAN and Bank account details of persons holding shares in physical form with the Company's RTA.
11. Pursuant to Finance Act 2020, dividend income will be taxable in the hands of shareholders w.e.f. April 1, 2020 and the Company is required to deduct tax at source from dividend paid to shareholders at the prescribed rates. Shareholders are requested to refer to the Finance Act, 2020 and amendments thereof for the prescribed rates applicable to various categories. The shareholders are requested to update their PAN with the Company/ RTA (in case of shares held in physical mode) and depositories (in case of shares held in demat mode). A Resident individual shareholder with PAN and who is not liable to pay income tax can submit a yearly declaration in Form No. 15G/15H, to avail the benefit of non-deduction of tax at source by email to investorservices@ranegroup.com before 23:59 hrs IST on **July 29, 2020**. Shareholders are requested to note that in case their PAN is not registered, the tax will be deducted at a higher rate of 20%. Non-resident shareholders can avail beneficial rates under tax treaty between India and their respective country of residence, subject to providing necessary documents i.e. No Permanent Establishment and Beneficial Ownership Declaration, Tax Residency Certificate, Form 10F any other document which may be required to avail the tax treaty benefits by sending an email to investorservices@ranegroup.com. The aforesaid declarations and documents need to be submitted by the shareholders before 23:59 hrs IST on **July 29, 2020**.
12. Effective April 1, 2019, SEBI has disallowed listed companies from accepting requests for transfer of securities held in physical form, by amending the SEBI LODR. Members will need to convert shares held in physical form to demat for effecting any transfer. Only requests for transmission and transposition will be accepted by the Company/RTA.
13. Members who hold shares in physical form in multiple folios in identical names or joint holding in the same order of names are requested to send the share certificates to the RTA, for consolidation into a single folio. The share certificate(s) will be returned to the members after necessary endorsements.
14. Members holding shares in single name and physical form are advised to make nomination or change nomination in respect of their shareholding in the Company in the prescribed form to the RTA. The nomination form(s) can also be downloaded from the Company's website www.ranegroup.com.
15. In compliance with the aforesaid MCA Circulars and SEBI Circular dated May 12, 2020, Notice of the AGM along with the Annual Report 2020 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Members may note that the Notice and Annual Report 2020 will also be available on the Company's website www.ranegroup.com, websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively and on the website of CDSL www.evotingindia.com.

16. The Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
17. Information pursuant to regulations 26(4), 36(3) of SEBI LODR and Secretarial Standard on General Meeting (SS-2) with respect of the Directors seeking appointment / re-appointment, as the case may be, at the AGM are furnished in the Annexure to this Notice. The Directors have furnished the requisite consents / declarations for their appointment / re-appointment.
18. Members seeking any information with regard to the accounts or any matter to be placed at the AGM, are requested to write well in advance to the Company on investorservices@ranegroup.com.
19. Since the AGM will be held through VC/OAVM, the route map is not annexed in this notice.
20. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 (including amendments thereto) and SEBI LODR, the Company is pleased to provide members/shareholders facility to exercise their right to vote on resolutions proposed to be considered at the AGM by electronic means and the business may be transacted through e-voting services.
 - i. The facility of casting the votes by the members/ shareholders using an electronic voting system from a place other than venue of the AGM ('remote e-voting') and for poll during the meeting will be provided by Central Depository Services (India) Limited (CDSL e-Voting System).
 - ii. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of 'remote e-voting' or voting at the AGM through poll.
 - iii. The 'remote e-voting' period commences on (Sunday) August 02, 2020 (9:00 hrs) and ends on (Tuesday) August 04, 2020 (17:00 hrs). During this period, members/shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of July 29, 2020 (Wednesday), may cast their vote by 'remote e-voting'. The 'remote e-voting' module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.
 - iv. The voting rights of members/shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date, i.e., **Wednesday, July 29, 2020**.
Any person, who acquires shares of the Company

and becomes a member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. **Wednesday, July 29, 2020**, may cast their vote electronically.

- v. Mr. Balu Sridhar, Practicing Company Secretary (ICSI Membership no. FCS 5869), Partner, M/s. A.K. Jain & Associates, Company Secretaries, has been appointed as the Scrutinizer to scrutinize the 'remote e-voting' process and voting at the AGM, in a fair and transparent manner.
- vi. The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company www.ranegroup.com and on the website of CDSL www.evotingindia.com immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the stock exchanges where the Company's shares are listed.

THE INSTRUCTIONS FOR SHAREHOLDER FOR REMOTE E-VOTING ARE AS UNDER:-

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

1. Visit the e-Voting website of CDSL. Open a web browser by typing the following URL: <https://www.evotingindia.com/> either on a Personal Computer or on a mobile.
2. Click on 'Shareholders' module.
3. Enter your User ID:
 - a) For CDSL: 16 digits beneficiary ID,
 - b) For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c) Shareholders holding shares in physical form: Folio Number registered with the Company.

(OR)

Alternatively, if you are registered for CDSL's EASI/EASIEST e-services, you can log-in at <https://www.cdslindia.com> from Login -Myeasi using your login credentials. Once you successfully log-in to CDSL's EASI/EASIEST e-services, click on e-Voting option and proceed directly to cast your vote electronically.

4. Next, enter the Image Verification as displayed and click on 'Login'.
5. If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
 - a) If you are using CDSL e-Voting system for the first time, then follow below steps:
 - (i) Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)

Shareholders who have not updated their PAN with the Company/Depository Participant are

requested to use the sequence number the first two letters of their name and the last 8 digits of the Client ID /Folio number-in the PAN field. In case the sequence number is less than 8 digits, enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters.

- (ii) Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the Company records in order to login.

If Dividend Bank Details or Date of Birth are not recorded with the depository or Company please enter the member id / folio number in the Dividend Bank details field as mentioned in point 3 of clause A.

6. After entering these details appropriately, click on 'SUBMIT' tab.
7. Shareholders holding shares in physical form will then directly reach the Company selection screen.
8. Create Password:
Shareholder holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other companies on which they are eligible to vote, provided that such Companies opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
9. If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
10. For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

B. To Cast your vote electronically on CDSL e-Voting system.

1. After successful login, you will reach Company selection screen.
2. Click on 'EVSN' for RANE BRAKE LINING LIMITED.
3. Now you are ready for e-Voting as the Voting page opens.
4. On the voting page, you will see 'RESOLUTION DESCRIPTION' and against the same, the option 'YES/ NO' for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and the option NO implies that you dissent to the Resolution.

5. Click on the 'RESOLUTIONS FILE LINK' if you wish to view the entire Resolution details.
6. After selecting the resolution that you have decided to vote on, click on 'SUBMIT'. A confirmation box will be displayed. If you wish to confirm your vote, click on 'OK', else to change your vote, click on 'CANCEL' and accordingly modify your vote.
7. Once you 'CONFIRM' your vote on the resolution, you will not be allowed to modify your vote.
8. You can also take a printout of the votes cast by clicking on 'CLICK HERE TO PRINT' option on the Voting page.
9. Shareholders can also cast their vote using CDSL's mobile app 'm-Voting'. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.
10. Note for Non - Individual Shareholders and Custodians:
 - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the 'Corporates' module.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
 - Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address investorservices@ranegroup.com (designated email address by Company), if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL IDS ARE NOT REGISTERED WITH THE DEPOSITORIES FOR OBTAINING LOGIN CREDENTIALS FOR E-VOTING FOR THE RESOLUTIONS PROPOSED IN THIS NOTICE:

1. In case shares are held in physical mode, please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to Company's e-mail ID investorservices@ranegroup.com or to RTA's e-mail ID srirams@integratedindia.com.
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to Company's e-mail ID investorservices@ranegroup.com or to RTA's e-mail ID srirams@integratedindia.com
3. The Company/RTA shall co-ordinate with CDSL and provide the login credentials to the aforesaid shareholders.
6. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker may send their request mentioning their name, demat account number/folio number, email id, mobile number at investorservices@ranegroup.com, from July 28, 2020 (9:00 hrs IST) to August 01, 2020 (17:00 hrs IST). The shareholders who do not wish to speak during the AGM but have queries may send their queries in within the above mentioned time period prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at investorservices@ranegroup.com.
7. Those Shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.

INSTRUCTIONS FOR SHAREHOLDERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

1. Shareholders will be provided with a facility to attend the AGM through VC/OAVM through the CDSL e-Voting system. Shareholders may access the same at the weblink: <https://www.evotingindia.com> under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVSN of Company will be displayed.
2. Facility of joining the AGM through VC / OAVM shall open 15 minutes before and after the scheduled time of the commencement of the Meeting and will be available for Shareholders on a first come first served basis.
3. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
4. Further, shareholders will be required to allow Camera and use the Internet with a good speed to avoid any disturbance during the meeting.
5. Please note that participants connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.

THE INSTRUCTIONS FOR SHAREHOLDERS FOR e-VOTING ON THE DAY OF THE AGM ARE AS UNDER:-

1. The procedure for e-Voting on the day of the AGM is the same as the instructions mentioned above for remote e-voting.
2. Only those shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
3. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholder have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholder shall be considered invalid, as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.
4. Shareholders who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

Other Instructions

1. In case of any queries or issues, you may refer the Frequently Asked Questions (FAQs) and e-voting manual available at www.evotingindia.com under help section or write an e-mail to helpdesk.evoting@cdslindia.com or contact Mr. Nitin Kunder (022-23058738) or Mr. Mehboob Lakhani (022-23058543) or Mr. Rakesh Dalvi (022-23058542).

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

Venkatraman
Secretary

Chennai
June 17, 2020
Registered Office:
Rane Brake Lining Limited
"Maithri", No. 132, Cathedral Road,
Chennai - 600 086
CIN: L63011TN2004PLC054948
www.ranegroup.com

EXPLANATORY STATEMENT

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

Item No.4

In terms of section 203 of the Companies Act, 2013, the Company is required to appoint a whole time Key Managerial Personnel (KMP) in the designation of MD/CEO/Manager/Whole Time Director. The Company has identified Mr. R Balakrishnan, President, for the appointment as KMP in the position of 'Manager' within the meaning of section 2(53) of the Companies Act, 2013 (the Act).

Mr. R Balakrishnan holds mechanical engineering degree and has over 30 years of work experience in manufacturing, operations and technical areas. He has worked for Rane (Madras) Limited and Godrej & Boyce before joining our Company.

The Board of Directors after considering his qualification, experience, expertise and taking into consideration the recommendations of Nomination and Remuneration Committee, has appointed Mr. R Balakrishnan also as Manager of the Company for a period of five years, effective from January 24, 2020 to January 23, 2025. The appointment is, subject to approval of the members in accordance with Section 196 of the Companies Act, 2013.

Details as required under the Schedule V to the Companies Act, 2013 and under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:

I. General information:

The Company is a subsidiary of Rane Holdings Limited under Section 2(87) of the Companies Act, 2013. The Company is into manufacturing of Friction material products such as Brake Lining, Disc Pads, Clutch facings, Clutch buttons, Brake Shoes and Railway brake blocks. The Company is the market leader in India and global player in friction material. The financial performance of the Company for the year ended March 31, 2020 is given below:

Particulars for 2019-20	₹ In Lakhs
Sales & Operating Revenue	47,097.95
Profit Before Tax	4,467.68
Provision for Tax (net tax expense)	1,033.59
Profit After Tax	3,434.08

Nisshinbo Holdings Inc., Japan, Foreign Collaborator and part of the Promoter Group of the Company, holds 20.15% of the equity share capital of the Company. The Company also has a technical collaboration with its group companies for certain formulation technology

II. Information about the appointee:

Name of the Manager	Mr. R Balakrishnan
DIN	-
Father's Name	Mr. Manghat Padath Prabhakaran
Date of Birth	May 08, 1965
Educational Qualifications	BE
Experience	Mr. R Balakrishnan has over 30 years of industrial experience and has held various positions in the areas of marketing operations, business development overseas and other corporate functions.
Past Remuneration (2019-20)	₹88,70,016/-
Recognition / Awards	-
Job Profile and his suitability	He heads overall operations and is responsible for achieving the operating and strategic business plans of the Company. Given his qualification and experience, Mr. R Balakrishnan is considered well suited for the position.
Remuneration Proposed	As detailed in the resolution. The proposed remuneration is commensurate with the responsibilities of the appointee and is in line with the remuneration practices in the auto component industry.
Comparative remuneration profile with respect to the industry	The proposed remuneration package of the appointee is in line with the prevailing standards in the industry, size of the company, profile of the position, etc.

Pecuniary Relationship and relationship with the managerial personnel	Apart from receiving remuneration he has no other pecuniary relationship with the Company. Mr. R Balakrishnan is not related to any other Managerial Personnel of the Company.
Other Directorships	Nil
Committee Memberships	Nil

III. Other Information:

Other information such as reasons for loss or inadequacy of profits, steps taken or proposed to be taken for improvement, expected increase in productivity and profit in measurable terms are not applicable as the Company is currently profitable.

IV. Other Disclosures:

The Company has not made any default in repayment of its debt or interest payable thereon during the preceding financial year 2019-20. Mr. R Balakrishnan satisfies all the conditions laid down in Schedule V to the Companies Act, 2013. He holds no equity shares of the Company (including joint holdings).

Mr. R Balakrishnan is interested in the resolution as it relates to his own appointment. None of the directors and other Key Managerial Personnel (KMP) of the Company and their relatives are concerned or interested, financial or otherwise in this resolution, except to the extent of their shareholding, if any, in the Company.

The Board recommends passing the resolution as set out at item no. 4 of this notice as a **special resolution**.

Item No.5

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

In terms of Regulation 17(6)(ca) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI LODR) annual approval of shareholders by way of special resolution is required to be obtained if the annual remuneration payable to a single non-executive director exceeds fifty per cent of the total annual remuneration paid/payable to all Non-Executive Directors.

For the financial year ended March 31, 2020, Mr. L Ganesh is entitled to receive a commission of ₹92,95,470/- being 2% (approx.) of the net profits calculated in accordance with Section 198 of the Companies Act, 2013. The said commission, together with sitting fees exceeds 50% (fifty percent) of the total annual remuneration paid to all the Non-Executive Directors of the Company for the said financial year.

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

Mr. L Ganesh is concerned or interested in the resolution. Mr. L Lakshman being his relative, is deemed to be interested in the resolution. None of the other Directors and Key Managerial Personnel (KMP) of the Company and their relatives is concerned or interested, financial or otherwise, in the above resolutions except to the extent of their shareholding, if any, in the Company. The Board recommends passing the resolution as set out at item no. 5 of this notice as a **special resolution**.

(By order of the Board)

For Rane Brake Lining Limited

Venkatraman
Secretary

Chennai
June 17, 2020
Registered Office:
Rane Brake Lining Limited
"Maithri", No. 132, Cathedral Road,
Chennai - 600 086
CIN: L63011TN2004PLC054948
www.ranegroup.com

Annexure to the Notice dated June 17, 2020

Information about Directors seeking re-appointment / appointment at the forthcoming Annual General Meeting in compliance with Regulation 26(4), 36(3) of SEBI LODR and Secretarial Standard on General Meeting (SS-2) as on June 17, 2020.

Name of the Director	Mr. Lakshman Lakshminarayan
Father's Name	Mr. L L Narayan
Director Identification Number (DIN)	00012554
Age (in years)	73
Date of Birth	July 17, 1946
Educational Qualifications	B.E (Mech.), Executive MBA from London Business School
Experience	Mr. L Lakshman had been spearheading the business of Rane Group of Companies and has more than 50 years of industrial experience. He provides guidance and mentorship to the management and advisory support in initiatives of strategic importance to the Group's future growth plans
Date of first appointment on the Board	June 18, 2007
Terms and Conditions of appointment	Re-appointment as a Non-Executive Director, liable to retire by rotation
Last drawn remuneration	Sitting fee for FY 2019-20 - ₹1,25,000
Remuneration sought to be paid	No approval is being sought for payment of remuneration. Eligible for sitting fee for the attending meetings of the Board and Committees of which he is a member
Relationship with other Directors / Manager / KMP	Brother of Mr. L Ganesh and father of Mr. Harish Lakshman.
Other Directorships	<p>Chairman Emeritus</p> <p>1. Rane Holdings Limited</p> <p>Director</p> <p>1. Rane Engine Valve Lining Limited</p> <p>2. Rane (Madras) Limited</p> <p>3. Rane TRW Steering Systems Private Limited</p> <p>4. Rane NSK Steering Systems Private Limited</p> <p>5. SRF Limited</p>
Committee Memberships in other Boards	<p>Chairman - Stakeholders' Relationship Committee</p> <p>1. Rane (Madras) Limited</p> <p>2. Rane Holdings Limited</p> <p>Member - Audit</p> <p>1. Rane (Madras) Limited</p> <p>2. Rane NSK Steering Systems Private Limited</p> <p>3. Rane TRW Steering Systems Private Limited</p> <p>4. SRF Limited</p> <p>5. Rane Engine Valve Limited</p> <p>Member - Nomination and Remuneration</p> <p>1. Rane (Madras) Limited</p> <p>2. Rane Engine Valve Limited</p> <p>3. Rane Holdings Limited</p> <p>Chairman - Corporate Social Responsibility</p> <p>1. Rane Holdings Limited</p> <p>2. Rane Engine Valve Limited</p> <p>3. Rane (Madras) Limited</p> <p>4. Rane NSK Steering Systems Private Limited</p> <p>5. Rane TRW Steering Systems Private Limited</p> <p>Member - Corporate Social Responsibility</p> <p>1. SRF Limited</p>
Number of meetings of the Board attended during the year	3 (Three)
Number of equity shares held (Including Joint holding, if any)	100 (One Hundred)

REPORT OF THE BOARD OF DIRECTORS

Your Board of Directors hereby present to you the Fifteenth Annual Report covering the operational and financial performance together with the accounts for the year ended March 31, 2020 and other prescribed particulars:

1. State of Company's affairs

The impact of COVID-19 will be felt in the Financial Year 2020-21 as it is expected to further drag the slowness in the auto industry and the revival is bound to be slow. The Company has partially resumed operations in its facilities, with minimum workforce, as per the guidelines issued by the Ministry of Health and Family Welfare. The Company has taken steps to build in all the safety and precautionary measures across all its facilities and locations. The Company as part of the auto industry is confident of meeting the challenges post the lockdown in ensuring the supply chain is revived and supply is started.

As a responsible corporate citizen, the Company has contributed a sum of ₹0.30 crores as part of its Corporate Social Responsibility initiatives to Chief Minister's Relief Fund, Puducherry, Chief Minister's Public Relief Fund, Telangana and Tamil Nadu Chief Minister's Public Relief Fund in support of COVID-19 pandemic relief measures.

1.1. Financial Performance

The financial highlights for the year under review are as follows:

Particulars	₹ in Crores)	
	2019-20	2018-19
Revenue from Operations	470.98	513.89
Other Income	10.45	7.08
Profit / loss before Depreciation, Finance Costs, Exceptional items and Tax Expense	70.99	74.86
Less: Depreciation / Amortisation / Impairment	26.29	24.25
Profit / loss before Finance Costs, Exceptional items and Tax Expense	44.70	50.62
Less: Finance Costs	0.02	0.39
Profit / loss before Exceptional items and Tax Expense	44.68	50.22
Add / (less): Exceptional items	-	0.91
Profit / (loss) before Tax Expense	44.68	49.31
Less: Tax Expense (Current & Deferred)	10.34	12.78
Profit / (loss) for the year (1)	34.34	36.53
Total Comprehensive Income / loss (2)	(0.98)	(0.19)
Total (1+2)	33.36	36.34
Balance of profit / loss for earlier years	45.39	44.14
Less: Transfer to Reserves	(22.10)	(20.31)
Less: Dividend paid on Equity Shares	(11.87)	(12.27)
Less: Dividend Distribution Tax	(2.44)	(2.52)
Balance carried forward	42.34	45.39

The Key Performance Indicators, operational performance and summary on balance sheet are furnished in page no. 2 of this annual report.

The Sales and other Operating Revenue for the FY 2019-20 dropped by 8.35% while the Profit Before Tax (PBT) decreased by 9.40% when compared to previous year. The Earnings Per Share (EPS) for the year 2019-20 was ₹43.39 as against ₹46.15 in the previous year.

The Company continues to be a Subsidiary of Rane Holdings Limited (RHL / Holding Company). There was no material change or commitments, affecting the financial position of the Company between the end of the financial year of the Company and date of the report other than those disclosed in the financial statements section of this annual report. There was no change in the nature of business during the year.

1.2. Appropriation

The Board of Directors declared and paid an interim dividend of 60% (i.e., ₹6.00/- per share of ₹10/- each, fully paid-up) on January 23, 2020 to all the eligible shareholders whose name appeared in the register of members of the Company as on February 12, 2020, the Record Date which was fixed for this purpose.

The Board of Directors, taking into consideration, the operational performance and financial position of the Company, has recommended a final dividend of 110% (i.e., ₹11/-per share of ₹10/- each, fully paid-up) for approval of shareholders at the ensuing 15th Annual General Meeting (AGM) scheduled to be held on August 05, 2020. The total dividend paid / payable on equity shares for FY 2019-20 including the distribution tax and surcharge (interim only) thereon would be Rs 14.43 crores. On declaration of the final dividend by the shareholders, it will be paid on August 11, 2020 to all the eligible shareholders, whose name appears in the register of members of the Company as on July 29, 2020, being the Record Date fixed for this purpose. The total of dividend paid / payable for the FY 2019-20 would be ₹17/- per equity share of a face value of ₹10/- each, fully paid up..

The Board has retained ₹42.34 crores as surplus in the profit and loss account and has not transferred any amount to the General Reserves for FY 20-21.

1.3. Credit Rating

The Company's financial management and its ability to service financial obligations in a timely manner, has been re-affirmed by ICRA by its ratings during the year under review. Credit rating details have been disclosed to stock exchanges and made available in the website of the Company in a timely manner. The Corporate Governance section of this annual report carries the details of credit rating.

1.4. Share capital

During the year under review, there was no change in capital structure of the Company and as at the year ended on March 31, 2020, the paid up capital of the Company stood at ₹7,91,49,800, consisting of 79,14,980 equity shares of ₹10/- each, fully paid-up.

1.5. Management Discussion & Analysis

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

1.6. Subsidiaries, Associate and Joint Venture Companies

The Company does not have any subsidiary, associate or joint venture. There was no Company which has become or ceased to be Company's subsidiary, Joint venture or associate Company during the financial year 2019-20.

2. Board of Directors, Committees and Management

2.1. Composition

The composition of the Board of Directors and its Committees, viz., Audit Committee, Nomination and Remuneration Committee, Stakeholders' Relationship Committee and Corporate Social Responsibility Committee, are in accordance with Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI LODR), wherever applicable. The Board of Directors have also constituted an Executive Committee and a Finance Committee. The Corporate Governance Report given in 'Annexure E' contains an overview of the role, terms of reference, meetings and composition of the Board of Directors of the Company and its Committees.

During the year under review:

- Mr. Parvataneni Santosh Kumar (DIN:00267280) Independent Director, retired as per the retirement policy of the Company, with effect from conclusion of the Board meeting held on May 22, 2019. Consequently, his membership in the Audit Committee and Nomination and Remuneration Committee also ceased with effect from the said date. The Board places on record its appreciation for the services rendered by Mr. Parvataneni Santosh Kumar during his association with the Company as an Independent Director.
- Mr. Krishna Kumar Seshadri (DIN 00062582) joined the Board of Directors as an Independent Director.

The Members of the Company at their 14th AGM held on July 25, 2019 approved his appointment in first term effective from May 22, 2019 till the conclusion of 16th AGM or May 21, 2021 whichever is earlier.

- Mr. Vinay Lakshman (DIN:07295820) Managing Director, resigned, due to personal reasons, with effect from close of business hours on January 23, 2020. The Board places on record its appreciation for his contributions towards significant improvements in profitability, growth and customer relationships during his tenure as a Managing Director and also acknowledges that he was instrumental in positioning the Company as a strong market leader and enhancing the strategic alliance with the Company's technology partner.
- Mr. Suresh Chandra Gupta (DIN:02085068), in view of attaining the age of 75 years, retired as an Independent Director as per the retirement policy of the Company, effective from the conclusion of the Board meeting held on March 19, 2020. Consequent to his retirement, the Board also re-constituted the Audit Committee, Nomination and Remuneration Committee (NRC) and Corporate Social Responsibility (CSR) Committee, on which he served as a member. The Board places on record its appreciation for the valuable advice and guidance rendered by him during his tenure especially on various strategic matters.

The terms and conditions of appointment of Independent Directors are available at weblink: http://ranegroup.com/rbl_investors/terms-of-appointment-of-independent-directors/.

All the Directors have affirmed compliance with the Code of Conduct of the Company. The Independent Directors have further affirmed that they satisfy the criteria laid down under section 149(6) of the Companies Act 2013 (Act) and Regulation 25 and other applicable regulations of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI LODR), as amended from time to time. The Board of Directors at its first meeting of the FY 2019-20 has taken on record the declarations and confirmations submitted by the Independent Directors.

During the year, the Board had not appointed any person as an Alternate Director for an Independent Director on the Board. The Company has obtained a certificate from a Company Secretary in Practice that none of the Directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as Directors of Companies by the SEBI/ Ministry of Corporate Affairs or any such statutory authority.

2.2. Retirement by rotation

Mr. Lakshman Lakshminarayan (DIN:00012554) retires by rotation at the ensuing 15th AGM, being eligible, he offers himself for re-appointment. The proposal for re-appointment of Mr. L Lakshman as a Director is included in the notice convening the 15th AGM.

2.3. Board and Committee Meetings

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

2.4. Meeting of Independent Directors

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

2.5. Board Evaluation

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

The evaluation methodology, questionnaire and process for evaluation of the Board as a whole was judiciously formulated to take detailed insights or views of the directors on strategic areas like:

- Scope and adequacy of risk management framework;
- Effectiveness of the succession planning and leadership development initiatives;
- Robustness of the internal audit and statutory compliance practices;
- Information Technology security including cyber security systems;
- Comprehensiveness of the Board agenda materials.

The Chairman's evaluation was carried out with an unbiased approach through peer evaluation seeking

detailed views on the performance areas like driving business goals, board room interactions, making organization future ready, contribution in terms of active management and connecting with long term strategic values. All the directors were also subject to peer evaluation, mainly on aspects relating to independence, understanding of the automotive sector, commitment towards corporate governance and developing a healthy Board.

Focus on making the organisation future ready and contribution in terms of active engagement and connect with the long term strategic values of the Company were considered as additional aspects in the evaluation of the Managing Director.

The outcome of the evaluation is also generally considered by the Nomination and Remuneration Committee while considering re-appointments of Directors on the Board and appointment in various Committees. The key areas of improvement emerging through this exercise was discussed by the Chairman with the other Board members and the action plans were initiated on matters of strategic and long term importance, succession planning, leadership developments and IT initiatives.

2.6. Familiarisation program for Independent Directors

The familiarisation program for Independent Directors are available at the weblink: http://ranegroup.com/rbl_investors/familiarisation-programme-for-independent-directors/.

2.7. Key Managerial Personnel

During the year, Mr. Vinay Lakshman ceased to be the Managing Director of the Company. Consequently, the Board of Directors, based on the recommendations of NRC, had appointed Mr. R Balakrishnan, President as 'Manager' with effect from January 24, 2020, pursuant to Section 196, 203 and other applicable provisions of the Companies Act, 2013. His appointment as a Manager is subject to the approval of the shareholders at the ensuing AGM.

As at the year ended March 31, 2020, Mr. R Balakrishnan, President & Manager, Mr. M A P Sridhar Kumar, Senior Vice President - Finance & Chief Financial Officer (CFO) and Mr. Venkatraman, Secretary, hold the office of Key Managerial Personnel (KMP), respectively, within the meaning of Section 2(51) of the Companies Act, 2013.

2.8. Remuneration policy

The policy contains criteria for determining positive qualifications, positive attributes, independence of a Director and also covers aspects of remuneration which is reasonable and sufficient to attract, retain and motivate Directors / high potential employees to run the company successfully. The policy on appointment and remuneration of Directors, KMP and Senior Management Personnel (SMP) as laid down by the NRC of the Board is available at the web-link at

https://ranegroup.com/rbl_investors/policy-on-appointment-remuneration-of-directors-kmp-smp/.

In accordance with the said policy, approval was obtained from the shareholders in terms of Regulation 17(6)(ca) of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 (SEBI LODR) at the 14th AGM held on July 25, 2019, for payment of commission to Mr. L Ganesh, Chairman, an amount exceeding 50% of total annual remuneration payable to other Non-Executive Director, for the FY 2019-20. The details of remuneration paid / payable to the Directors during the financial year 2019-20 is furnished in the Corporate Governance Report annexed to this report of the Board.

3. Audit and allied matters

3.1. Audit Committee

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

3.2. Statutory Auditor

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

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

Varma & Varma has not reported any matter under Section 143(12) of the Companies Act, 2013 requiring disclosure under Section 134(3)(ca) of the Companies Act, 2013. The Statutory Auditors report to the members for the year ended March 31, 2020 does not contain any qualification, reservation, adverse remark or disclaimer.

3.3. Cost Audit & Maintenance of cost records

The Company maintains cost records as prescribed by the Central Government under Section 148(1) of the Act in respect of certain specified products manufactured by it. However, the requirement for appointment of Cost Auditor and Cost Audit under Companies (Cost Records and Audit) Rules, 2014 is not applicable to the Company.

3.4. Secretarial Auditor

M/s. S Krishnamurthy & Co., a firm of Company Secretaries in Practice, have been appointed by the

Board of Directors in terms of Section 204 of the Companies Act, 2013, as Secretarial Auditors for the FY 2019-20. The Secretarial Audit report given in 'Annexure B' was taken on record by the Board of Directors at its meeting held on June 17, 2020. The report does not contain any qualification, reservation, adverse remark or disclaimer.

The Annual Secretarial Compliance Report, (hereinafter referred to as 'compliance report'), for FY 2019-20 issued by M/s. S Krishnamurthy & Co., confirms compliance with securities laws applicable to the Company and the same has been taken on record by the Board of Directors at their meeting held on June 17, 2020. The compliance report does not contain any qualification, reservation, adverse remark or disclaimer and the Board has approved filing of the same with the stock exchanges.

3.5. Internal Auditor

M/s. Capri Assurance and Advisory Services, a firm of independent assurance service professionals, continues to be the Internal Auditor 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, review of statutory and legal compliances with applicable statutes / laws and assessing the internal control strengths in all these areas. Internal Auditor findings are discussed with the process owners and suitable corrective actions taken as per the directions of the Audit Committee on a regular basis to improve efficiency in operations. The Internal Auditor reports directly to the Audit Committee and the Audit Committee, while reviewing their performance, scope, functioning, periodicity and methodology for conducting the internal audit, has taken into consideration their confirmation to the effect that their infrastructure viz., internal audit structure, staffing and seniority of the officials proposed to be deployed etc., which are adequate and commensurate to the scope, functioning, periodicity and methodology for conducting the internal audit.

For FY 2019-20, the Audit Committee has inter-alia taken on record their certification to the effect that:

- a. They have evaluated the internal control systems and risk management systems and reviewed the risk management systems and the management's process of identification and mitigation of risks and controls;
- b. There were no significant findings requiring follow-up there on and there were no matters of suspected fraud or irregularity or a failure of internal control systems of material nature requiring investigation or reporting to the Audit Committee / Board;
- c. Internal control systems of the Company for financial reporting are adequate and are operating effectively throughout the year;

- d. There were no deficiencies in the design or operation of internal controls;
- e. There were no significant changes in the internal control over financial reporting during the year under review;
- f. There were no instances of fraud or involvement therein of management or an employee having a significant role in the entity's internal control system over financial reporting; and
- g. The Company has a proper system for ensuring compliance with all applicable laws and the same is adequate and working effectively.

4. Directors' Responsibility Statement

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

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

5. Related Party Transactions (RPT)

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

All RPT are placed before the Audit Committee for approval. Prior omnibus approval of the Audit Committee has been obtained for the transactions which

are foreseen and repetitive in nature. The transactions entered into pursuant to the omnibus approval so granted are reviewed by the Audit Committee on a quarterly basis.

The Company has put in place a proper system for identification and monitoring of such transactions. Save as disclosed in this report none of the Directors or Key Managerial Personnel has any pecuniary relationships or transactions with the Company. The policy on RPT as approved by the Board is available at the weblink: http://ranegroup.com/rbl_investors/policy-on-related-party-transactions/.

None of the Directors or Key Managerial Personnel or Senior Management Personnel has any material financial and commercial transactions (except in respect of their remuneration) which may have potential conflict with interest of the Company at large.

6. Corporate Social Responsibility (CSR)

The Rane Group's vision on Corporate Social Responsibility (CSR) is: "To be a socially and environmentally responsible corporate citizen". The CSR activities of Rane Group focus on four specific areas, viz., (a) Education (b) Healthcare (c) Community Development; and (d) Environment.

The CSR Committee of the Board is responsible for recommending CSR projects and activities to the Board in line with the CSR policy. The CSR committee monitors and reviews the implementation of CSR activities periodically.

The CSR activities undertaken by the Company are in line with the CSR Policy and recommendations of the CSR Committee comprising Mr. L Lakshman, Committee Chairman, Mr. L Ganesh, Chairman of the Board and Mr. Anil Kumar V Epur, Independent Director, as its members. During the year, Mr. Suresh Chandra Gupta, upon his retirement from the Board, ceased to be a member of the CSR Committee and Mr. Anil Kumar V Epur was inducted into the CSR Committee, as a member, effective March 19, 2020.

During the year, the Company has contributed a sum of ₹1.08 crores on various CSR activities as per the CSR policy and recommendations of the CSR Committee. The 'Annexure C' to this report contains the annual report on CSR activities of the Company for FY 2019-20. The CSR policy of the Company is posted on our website at the web-link http://ranegroup.com/rbl_investors/corporate-social-responsibility-policy/.

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

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

8. 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 as 'Annexure' to this report.

9. Corporate Governance Report

Your Company is committed to maintaining the highest standards of corporate governance and effective compliance with the regulatory norms under the SEBI regulations and other laws and regulations applicable to the Company. The Corporate Governance Report and the certificate issued by the Statutory Auditors are available in 'Annexure E' to this report.

10. Business Responsibility Report

The Business Responsibility Report as applicable to the Company in terms of Regulation 34(2) of SEBI LODR for the FY 2019-20 is provided in 'Annexure G' to this report. The Company practices various business responsibility initiatives as per the Business Responsibility framework of the Rane Group. This framework is developed and steered at Rane group under the able leadership and guidance of Mr. L Ganesh, Chairman of Rane Group who is also responsible for the implementation of the Business Responsibility initiatives.

11. Risk Management

The Company has laid down well-structured procedures for monitoring the Risk Management plan and implementing risk mitigation measures and it has been elaborately discussed under the Management Discussion and Analysis Report which forms part of the annual report.

12. Other disclosures

- a) Details of loan, guarantees and investments under the provisions of Section 186 of the Companies Act, 2013, if any, are given in the notes to the financial statements
- b) The Internal control systems and adequacy are discussed in detail in the Management Discussion and Analysis annexed to the Directors Report.
- c) There was no significant material order passed by the Regulators / Courts which would impact the going concern status of the Company and its future operations.
- d) The policies approved and adopted by the Board have been made available on the corporate governance section of the Investor page on the website of the Company viz. www.ranegroup.com.

- e) The extract of the Annual Return under Section 92(3) of the Companies Act, 2013 in form MGT-9 is available on the website of the Company at www.ranegroup.com and in 'Annexure F' to this report.
- f) The Company has complied with the applicable secretarial standards viz., SS-1 on meetings of board of directors and SS-2 on general meetings issued by Institute of Company Secretaries of India as per section 118(10) of the Companies Act, 2013.
- g) The details regarding shares and dividend transferred / proposed to be transferred to the Investor Education and Protection Fund (IEPF) and other relevant details in this regard, have been provided in the corporate governance section of this annual report.
- h) The Company does not accept any deposits falling under the provisions of section 73 of the Companies Act, 2013 and the rules framed thereunder.
- i) 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. The policy which is also available on the intranet portal of the Company provides adequate safeguard against victimisation and has provided direct access to the Chairman of the Audit Committee for by the employees and state their complaints / grievances.
- j) The Company has always provided a congenial atmosphere for work that is free from discrimination or harassment and has provided equal opportunities of employment to all irrespective of their caste, religion, colour, marital status and gender. The Company believes that women should be able to do their work in a safe and respectful environment that encourages maximum productivity. The Company has a zero tolerance towards sexual harassment. The Company has adopted a policy on prevention of sexual harassment of women at work place and put in place proper dissemination mechanism across the Company. The Company has complied with the provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. During the period, the details of complaints received / resolved or pending are as under:

No. of complaints received during the financial year - Nil
No. of complaints disposed during the financial year - Nil

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

- k) The electronic copies of the annual report and the notice convening the 15th AGM would be sent to the members whose e-mail addresses are registered with the Company or their respective Depository Participants (DP). In terms of General Circulars no. 14/2020 dated April 08, 2020, 17/2020 dated April 13, 2020 and 20/2020.dated May 05, 2020 issued by the Ministry of Corporate Affairs (MCA) read with SEBI circular no. SEBI/HO/CFD/CMD1/CIR/P/2020/84 dated May 12, 2020, the Company has not printed physical copies of annual report for distribution. The full Annual Report shall be made available on the website of the Company and also shall be disseminated to the stock exchanges where shares of the Company are listed.

l) **Annual General Meeting**

In view of government advisories on travel and public gatherings to combat the prevailing COVID-19 pandemic and to support the health and well-being of all stakeholders, the 15th AGM would be conducted through video conferencing

or other audio visual means on August 5, 2020 at 15:00 hrs IST, as per the framework notified by Ministry of Corporate Affairs. The notice convening the 15th AGM shall contain detailed instructions and notes in this regard.

Acknowledgement

We thank our customers, investors, suppliers, vendors, bankers, government and regulatory authorities and other business associates for their continued support in successful performance of the Company. We place on record our appreciation for the committed services of all our employees.

For and on behalf of the Board

Harish Lakshman

Director
DIN: 00012602

Chennai
June 17, 2020

Ganesh Lakshminarayan

Chairman
DIN: 00012583

Annexure - A to the Report of the Board of Directors

MANAGEMENT DISCUSSION AND ANALYSIS

1. Company 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 the transportation industry.

2. Economic Review

2.1 Global Economy

According to the International Monetary Fund (IMF), Global economy growth is estimated to have grown at 2.9% in 2019, slower pace compared to 2018. This was primarily driven on the back of increasing trade tensions between US and China which led to decline in global manufacturing activity and trade. The slowdown in activity was severe across emerging market and developing economies, including Brazil, China, India, Mexico and Russia, as well as a few economies suffering from macroeconomic and financial stress. Increasing uncertainty in the economic environment amid rising tariffs and rapid shifts in trade policies resulted in deteriorating business confidence and dampened investment growth across most region. Sluggish demand for durable goods led to sharp decline in capital spending and international trade flow was severely impacted.

According to the IMF, the global economy is projected to contract sharply by 3.0% in 2020 amid the spread of the novel coronavirus which has significantly disrupted economic activity leading to weakening global demand and massive decline in investment and global trade. However, the IMF believes that there will be revival in growth after the impact of pandemic fades during the second half of 2020 and that the global economy is projected to grow by 5.8% in 2021. In an attempt to limit the economic and financial fallout from the coronavirus pandemic, various countries have adopted monetary easing and fiscal stimulus to revive the economy. Though the economy is likely to remain under stress in the near term, containment of ongoing contagion risk, pause in trade war, improving liquidity condition coupled with low oil prices is likely to bring stability to the battered economy.

2.2. Indian Economy

According to IMF, India's economy is estimated to have grown at 4.2% in FY20, significantly slower rate than in FY19. The slowdown can be attributed to ongoing stress among non-banking financial companies (NBFCs), which resulted in credit squeeze and negatively

impacted consumption, investment and exports. The government announced several measures to revive the economy which includes capital infusion into public sector banks to improve liquidity and push credit offtake, merger of public sector banks to enhance credit capacity, reduction in policy rates, sharp cut in corporate tax rate, sops for real estate for last mile funding for stalled projects and support to NBFCs under the Partial Credit Guarantee Scheme.

The Covid-19 pandemic has disrupted trade and manufacturing activity and brought the economy to a standstill. The Central Bank reduced policy rates and injected liquidity in the system to counter the looming threat of slowdown and kick-start the economy. The current estimates from various agencies suggest that Indian economy is expected to decline in FY21 on concerns over the impact of deadly coronavirus on the manufacturing and trading activity.

3. Indian Automobile Industry

The Indian automobile industry faced major headwinds during the fiscal year as demand environment remained severely impacted by slowdown in economy. The industry continued to face severe challenges in terms of credit availability owing to liquidity crisis in the NBFC sector, rising cost of vehicle ownership and stiff competition from growing organised pre-owned vehicle market.

The Passenger Vehicle (PV) segment experienced decline of 15% affected by weak consumer sentiment, credit availability, higher purchase prices on account of insurance regulation and confusion around BS VI and EV transition. The decline in PV demand could also be partly attributed to the rising penetration of shared mobility and marginal shift toward pre-owned cars especially in entry-level segments. Slew of innovative launches amid growing preference for Utility Vehicles (UV) resulted in slight growth of 2% whereas the Passenger Cars volume declined by 20%.

The Commercial Vehicle (CV) segment volumes declined by 33%. The weaker economy resulted in lesser cargo demand and slower pace of infrastructure projects. Upward revision of axle load norms coupled with falling freight rates dented demand environment. The medium and heavy commercial vehicles (M&HCV) segment was significantly impacted with volumes declining 47% due to increased capacity post axle load norm revision along with poor freight availability, falling freight rates and slowdown in execution of infrastructure projects. The Light Commercial Vehicles (LCV) segment reported volume decline of 22% owing to slowdown in private consumption and weak finance availability. The Small Commercial Vehicles segment reported volume decline of 25%.

The farm tractor segment experienced decline of 14% owing to low yield of rabi crops in 2019, erratic monsoon resulting in delayed sowing and lower demand from non-farm and export markets.

Two-wheeler segment experienced 14% decline due to sharp price increase on account of insurance regulation, poor consumer sentiment and credit availability.

Industry Segment (Production figures)	Growth in % (YoY change)	
Vehicle Segment	FY20	FY19
Passenger Cars (PC)	(20)	(1.3)
Utility Vehicles (UV)	2	0.5
Multi-Purpose Vans	(38)	20.6
Passenger Vehicles (PV)	(15)	0.1
Small Commercial Vehicles (SCV)	(25)	39.7
Light Commercial Vehicles (LCV)	(22)	12.4
Medium & Heavy Commercial Vehicles (M& HCV)	(47)	28.4
Commercial Vehicles (CV)	(33)	24.1
Farm Tractors (FT)	(14)	11.3
Two-wheelers	(14)	5.8

Source: Society of Indian Automobile Manufacturers (SIAM)

4. Business Review

4.1 Domestic Market

The Company reported 8.4% decrease in the domestic sales. The overall demand environment remained challenging in FY 20 and COVID 19 pandemic resultant lockdown in March end further affected the sales of the Company. The Company reported drop in all segments i.e., 10.6% in Brake Linings, 5.6% in Disc pad and 13.8% in other automotive parts. The break-up of the domestic sales by products is given below:

(₹ in Crores)

Products	2019-20	2018-19	Growth in %
Brake linings	184.85	206.79	(10.6)
Disc Pads	230.59	244.36	(5.6)
Other Automotive Parts	34.35	39.86	(13.8)
Total	449.79	491.01	(8.4)

The sales to Original Equipment Manufacturer (OEM) and Aftermarket (AM) declined 12.7% and 1.6% respectively. In OE segment, the market drop was partially mitigated through volume enhancement in Two Wheeler segment. Despite, adverse market condition, the Company was able to manage sales in aftermarket segment through new product launches, new business and range expansion across Brake Linings, Disc pads including Two Wheeler products.

(₹ in Crores)

Market	2019-20	2018-19	Growth in %
OEM	264.31	302.60	(12.7)
Aftermarket	185.48	188.41	(1.6)
Total	449.79	491.01	(8.4)

4.2 Exports

The export for the year was ₹20.28 crores, a decrease of 7.8% compared to the previous year. To revive the growth in export market, the Company is reviewing overall exports strategy by looking at various regions and products.

4.3 Operational and Financial Performance

4.3.1 Financial Review

The Company registered a turnover (net sales) of ₹470.98 Crores which was 8.4% lesser than the sales reported for fiscal 2019 with new products generating 8.4% of the revenues. The profit before tax was ₹44.68 Crores registering a decrease of 9.4% over the previous year. The profitability growth was affected owing to adverse forex movement, key raw material price and specific cost increases in product validation expenses.

The significant change in respect of Inventory turnover is due to lower despatches as a result of the COVID-19 lockdown, which led to accumulation of inventory at the year end. There is no significant change in other ratios. The return on networth declined to 15.66% for FY 20 as against 18.36% for FY 19 due to drop in revenue on account of disruptions in despatches at the year end due to the complete lockdown and also general slowdown in the automobile sector during FY 20.

4.3.2 Operations and Manufacturing Review

Negative demand environment in Indian automotive sector led to severe drop in the overall business for the Company. The Company was able to partially mitigate the sales drop by focusing on new businesses and new product segments. The Company registered new business worth ₹39.68 Crores during the financial year and the growth in two wheeler disc pad business was 18% against previous year. Energy conservation continued to be a key focus area. In this regard, Company added 1.2 MW Solar capacity in-house at our Puducherry Plant during the financial year. Considering potential demand for disc pad segments covering both 4 wheeler and 2 Wheeler segments, Company has been proactively creating capacities with special focus on quality enhancement through latest technologies at our Plants at Trichy and Puducherry.

People development initiatives continued to have specific attention and yielding positive benefits. Long Term Settlements (LTS) with our team members at

Puducherry Plant concluded successfully well within timelines. Successfully completed key customer audits across all locations of the Company. Continued to have process audits by our technical collaborator Nisshinbo Brakes Inc., Japan (NISB). Some of the other key operations and manufacturing highlights include:

- i. In-house solar project of 1.2 MW in Puducherry Plant
- ii. Quality enhanced capacity creation and simple automation projects at Puducherry, Hyderabad and Trichy Plants.
- iii. Enhanced formulation library to cope up with present and future vehicle technologies
- iv. Special focus on AM with improved coverage on vehicle parc and new launches
- v. "Health and Safety Committee" formed at Group level and specific initiatives taken up primary focus on employee health and safety
- vi. 'Great Place to Work Certified' organization - for a consecutive period of fourth year
- vii. Total revamp of R&D testing facilities

4.4. Pursuit of business excellence

Total Quality Management (TQM) principles continued to rule as a basic mantra and enhanced 'Business Excellence Model' helping us to have a win-win situation. Customer continued on top of the mind and specific proactive measures helped us to gain ratings across all Tier 1 customers during the year. Further, following are the awards won during the year:

- Best Supplier 2019 - Friction from Brakes India Private Limited
- HR Excellence award from ACMA
- Various Outstanding / Platinum / Gold awards from QCFI; ABK - AOTS in different categories and
- Noteworthy to mention that our union members stood at first category in 'Best Supporting Union' award from Arghaa Consultancy, Chennai

4.5 Opportunities and Threats

India is a growing economy, with an ever-increasing need for a robust transportation network to link its various metros and rural areas. Increase in working-age population, rising prosperity, easier access to finance and increasing affordability is expected to boost demand in the auto component industry.

Economic slowdown due to the Covid-19 pandemic which has paralyzed manufacturing and trading activity has posed serious challenges for the industry in the current year. Moreover, technological changes and environmental regulation continue to weigh on sector. The main threats to which auto component industry is exposed to are:

- Economic slowdown leading to contraction in demand remains one of the major threats which could lead to decreased volumes and capacity utilization.
- Continuing cost reduction demand from OEMs from whom the major portion of the future growth is expected to come
- Increasing commodity prices and volatile forex movements.

4.6 Outlook

The spread of the Coronavirus pandemic is likely to result in severe contraction in global economy resulting in job losses, weak demand environment and stress in financial markets. The auto sector which has been going through its worst slowdown with slump in demand amid weak consumer sentiment and an uncertain regulatory environment is likely to face further headwinds during the first half of the fiscal 2021 owing to adverse economic impact of Covid-19 and cost push from new emission norms. Moreover, exports could be impacted owing to challenges being faced by the global auto industry in terms of slowing demand. However, the impact of the pandemic is likely to remain in the short term. In the medium term the Indian auto component manufacturers have the opportunity to establish themselves as preferred manufacturing suppliers to the global auto industry.

5. Risk Management

The Company has laid down well-structured procedures for monitoring the risk management plan and implementing the risk mitigation measures. The risks are broadly classified into strategic risks, operational risks, financial risks and statutory compliance risks. These risks are rated based on factors such as past year experience, probability of occurrence, probability of non-detection and 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.

	Risk	Nature of Risk	Risk Mitigation Strategies
Strategic	Industry / Market risk	Around 90%+ of revenue is derived from Indian Automotive sector. Hence, any drop in vehicle production will have a significant impact to company's business	The Company constantly strives to: <ol style="list-style-type: none"> Improve presence in Aftermarket segment which is sizeable portion of the revenue and presents opportunity to compensate for any drop in OE segment Increase revenue from international markets (outside of India) Add new products to increase organic revenue and diversify customers across vehicle segments
	Technology Obsolescence Risk	Auto Industry and customer preference undergoes changes resulting in technology obsolescence	The Company has consistently delivered cutting edge technology products with: <ol style="list-style-type: none"> Technical collaboration with the global majors Enhanced R&D capabilities, localization of testing and validation capabilities
	Competition	Maintaining market share in the Competitive market and availability of unorganized players further pose challenge	The Company's long standing relationship with OEMs, state-of-the-art facilities and best-in-class processes help deliver superior value to the customers. We periodically conduct customer survey to understand customer feedback and work in furthering our relationship.
Operational	Quality / Processes	Quality and Delivery are sacrosanct for safety critical products supplied by the Group	Skilled workforce, imparting job skill enhancement training, enhancing supplier capabilities and robust manufacturing processes help us to mitigate quality and delivery risk.
	People Risk	Attrition of key personnel could impact business operations and growth.	The Company's HR processes are constantly upgraded to attract, retain and develop talent. The policies are people-centric and industry accolades on HR practices help attract talent. The dedicated training centre supports to build functional capabilities and develop strong leadership pipeline. The performance management system and other employee engagement initiatives help to develop and retain talent.
	Raw Material (Input) Price Risk	Material cost is significant part of the cost and volatility in the price of raw material costs will erode margin	The Company constantly strives to mitigate the input cost increases by: <ol style="list-style-type: none"> Procurement function will work on cost reduction initiatives through alternate sourcing, localization, etc. Further, negotiating to pass through specific input cost increases suitably to the customers. Work on process improvements, yield improvements, etc.
Financial	Currency Risk	Exposed to foreign currency exchange risk as we export our products to various countries and import raw materials.	The Company uses multi-pronged approach as suitable to the scenarios <ol style="list-style-type: none"> Optimally balance the import and export to create natural hedge. Work with customer to index prices to mitigate currency fluctuations. Taking simple forwards on a rolling basis to protect its export realization.
	Interest Rate Risk	Use of borrowings to fund expansion exposes to interest rate risk	The Company manages interest rate risk on the following basis: <ol style="list-style-type: none"> Use of internal accruals to fund expansion Constantly optimize working capital to reduce interest costs

6. Human Resource Development and Industrial Relations

6.1. Talent Development Initiatives

In FY20, the Company focused on the following competency enhancement initiatives:

Leadership Development

- Young Leadership Development (YLD) Batch-3 was rolled out for first time managers and matured individual contributors. 4 participants underwent 4 days of facilitator led workshop delivered in two modules. The third module, an online learning plan curated from various open sources of learning, based on the conceptual underpinnings of the outbound experiential learning.
- As part of High Potential Leadership Development (HPLD) Batch-6, 7 participants are working on action learning projects in teams within their respective businesses. Few of the high impact projects are Setting up Digital Passenger Car Lining (PCL) manufacturing facility and profitability enhancement of friction material plant. These projects were reviewed continuously by senior executives and peer learning session was organized to facilitate cross-learning.
- "Leader as Coach" Batch - 2 was launched to cultivate appreciation of behavioural change and encourage the culture of development. Leaders were provided with insights on the elements of individual development through the concept of breakdown, skill, practices & reflection and four different dimensions of individual development as part of facilitator led sessions. 2 leaders are undergoing the 10-month learning journey and have completed the first module comprising of 2 days of classroom session and one-on-one interaction with the coach.

Rane Manufacturing Systems Professional Programme (RMSP)

10 participants from Batch-2 completed their 18-month learning journey. As part of course completion, the assessors were invited to share their feedback on the various projects handled by the participants. 3 participants were awarded with cash prize and merit certificate on the basis of final evaluation by Jury. 12 participants from Batch 4 completed the course and are due for final evaluation. 11 participants from Batch 6 are undergoing their RMSP learning journey.

Managerial & Technical Competency Development Programs

58 programs were organized during the year comprising of manufacturing systems, general management, soft skills and business specific design for manufacturing, QC methodology, customized SAP programs were organized as part of business specific programs. Manufacturing systems programs such as

low cost automation, noise, vibration & harshness, value engineering were also organised. Plant & functional heads underwent "Making an Informed Choice" program and were provided with insights and skills on talent assessment & demonstrating Rane employer brand promise with the candidates.

6.2. Employee Engagement and Well-being

The Company believes in enhancing employees' everyday experiences and in building meaningful workplace relationships. Employee feedback surveys and discussions help us by providing insights on what is important to employees. The follow up mechanism ensures that change and progress occur. In recognition of our efforts, four of our Group Companies including the Company have been certified as Great Place to Work (GPTW) companies with the Company retaining this recognition for three consecutive years and all business units GPTW score has increased in comparison with the previous year.

With an objective to promote a culture of well-being and improving health outcomes, the Company organises wellness events, renders wellness services and provides supplementary resources. The Company rolled out an app based workplace wellness program where employees compete in wellness goals through challenges such as stepathon.

6.3. Digital Initiatives

Learning Management System (LMS) - To transform the learning experience of employees and fast track the competency enhancement, Rane Institute for Employee Development (RIED) rolled out LMS. The platform will facilitate the learning cycle of employees through enabling self-nomination, supporting multiple learning methods and identifying & tracking individual's developmental needs thus promoting a learner centric approach culture. This new age platform provides several features such as virtual classrooms, 360-degree feedback, digital library and tracking of learning effectiveness.

Kick-start is a mobile application that provides consistent induction experience to all the new hires. The platform provides micro learning content on Rane Group's mission, products, policies etc. leading to better learnings results and business outcomes and improving the engagement levels significantly.

To facilitate the whistle blowers to report instances of unethical behaviours securely, a workflow was rolled-out. The entire cycle of reporting to resolution compliance has been addressed through the whistle blowing management system.

6.4. Industrial Relations

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

was constituted with the objective of co-creating a healthy working environment by promoting peace and harmony among all the segments of employees. The focus areas for the council includes interpretation and implementation of legislations, workforce mix planning for optimal deployment and sharing best practices.

7. Corporate Social Responsibility (CSR)

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

RBL contributed to Rane Foundation (RF), the CSR arm of Rane Group, which primarily focused on Education and Healthcare in 2019-20.

Education

The Rane Polytechnic, established at Trichy in the year 2011, under the aegis of Rane Foundation has stepped into its ninth academic year. The institution was accredited by the National Board of Accreditation (NBA) for its Diploma in Mechanical Engineering program in 2017 and re-accredited for 3 years till 2022 in 2019-20. Over the last few batches, 1284 students have completed their diploma program, of which, 212 students will complete the program in last academic year. Over 90% of the students were placed through campus interview. The institution endeavours to offer quality technical education and sustainable development to the rural youth.

Rane Foundation embarked on its next major project, opening of a school named 'Rane Vidyalaya' in Trichy in June 2018. Rane Vidyalaya is recognised by Directorate of School Education, Tamilnadu and is affiliated to the Central Board of Secondary Education, New Delhi. In 2019-20, it operated with a student strength of 235, in standards Kindergarten to V.

Healthcare

In the healthcare space, the foundation extended support for the following initiatives:

- To physically challenged people in and around Tiruchirappalli through Freedom Trust. With the help of qualified Doctors and paramedical staff, a disability assessment camp was conducted in Spastics Society Campus, Tiruchirappalli District and mobility aids were distributed to 35 beneficiaries as part of this project.

- Towards constructing a state of the art hospital that will lay emphasis on improving diagnostics and treatment options for breast cancer, by Shri Dhanvantri Trust. The name of the upcoming hospital is "Chennai Breast Cancer Research Foundation".

Other major CSR activities carried out by the Company during FY20 are as follows:

- Special focus on Government primary schools infrastructure development like toiletries for girls school at Srigriripally near our Hyderabad Plant and other initiatives at Nolambur Chennai, Puducherry and Trichy Plants
- Engaged in supporting education for children at SOS Children's Village of India and conducted motivational talks, career guidance and annual sports meets at schools
- Continued green initiatives such as greenery development, lake restoration, etc.

8. Internal Control Systems

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

The internal audit function is carried out by 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 reviews and approves the annual internal audit plan. The scope also covers the internal financial controls and internal controls over financial reporting. The internal audit findings are placed before the Audit Committee at each of its quarterly meeting for review. The management's responses and corrective measures are discussed in the Audit Committee meetings. This process ensures robustness of internal control system and compliance with laws and regulations including resource utilization and system efficacy.

9. Cautionary Statement

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

Annexure - B to the Report of the Board of Directors

SECRETARIAL AUDIT REPORT

for the Financial Year ended March 31, 2020

Form No. MR-3

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

To the Members of

Rane Brake Lining Limited

[CIN: L63011TN2004PLC054948]

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

We have conducted a Secretarial Audit of the compliance of applicable statutory provisions and adherence to good corporate practices by **RANE BRAKE LINING LIMITED ('the Company')** during the Financial Year from April 01, 2019 to March 31, 2020 ('the year'/ 'audit period'/ 'period under review').

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

We are issuing this report based on:

- (i) Our examination / verification of the books, papers, Minute books and other records maintained by the Company and furnished to us, forms and returns filed and compliance related actions taken by the Company, during the year as well as after March 31, 2020, but before the issue of this report;
- (ii) Certificates confirming compliance with all laws applicable to the Company, given by the directors / key managerial personnel of the Company and noted by the Board of Directors;
- (iii) Report regarding compliance with certain factory related laws, given by the Internal Auditors and noted by the Audit Committee; and
- (iv) Representations made and information provided by the Company, its officers, agents and authorised representatives during our conduct of the Secretarial Audit.

We hereby report that, in our opinion, during the audit period covering the Financial Year ended on March 31, 2020, the Company has complied with the statutory provisions listed hereunder and has Board processes and compliance mechanism in place, to the extent, in the manner and subject to the reporting made hereinafter.

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

1. Compliance with specific statutory provisions

We further report that:

- 1.1 We have examined the books, papers, Minute books and other records maintained by the Company, the forms, returns, reports, disclosures and information

filed, submitted or disseminated during the year, according to the applicable provisions / clauses of:

- (i) The Companies Act, 2013 and the rules made thereunder.
- (ii) The Securities Contracts (Regulation) Act, 1956 and the rules made thereunder.
- (iii) The Depositories Act, 1996 and the regulations and bye-laws framed thereunder.
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder, to the extent of Foreign Direct Investment ('FEMA').
- (v) The following Regulations prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Regulations'):
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; and
 - (c) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI LODR').
- (vi) The listing agreements entered into by the Company with the National Stock Exchange of India Limited (NSE) and BSE Limited (BSE) ('Agreements').
- (vii) Secretarial Standards issued by The Institute of Company Secretaries of India ('Secretarial Standards').

- 1.2 During the period under review and also considering the compliance related action taken by the Company after March 31, 2020, but before the issue of this report, to the best of our knowledge and belief and based on the records, information, explanations and representations furnished to us:

- (i) The Company has complied with the applicable provisions of the Act, Rules and Regulations mentioned in paragraph 1.1 (i) to (iv) above.
- (ii) The Company has complied with the applicable provisions of the SEBI Regulations and Agreements mentioned in paragraph 1.1 (v) and (vi) above.
- (iii) The Company has complied with the Secretarial Standards on 'Meetings of the Board of Directors' (SS-1) and 'General Meetings' (SS-2) mentioned in paragraph 1.1 (vii) above, to the extent applicable

to Board meetings and General meetings. Secretarial Standards on 'Dividend' (SS-3) and Secretarial Standards - 4 (SS-4) on 'Report of the Board of Directors', being non-mandatory, have not been adopted by the Company.

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

- (i) The Company was not required to comply with the following laws / rules / regulations and consequently was not required to maintain any books, papers, Minute books or other records or file any forms or returns under:
 - (a) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder, to the extent of Overseas Direct Investment and External Commercial Borrowings;
 - (b) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993, regarding the Companies Act, 2013 and dealing with clients;
 - (c) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - (d) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
 - (e) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
 - (f) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; and
 - (g) The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018.
- (ii) There was no other law that was specifically applicable to the Company, considering the nature of its business. Hence, the requirement to report on compliance with specific laws under paragraphs 1.1 and 1.2 above did not arise.

2. Board processes

We further report that:

2.1 Board constitution and balance

- (i) The constitution of the Board of Directors of the Company during the year was in compliance with the applicable provisions of the Companies Act, 2013 and SEBI LODR.
- (ii) As on March 31, 2020, the Board of Directors of the Company comprises of:
 - (a) 4 (four) Non-Executive Non-Independent Directors; and
 - (b) 4 (four) Independent Directors, including 1 (one) Independent Woman Director.
- (iii) The process relating to the following change in the composition of the Board of Directors during the year, was carried out in compliance with the

applicable provisions of the Companies Act, 2013 and SEBI LODR:

- (a) Resignation of Mr. Parvataneni Santosh Kumar (DIN: 00267280), Independent Director, as per the retirement policy of the Company, with effect from conclusion of the meeting of the Board of directors held on May 22, 2019.
- (b) Appointment of Mr. Krishna Kumar Seshadri (DIN: 00062582) as an Independent Director, with effect from May 22, 2019, which was approved by the members at the 14th Annual General Meeting (AGM) held on July 25, 2019, to hold office for a term upto the conclusion of the 16th AGM (AGM 2021).
- (c) Re-appointment of Mr. Harish Lakshman (DIN: 00012602) as a Director, upon retirement by rotation at the 14th AGM held on July 25, 2019.
- (d) Resignation of Mr. Vinay Lakshman (DIN: 07295820) as Managing Director and Director, with effect from close of business hours on January 23, 2020.
- (e) Resignation of Mr. Suresh Chandra Gupta (DIN: 02085068), Independent Director, as per the retirement policy of the Company, with effect from conclusion of the meeting of the Board of directors held on March 19, 2020.

2.2 Board meetings

- (i) Adequate notice was given to all the directors to enable them plan their schedule for the Board Meetings.
- (ii) Notice of Board meetings was sent to all the directors atleast 7 (seven) days in advance.
- (iii) Agenda and detailed notes on agenda were sent to the directors atleast 7 (seven) days before the Board meetings, with the exception of the following items, which were either circulated separately or at the Board meetings, with the requisite consent from the Board of Directors as required under SS-1:

- (a) Supplementary agenda notes and annexures in respect of unpublished price sensitive information such as audited accounts / results, unaudited financial results and connected papers; and
- (b) Additional subjects / information / presentations and supplementary notes.

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

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

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

3. Compliance mechanism

We further report that:

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

4. Specific events / actions

We further report that:

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

For S.Krishnamurthy & Co.
 Company Secretaries

Sharanya Sriram
 Partner

Membership No.: F10252

Certificate of Practice No.: 12731

UDIN.: F010252B000348744

Chennai
 June 17, 2020

Annexure - A to Secretarial Audit Report of Even Date

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

Our Secretarial Audit Report (Form MR-3) of even date for the financial year ended March 31, 2020, 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. 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.
4. While forming an opinion on compliance and issuing this report, we have taken an overall view, based on the compliance practices and procedures followed by the Company. We have considered:
 - (a) Compliance related actions taken by the Company based on independent legal / professional opinion / certification obtained as being in compliance with law, wherever there was scope for multiple interpretations.

- (b) Compliance related actions taken by the Company after March 31, 2020, but before the issue of this report; and
 - (c) Notifications / Circulars issued by the Ministry of Corporate Affairs / the Securities and Exchange Board of India / Reserve Bank of India, in respect of relaxation of time-lines for certain compliances as mentioned therein.
 - (d) Confirmation provided by the Statutory Auditors, as regards validity of their Peer Review Certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India.
5. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company, as they are subject to audit by the Auditors of the Company appointed under Section 139 of the Companies Act, 2013.
 6. We have obtained the Management's representation about compliance of laws, rules and regulations and happening of events, wherever required.
 7. 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

Sharanya Sriram
 Partner

Membership No.: F10252

Certificate of Practice No.: 12731

UDIN.: F010252B000348744

Chennai
 June 17, 2020

Annexure - C to the Report of the Board of Directors

ANNUAL REPORT ON CSR ACTIVITIES

for the Financial Year 2019-20

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

The Company's CSR vision is committed to contributing towards its societal responsibilities beyond statutory obligations. The Company's Corporate Social Responsibility (CSR) philosophy is to function in a socially and environmentally sustainable manner recognizing the interests of all its stakeholders.

Our CSR vision is 'to be a socially and environmentally responsible corporate citizen'. We believe that being a responsible corporate citizen is central to our purpose and values, allowing ourselves to inspire trust amongst our business partners and motivate people to make the right choices for the business, communities and planet. Our belief in good citizenship drives us to create maximum impact in areas of:

- Education
- Health Care
- Environment;
- Community Development

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

Overview of projects implemented during FY 2019-20**1. Education & Health care:****A. Institutional Development**

Focus on promoting education including imparting knowledge to enhance vocational skills. Special focus made on children of Government Primary schools and specific institutions considering skill sets of students at different locations of Chennai, Puducherry, Hyderabad and Trichy like:

- Infrastructure development - construction of classrooms at Nolumbur Government Middle School; construction of auditorium at Pavendar Bharathidasan Government High School
- Education support to 5 children at SOS Children's Village of India
- Other amenities like provision of audio system, renovation of toilets and basic infrastructure like lighting, fan and cupboard at Govt. Primary School, Sethurapatti

B. Awareness Programme

Awareness programmes on health and sanitation were carried out for the local government primary schools.

2. Community Development - Amenities and Sanitation

Continue to focus on providing Safe Drinking Water facility including RO Plant, AMC in government primary schools.

3. Environment - Plantation Drives

- Enhanced Greenery within the vicinity of our plants.
- Additional Tree plantation drive by 100 numbers with iron mesh sapling guards in and around Sethurapatti Panchayat office and Govt. Primary School
- Continued maintenance of Puducherry Keni (Thennam PoigaiKulam) at Sholinganallur, Chennai

The Composition of the CSR Committee

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

Board CSR committee	Management CSR committee
Mr. L Lakshman, Committee Chairman, Non-Executive & Promoter Director	Mr. R Balakrishnan, Manager & President
Mr. L Ganesh, Committee Member, Non-Executive Chairman & Promoter Director	Mr. M A P Sridhar Kumar, Senior Vice President - Finance & CFO
Mr. Anil Kumar V Epur, Committee Member, Non-Executive & Independent Director	Mr. Govardhanan R, General Manager - Human Resource

2. Average net profit of the Company for last three financial years (₹ in Crores)

Particulars	2016-17	2017-18	2018-19
Net profit for the year (PAT)	34.72	35.75	36.53
Adjusted Net profit (as per Section 198)	42.55	55.23	49.71
Average Net profit	49.16		

3. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above): ₹98.30 Lakhs**4. Details of CSR spent during the financial year.**

- Total amount to be spent for the financial year: ₹108.71 Lakhs
- Amount unspent, if any: Nil

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

(₹ in Lakhs)

Sl. No.	CSR Project or activity identified	Sector in which the Project is covered	Projects or programs - (1) Local area or other (2) Specify the state and district where projects or programs was undertaken	Amount outlay (budget) project or program wise	Amount spent on the projects or program. (Sub-heads -1- Direct on projects or program 2- Overheads)	Cumulative expenditure upto the reporting period	Amount spent: Direct or through implementing agency
1	Education - Institutional Development	Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects	Local Trichy (Tamil Nadu)	78.60	78.60	78.60	Implementing Agency: Rane Foundation (Registered Trust) -78.60
2	Education - Awareness Programs	Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.	Local- Chennai (Tamil Nadu), Pregnapur (Telangana), Thirubuvanai (Puducherry), Trichy (Tamil Nadu)	16.39	16.39	94.99	Direct:15.29 Implementing Agency: SOS Children's Village -1.10
3	Community Development - Amenities and Sanitation	Eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water.	Local - Thiruvallur (Tamil Nadu), Pregnapur (Telangana); Thirubuvanai (Puducherry), Trichy (Tamil Nadu)	7.63	7.63	102.62	Direct: 7.38 Implementing Agency: Bangalore Kidney Foundation - 0.25
4	Environment - Plantation Drives	Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining air and water.	Local Sethurapatti, Trichy (Tamil Nadu) and, Maintenance of Puducherry Keni	6.09	6.09	108.71	Direct:2.09 Implementing Agency: Rotary club of Madras - through NGO - 4.00
Total				108.71	108.71		

5. 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

6. Responsibility statement of the CSR Committee

The implementation and monitoring of our CSR Policy is in compliance with the CSR objectives and policies. The Board of the Company and the CSR Committee is responsible for the integrity and the objectivity of all the information provided in the disclosure above. All the projects reported have been considered and undertaken with the best of our intentions to contribute to the greater good of the society. We have

undertaken and implemented these projects with careful consideration and these projects are aligned with our vision as provided in our CSR Policy. In line with the requirements of the Companies Act, 2013, we have also instituted monitoring mechanisms to ensure the projects go on smoothly as planned.

Ganesh Lakshminarayan

Chairman
DIN: 00012583

Lakshman Lakshminarayan

Chairman of the Committee
DIN: 00012554

Chennai
June 17, 2020

Annexure - D to the Report of the Board of Directors

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

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

A. Conservation Of Energy

Steps taken or impact on conservation, Minimising Power Consumption

- Replacement of water based cooling system with direct cooling in Air-conditioned environment to improve efficiency of refrigeration system
- Introduction of Thermal insulation sheets for cure mould
- Thyristor controllers in place of contactors for baking ovens
- Pneumatic lines - 1 bar reduction program across all plant locations
- Motor elimination projects in Hydraulic power pack
- Study of Motor life and replacing old motors with IE2 & IE3 rated Energy efficient motors
- Reuse of boiler wastewater to preheat input water for adjacent process (Auto cleaning)
- Modification of duct lines for better load factor and eliminate underutilized dust collectors
- Monitoring of energy leak points through Thermal Mapping and closure of abnormal points (Leak points)
- Elimination of multiple water pumps in cooling tower by introduction of Submersible pumps

Steps taken for utilising alternate sources of energy

- Continue to use alternate sources viz. Wind and Solar
- Overall, Renewable energy contributes around 38% of overall energy consumption

Capital Investment in Energy Conservation Equipment

- Successfully installed In-house Solar Plant for 1.2 MW at Puducherry Plant

B. Technology Absorption

Efforts towards Technology Absorption

- Specific initiatives
- New Low metallic Two wheeler Grade - High Mu & High Life Two wheeler Brake pads which provides more life & Durability. Pad Life & Sustainability will be realized by End Customer.
- Three New Commercial Vehicle Brake lining Grade adopting new process technology with improved liner Life & Durability.
- Developed stable friction & high life sintered pad for two-wheeler (International Customer).
- Environment Friendly (EF) Grade - Copper Free Passenger car Brake Pad developed - A & B Segment Cars
- Low metallic Disc pad Grade - Copper & Antimony Free Brake Pad for Passenger car - After market Segment
- New grades under development considering 4R (5R) check principles for PC & CV segments.
- <5% Cu level - LS pad development for OE as well as AM segment in progress with better NVH / Life aspect
- New Low metallic Disc pad Grade - Process enhancement with reduced energy consumption for PCV & SUV application
- Capacity addition / Infrastructure
- New Link Engineering M3900 noise Dyno put to use, which adds capability to do NVH testing like Squeal noise matrix with Knuckle jig type fixture.
- New Link Engineering M6900 commercial vehicle Dyno put to use, which adds capacity to our existing commercial vehicle testing with higher axle loads and NVH measurement for CV programs.

- Capacity built for instrumentation of vehicle, performance and NVH test matrices, data acquisition using Link Vmax data logger and results analysis

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

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

Details of Imported Technology (during the last 3 years reckoned from the beginning of the FY 2019 -20)

Technology imported	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)

Sl. No.	Particulars	2019-20	2018-19
A	Capital expenditure	23.60	10.29
B	Recurring expenditure	16.22	17.07
C	Total	39.82	27.36
D	Total R & D expenses as a percentage of total turnover	8.27%	5.25%

C. Foreign Exchange Earnings And Outgo

(₹ in Crores)

Foreign Exchange	2019-20	2018-19
Earnings	23.61	23.61
Outgo	111.82	95.69

Ganesh Lakshminarayan
Chairman
DIN: 00012583

Harish Lakshman
Director
DIN: 00012602

Chennai
June 17, 2020

Annexure - E to the Report of the Board of Directors

CORPORATE GOVERNANCE REPORT

1. Philosophy on Code of Governance

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

Rane Group, being a good corporate citizen, complies and fully abides by the laws and regulations of the land, both in letter and spirit. 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).

The Company recognises the rights of all its stakeholders and encourages co-operation between the Company and its stakeholders to enable their participation in the corporate governance process as enshrined in the Ethical Standards of Behaviour - RANE COMPASS.

2. Board of Directors

Composition, Attendance & Meetings

The Board comprises of eight (8) Non-Executive Directors with half of them being Independent Directors. The Chairman of the Board is a Non-Executive Chairman. There is no Alternate Director on the Board. The woman Director of the Company is an Independent Director. The composition of the Board is aimed at maintaining an appropriate balance of skills, background, experience and knowledge of the Board

for guiding the Company in achieving its objectives in a sustainable manner and the composition of the Board, as at end of FY 2019-20, is in conformity with Regulation 17 of SEBI LODR.

To the best of our knowledge and information furnished to the Board, total Directorships held by the Directors are within the limits prescribed under Section 165 of the Companies Act, 2013 (Act) read with Regulation 17A of SEBI LODR. In compliance with Regulation 25 of SEBI LODR, none of the Independent Directors serve as Independent Director in more than seven (7) listed companies and where any Independent Director is serving as Whole-Time Director in a listed Company, he/she serves as an Independent Director in not more than three (3) listed Companies. Similarly, none of the Directors on the Board is a member of more than 10 Committees or Chairperson of more than 5 Committees across all listed and unlisted public companies in which he / she is a Director in terms of Regulation 26 of SEBI LODR. The Directors periodically notify the Company about changes in their Directorship / Committee positions as and when they take place.

During the year the Board met five (5) times on May 22, 2019, July 25, 2019, October 22, 2019, January 23, 2020 and March 19, 2020 and requisite quorum was present throughout these meetings. The Company facilitates the participation of the Directors in Board / Committee meetings through video conferencing or other audio-visual mode, on matters other than those restricted as per applicable laws for the time being in force. The details of the Directors on the Board, their attendance at Board Meetings and Annual General Meeting held during the year, the number of Directorships and Committee memberships / chairperson position(s) held by them in other public Companies as on March 31, 2020 are given below:

Name of the Director / (DIN)	Category	No. of Board meetings attended	Attendance at the last AGM (July 25, 2019)	Number of Directorship in other public companies #		Number of Committees Membership ®	
				Chairperson	Member	Chairperson	Member
Mr. Ganesh Lakshminarayan (00012583)	Chairman, Non-Executive & Promoter	5	Yes	3	5	-	5
Mr. Anilkumar Venkat Epur (00202454)	Non-Executive & Independent	5	Yes	-	1	-	-
Mr. Harish Lakshman (00012602)	Non-Executive & Promoter	5	Yes	1	5	-	1
Mr. Krishna Kumar Seshadri (00062582)	Non-Executive & Independent	5	Yes	-	1	-	1
Mr. Lakshman Lakshminarayan (00012554)	Non-Executive & Promoter	3	No	-	4	2	5

Name of the Director / (DIN)	Category	No. of Board meetings attended	Attendance at the last AGM (July 25, 2019)	Number of Directorship in other public companies #		Number of Committees Membership®	
				Chairperson	Member	Chairperson	Member
Ms. Ranjana Kumar (02930881)	Non-Executive & Independent	2	No	-	1	1	1
Mr. Srinivasan Sandilya (00037542)	Non-Executive & Independent	5	Yes	2	3	3	4
Mr. Yasuji Ishii (08078748)	Non-Executive & Nominee	2	No	-	-	-	-

excludes Directorships held on the Boards of private Companies, Section 8 Companies, debt listed companies and Companies incorporated outside India and includes Chairpersonship & Directorship held in a deemed public company

@ membership in Audit Committee and Stakeholder Relationship Committee of other public companies are only considered as per Regulation 26 of SEBI LODR and membership includes the positions held as chairperson of the Committee

Note:

- During the year, Mr. Parvataneni Santosh Kumar and Mr. Suresh Chandra Gupta retired as Independent Directors of the Company with effect from May 22, 2019 and March 19, 2020, respectively. Mr. Vinay Lakshman ceased to be the Managing Director and Director of the Company with effect from January 23, 2020. Their attendance in Board / General meeting(s) held during the year are as follows:

Name of the Director / (DIN)	Category	No. of Board meetings attended	Attendance at the last AGM (July 25, 2019)
Mr. Suresh Chandra Gupta (02085068)	Non-Executive & Independent	5	Yes
Mr. Parvataneni Santosh Kumar (00267280)	Non-Executive & Nominee	1	NA
Mr. Vinay Lakshman (07295820)	Executive Director	2	Yes

- The details of other Directorship held by the Directors of this Company in other listed entities as on March 31, 2020 is as under:

Name of Director	Name of the listed entity	Category of Directorship
Mr. L Ganesh	Rane (Madras) Limited	Chairman, Non-Executive & Promoter
	Rane Engine Valve Limited	Chairman, Non-Executive & Promoter *
	Rane Holdings Limited	Chairman & Managing Director & Promoter
	EIH Limited	Non-Executive & Independent
	EIH Associated Hotels Limited	Non-Executive & Independent
Mr. Anil Kumar V Epur	Gati Kausar India Limited	Non-Executive & Independent
Mr. Harish Lakshman	Rane (Madras) Limited	Vice-Chairman, Non-Executive & Promoter
	Rane Engine Valve Limited	Vice-Chairman, Non-Executive & Promoter
	Rane Holdings Limited	Vice-Chairman & Joint Managing Director & Promoter
	Oriental Hotels Limited	Non-Executive & Independent
Mr. Krishna Kumar S	Rane Engine Valve Limited	Non-Executive & Independent
Mr. L Lakshman	Rane (Madras) Limited	Non-Executive & Promoter
	Rane Engine Valve Limited	Non-Executive & Promoter
	Rane Holdings Limited	Chairman Emeritus, Non-Executive & Promoter
	SRF Limited	Non-Executive & Independent
Ms. Ranjana Kumar	-	-
Mr. S Sandilya	Eicher Motors Limited	Chairman, Non-Executive & Independent
	Mastek Limited	Chairman, Non-Executive & Independent
	GMR Infrastructure Limited	Non-Executive & Independent
Mr. Yasuji Ishii	-	-

* ceased to be the Managing Director in REVL and continues as a Non-Executive Director with effect from April 01, 2020

Mr. L Lakshman is related to Mr. L Ganesh and Mr. Harish Lakshman. There is no inter-se relationship among the other Directors of the Company.

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

An annual calendar for the Board and its Committee meetings was circulated in advance to the Directors and they were provided with a detailed agenda for the meetings to effectively participate in discussions. Post Board meeting reviews were held by the Chairman with the management in order to effectively monitor the actions arising out of the decisions, directions and suggestions of the Board and its Committees.

The disclosure regarding the meeting of Independent Directors, Board and Directors' performance evaluation are discussed in detail in the Directors Report. In the opinion of the Board, the Independent Directors fulfil the conditions specified in SEBI LODR and the provisions of Companies Act, 2013 and are independent of the management. The details

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

The Company issues formal letters of appointment to all the Independent Directors, whenever they are appointed / re-appointed and the terms and conditions of appointment of Independent Directors have also been disclosed in the website of the Company at www.ranegroup.com.

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

Skills, expertise and competence of the Board

The Board comprises of qualified members who bring in the required skills, competence and expertise that allows them to make effective contributions to the Board and Committees. The Board ensures and maintains the highest standards of corporate governance. As on March 31, 2020, the skills, expertise and competencies identified by the Board, in the context of the automotive business in which the Company operates and for it to function effectively, inter-alia, are as follows:

Areas / Fields	Skills / Competence / Expertise	Name of the Director
Industry and Technology	Possessing industrial, technical and operational expertise and experience in automotive, ancillary and emerging technologies and associations with industrial bodies and professional network	Mr. L Ganesh Mr. Anil Kumar V Epur Mr. Harish Lakshman Mr. S Krishna Kumar Mr. S Sandilya Mr. L Lakshman Mr. Yasuji Ishii
Business Development	Experience in driving business success across various geographies, diverse business environment, economic conditions and its cultures and global market opportunities	Mr. L Ganesh Mr. Anil Kumar V Epur Mr. Harish Lakshman Mr. S Sandilya Mr. L Lakshman Mr. Yasuji Ishii
Governance	Having insight into maintaining effective Board and management relationship, protecting stakeholder's interest and observing appropriate governance practices.	Mr. L Ganesh Mr. Anil Kumar V Epur Mr. Harish Lakshman Mr. S Sandilya Mr. S Krishna Kumar Mr. L Lakshman Ms. Ranjana Kumar
Allied Disciplines	Expertise or leadership experience in allied disciplines like finance, law, management, sales, marketing, administration, research, corporate governance, technical operations and human resource.	Mr. L Ganesh Mr. Anil Kumar V Epur Mr. Harish Lakshman Mr. S Sandilya Mr. S Krishna Kumar Mr. L Lakshman Ms. Ranjana Kumar

3. Audit Committee

Composition, Attendance and Meetings

The composition of the Audit Committee of the Board conforms to the requirements of Section 177 of the Companies Act, 2013 and Regulation 18 of SEBI LODR. The Committee met four (4) times during the year May 22, 2019; July 25, 2019; October 22, 2019 and January 23, 2020 with requisite quorum present throughout these meetings. The details of members and their attendance are as below:

Name of the Director	Category	No. of Meetings attended
Mr. S Sandilya	Chairman, Non-Executive & Independent	4
Mr. L Ganesh	Member, Non-Executive, Promoter	4
Mr. S C Gupta	Member, Non-Executive & Independent	4
Mr. Anil Kumar V Epur	Member, Non-Executive & Independent	3
Mr. S Krishna Kumar	Member, Non-Executive & Independent	NA
Mr. P S Kumar	Member, Non-Executive & Independent	1

Note:

1. Mr. P S Kumar ceased to be a member with effect from May 22, 2019
2. Mr. S C Gupta ceased to be a member with effect from March 19, 2020
3. Mr. S Krishna Kumar inducted as a member with effect from conclusion of meeting of Board of Directors held on March 19, 2020

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 Auditor and the Internal Auditor were present as invitees in all the meetings. The Managing Director / Manager, President and Senior Vice President - Finance & Chief Financial Officer (CFO) of the Company attended the meetings by invitation. Based on the requirement, other Directors also attended the meetings by invitation. All the recommendations of the Audit Committee during the year, were considered, accepted and approved by the Board. The Chairman of the Audit Committee was present at the last AGM of the Company held on July 25, 2019.

Overall purpose and terms of reference

The purpose of the Audit Committee is to assist the Board of Directors 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 Auditor and overseeing the Company's accounting and financial reporting processes and the audit of the Company's financial statements.

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

The terms of reference of the Audit Committee are in line with the provisions of SEBI LODR / Companies Act, 2013 which inter-alia, include review of the following matters :

- 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 and prohibition of insider trading.
- 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 judgment

by management and significant adjustments made in the financial statements arising out of the audit findings.

- Valuation of undertakings or assets of the company, as and when required
- Financial statements, in particular, the investments made by any unlisted subsidiary of the Company
- Utilization of loans and/ or advances from/investment by the company to its subsidiary exceeding ₹100 crore or 10% of the asset size of the subsidiary, whichever is lower, including existing loans / advances / investments.
- Recommends appointment of Auditor 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 Auditor / Internal Auditor.

The Audit Committee reviews the quarterly unaudited / annual audited financial results of the Company. The unaudited results are subjected to limited review by the statutory auditors of the Company. The statutory auditors are eligible to issue limited review report as the audit firm has been subjected to peer review process of Institute of Chartered Accountants of India (ICAI) and hold a valid certificate issued by the Peer Review Board of ICAI. The Audit Committee approves payments to Statutory Auditor for audit and non-audit services.

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

On a quarterly basis the Audit Committee reviews related party transactions entered into by the Company pursuant to each of the omnibus approval. The Audit Committee reviews all mandatory information under Part C of Schedule II pursuant to Regulation 18 of SEBI LODR, including review of Internal Auditor observations, statutory compliance.

4. Nomination and Remuneration Committee (NRC)

Composition, Attendance and Meetings:

The NRC is constituted in terms of Section 178 of the Companies Act, 2013 read with Regulation 19 of SEBI

LODR. The Company Secretary acts as the Secretary to the Committee. The Committee met three (3) times during the year July 25, 2019; October 22, 2019 and January 23, 2020 with requisite quorum present throughout these meetings. The details of members and their attendance are as below:

Name of the Director	Category	No. of meetings attended
Mr. S Sandilya	Chairman, Non - Executive & Independent	3
Mr. L Ganesh	Member, Non - Executive, Promoter	2
Mr. S C Gupta	Member, Non - Executive & Independent	3
Mr. Anil Kumar V Epur	Member, Non - Executive & Independent	NA

Note:

1. Mr. S C Gupta ceased to be member with effect from March 19, 2020
2. Mr. Anil Kumar V Epur inducted as a member with effect from conclusion of Board of Directors meeting held on March 19, 2020

Overall purpose and terms of reference

The terms of reference and role of the NRC are in line with the provisions of SEBI LODR / Companies Act, 2013 and, inter-alia, are as under:

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

During the year, the NRC, inter alia:

- reviewed the process for evaluation of the Board, its Committee & Directors
- considered and recommended the remuneration payable to Mr. Vinay Lakshman, Managing Director for FY 2019-20
- reviewed the compensation benefits of SMP and KMP of the Company
- considered and recommended the appointment of Mr. R Balakrishnan, President as Manager, KMP

Remuneration to Non-Executive Directors

In accordance with the said policy and approval accorded by the shareholders by way of a special resolution in terms of Section 197 of the Companies Act, 2013 and the Rules made thereunder at the 13th AGM held on July 24, 2018, Mr. L Ganesh, Chairman is entitled to receive commission on net profits of the Company for a period of three financial years from April 01, 2018 to March 31, 2021.

In terms of Regulation 17(6)(ca) of SEBI LODR at the 14th AGM held on July 25, 2019, approval of shareholders was obtained for payment of annual remuneration in the nature of commission apart from sitting fees to Mr. L Ganesh, being a single non-executive Director whose total annual remuneration exceeds fifty per cent of the total annual remuneration payable to all other Non-Executive Directors for the FY ended March 31, 2019.

Therefore in terms of Regulation 17(6)(ca) of SEBI LODR, approval of shareholders is being sought at the ensuing 15th AGM for making payment by way of commission to Mr. L Ganesh, being a single Non-Executive Director to receive remuneration exceeding fifty per cent of the total annual remuneration payable to all Non-Executive Directors for the FY under review viz., 2019-20.

Other Non-Executive Directors receive sitting fees for attending the Board and Committee meetings.

Remuneration Policy

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

Sitting Fees

The Company has paid sitting fees to all Directors, apart from reimbursement of their actual travel and out-of-pocket expenses for attending the meetings of

the Board / Committee. The Company has not paid any other remuneration to Directors. The sitting fees payable per meeting of Board and its Committees are as hereunder:

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

The Board of Directors at their meeting held on June 17, 2020 have decided for a 50% reduction in the sitting fees payable for FY 2020-21, as a gesture of support, in view of the prevailing economic uncertainties due to the COVID-19 pandemic.

Details of Remuneration paid to Directors

The details of remuneration including sitting fees paid to the Directors and their shareholding for the year ended March 31, 2020 are as follows:

Name of the Director	Sitting Fees (₹)	Remuneration (₹)	Shares held as on March 31, 2020
Mr. L Ganesh	3,85,000	92,95,470	100
Mr. Vinay Lakshman	-	2,41,12,397	50
Mr. L Lakshman	1,25,000	-	100
Mr. Harish Lakshman	2,20,000	-	100
Mr. S Sandilya	3,70,000	-	-
Mr. Suresh Chandra Gupta	3,75,000	-	-
Mr. Anil Kumar V Epur	3,25,000	-	-
Ms. Ranjana Kumar	80,000	-	-
Mr. S Krishna Kumar	2,00,000	-	-
Mr. Yasuji Ishii	80,000	-	-
Mr. P S Kumar	75,000	-	-
Total	22,35,000	3,34,07,867	350

Note:

1. Commission for the year 2019-20 payable to Mr. L Ganesh, Chairman is pursuant to the approval accorded by shareholders at their 13th AGM held on July 24, 2018 and is subject to additional annual approval in terms of Regulation 17(6)(ca) of SEBI LODR, explained in previous paragraphs of this report, proposed at the ensuing 15th AGM.
2. The remuneration paid to Mr Vinay Lakshman during the year comprises of salaries & allowances ₹1,35,31,662/-; perquisites - ₹3,18,469/-; Company's contribution to

provident fund, gratuity and other long term benefits - ₹25,16,041/- and commission & performance linked incentive payable - ₹77,46,225/-.

3. The Managing Director, during his tenure, did not receive any remuneration from the holding Company.
 4. No shares of the Company were pledged by the Directors and there is no stock option scheme prevailing in the Company.
 5. Sitting fee to the Nominee Director is remitted to the foreign collaborator Nisshinbo Holdings Inc. Japan, being the nominating institution.
 6. Shareholding includes joint holdings & HUF, if any.
5. **Stakeholder's Relationship Committee**

Composition & Attendance of Meetings:

The Stakeholder's Relationship Committee looks into grievances of shareholders and redresses 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 and acts as the Secretary to the Committee. The Committee met four (4) times during the year, i.e., May 22, 2019, July 25, 2019, October 22, 2019 and January 23, 2020 with requisite quorum present throughout these meetings. 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	4
Mr. L Ganesh	Member, Non-Executive & Promoter	4
Mr. Anil Kumar V Epur	Member, Non-Executive & Independent	4

Overall purpose and terms of reference

The terms of reference of the SRC are framed in with provisions of SEBI LODR and Companies Act, 2013 and are inter-alia, as under:

- To resolve the grievances of the security holders of the Company including complaints related to transfer / transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new / duplicate certificates, general meetings etc.
- To review measures taken for effective exercise of voting rights by shareholders
- To review adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent

- To review of various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants / annual reports / statutory notices by the shareholders of the company

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

Nature of Complaint	Received	Resolved	Pending at the end of the year
Non-receipt of Annual Report	1	1	-
Non-receipt of Annual Report	1	1	-
Non receipt of Dividend	1	1	-

The Chairman of the SRC was present at the last AGM of the Company held on July 25, 2019 to answer queries of the stake holders. There are no investor complaints pending unresolved as at the end of the financial year 2019-20. During the year under review the SRC also reviewed the Internal Audit report issued to RTA, in line with the SEBI's Circular dated April 20, 2018 and suggested a regular follow-up on the corrective measures taken by RTA, wherever applicable.

6. Corporate Social Responsibility (CSR) Committee

Education, Healthcare, Community Development and Environment are the four focus areas under Corporate Social Responsibility (CSR) policy of the Company. . The CSR projects and activities undertaken by the Company are in line with the CSR Policy and recommendations of the CSR Committee which are in accordance with the areas or subjects specified under the Companies Act, 2013, as amended from time to time. The Committee met once during the year on May 22, 2019 and requisite quorum was present throughout the meeting. The Company Secretary acts as the Secretary to the Committee. The details of members and their attendance are stated below:

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

Note:

1. Mr. Anilkumar Venkat Epur was inducted as a member of the Committee with effect from March 19, 2020
2. Mr. Suresh Chandra Gupta ceased to be member of the Committee with effect from March 19, 2020

Overall purpose and terms of reference

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 overall terms of reference of the Committee are as follows:

- Formulate and recommend CSR Policy, for approval of the Board
- Approve projects that are in line with the CSR policy
- Have monitoring mechanisms in place to track the progress of each project
- Recommend the CSR expenditure to the Board of the company for approval
- Review new proposals and existing projects' status

The report on CSR projects undertaken during the year 2019-20 as approved by the CSR Committee in consultation with the Board is annexed to Report of the Board of Directors as 'Annexure C'.

7. Other Committees

Share Transfer Committee:

To expedite the process of share transfers, the Board has delegated the power of share transfer, transmission, dematerialization / 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 and the details of such transfer / transmissions of securities are placed to the Board. No sitting fees is payable to the committee members.

In compliance with the directions of SEBI, vide notification dated November 30, 2018, towards prohibition of transfer of shares in physical form effective from April 1, 2019 the Company has taken initiatives to reach out to investors holding shares in physical form. There was no transfer of securities in physical form processed during the year except in cases of transmission (i.e. transfer of title of shares by way of inheritance / succession) and transposition (i.e. re arrangement / interchanging of the order of name of shareholders), if any.

Finance Committee

Finance Committee comprising of the following Directors viz. Mr. L Ganesh, Mr. L Lakshman, Mr. Harish Lakshman

and Mr. Vinay Lakshman as its members is authorised to approve borrowings as per the delegations made by the board. Company Secretary acts as Secretary of the Committee and no sitting fees is payable to the Committee members. During the year, no meeting was held. Mr. Vinay Lakshman ceased to be a member of the Committee with effect from January 23, 2020.

Executive Committee

Executive Committee comprising of the following Directors viz., Mr. L Ganesh, Mr. Harish Lakshman, Mr. L Lakshman and Mr. Vinay Lakshman as its members is authorized 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 Company Secretary acts as Secretary of the Committee and no sitting fees is payable to the Committee members. During the year the committee met twice on May 22, 2019 and September 24, 2019 to approve matters relating authorizations in connection with lease arrangements. No sitting fee is payable. All members attended the meetings, except Mr. Vinay Lakshman who had sought leave of absence for one meeting. Mr. Vinay Lakshman ceased to be a member of the Committee with effect from January 23, 2020.

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, at the weblink: https://ranegroup.com/rbl_investors/code-of-conduct/. The Board members and Senior Management Personnel have affirmed their compliance with the code of conduct. Declaration from the Manager 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 Rane Code of practices and procedures for fair disclosure of unpublished price sensitive information" in accordance with SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time, to prevent misuse of any unpublished price sensitive information and prohibit insider trading activity. The code of fair disclosure practices and procedures for unpublished price sensitive information is available at the web-link http://ranegroup.com/rbl_investors/code-of-fair-disclosure/.

9. General Body Meetings

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

Date of AGM	Special resolutions passed	Time	Venue
July 25, 2019 (14 th AGM)	1. Approval under Regulation 17(6)(ca) of SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015, the remuneration payable to Mr. L Ganesh (DIN:00012583), Chairman (Non-Executive Director) exceeding fifty percent of the total annual remuneration payable to all the Non-Executive Directors	10.15 hrs	
July 24, 2018 (13 th AGM)	1. Re-appointment of Ms. Ranjana Kumar (DIN:02930881) as an Independent Director for a second term. 2. Re-appointment of Mr Vinay Lakshman(DIN:07295820) as Managing Director and fix his remuneration thereof.	10:30 hrs	The Music Academy (Mini Hall), New No. 168, TTK Road, Royapettah, Chennai - 600 014
August 23, 2017 (12 th AGM)	1. Re-appointment of Mr. S Sandilya as an Independent Director for a second term 2. Re-appointment of Mr. S C Gupta as an Independent Director for a second term 3. Re-appointment of Mr. Anil Kumar V Epur as an Independent Director for a second term	10.15 hrs	

No resolution was passed either through postal ballot or Extra-Ordinary General Meeting during the Financial Year 2019-20.

10. Other disclosures

- i. During the year, the Company had not entered into any transaction of material nature with any of the promoters, Directors, management or relatives etc. The transactions entered with related parties during the year were in the ordinary course at arms' length and not in conflict with the interest of the Company. All routine and periodic transactions with related parties were covered in the omnibus approval of the Audit Committee. The details of the related party transactions as per Ind AS are stated in note no. 33 of the financial statements. The policy on related party transaction is available on the website of the Company under link http://ranegroup.com/rbl_investors/policy-on-related-party-transactions/
- ii. 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.
- iii. 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.
- iv. 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.
- v. The Company has complied with the following non-mandatory requirements prescribed under Part - E of Schedule II, Chapter IV of the SEBI LODR:
 - maintains an office for Mr. L Ganesh, Chairman (Non-Executive Director) at the registered office of the Company and allows re-imbursment of expenses incurred in performance of his duties
 - dissemination to the stakeholders financial performance and summary of significant events through earnings / conference calls with investors on quarterly basis.
 - adopted best practices to ensure a regime of financial results / statement with unmodified audit opinion
 - internal auditor directly reporting to the Audit Committee
- vi. 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 a 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.

- vii. The Company does not have any material listed / unlisted subsidiary Companies as defined in Regulation 24 of the SEBI LODR. Hence, the Company is not required to frame a policy for determining material subsidiary.
- viii. The Company has obtained a certificate from a Company Secretary in Practice that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Director by SEBI / Ministry of Corporate Affairs or any such statutory authority. The certificate obtained is attached as Annexure (i) to this report.
- ix. The Independent Directors have confirmed and declared that they meet the criteria of 'Independence' as stipulated under Section 149 including the compliance with the code of conduct as prescribed in Schedule - IV of the Companies Act, 2013 and Regulations 16 and 25 of SEBI LODR and other provisions of the Act and SEBI LODR, as amended from time to time and that they are not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact his / her ability to discharge duties with an objective independent judgment and without any external influence.
- x. In terms of regulation 25 of SEBI LODR the Company has in place policy for Directors and Officers insurance ('D & O insurance') covering all the Independent Directors, for such quantum and for such risks which commensurate to the operations of the Company and in line with the industry standards.
- xi. The Managing Director / Manager and CFO of the Company have certified to the Board on the integrity of the financial results / 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.
- xii. The Company has complied with all mandatory requirements specified in Regulation 17 to 27 and Regulation 46 (2) (b) to (i) of SEBI LODR.
- xiii. The Board has accepted / considered all the recommendation(s) made by Committee(s) to the Board in the relevant financial year under review.

- xiv. The total fees for all services paid by the Company , to the Statutory Auditor and its network entities are given as under. The Company has not availed any services from any network entities of the Statutory Auditors, during the year under review:

(₹ in Crores)

Particulars	FY 2019-20	FY 2018-19
Varma & Varma, Chartered Accountants	0.19	0.19
Net Work entities and firms (if any)	-	-
Total	0.19	0.19

- xv. During the year, the Company has not raised any funds through preferential allotment or qualified institutions placement and hence, the disclosure on utilization of funds is not applicable.
- xvi. The Company on a periodical basis reviews various policies framed under the Companies Act, 2013 and SEBI LODR and such other statutes, as applicable and amends them based on the requirement to ensure conformity with relevant regulatory changes and industry practices.

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

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

12. Whistle blower mechanism

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

The policy and the mechanism for reporting has been appropriately communicated across all locations of the Company. During the year under review the Board of Directors amended certain provisions to strengthen the policy on procedural matters especially those governing the anonymous disclosures, committees, ombudsperson and timelines for detailed enquiry.

No person has been denied access to the ombudsperson / Audit Committee. During the year under review, there were no complaints received or pending for resolution through mechanism. The whistle blower policy has also been posted in the Company's website at web-link http://ranegroup.com/rbl_investors/whistle-blower-policy/

13. Means of communication

The quarterly / annual financial results were published in "Business Standard" (English) and "Dinamani" (Tamil). The financial results, shareholding pattern and other requirements under Regulation 17 to 27 and

46 (2) (b) to (i), of SEBI LODR, wherever applicable, were uploaded in the websites of the Stock Exchanges and the Company at www.ranegroup.com. During the year, presentations were made to analysts / institutional investors and they were made available on the website of the Company.

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

14. General Shareholder Information

(i) Information about Directors seeking appointment / re-appointment in this ensuing 15th Annual General Meeting in compliance with Regulation 26(4) & 36(3) of SEBI LODR and Secretarial Standard on General Meetings (SS-2)

Name of the Director	Mr. Lakshman Lakshminarayan
Father's Name	Mr. L L Narayan
Director Identification Number (DIN)	00012554
Age (in years)	73
Date of Birth	July 17, 1946
Educational Qualifications	B.E, Executive MBA from London Business School
Experience	Mr. L Lakshman had been spearheading the business of Rane Group of companies and has more than 50 years of industrial experience. He provides guidance and mentorship to the management and advisory support in initiatives of strategic importance to the Group's future growth plans.
Date of first appointment on the Board	June 18, 2007
Terms and Conditions of appointment	Appointment as a non-executive director, liable to retire by rotation
Last drawn remuneration	Sitting fee for FY 2019-20 - ₹1,25,000
Remuneration sought to be paid	No approval sought for remuneration. Eligible for sitting fee for attending meetings of the Board and Committees of which he is a member.
Relationship with other Directors / Manager / KMP	Brother of Mr. L Ganesh and father of Mr. Harish Lakshman
Other Directorships	Chairman Emeritus 1. Rane Holdings Limited Director 1. Rane Engine Valve Limited 2. Rane (Madras) Limited 3. SRF Limited 4. Rane TRW Steering Systems Private Limited 5. Rane NSK Steering Systems Private Limited

Committee Memberships in other Boards	Member - Audit
	1. Rane (Madras) Limited 2. Rane Engine Valve Limited 3. SRF Limited 4. Rane NSK Steering Systems Private Limited 5. Rane TRW Steering Systems Private Limited
	Member - Nomination and Remuneration
	1. Rane Holdings Limited 2. Rane (Madras) Limited 3. Rane Engine Valve Limited
	Chairman - Corporate Social Responsibility
	1. Rane Holdings Limited 2. Rane (Madras) Limited 3. Rane Engine Valve Limited 4. Rane NSK Steering Systems Private Limited 5. Rane TRW Steering Systems Private Limited
	Chairman - Shareholders' Relationship
	1. Rane Holdings Limited 2. Rane (Madras) Limited
	Member - Corporate Social Responsibility
	1. SRF Limited
Number of meetings of the Board attended during the year	Three
Number of equity shares held (including joint holding)	One Hundred

(ii) **Annual General Meeting**

August 05, 2020 (Wednesday) at 15:00 hrs (IST) through Video Conferencing ("VC")/ Other Audio Visual Means ("OAVM")

(iii) **Financial Year: April 01, 2020 - March 31, 2021**

Financial Calendar:

Board	Tentative schedule
Audited Annual financial results and financial statements for the year ended March 31, 2020	June 17, 2020
Un-audited financial results for the 1 st quarter ending June 30, 2020	By First week of August 2020
Un-audited financial results for the 2 nd quarter ending September 30, 2020	By fourth week of October 2020
Un-audited financial results for the 3 rd quarter ending December 31, 2020	By fourth week of January 2021

The above schedule is only tentative in nature and may undergo changes due to change in circumstances.

(iv) **Dividend**

During the year 2019-20, the Board of Directors declared an interim dividend of 60% (i.e., ₹6.00 per share) on the share capital on January 23, 2020. The interim dividend was paid on February 12, 2020 to all the eligible shareholders whose name appeared in the register of members of the Company as on February 04, 2020, being the Record Date fixed for this purpose.

The Board of Directors of the Company at their meeting held on June 17, 2020 have considered and recommended a final dividend of 110% (₹11/- per share) on the equity share capital for approval of the shareholders at the ensuing 15th AGM to be held on August 05, 2020. The final dividend, if declared, would be paid to those eligible shareholders whose name appears in the register of members of the Company as on July 29, 2020 (being the Record Date fixed for this purpose).

(v) **Listing on Stock Exchanges**

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

Listing Fee

The shares of the Company are listed on NSE & BSE which provide nationwide access to trade and deal in Company's equity shares across the country. The Company has duly paid the Annual Listing fee for the financial year 2020-21 to NSE & BSE where the shares of

the Company continue to be listed. There shares of the Company were not suspended from trading during the FY 2019-20.

(vi) Unpaid / Unclaimed Dividends

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

During the year, the Company had transferred to IEPF unclaimed final dividend of ₹1,19,208 for the financial year ended March 31, 2012 on September 25, 2019 and interim dividend amount of ₹77,872 for the financial year ended March 31, 2013 on March 19, 2020, respectively. 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 31.03.2020) [^]	Last Date for claiming unpaid dividend	Due date for transfer to IEPF
31.03.2013	24.07.2013	2.00	80,836.00	29.08.2020	28.09.2020
31.03.2014	22.07.2014	7.50	2,99,197.50	27.08.2021	26.09.2021
31.03.2015	20.07.2015	7.00	2,67,330.00	26.08.2022	25.09.2022
31.03.2016*	10.03.2016	10.00	3,79,330.00	16.04.2023	16.05.2023
31.03.2017*	20.01.2017	6.00	2,92,332.00	26.02.2024	27.03.2024
31.03.2017	23.08.2017	9.00	3,77,973.00	28.09.2024	28.10.2024
31.03.2018*	29.01.2018	6.50	2,04,340.50	06.03.2025	04.04.2025
31.03.2018	24.07.2018	9.00	2,34,783.00	30.08.2025	29.09.2025
31.03.2019*	18.01.2019	6.50	233,259.00	05.03.2026	04.04.2026
31.03.2019	25.07.2019	9.00	3,12,597.00	30.08.2026	29.09.2026
31.03.2020*	23.01.2020	6.00	2,32,254.00 [@]	28.02.2027	30.03.2027

Share of paid-up value of ₹10 per share

* Interim dividend

[^] Amounts reflect the confirmation of balance issued by Bank(s)

[@] Based on bank reconciliation

During the year, the Company had filed with the Registrar of Companies, the details of all unpaid and unclaimed amounts as on March 31, 2019 in accordance with The Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016. The above details were also uploaded on the website of the Company www.ranegroup.com.

(vii) Transfer of shares to IEPF Authority

Pursuant to section 124 and 125 of the Companies Act, 2013 read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refunds) Rules, 2016, as amended from time to time, ("the Rules" / "IEPF Rules") the Company is required to transfer the equity shares in respect of which dividends are not claimed for the last 7 years by any shareholder

to the IEPF Authority. In accordance with the said IEPF rules, the Company has sent reminder letters to the shareholders whose shares were due to be transferred to IEPF Authority and simultaneously published notices in newspapers.

The shares pertaining to FY 2012-13 (Interim Dividend) are due for transfer to the IEPF Authority pursuant to Section 124(6) of the Companies Act, 2013. MCA has vide General circular No. 16/2020 dated April 13, 2020 issued relaxation in timelines due to COVID-19 pandemic and the Company is taking steps to effect the transfer of shares within such extended timelines, once the normalcy is restored. The details of shares transferred to the IEPF Authority, during the year, are detailed hereunder:

Year from which dividend has remained unclaimed / unpaid for seven consecutive years	No. of shares
2011 - 12 (Final)	1,361

The Company has remitted / transferred the dividends declared on the shares already transferred to the IEPF Authority and the details are available in the Company's website at www.ranegroup.com. The other benefits, if any, arising out of shares already transferred to IEPF Authority will also be received by the IEPF Authority unless those shares are claimed by the shareholders.

No claim shall lie against the Company in respect of any dividend or shares transferred to the IEPF Authority. However, the shareholders may claim their shares / dividend by filing the electronic request for the same by following the procedure prescribed on the website of IEPF at www.iepf.gov.in. The shares relating to unclaimed Dividend for, FY 2012-13 (Final) is liable to be transferred to IEPF Authority during the current FY 2020-21. In this regard, the Company shall intimate/publish notice in newspapers and requisite details would be made available on the Investors section of

the Company's website at www.ranegroup.com. The concerned shareholders are requested to claim their shares before the due dates of transfer of shares to the IEPF, specified therein newspapers and Company website.

(viii) Unclaimed share suspense

In accordance with Regulation 39 of SEBI LODR, the Company has previously sent three reminders to the shareholders for getting their confirmation on unclaimed shares. The voting rights of these shareholders shall remain frozen till the rightful owner of such shares claims the same. The movement of unclaimed shares in unclaimed suspense account, during the year are as follows:

Details of Unclaimed Suspense account	Number of shareholders	Outstanding shares
Aggregate at the beginning of the year	24	2,773
Requests for transfer during the year	1	4
Transfers during the year	1	4
Balance at the end of the year	23	2,769

(ix) Share Price Data

The equity shares of the Company are listed and admitted to dealings on two nationwide stock exchanges viz. National Stock Exchange of India Ltd. and BSE Ltd., The share price data as quoted on the NSE and BSE along with the movement in the respective stock index during the last financial year viz., April 1, 2019 - March 31, 2020 is given below:

Month	BSE		BSE Sensex		NSE		NSE Nifty	
	Share Prices (₹)		High	Low	Share Prices (₹)		High	Low
	High	Low			High	Low		
April 2019	766.50	575.00	39,487.45	38,460.25	769.00	579.00	11,856.15	11,549.10
May 2019	702.00	515.00	40,124.96	36,956.10	704.90	512.60	12,041.15	11,108.30
June 2019	692.20	601.00	40,312.07	38,870.96	697.95	598.35	12,103.05	11,625.10
July 2019	655.95	500.10	40,032.41	37,128.26	657.00	504.00	11,981.75	10,999.40
August 2019	576.80	423.35	37,807.55	36,102.35	575.90	450.00	11,181.45	10,637.15
September 2019	575.00	441.00	39,441.12	35,987.80	581.95	481.10	11,694.85	10,670.25
October 2019	558.20	451.00	40,392.22	37,415.83	558.00	465.00	11,945.00	11,090.15
November 2019	529.00	487.90	41,163.79	40,014.23	535.00	486.25	12,158.80	11,802.65
December 2019	783.60	460.00	41,809.96	40,135.37	784.90	452.25	12,293.90	11,832.30
January 2020	738.25	581.60	42,273.87	40,476.55	739.00	581.75	12,430.50	11,929.60
February 2020	635.00	490.00	41,709.30	38,219.97	626.95	489.00	12,246.70	11,175.05
March 2020	506.65	294.00	39,083.17	25,638.90	592.55	288.05	11,433.00	7,511.10

source: www.bseindia.com & www.nseindia.com

(x) Registrar and Transfer Agent

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

Integrated Registry Management Services Private Limited

SEBI Registration No. INR000000544

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

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

e-mail ID: corpseiv@integratedindia.in

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

(xi) Share Transfer System & Share Capital Audit

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

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

(xii) Distribution of shareholding as on March 31, 2020

No. of shares held	Shareholders		Shares	
	Number	% to total	Number	% to total
Upto 500	13,612	97.03	7,11,297	9.00
501 - 1000	210	1.50	1,57,458	2.00
1001 - 2000	91	0.65	1,32,815	1.67
2001 - 3000	39	0.28	97,835	1.23
3001 - 4000	13	0.09	48,323	0.61
4001 - 5000	13	0.09	60,377	0.76
5001 - 10000	24	0.17	1,68,847	2.13
10001 & above	27	0.19	65,38,028	82.60
Total	14,029	100.00	79,14,980	100.00

(xiii) Shares**Dematerialization**

The Company has entered into the necessary agreements with National Securities Depository Limited and Central Depositories Services (India) Limited for dematerialisation of the shares held by investors. As of March 31, 2020, about 98.69% of the shareholdings have been dematerialised. The promoter and promoter group hold their entire shareholding only in dematerialised form. A comparative chart of physical and demat holdings for the current and previous financial year is given below:

Particulars	Number of shares - As on		% to total capital - As on	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Physical	78,11,513	78,04,680	98.69	98.61
Demat	1,03,467	1,10,300	1.31	1.39
Total	79,14,980	79,14,980	100.00	100.00

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

Demat ISIN: INE244J01017

During the year, the Company has not issued any equity shares with differential voting rights nor granted stock options nor sweat equity shares nor any convertible instruments. Also, the Company has not bought-back its shares from its shareholders.

Transfer of shares in demat mode only

As per SEBI norms, with effect from April 1, 2019, only transmission or transposition requests for transfer of securities shall be processed in physical form. All other transfers shall be processed in dematerialised form only.

(xiv) Plant locations

Refer corporate information section of the annual report

(xv) Credit Rating

The details of credit ratings, including revisions, if any, assigned to the debt instruments / total bank loan facilities of the company during the year ended March 31, 2020 are as follows:

Rating Agency	Security - Type	₹ (in Crores)	Credit Rating	Outlook	Status (Assigned / Re-affirmed / Revised / Withdrawn)	Date of credit rating obtained
ICRA Limited	Long term	120.82	AA-	Stable	Re-affirmed	24-02-2020
	Short term	44.50	A1+	-		
	Commercial Paper	30.00	A1+	-	Withdrawn	

(xvi) Address for communication

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

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

Annexure (i)

CERTIFICATE FROM COMPANY SECRETARY IN PRACTICE

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

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

We hereby certify that, in our opinion, none of the Directors on the Board of **RANE BRAKE LINING LIMITED** ("the Company") as on **March 31, 2020**, as listed below, have been debarred or disqualified from being appointed or continuing as Directors of Companies, by the Securities and Exchange Board of India (SEBI) or the Ministry of Corporate Affairs, Government of India (MCA):

Sl. No.	Name of the Director	Nature of Directorship	Director Identification Number (DIN)
1	Lakshman Lakshminarayan	Non-Executive, Promoter	00012554
2	Ganesh Lakshminarayan	Chairman, Non-Executive, Promoter	00012583
3	Harish Lakshman	Non-Executive, Promoter	00012602
4	Srinivasan Sandilya	Non-Executive, Independent	00037542
5	Krishna Kumar Seshadri	Non-Executive, Independent	00062582
6	Anilkumar Venkat Epur	Non-Executive, Independent	00202454
7	Ranjana Kumar	Non-Executive, Independent	02930881
8	Yasuji Ishii	Non-Executive, Nominee	08078748

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

1. Our verification of the information relating to the directors available in the official web site of the Ministry of Corporate Affairs; and
2. Our verification of the disclosures/ declarations/ confirmations provided by the said directors to the Company; and other relevant information, explanation and representations provided by the Company, its officers and agents.

We wish to state that the management of the Company is responsible to ensure the eligibility of a person for appointment / continuation as a Director on the Board of the Company. Our responsibility is to express an opinion on this, based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness of the Corporate Governance processes followed by the management of the Company.

For S.Krishnamurthy & Co.

Company Secretaries

Sharanya Sriram

Partner

Membership No: F10252

Certificate of Practice No: 12731

UDIN: F010252B000348865

Chennai

June 17, 2020

Annexure (ii)

To
The Members,
Rane Brake Lining Limited

Declaration by Manager on the Code of Conduct pursuant to Part C of Schedule V of the 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, 2020.

Chennai
June 17, 2020

R Balakrishnan
Manager

Annexure (iii)

Independent Auditor's Certificate

To
The Members
Rane Brake Lining Limited

1. We, Varma and Varma, Chartered Accountants, the Statutory Auditors of Rane Brake Lining Limited ('the Company'), have examined the compliance of the conditions of Corporate Governance by M/s Rane Brake Lining Limited for the year ended March 31, 2020 as stipulated in Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') as referred in Regulation 15(2) of the Listing Regulations.

Management's Responsibility

2. The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance of the conditions of the corporate governance stipulated in the Listing Regulations.

Auditor's Responsibility

3. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the company for ensuring the 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.
4. We have examined the books of account and other relevant records and documents maintained by the company for the purpose of providing reasonable assurance on the compliance with the corporate governance requirements by the company.
5. We conducted our examination of the relevant records of the company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of Chartered Accountants of India (the ICAI), the standards on auditing specified under section 143(10) of the Companies Act, 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information and Other Assurance and Related Services Engagements.

Opinion

7. Based on our examination of relevant records and according to the explanations given to us and based on our reliance upon the representations made by the Directors and the Management, we certify that the Company has complied in all material respects with the conditions of Corporate Governance as stipulated in the above mentioned Listing Regulations during the year ended March 31, 2020.
8. We further state that such compliance is neither an assurance as to future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For **Varma & Varma**
Chartered Accountants
FRN. 004532S

Georgy Mathew
M.No. 209645

UDIN: 20209645AAAADW3001

Place: Bengaluru
Date: June 17, 2020

Annexure - F to the Report of the Board of Directors

EXTRACT OF ANNUAL RETURN

As on the financial year ended March 31, 2020

Form No. MGT 9

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

I. Registration And Other Details

(i) CIN	:	L63011TN2004PLC054948
(ii) Registration Date	:	December 17, 2004
(iii) Name of the Company	:	Rane Brake Lining Limited
(iv) Category / Sub-Category of the Company	:	Public 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 Website: www.ranegroup.com E-mail ID: investorservices@ranegroup.com
(vi) Whether listed company	:	Yes
(vii) Name, Address and Contact details : Registrar and Transfer Agent, if any	:	Integrated Registry Management Services Private Limited II Floor, 'Kences Towers', No.1, Ramakrishna Street, North Usman Road, T.Nagar, Chennai - 600 017, E-mail: corpserv@integratedindia.in Phone: 044 2814 0801; Fax: 044 2814 2479 Contact person: Mr. K Suresh Babu, Director

II. Principal Business Activities of The Company

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

Sl. No.	Name and Description of main products / services	NIC Code of the Product / service	% to total turnover of the Company
1	Friction materials- Brake Lining, Disc pad, Brake shoe, Clutch facing and Clutch button	C-29-301	97.36 %

III. Particulars Of Holding, Subsidiary And Associate Companies

Sl. No.	Name and address of the Company	CIN / GLN	Holding / Subsidiary / Associate	% of shares held	Applicable Section
1	Rane Holdings Limited (RHL) 'Maithri', No.132, Cathedral Road, Chennai - 600086, Tamil Nadu, India	L35999TN1936PLC002202	Holding Company	46.59	2(46)

IV. Share Holding Pattern (Equity Share Capital break-up 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				% of Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoter(s)									
(1) Indian									
(a) Individual- HUF	450	-	450	0.01	450	-	450	0.01	-
(b) Central Govt	-	-	-	-	-	-	-	-	-
(c) State Govt(s)	-	-	-	-	-	-	-	-	-
(d) Bodies Corp.	36,67,181	-	36,67,181	46.33	36,87,440	-	36,87,440	46.59	0.25
(e) Banks - FI	-	-	-	-	-	-	-	-	-
(f) Any other	-	-	-	-	-	-	-	-	-
Sub-total (A) (1):-	36,67,631	-	36,67,631	46.34	36,67,631	-	36,87,890	46.59	0.25
(2) Foreign									
(a) NRIs - Individuals	19,400	-	19,400	0.25	19,400	-	19,400	0.25	-
(b) Other - Individuals	-	-	-	-	-	-	-	-	-
(c) Bodies Corp.	15,95,249	-	15,95,249	20.15	15,95,249	-	15,95,249	20.15	-
(d) Banks - FI	-	-	-	-	-	-	-	-	-
(e) Any other	-	-	-	-	-	-	-	-	-
Sub-total (A) (2):-	16,14,649	-	16,14,649	20.40	16,14,649	-	16,14,649	20.40	-
Total Shareholding of Promoters and Promoter Group (A) = (A)(1)+ (A)(2)	52,82,280	-	52,82,280	66.74	53,02,539	-	53,02,539	66.99	0.25
B. Public Shareholding									
(1) Institutions									
(a) Mutual Funds	-	-	-	-	-	-	-	-	-
(b) Banks - FI	3,801	645	4,446	0.06	12,025	645	12,670	0.16	0.10
(c) Central Govt	-	-	-	-	-	-	-	-	-
(e) State Govt(s)	-	-	-	-	-	-	-	-	-
(e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
(f) Insurance Companies	7,70,528	-	7,70,528	9.74	7,53,212	-	7,53,212	9.52	(0.21)
(g) FIs	-	-	-	-	-	-	-	-	-
(h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
(i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	7,74,329	645	7,74,974	9.79	7,65,237	645	7,65,882	9.68	(0.11)

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% of Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(2) Non-Institutions									
(a) Bodies Corp.									
(i) Indian	1,03,567	1,625	1,05,192	1.33	86735	1625	88,360	1.12	(0.21)
(ii) Overseas	-	-	-	-	-	-	-	-	-
(b) Individuals									
(i) Individual shareholders holding nominal share capital upto ₹1 lakh	11,65,199	67,217	12,32,416	15.57	1174054	72057	12,46,111	15.74	0.17
(ii) Individual shareholders holding nominal share capital in excess of ₹1 lakh	3,95,736	38,668	4,34,404	5.49	403445	27200	4,30,645	5.44	(0.05)
Others (specify)									
Non Resident Indians	43,969	1,980	45,949	0.58	48,644	1940	50,584	0.64	0.05
Overseas Corporate Bodies	-	-	-	-	-	-	-	-	-
Foreign Nationals	1,000	-	1,000	0.01	1000	-	1,000	0.01	0.01
Clearing Members	18,572	-	18,572	0.23	9,233	-	9,233	0.12	(0.12)
Trusts	-	-	-	-	-	-	-	-	-
Foreign Bodies - D R	-	-	-	-	-	-	-	-	-
Rane Brake Lining Limited - Unclaimed Shares Suspense Account	2,773	-	2,773	0.04	2769	-	2,769	0.03	0.00
Investor Education and Protection Fund Authority Ministry of Corporate Affairs	17255	165	17,420	0.22	17857	-	17,857	0.23	0.01
Sub-total (B)(2):-	17,48,071	1,09,655	18,57,726	23.47	17,43,737	1,02,822	18,46,559	23.33	(0.14)
Total Public Shareholding (B)=(B)(1)+ (B)(2)	25,22,400	1,10,300	26,32,700	33.26	25,08,974	1,03,467	26,12,441	33.01	(0.26)
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	78,04,680	1,10,300	79,14,980	100.00	78,11,513	1,03,467	79,14,980	100.00	-

% rounded-off to the nearest decimal

ii) Shareholding of Promoters:

Sl. No.	Shareholder's Name	At the beginning of the year			At the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged - encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged - encumbered to total shares	
1	Rane Holdings Limited	36,67,181	46.33	-	36,87,440	46.59	-	0.25
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	0.00	-	50	0.00	-	-
5	Vinay Lakshman	50	0.00	-	50	0.00	-	-
6	Harish Lakshman	50	0.00	-	50	0.00	-	-
7	Ganesh L & Meenakshi Ganesh	50	0.00	-	50	0.00	-	-
8	Meenakshi Ganesh & L Ganesh	50	0.00	-	50	0.00	-	-
9	L Lakshman & Pushpa Lakshman	50	0.00	-	50	0.00	-	-
10	Malavika Lakshman & Harish Lakshman	50	0.00	-	50	0.00	-	-
11	Aparna Ganesh	50	0.00	-	50	0.00	-	-
12	Aditya Ganesh	50	0.00	-	50	0.00	-	-
Total		52,82,280	66.74	-	53,02,539	66.99	-	0.25

% rounded-off to the nearest decimal

iii) Change in Promoters' Shareholding:

Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
At the beginning of the year	52,82,280	66.74	52,82,280	66.74
Rane Holdings Limited	36,67,181	46.33	36,67,181	46.33
Other promoters	16,15,099	20.41	16,15,099	20.41
Date wise Increase in Promoters shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.): Rane Holdings Limited - through market acquisition				
13-06-2019	400	0.01	36,67,581	46.34
14-06-2019	1,076	0.01	36,68,657	46.35
17-06-2019	2,047	0.03	36,70,704	46.38
18-06-2019	1,834	0.02	36,72,538	46.40
19-06-2019	2,214	0.03	36,74,752	46.43
20-06-2019	3,924	0.05	36,78,676	46.48
21-06-2019	519	0.01	36,79,195	46.48
24-06-2019	5,858	0.07	36,85,053	46.56
25-06-2019	2,026	0.03	36,87,079	46.58
26-06-2019	361	0.01	36,87,440	46.59
At the end of the year	53,02,539	66.99	53,02,539	66.99
Rane Holdings Limited	36,87,440	46.58	36,87,440	46.58
Other promoters	16,15,099	20.41	16,15,099	20.41

% rounded-off to the nearest decimal

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

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Date (DD/MM/YYYY)	Increase/ Decrease in shareholding	% of total shares of the Company	Reason	Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company					No. of shares	% of total shares of the company
1.	United India Insurance Company Limited	4,79,030	6.05	-	-	-	-	4,79,030	6.05
2.	General Insurance Corporation of India	2,91,498	3.68	10-01-2020	(1,573)	(0.02)	Transfer	2,89,925	3.66
				17-01-2020	(392)	(0.01)	Transfer	2,89,533	3.65
				24-01-2020	(15,351)	(0.19)	Transfer	2,74,182	3.46
3.	Gautam Jain	51,014	0.65	-	-	-	-	51,014	0.65
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	30,000	0.38	-	-	-	-	30,000	0.38
8.	Bachaladharani	27,807	0.35	-	-	-	-	27,807	0.35
9.	Shanmugasundaram KN	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	22-11-2019	(92)	0.00	Transfer	26,034	0.33
12	V Subha	20,383	0.26	19-04-2019	(250)	0.00	Transfer	20,133	0.25
				26-04-2019	(250)	0.00	Transfer	19,883	0.25
				27-12-2019	(250)	0.00	Transfer	19,683	0.25
13	Srinivasan T M	20,300	0.26	-	-	-	-	20,300	0.26
14	Gowri R	19,181	0.24	24-05-2019	844	0.01	Purchase	20,025	0.25
				31-05-2019	100	0.00	Purchase	20,125	0.25
				07-06-2019	387	0.01	Purchase	20,512	0.26
				14-06-2019	300	0.00	Purchase	20,812	0.26
				12-07-2019	300	0.00	Purchase	21,112	0.27
				14-02-2020	(831)	(0.01)	Transfer	20,281	0.26
				21-02-2020	(2,169)	(0.03)	Transfer	18,112	0.23
				06-03-2020	3,000	0.04	Purchase	21,112	0.27
				13-03-2020	(2,000)	(0.03)	Transfer	19,112	0.24
27-03-2020	1,917	0.02	Purchase	21,029	0.27				
15	Investor Education and Protection Fund Authority	17,255	0.22	12-04-2019	281	0.00	Transfer	17,536	0.22
				27-09-2019	1,361	0.02	Purchase	18,897	0.24
				01-11-2019	(1,000)	(0.01)	Transfer	17,897	0.23
				07-02-2020	(40)	0.00	Transfer	17,857	0.23

% rounded-off to the nearest decimal

v) Shareholding of Directors and Key Managerial Personnel:

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

% rounded-off to the nearest decimal

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

V. **Indebtedness**

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

(Amount in ₹)

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

VI. Remuneration of Directors and Key Managerial Personnel

A. Remuneration to Managing Director / Whole-time Director and / or Manager: (Amount in ₹)

Sl. No.	Particulars of Remuneration	Managing Director Mr. Vinay Lakshman	Manager Mr. R Balakrishnan	Total
1	Gross salary			
(a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	1,41,02,022	14,05,052	1,55,07,074
(b)	Value of perquisites u/s 17(2) Income-tax Act, 1961	22,64,150	6,36,574	29,00,724
(c)	Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission - as 2% of profit *	77,46,225	-	77,46,225
5	Others, please specify	-	-	-
Total (A)		2,41,12,397[#]	20,41,626	2,61,54,023
	Ceiling as per the Act			3,94,09,613

within the approval of shareholder limits

* Commission payable

Note:

- Mr. Vinay Lakshman ceased to be the Managing Director of the Company with effect from January 23, 2020
- Mr. R Balakrishnan was appointed as Manager with effect from January 24, 2020 and the above remuneration represents amount drawn in his capacity as Manager for the period after his appointment

B. Remuneration to other Directors: (Amount in ₹)

Sl. No.	Particulars of Remuneration	Name of Directors										Total Amount
		Mr. L Ganesh	Mr. L Lakshman	Mr. Harish Lakshman	Mr. PS Kumar	Mr. S Sandilya	Mr. S C Gupta	Ms. Ranjana Kumar	Mr. S Krishna Kumar	Mr. Yasuji Ishii	Mr. Anil Kumar V Epur	
1	Independent Directors											
a	Fee for attending board / committee meetings	-	-	-	75,000	3,70,000	3,75,000	80,000	2,00,000	-	3,25,000	14,25,000
b	Commission	-	-	-	-	-	-	-	-	-	-	-
c	Others, please specify	-	-	-	-	-	-	-	-	-	-	-
	Total (1)	-	-	-	75,000	3,70,000	3,75,000	80,000	2,00,000	-	3,25,000	14,25,000
2	Other Non-Executive Directors											
a	Fee for attending Board / Committee meetings	3,85,000	1,25,000	2,20,000	-	-	-	-	-	80,000	-	8,10,000
b	Commission	92,95,470 [#]	-	-	-	-	-	-	-	-	-	92,95,470
c	Others, please specify	-	-	-	-	-	-	-	-	-	-	-
	Total (2)	96,80,470	1,25,000	2,20,000	-	-	-	-	-	80,000	-	1,00,25,470
	Grand Total (B=1+2)	96,80,470	1,25,000	2,20,000	75,000	3,70,000	3,75,000	80,000	2,00,000	80,000	3,25,000	1,15,30,470
	Total Managerial Remuneration (A+B)	3,76,84,493/-										
	Overall Ceiling as per the Act*	4,87,05,083/- (being 11% of net profits of the Company calculated as per Section 198 of the Companies Act, 2013)										

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

within shareholder approved limits

Note:

- Mr. P S Kumar and Mr. S C Gupta ceased to be Independent Directors with effect from May 22, 2019 and March 19, 2020 respectively

C. Remuneration to key managerial personnel other than MD / Manager / WTD:

(Amount in ₹)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		
		Chief Financial Officer Mr. M A P Sridhar Kumar	Company Secretary * Mr. Venkatraman	Total
1	Gross Salary			
(a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	48,61,338	14,73,540	63,34,878
(b)	Value of perquisites u/s 17(2) Income-tax Act, 1961	9,45,866	-	9,45,866
(c)	Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission - as % of profit - others, specify	-	-	-
5	Others, please specify	-	-	-
	Total	58,07,204	14,73,540	72,80,744

* 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, 2020.

For and on behalf of the Board

Chennai
June 17, 2020

Harish Lakshman
Director
DIN: 00012602

L Ganesh
Chairman
DIN: 00012583

Annexure - G to the Report of the Board of Directors

BUSINESS RESPONSIBILITY REPORT

Section A: General information about the Company

1. Corporate Identity Number (CIN) of the Company	:	L63011TN2004PLC054948
2. Name of the Company	:	Rane Brake Lining Limited (RBL)
3. Registered address	:	"Maithri", No.132, Cathedral Road, Chennai - 600 086 Phone: 044 - 2811 2472
4. Website	:	www.ranegroup.com
5. e-mail ID	:	investorservices@ranegroup.com
6. Financial Year reported	:	FY 2019-20
7. Sector(s) that the Company is engaged in (industrial activity code-wise):	:	Components for the Transportation Industry Friction Materials NIC Code : C-29-301
8. List three key products / services that the Company manufactures / provides (as in balance sheet)	:	1) Brake Lining 2) Disc Pad 3) Other Automotive Parts
9. Total number of locations where business activity is undertaken by the Company	:	The total number of locations where business activities undertaken by the Company - 11 nos.
a) Number of International Locations (Provide details of major 5)	:	a) International locations - NIL nos.
b) Number of National Locations	:	b) National locations - 11 nos. Plants : Chennai / Hyderabad / Puducherry / Trichy Depots : Secunderabad, Delhi, Jalandhar, Jaipur, Pune, Howrah & Coimbatore (Bangalore & Ernakulam Depots upto November 30, 2019)
10. Markets served by the Company - Local / State / National / International	:	The Company serves Local / State / National / International Markets

Section B: Financial details of the Company

1. Paid-up Capital: ₹7,91,49,800/-
2. Total Turnover: ₹470,97,94,679/-
3. Total profit after taxes: ₹34,34,08,296/-
4. Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%): 3.17%
5. List of activities in which expenditure in 4 above has been incurred:

The Company's CSR vision is 'to be a socially and environmentally responsible corporate citizen'. The Company continues to focus on four thrust areas for its CSR activities, viz., Education, Healthcare, Environment and Community Development. During the year, the Company has implemented several projects primarily focusing on Education followed by Community Development, which are furnished in detail in the annual report on CSR activities annexed to the report of the Board of Directors.

Section C: Other details

1. Does the Company have any Subsidiary Company / Companies?

No. The Company does not have any subsidiary Company / Companies. The Company is a subsidiary of Rane Holdings Limited. The Company and its holding company and fellow subsidiaries are collectively referred to as Rane Group of Companies.

2. Do the Subsidiary Company / Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s):

Not applicable

3. Do any other entity / entities (e.g. suppliers, distributors etc.) that the Company does business with participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity / entities? [Less than 30%, 30-60%, More than 60%]

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

Section D: BR information

1. Details of Director / Directors responsible for BR

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

DIN	Name	Designation
00012583	Ganesh Lakshminarayan	Chairman

a) Details of the BR head:

Sl. No.	Particulars	Details
1	DIN	NA
2	Name	R Balakrishnan
3	Designation	Manager & President
4	Telephone number	044-28112472
5	e-mail ID	r.balakrishnan@ranegroup.com

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

a) Details of compliance (Y/N)

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

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

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

Not applicable

3. Governance related to BR

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

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

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

Yes. The BR Report is published as part of this annual report and the same is available on the Company's website www.ranegroup.com

Section E: Principle wise performance

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

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

Yes. The Code of Conduct (Rane Compass) covers all employees of RBL and other Rane Group Companies. Every Company within the Rane Group, viz., all subsidiaries and joint ventures at

all locations, every employee of the Company including its Directors come within the scope of the COMPASS.

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

During the FY 2019-20, the Company has received 3 complaints from investors and has resolved all. The Complaints primarily related to non-receipt of annual reports and non receipt of dividend. The Stakeholders Relationship Committee (SRC) oversees the complaints and their resolution. There are no investor complaints pending unresolved at the end of the Financial Year 2019-20.

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

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

The Company incorporates innovative designs for its products with an imperative to protect the environment, conserve natural resources for

achieving sustainable economic growth. These high value designs are developed to enable environmentally friendly material.

Elimination of hazardous raw material use

- Environment Friendly (EF) Grade - Copper Free Passenger car Brake Pad developed - A & B Segment Cars
- Low metallic Disc pad Grade - Copper & Antimony Free Brake Pad for Passenger car - After market Segment
- New grades under development for PC / CV segments considering more focus on 4R principle
- <5% Cu level - LS pad development for OE as well as AM segment in progress with better NVH / Life aspect.

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

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

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

- Raw Material Localisation
- Preserving FX reserves
- More towards Make in India
- Reduced transshipment / travel resulting in reduction of carbon foot prints

Cycle Time Reduction Projects

- New Low metallic Disc pad Grade - Process enhancement with reduced energy consumption for in PCV for SUV application
- Similarly, energy conservative initiatives in car brake pad for SUV application
- New Development: Process improvement in a Passenger car brake Pad to increase cycle time - trials are in Progress

NAO organic Brake lining Grade: New Process technology introduced resulting in reduction in power consumption.

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

Summary report as per sustainability report given below :

Sl. No.	Resource type	No. of Projects completed		Savings (Kwh / KL/Tons)	
		2019-20	2018-19	2019-20	2018-19
1	Energy (Kwh)	71	83	7,05,441	8,90,228
2	Water (KL)	4	6	379	669

Similarly, the Company builds products that helps consumers conserve on the resources and environment. Illustrative examples include:

- New Low metallic Two wheeler Grade - High Mu & High Life Two wheeler Brake pads which provides more life & Durability. Pad life & sustainability will be realized by End Customer.
- Non asbestos organic Grade - Regenerative Braking Supportive Passenger Brake Pad - OE Customer specific requirements (In Progress)
- New grade with higher life than current AM grade developed
- Three New Commercial vehicle Brake lining Grade adopting new process technology with improved liner Life & Durability.
- Developed stable friction & high life sintered pad for two wheeler (International Customer).

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

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

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

The company has a major base of MSME vendors. The steps taken to improve the capability and capacity of local vendors include:

- Imparting training and supporting the suppliers through RaSE (Rane Supplier Excellence Program) for developing Quality Management Systems,

improving the product quality, reducing the wastages and sustainable development

- Providing technical help to vendors for up-gradation of their equipment which has helped in enhancing the capacity and capability
- Communicating on periodic basis and creating joint action plans to meet the requirements
- Ensuring statutory compliance including non deployment of child labour in the factory premises

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

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

- Reusable environmental friendly plastic crates in place of wooden pallets
- Recycled paper usage
- STP / ETP - Zero discharge by using the water for gardening
- Low metallic grade / New grade - Successfully used Solid Waste Management in new formulation development

Principle 3: Well being of Employees [Businesses should promote the wellbeing of all employees]

1. Total number of employees: 1708
2. Total number of employees hired on temporary / contractual / casual basis: 923
3. Number of permanent women employees: 35
4. Number of permanent employees with disabilities: NIL
5. Do you have an employee association that is recognized by management: YES
6. What percentage of your permanent employees is members of this recognized employee association? - Not applicable
7. Please indicate the number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year

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

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

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

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

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

1. Has the Company mapped its internal and external stakeholders? Yes / No: Yes
2. Out of the above, has the Company identified the disadvantaged, vulnerable & marginalized stakeholders: Yes
3. Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so

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

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

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

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

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

During the FY 2019-20, the Company has not received any complaints under the vigil mechanisms of the Company reporting with reliable information on any improper or unethical practices or actions which are violative (actual or potential) of the code of the Company by any employee or others dealing with the Company. The Company has no instances / complaints of reporting under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

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

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

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

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

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

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

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

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

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

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

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

- Factory construction provides for use of natural lighting and ventilation
- Enhanced use of Renewable energy sources (Solar / Wind) across all locations of the company - More than 30% of the energy consumption met through Renewable energy sources.
- Use of Energy efficient Air conditioners / LED lamps helped in reduction of energy consumption significantly.
- Old aged motors mapped across all the machines and replaced old motors with IE3 energy efficient motors.
- Alternative technology solutions implemented for heating applications in the shop floor by use of Thyristor based heating system in place of conventional contactor heater controls.
- Office rooms constructed with waste wooden scraps instead of using aluminium partitions.
- Carton box as packing material has been replaced with Returnable plastic crates. Reduces use of carton boxes significantly.

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

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

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

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

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

1. Is your Company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:

- a) Member in ACMA (Automotive Component Manufacturers Association of India)
- b) Member in CII (The confederation of Indian Industry), Southern Region, Chennai
- c) Friction Materials Standards Institute Inc. USA

2. Have you advocated / lobbied through above associations for the advancement or improvement of public good? Y / N; if Yes, specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles and Others)

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

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

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

Yes. The company primarily channelizes its CSR initiatives through Rane Foundation. The Company has contributed to the establishment of Rane Polytechnic at Trichy through the Rane Foundation. The institution offers quality technical education and sustainable development to the rural youth. Rane Foundation has also established a school, Rane Vidyalaya at Trichy. The school aims to provide a conducive learning environment to

children and will develop qualified teachers and staff. For further details, please refer to the annual report on CSR activities forming part of this annual report.

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

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

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

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

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

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

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

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

Please refer to CSR report for further details

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

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

The Company has a robust system for addressing customer complaints. The complaints received are analysed, appropriate countermeasures are presented to customers, implementation and effectiveness is monitored. During the FY 2019-20, we received 10 complaints from Tier 1 Customers and 5 field complaints from OEMs. Respective Corrective and Preventive Actions were submitted and all complaints were closed with customers.

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

The Company's products are predominantly supplied to Tier 1 customers as per their requirements. The Company displays product

requirements on packaging as per the requirements of OEM and consistent with applicable laws. For the aftermarket segment, the product details are mentioned as per rules made under Legal Metrology Act, 2009.

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

No

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

Customer response and customer satisfaction are one of the most important factors of any business. The Company engages with its customers at various platforms to understand their expectations. The Company obtains the customer feedback by engaging a third party agency to conduct surveys with key stakeholders in the customer organisation. The third-party survey was done in the FY19-20 and improvement actions are identified which will be carried out in phased manner in the subsequent years and the trends be monitored at a defined frequency. The Company constantly communicates with customers and uses the data posted on the customer portal on a monthly / quarterly basis to evaluate the performance and take remedial actions. Customer Satisfaction trends are compiled, monitored and reviewed by top management on a periodic basis and also action plans are discussed with customers.

INDEPENDENT AUDITORS' REPORT

To
The Members
Rane Brake Lining Limited

REPORT ON THE AUDIT OF STANDALONE FINANCIAL STATEMENTS

Opinion

We have audited the accompanying standalone financial statements of Rane Brake Lining Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and Cash Flows Statement for the year then ended and notes to the financial statements including a summary of significant accounting policies and other explanatory information (hereinafter referred to as Standalone Financial Statements)

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020 and its profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the standalone financial statements.

Emphasis of Matter

We draw attention to Note 1.3.5 to the financial statements, which explains the uncertainties and the impact of COVID-19 pandemic situation on the Company's financial results as assessed by the management.

Our opinion is not modified in respect of the above matter.

Key Audit Matters

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

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

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

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

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

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

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

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies;

making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial control system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable
2. As required by Section 143(3) of the Act, we report that :
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c. The Balance Sheet, the Statement of Profit and Loss, including other comprehensive income, the Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d. In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - e. On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164(2) of the Act;
 - f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our Report expresses an unmodified

opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting;

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

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

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

(i) the Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note 38 to the financial statements.

(ii) the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

(iii) there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For **Varma & Varma**
Chartered Accountants
FRN. 004532S

Georgy Mathew
M.No. 209645

Place : Bengaluru
Date : June 17, 2020

UDIN: 20209645AAAADV8143

ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT

REFERRED TO IN PARAGRAPH UNDER THE HEADING REPORT ON "OTHER LEGAL AND REGULATORY REQUIREMENTS" OF OUR INDEPENDENT AUDIT REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF RANE BRAKE LINING LIMITED FOR THE YEAR ENDED MARCH 31, 2020

- (i) a. The company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
- b. We are informed that fixed assets have been physically verified by the Management at reasonable intervals and that no material discrepancies were noticed on such verification.
- c. According to the information and explanations given to us and based on the examination of the records of the company including confirmation received from banks in respect of title deeds deposited with them, wherever applicable and also having regard to legal opinions received in one 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. Accordingly reporting under Clause 3(iii) of the Order is not applicable to the company.
- (iv) According to the information and explanations given to us and based on the records of the company examined by us, the company has not made any investments, granted any loans or given any security or guarantee for which the provisions of section 185 and 186 of the Act are applicable.
- (v) The company has not accepted any deposit from the public during the year. Accordingly reporting under Clause 3(v) of the Order is not applicable to the company.
- (vi) The Central Government has prescribed maintenance of cost records under section 148(1) of the Act in respect of certain products manufactured by the company. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) a. As per the information and explanations furnished to us and according to our examination of the records of the Company, the Company has been regular in depositing the undisputed statutory dues including provident fund, employees state insurance, income tax, goods and services tax, duty of customs, cess and other material statutory dues, as applicable to the Company with the appropriate authorities during the year and no undisputed amounts in respect of material statutory dues were in arrears as at March 31, 2020 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, 2020 are as follows :

Statute	Nature of dues	Amount (₹ in Cr)	Period to which the amount relates	Forum where the dispute is pending
Income Tax Act, 1961	Income Tax	0.48	April 2000 to March 2002, April 2003 to March 2004	High Court of Judicature, Madras
Income Tax Act, 1961	Income Tax	0.34	April 2004 to March 2005	Income Tax Appellate Tribunal, Chennai
Income Tax Act, 1961	Income Tax	3.46	April 2006 to March 2007, April 2010 to March 2013, April 2014 to March 2016	Commissioner of Income Tax (Appeals), Chennai
Central Sales Tax Act, 1956	Sales Tax	0.12	April 2004 to March 2005, April 2008 to March 2010 & April 2011 to March 2012	Sales Tax Appellate Tribunal, Hyderabad
Central Sales Tax Act, 1956	Sales Tax	0.01	April 2010 to March 2011	The Joint Commissioner of Sales Tax (Appeals), Pune
Central Sales Tax Act, 1956	Sales Tax	0.10	April 2013 to March 2015	The Value Added Tax Officer, Ward-204, Delhi
Central Sales Tax Act, 1956	Sales Tax	0.07	April 2014 to June 2017	The Commercial Tax Officer, Special Circle-III, Jaipur

Statute	Nature of dues	Amount (₹ in Cr)	Period to which the amount relates	Forum where the dispute is pending
Central Sales Tax Act, 1956	Sales Tax	0.07	April 2013 to March 2014	Maharashtra Sales Tax Tribunal, Pune
Delhi Value Added Tax Act, 2004	Sales Tax	3.49	April 2014 to March 2015	The Value Added Tax Officer, Ward-204, Delhi
Finance Act, 1994	Service Tax (including interest and penalty)	0.09	August 2012, April 2015 to March 2017	Customs, Excise And Service Tax Appellate Tribunal, Chennai

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

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

(x) During the course of our examination of the books and records of the company carried out in accordance with generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any instances of material fraud by the company or on the company by its officers or employees which has been, noticed or reported during the year, nor have we been informed of any such case by the management.

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

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

(xiii) According to the information and explanations given to us and based on the records of the Company examined by us, transactions with the related parties

are in compliance with sections 177 and 188 of the Act where applicable and the details thereof have been duly disclosed in Note 33 to the standalone financial statements as required by the applicable accounting standard.

(xiv) According to the information and explanations given to us and based 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 explanations 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 requirements under clause 3(xv) of the Order is not applicable.

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

For **Varma & Varma**
Chartered Accountants
FRN. 0045325

Georgy Mathew
M.No. 209645

Place : Bengaluru
Date : June 17, 2020

UDIN: 20209645AAAADV8143

ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT

REFERRED TO IN PARAGRAPH UNDER THE HEADING "REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS" OF OUR INDEPENDENT AUDIT REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF RANE BRAKE LINING LIMITED FOR THE YEAR ENDED MARCH 31, 2020

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, 2020 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 controls 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 (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

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 control 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 control system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial control system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, 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
FRN. 0045325

Georgy Mathew

M.No. 209645

Place : Bengaluru

Date : June 17, 2020

UDIN: 20209645AAAADV8143

BALANCE SHEET

AS AT MARCH 31, 2020

(₹ in Crores)

Sl. No	Particulars	Note No.	As at March 31, 2020	As at March 31, 2019
A.	ASSETS			
	Non-Current Assets			
	(a) Property, plant and equipment	2	130.70	115.72
	(b) Capital Work in Progress	2	0.49	1.93
	(c) Right-of-Use assets	3A	0.58	-
	(d) Intangible Assets	3B	1.39	2.65
	(e) Financial Assets			
	(i) Investments	4	0.60	0.60
	(ii) Other financial assets	5	12.85	12.78
	(f) Deferred Tax Asset (Net)	13	-	1.44
	(g) Tax assets (Net)	14	3.43	2.47
	(h) Other Non Current Assets	6	0.21	0.53
	Total non-current assets		150.25	138.12
	Current Assets			
	(a) Inventories	7	63.02	50.90
	(b) Financial Assets			
	(i) Trade Receivables	9	97.45	140.41
	(ii) Cash and Cash Equivalents	8A	37.54	13.87
	(iii) Bank Balances other than (ii) above	8B	0.00	0.00
	(iv) Other Financial assets	5	0.97	0.60
	(c) Other Current Assets	6	10.12	11.89
	Total current assets		209.10	217.67
	TOTAL ASSETS		359.35	355.79
B.	EQUITY AND LIABILITIES			
	Equity			
	(a) Equity Share Capital	10	7.91	7.91
	(b) Other Equity	11	220.91	201.86
	Total equity		228.82	209.77
	Liabilities			
	Non-Current Liabilities			
	(a) Financial Liabilities			
	i. Borrowings	12	-	-
	ii. Other financial Liabilities	16	0.02	0.05
	(b) Provisions	17	2.95	2.84
	(c) Deferred Tax Liabilities (Net)	13	0.52	-
	(d) Other non-current liabilities	18 & 3A	0.25	-
	Total non-current liabilities		3.74	2.89
	Current Liabilities			
	(a) Financial Liabilities			
	i. Borrowings	12	-	0.07
	ii. Trade Payables			
	a) Micro and small enterprises	15	9.91	6.59
	b) Others	15	83.20	104.90
	iii. Other financial Liabilities	16	16.82	17.63
	(b) Other Current Liabilities	18 & 3A	4.59	4.36
	(c) Provisions	17	12.27	9.58
	Total current liabilities		126.79	143.13
	Total Liabilities		130.53	146.02
	TOTAL EQUITY AND LIABILITIES		359.35	355.79
	Significant Accounting Policies and key accounting estimates and judgements	1		
	See accompanying notes to financial statements	2 - 41		

As per our report of even date

For **Varma & Varma**

Chartered Accountants

Firm Registration No. 004532S

Georgy Mathew

Partner

Membership No. 209645

Place : Bengaluru

Place : Chennai

Date : June 17, 2020

R Balakrishnan

Manager

Ganesh Lakshminarayan

Chairman

DIN : 00012583

M A P Sridhar Kumar

Chief Financial Officer

For and on behalf of the Board

Harish Lakshman

Director

DIN : 00012602

Venkatraman

Secretary

STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED MARCH 31, 2020

(₹ in Crores)

Sl. No.	Particulars	Note No.	Year ended March 31, 2020	Year ended March 31, 2019
I	Revenues from Operations	19	470.98	513.89
II	Other Income	20	10.45	7.08
III	Total Income (I+II)		481.43	520.97
IV	Expenses :			
	Cost of raw materials consumed	21	230.54	259.92
	Purchases of Stock-in-Trade		0.01	0.23
	Changes in Inventories of finished goods, work-in-progress and stock in trade	22	(5.93)	(7.03)
	Employee benefits expense	23	76.63	75.24
	Finance costs	24	0.02	0.39
	Depreciation, amortisation and impairment	25	26.29	24.25
	Other expenses	26	109.19	117.75
	Total Expenses (IV)		436.75	470.75
V	Profit before tax (Before Exceptional items) (III-IV)		44.68	50.22
VI	Exceptional items (VI)	35	-	0.91
VII	Profit before tax (After Exceptional items) (V-VI)		44.68	49.31
VIII	Tax Expense :			
	(1) Current Tax	27	7.86	13.62
	(2) Deferred Tax	27	2.48	(0.84)
			10.34	12.78
IX	Profit for the year (VII - VIII)		34.34	36.53
X	Other Comprehensive Income			
	A. i) Items that will not be reclassified to profit or loss			
	a) Remeasurements of the defined benefit plans	31	(1.51)	(0.29)
	ii) Income tax expense on remeasurement benefit/(loss) of defined benefit plans	27.1	0.53	0.10
	Total Comprehensive Income A (i + ii)		(0.98)	(0.19)
XI	Total Comprehensive Income for the period (IX+X)		33.36	36.34
XII	Earnings Per Equity Share (Nominal value per share ₹10/-)			
	(a) Basic (In ₹)	29	43.39	46.15
	(b) Diluted (In ₹)	29	43.39	46.15
	Significant Accounting Policies and key accounting estimates and judgements	1		
	See accompanying notes to financial statements	2 - 41		

As per our report of even date
For **Varma & Varma**
Chartered Accountants
Firm Registration No. 004532S

For and on behalf of the Board

Georgy Mathew
Partner
Membership No. 209645
Place : Bengaluru

Ganesh Lakshminarayan
Chairman
DIN : 00012583

Harish Lakshman
Director
DIN : 00012602

Place : Chennai
Date : June 17, 2020

R Balakrishnan
Manager

M A P Sridhar Kumar
Chief Financial Officer

Venkatraman
Secretary

CASH FLOW STATEMENT

FOR THE YEAR ENDED MARCH 31, 2020

(₹ in Crores)

Particulars	For the Year ended March 31, 2020	For the Year ended March 31, 2019
A. Cash flow from operating activities		
Profit for the year	44.68	49.31
Adjustments for :		
Finance costs recognised in profit or loss	0.02	0.39
Interest Income recognised in profit or loss	(2.81)	(1.86)
Dividend Income recognised in profit or loss	(0.11)	(0.30)
(Gain) / Loss on disposal of property, plant and equipment	(0.02)	0.09
Deferred revenue recognised on account of Government grant	(0.23)	(0.23)
Impairment loss recognised on trade receivables	0.75	1.23
Depreciation and Amortisation of non-current assets	26.29	24.25
Net foreign exchange (gain) / loss - Unrealised	(0.15)	(0.02)
	68.42	72.86
Movements in working capital :		
(Increase) / decrease in trade and other receivables	42.52	(20.87)
(Increase) / decrease in inventories	(12.12)	(14.85)
(Increase) / decrease in other assets	1.35	(0.15)
Increase / (decrease) in trade payables	(18.54)	20.30
Increase / (decrease) in provisions	1.30	1.05
Increase / (decrease) in other liabilities	(0.72)	3.92
Cash generated from operations	82.21	62.26
Income Tax paid	(8.82)	(17.96)
Net cash generated by operating activities	73.39	44.30
B. Cash flow from investing activities		
Proceeds on sale of property, plant and equipment	0.10	0.02
Interest received	2.81	1.86
Dividend income - Short term Mutual Fund investments	0.11	0.30
Payments for property, plant and equipment	(38.05)	(26.24)
Payments for intangible assets	(0.23)	(0.18)
Investments made during the year	-	(0.60)
Net cash used in investing activities	(35.26)	(24.84)
C. Cash flow from financing activities		
Repayment of borrowings	(0.07)	(0.05)
Repayment of Lease liability	(0.16)	-
Dividends and Dividend tax paid	(14.28)	(14.77)
Interest paid	(0.02)	(0.39)
Net cash used in financing activities	(14.53)	(15.21)
Net increase in cash and cash equivalents	23.60	4.25
Cash and cash equivalents at the beginning of the year	13.87	9.63
Effects of exchange rate changes on the balance of cash and cash equivalents held in foreign currencies	0.07	(0.01)
Cash and Cash equivalents at the end of the year	37.54	13.87

Notes :

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

(b) Cash and Cash equivalents comprises of

(₹ in Crores)

Particulars	As at March 31, 2020	As at March 31, 2019
(i) Cash and Cash Equivalents		
(a) Balance with banks in Current accounts	5.11	2.53
(b) Balance with banks in deposit accounts	32.40	5.50
(c) Cash on hand	0.03	0.04
(d) Mutual Fund investments	-	5.80
Sub-Total	37.54	13.87
(ii) Other Bank Balances		
(a) Balances with banks in earmarked accounts	0.00	0.00
Sub-Total	0.00	0.00
Total	37.54	13.87

The accompanying notes are an integral part of the financial statements

As per our report of even date
For **Varma & Varma**
Chartered Accountants
Firm Registration No. 004532S

For and on behalf of the Board

Georgy Mathew
Partner
Membership No. 209645
Place : Bengaluru

Ganesh Lakshminarayan
Chairman
DIN : 00012583

Harish Lakshman
Director
DIN : 00012602

Place : Chennai
Date : June 17, 2020

R Balakrishnan
Manager

M A P Sridhar Kumar
Chief Financial Officer

Venkatraman
Secretary

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED MARCH 31, 2020

(₹ in Crores)

Particulars	Other Equity					Total (F) = (B)+(C)+(D)+(E)	Total (A)+(F)
	Share Capital (A)	Share premium (B)	General reserve (C)	Retained earnings (D)	Remeasurement Gain /(Loss) on defined benefit obligation (E)		
Balance as at April 01, 2018	7.91	2.80	133.36	43.86	0.28	180.30	188.21
2018-19							
Profit for the year				36.53		36.53	36.53
Other comprehensive income for the year, net of income tax					(0.19)	(0.19)	(0.19)
Amount transferred within Reserves			20.31	(20.31)		-	-
Payment of dividends				(14.78)		(14.78)	(14.78)
Balance as at March 31, 2019	7.91	2.80	153.67	45.30	0.09	201.86	209.77
2019-20							
Profit for the year				34.34		34.34	34.34
Other comprehensive income for the year, net of income tax					(0.98)	(0.98)	(0.98)
Amount transferred within Reserves			22.10	(22.10)		-	-
Payment of dividends				(14.31)		(14.31)	(14.31)
Balance as at March 31, 2020	7.91	2.80	175.77	43.23	(0.89)	220.91	228.82

The accompanying notes are an integral part of the financial statements

As per our report of even date
For **Varma & Varma**
Chartered Accountants
Firm Registration No. 004532S

Georgy Mathew

Partner
Membership No. 209645
Place : Bengaluru

Place : Chennai
Date : June 17, 2020

R Balakrishnan
Manager

Ganesh Lakshminarayan
Chairman
DIN : 00012583

M A P Sridhar Kumar
Chief Financial Officer

Harish Lakshman
Director
DIN : 00012602

Venkatraman
Secretary

For and on behalf of the Board

NOTES FORMING PART OF FINANCIAL STATEMENTS

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CRITICAL JUDGEMENTS AND KEY ESTIMATES

1. General Information

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

2. Summary of Significant accounting policies

2.1 Basis of Preparation

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

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

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

2.2 Use of Estimates

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

knowledge of current events and actions, uncertainty about the assumptions and estimates may result in outcomes requiring a material adjustment to the carrying amount of assets or liabilities in future periods. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

2.3 Property, Plant and Equipment

Property, Plant and Equipment are stated at cost less accumulated depreciation and impairment in value, if any. Cost includes purchase price, (inclusive of import duties and non-refundable purchase taxes, after deducting trade discounts and rebates), other costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management and an initial estimate of the costs of dismantling, removing the item and restoring the site on which it is located, if any.

If the Company has acquired a Property, Plant and Equipment on deferred term basis and terms are beyond normal credit terms, property plant and equipment will be recognized on cash price equivalent, i.e. discounted amount.

The cost of Assets not ready for use as at the Balance Sheet date are disclosed under Capital Work-In-Progress.

The cost of replacement spares / major inspection relating to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the company and the cost of the item can be measured reliably. When parts of an item of property plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Assets costing individually upto ₹10,000/- are fully depreciated in the year of purchase.

Depreciation

Depreciation on Property, Plant and Equipment (Tangible assets) is generally computed on a pro-rata basis on the basis of the estimated life specified in Schedule II of the Companies Act, 2013 under Straight line method. The useful life of assets prescribed in Schedule II to the Companies Act, 2013 are considered for the purpose of Computation of Depreciation. However, If the management's estimate of the useful life of a fixed asset at the time of acquisition of the asset or of the remaining useful life on an annual review is

NOTES FORMING PART OF FINANCIAL STATEMENTS

different from that envisaged in the aforesaid schedule, depreciation is provided at such a 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 (in years)
Vehicles	5
Furniture and Fixtures	5
Office Equipments (other than computers)	3
Laboratory Equipments	3

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

2.4 Intangible Assets

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

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

Amortisation method and useful lives are reviewed annually.

2.5 Leases

The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether : (i) the contract involves the use of an identified asset; (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a Right-of-Use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The Right-of-Use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-Use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of Use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are re-measured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

Transition

Effective April 1, 2019, the Company adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on April 1, 2019 resulting in recognition of right of use assets for an amount of ₹0.36 Crores and measured the lease liabilities at an equal amount as on the date of transition and hence no impact to reserves. Consequently, the Company recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate and the Right of Use asset an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments

NOTES FORMING PART OF FINANCIAL STATEMENTS

relating to that lease recognised in the balance sheet immediately before the date of initial application.

Under Ind AS 17 In the comparative period, Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee.

All other leases are classified as operating leases. Payments made under operating leases were recognised in profit or loss on a straight-line basis over the term of the lease unless the payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

2.6 Impairment

Assessment is done annually as to whether there is any indication that an asset (tangible and intangible) may be impaired. For the purpose of assessing impairment, the smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets, is considered as a cash generating unit. If any such indication exists, an estimate of the recoverable amount of the asset / cash generating unit is made. Assets whose carrying value exceeds their recoverable amount are written down to the recoverable amount. Recoverable amount is higher of an asset's or cash generating unit's fair value less cost to sell and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. Assessment is also done at each Balance Sheet date as to whether there is any indication that an impairment loss recognised for an asset in prior accounting periods may no longer exist or may have decreased. In such cases, impairment losses are reversed to the extent the assets carrying amount does not exceed, the carrying amount that would have been determined if no impairment loss had previously been recognised.

2.7 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.

2.8 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.

2.9 Foreign Currency Transaction

Initial Recognition

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

Subsequent Recognition

As at the reporting date, non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction. All non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

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

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

Derivative Financial instruments and Hedge Accounting

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

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income and accumulated under the heading of cash flow

NOTES FORMING PART OF FINANCIAL STATEMENTS

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

2.10 Revenue Recognition

The Company derives revenues primarily from sale of safety critical friction material products such as brake linings, disc pads, clutch facings, clutch buttons, brake shoes and railway brake blocks & other auto components. Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties.

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

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

2.11 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 monthly contribution and recognises such contribution as expense as and when due.

3. Defined Benefit Plan

Gratuity

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

4. Other Long term employee benefits

Compensated Absence

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

NOTES FORMING PART OF FINANCIAL STATEMENTS

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

2.12 Taxes on Income

Tax expense for the period, comprising current tax and deferred tax, are included in the determination of the net profit or loss for the period. Current tax is measured at the amount expected to be paid to the tax authorities in accordance with the relevant prevailing tax laws. Tax expenses relating to the items in profit and loss shall be treated as current tax as part of profit and loss and those relating to items in other comprehensive income (OCI) shall be recognised as part of OCI.

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

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

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

that the Company will pay normal income tax during the specified period. MAT shall be treated as part of deferred tax assets.

2.13 Financial instruments

Initial recognition

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

Subsequent measurement

i. Financial assets carried at amortized cost

A financial asset is subsequently measured at amortized cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

ii. Financial assets at fair value through profit or loss

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

iii. Financial liabilities

Financial liabilities are subsequently carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

Derecognition of financial instruments

The company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under IND AS 109. A financial liability (or a part of a financial liability) is derecognized from the Company's Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires.

Impairment

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

NOTES FORMING PART OF FINANCIAL STATEMENTS

2.14 Fair Value

The Company measures financial instruments at fair value in accordance with the accounting policies mentioned above. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy that categorizes into three levels, described as follows, the inputs to valuation techniques used to measure value. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 inputs) and the lowest priority to unobservable inputs (Level 3 inputs).

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

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

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

2.15 Government Grants

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

2.16 Research & Development Expenditure

Expenditure on research is recognized as an expense when it is incurred. Expenditure on development which does not meet the criteria for recognition as an intangible asset is recognized as an expense when it is incurred.

Items of property, plant and equipment and acquired Intangible assets utilised for Research and Development are capitalized and depreciated in accordance with the policies stated for property, plant and equipment and intangible assets.

2.17 Provisions and Contingent Liabilities

Provisions :

Provisions are recognised when there is a present obligation as result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance sheet date and are not discounted to its present value unless the effect of time value of money is material. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent Liabilities :

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made. When there is a possible obligation or a present obligation in respect of which likelihood of outflow of resources embodying economic benefits is remote, no provision or disclosure is made.

2.18 Earnings Per Share

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

2.19 Provision for Warranty

The Company's product warranty obligations and estimations thereof are determined using historical information on the type of product, nature, frequency

NOTES FORMING PART OF FINANCIAL STATEMENTS

and average cost of warranty claims and the estimates regarding possible future incidences of product failures. Changes in estimated frequency and amount of future warranty claims, which are inherently uncertain, can materially affect warranty expense.

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

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

3.1. Useful lives of property, plant and equipment

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

3.2. Employee Benefits

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

3.3. Taxation

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

3.4 Provisions and contingencies

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

3.5 Estimation of uncertainties relating to the global health pandemic (COVID-19)

The Company has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of property, plant and equipment, inventories, trade receivables and other financial assets. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Company, as at the date of approval of these financial statements, has used internal and external sources of information including credit reports / related information and economic forecasts. The Company has performed sensitivity analysis on the assumptions used and based on current estimates expects that the carrying amount of the aforementioned assets will be recovered. Given the uncertainties associated with nature and duration of the pandemic, the impact of COVID-19 on the Company's financial statement may differ from that estimated as at the date of approval of these financial statements. The company will continue to monitor future economic conditions and update its assessment.

NOTES FORMING PART OF FINANCIAL STATEMENTS

NOTE 2 PROPERTY, PLANT AND EQUIPMENT AND CAPITAL WORK-IN-PROGRESS

(₹ in Crores)

Particulars	As at March 31, 2020	As at March 31, 2019
Carrying amounts of :		
Freehold land	4.47	4.47
Buildings	33.65	31.76
Plant and equipment	89.32	77.58
Furniture and Fixtures	0.20	0.07
Office Equipments	2.76	1.38
Vehicles	0.30	0.46
Sub-Total	130.70	115.72
Capital Work-in-progress	0.49	1.93
Total	131.19	117.65

(₹ in Crores)

Gross carrying value	Freehold land	Buildings	Plant and equipment	Furniture and Fixtures	Office Equipments	Vehicles	Total
Balance as at April 01, 2018	4.47	34.59	108.86	0.33	2.85	0.79	151.89
Additions	-	2.05	25.37	0.06	0.74	0.17	28.39
Disposals	-	-	(0.11)	0.00	0.00	(0.00)	(0.11)
Balance as at March 31, 2019	4.47	36.64	134.12	0.39	3.59	0.96	180.17
Additions	-	3.89	32.80	0.26	2.73	0.03	39.71
Disposals	-	(0.09)	(0.09)	(0.03)	(0.00)	-	(0.21)
Balance as at March 31, 2020	4.47	40.44	166.83	0.62	6.32	0.99	219.67

(₹ in Crores)

Accumulated depreciation and impairment	Freehold land	Buildings	Plant and equipment	Furniture and Fixtures	Office Equipments	Vehicles	Total
Balance as at April 01, 2018	-	3.03	36.87	0.21	1.26	0.26	41.63
Eliminated on disposals	-	-	-	-	-	-	-
Depreciation / impairment expense	-	1.85	19.67	0.11	0.95	0.24	22.82
Balance as at March 31, 2019	-	4.88	56.54	0.32	2.21	0.50	64.45
Eliminated on disposals	-	(0.01)	(0.08)	(0.02)	(0.01)	-	(0.12)
Depreciation / impairment expense	-	1.92	21.05	0.12	1.36	0.19	24.64
Balance as at March 31, 2020	-	6.79	77.51	0.42	3.56	0.69	88.97

(₹ in Crores)

Gross Carrying Amount	Freehold land	Buildings	Plant and equipment	Furniture and Fixtures	Office Equipments	Vehicles	Total
Carrying amount as on March 31, 2019	4.47	31.76	77.58	0.07	1.38	0.46	115.72
Carrying amount as on March 31, 2020	4.47	33.65	89.32	0.20	2.76	0.30	130.70

(₹ in Crores)

Capital Work-in-progress	As at March 31, 2020	As at March 31, 2019
Plant and equipment	0.49	1.93
Total	0.49	1.93

NOTES FORMING PART OF FINANCIAL STATEMENTS

NOTE 3A LEASES

a) Right-of-Use Assets (₹ in Crores)

Particulars	Vehicles	Total
Gross Block		
Balance as at March 31, 2019	-	-
Additions	0.74	0.74
Disposals	-	-
Balance as at March 31, 2020	0.74	0.74
Accumulated depreciation		
Balance as at March 31, 2019	-	-
Eliminated on disposals	-	-
Amortisation expense	0.16	0.16
Balance as at March 31, 2020	0.16	0.16
Carrying amount as on March 31, 2020	0.58	0.58

b) Break-up of current and non-current lease liabilities :

The following is the break-up of current and non-current lease liabilities as at March 31, 2020 : (₹ in Crores)

Particulars	As at March 31, 2020
Current lease liabilities	0.33
Non-current lease liabilities	0.25
Total	0.58

c) Movement in Lease liabilities :

The following is the movement in lease liabilities during the year ended March 31, 2020 : (₹ in Crores)

Particulars	As at March 31, 2020
Balance as on April 01, 2019	-
Reclassified on account of adoption of IND AS 116	0.74
Additions	-
Finance costs accrued during the period	0.01
Deletions	-
Payment of Lease liabilities	(0.17)
Balance as on March 31, 2020	0.58

d) The table below provides details regarding the contractual maturities of lease liabilities as at March 31, 2020 on an undiscounted basis : (₹ in Crores)

Particulars	Amount
Less than one year	0.33
One to five years	0.25
More than five years	-
Total	0.58

e) Impact of changes in accounting policy on account of adoption of Ind AS 116

The Company during the year recognised Right-of-Use assets and lease liabilities of ₹0.36 Crores as on the transition date. The effect of the same on the financial statements for the year ended March 31, 2020, is not material.

NOTES FORMING PART OF FINANCIAL STATEMENTS

f) Others (₹ in Crores)

Particulars	Year ended March 31, 2020
Interest on lease liabilities	0.01
Expenses relating to short-term leases	0.11
Total cash outflows for leases	0.17

NOTE 3B INTANGIBLE ASSETS

(₹ in Crores)

Gross carrying amount	As at March 31, 2020	As at March 31, 2019
Carrying amounts of :		
Technical Knowhow	1.12	2.48
Software Licence	0.27	0.17
Total	1.39	2.65

(₹ in Crores)

Gross carrying amount	Technical Knowhow	Software Licence	Total
Balance as at April 01, 2018	4.07	0.25	4.32
Additions made during the year	-	0.18	0.18
Balance as at March 31, 2019	4.07	0.43	4.50
Additions made during the year	-	0.23	0.23
Disposals	-	-	-
Balance as at March 31, 2020	4.07	0.66	4.73

(₹ in Crores)

Accumulated Amortisation	Technical Knowhow	Software Licence	Total
Balance as at April 01, 2018	0.23	0.19	0.42
Amortisation expense for the year	1.36	0.07	1.43
Balance as at March 31, 2019	1.59	0.26	1.85
Amortisation expense for the year	1.36	0.13	1.49
Balance as at March 31, 2020	2.95	0.39	3.34
Carrying amount as on March 31, 2019	2.48	0.17	2.65
Carrying amount as on March 31, 2020	1.12	0.27	1.39

NOTE 4 NON-CURRENT INVESTMENTS

(₹ in Crores)

Particulars	As at March 31, 2020		As at March 31, 2019	
	Number	Amount	Number	Amount
Investments in Equity Instruments at FVTPL - Unquoted				
Capsol Energy Private Limited of ₹ 10 each	6,00,000	0.60	6,00,000	0.60
CWRE Wind Power Private Limited of ₹ 10 each	308	0.00	308	0.00
Total	6,00,308	0.60	6,00,308	0.60

NOTES FORMING PART OF FINANCIAL STATEMENTS

NOTE 5 OTHER FINANCIAL ASSETS

(₹ in Crores)

Particulars	Non-current as at		Current as at	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Unsecured and considered good unless otherwise stated :				
(a) Security Deposits (Refer Note (i))	7.42	7.39	0.10	0.10
(b) Interest receivable	-	-	0.64	0.28
(c) Advance recoverable in cash	-	-	0.23	0.22
(d) Long term deposits more than one year (Refer Note (ii))	0.11	0.11	-	-
(e) Earmarked balances for Unclaimed dividend	0.27	0.23	-	-
(f) Deposits with Statutory authorities	5.05	5.05	-	-
Total	12.85	12.78	0.97	0.60

Non-current financial assets - Notes :

- (i) Includes rent deposit paid to director - ₹Nil (March 31, 2019: ₹0.12 Crore)
(ii) Margin money with banks.

NOTE 6 OTHER ASSETS

(₹ in Crores)

Particulars	Non-current as at		Current as at	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Unsecured and considered good unless otherwise stated :				
Capital Advances	0.21	0.54	-	-
Advances paid to suppliers	-	-	1.55	1.56
Balance with Customs and Central Excise Authorities	-	-	6.39	8.51
Prepaid Expenses	-	-	1.29	1.15
Travel advance	-	-	0.89	0.67
Unsecured and considered doubtful:				
Capital Advances	0.20	0.20	-	-
Less : Provision for doubtful advances	(0.20)	(0.20)	-	-
Total	0.21	0.54	10.12	11.89

NOTE 7 INVENTORIES

(₹ in Crores)

Particulars	As at March 31, 2020	As at March 31, 2019
(At lower of cost and net realisable value)		
(a) Raw materials	26.50	23.09
(b) Work-in-process	5.45	4.86
(c) Finished goods	22.11	16.77
(d) Stores and spares	2.69	2.25
(e) Raw materials - Goods in Transit	6.27	3.93
Total	63.02	50.90

- i) The cost of inventories recognised as an expense during the year is as per Note 21 and 22
ii) The cost of inventories recognised as an expense includes ₹0.54 Crores (during 2018-19 : ₹0.85 Cr) in respect of write-downs of inventory to net realisable value.
iii) The mode of valuation of inventories has been stated in Note 2.8

NOTES FORMING PART OF FINANCIAL STATEMENTS

NOTE 8 CASH AND BANK BALANCES

(₹ in Crores)

NOTE 8A CASH AND CASH EQUIVALENTS	As at March 31, 2020	As at March 31, 2019
(a) Balance with banks in Current accounts	5.11	2.53
(b) Balance with banks in deposit accounts	32.40	5.50
(c) Cash on hand	0.03	0.04
(d) Mutual Fund investments	-	5.80
Total	37.54	13.87

(₹ in Crores)

NOTE 8B OTHER BANK BALANCES	As at March 31, 2020	As at March 31, 2019
(a) Balances with banks in earmarked accounts		
- In Margin Money accounts	0.00	0.00
Total	0.00	0.00

NOTE 9 TRADE RECEIVABLES

(₹ in Crores)

Particulars	As at March 31, 2020	As at March 31, 2019
Secured, considered good	-	-
Trade receivables considered good - Unsecured	97.45	140.41
Trade receivables - credit impaired	4.76	4.11
Sub -Total	102.21	144.52
Allowance for credit impaired (expected credit loss allowance)	(4.76)	(4.11)
Total	97.45	140.41
Current	97.45	140.41
Non-current	-	-

9.1 Trade Receivables

The Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience based on :

- Past trend of outstanding receivables > 120 days over a rolling period of past 24 months.
- Past trend of the actual amount of bad debts written off over a rolling period of past 24 months .
- Actual amount of outstanding receivables greater than 120 days as on the reporting date.

The expected credit loss allowance is based on the ageing of the days the receivables are due and the rates as given in the provision matrix. The range of provision created as a percentage of outstanding under various age groups below 120 days past due ranges between 0.23% and 34.15%.

9.2 Movement in expected credit loss allowance

(₹ in Crores)

Particulars	As at March 31, 2020	As at March 31, 2019
Balance at beginning of the year	4.11	2.88
Movement in expected credit loss allowance on trade receivables	0.75	1.24
Amount written off during the year	(0.10)	(0.01)
Balance at end of the year	4.76	4.11

NOTES FORMING PART OF FINANCIAL STATEMENTS

NOTE 10 EQUITY SHARE CAPITAL

(₹ in Crores)

Particulars	As at March 31, 2020	As at March 31, 2019
AUTHORISED :		
Equity Shares:		
1,00,00,000 Equity Shares of ₹10 each	10.00	10.00
ISSUED, SUBSCRIBED AND FULLY PAID UP		
79,14,980 Equity Shares of ₹10 each fully paid-up	7.91	7.91
Total	7.91	7.91

	2019-20		2018-19	
	No of Shares (in Nos)	Amount (₹ in Crores)	No of Shares (in Nos)	Amount (₹ in Crores)
10.1 Reconciliation of number of shares				
Equity Shares of ₹10 each fully paid up				
At the beginning of the period	79,14,980	7.91	79,14,980	7.91
At the end of the period	79,14,980	7.91	79,14,980	7.91

10.2 Rights, preferences and restrictions attached to shares

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

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

	2019-20		2018-19	
	No of Shares (in Nos)	Amount (₹ in Crores)	No of Shares (in Nos)	Amount (₹ in Crores)
10.3 Shares held by holding company				
36,87,440 shares (March 31 ,2019: 36,67,181 shares) of ₹10 each, fully paid up held by Rane Holdings Limited, the Holding Company	36,87,440	3.69	36,67,181	3.67

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

(₹ in Crores)

Name of the Share holder	No of shares held as at			
	March 31, 2020		March 31, 2019	
	Nos.	%	Nos.	%
Rane Holdings Limited	36,87,440	46.59%	36,67,181	46.33%
Nisshinbo Holdings Inc.	15,95,249	20.15%	15,95,249	20.15%
United India Insurance Company Ltd	4,79,030	6.05%	4,79,030	6.05%

NOTE 11 OTHER EQUITY

(₹ in Crores)

Particulars	As at March 31, 2020	As at March 31, 2019
General Reserve	175.77	153.67
Securities Premium reserve	2.80	2.80
Retained Earnings	42.34	45.39
Total	220.91	201.86

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

NOTES FORMING PART OF FINANCIAL STATEMENTS

(₹ in Crores)

Particulars	As at March 31, 2020	As at March 31, 2019
(a) General Reserve		
Opening balance	153.67	133.36
Add : Addition during the year	22.10	20.31
Less : Transfer to Accumulated Depreciation pursuant to Companies Act 2013	-	-
Less : Adjustment arising on Amalgamation	-	-
Less : Utilised during the year	-	-
Closing balance	175.77	153.67
General reserve is created from time to time by transferring profits from retained earnings and can be utilised for purposes such as dividend payout, bonus issue, etc.		
(b) Securities Premium Reserve		
Opening balance	2.80	2.80
Add : Addition during the period		
Closing balance	2.80	2.80
Securities premium reserve represents premium received on equity shares issued, which can be utilised only in accordance with the provisions of the Companies Act, 2013 (the Act) for specified purposes		
(c) Retained Earnings		
Balance at the beginning of the year	45.39	44.14
Profit attributable to the owners of the company	34.34	36.53
Other comprehensive income arising from remeasurement of defined benefit obligation net of income tax	(0.98)	(0.19)
Payment of dividends on equity shares	(14.31)	(14.78)
Transfer to General reserve	(22.10)	(20.31)
Balance at the end of the year	42.34	45.39
On August 1, 2019, a dividend of ₹9.00 per share (total dividend, including dividend distribution tax ₹8.59 Crores) was paid to the holders of fully paid equity shares as final dividend for the year 2018-19.		
On February 12, 2020, a dividend of ₹6.00 per share (total dividend, including dividend distribution tax ₹5.73 Crores) was paid to the holders of fully paid equity shares as interim dividend for the year 2019-20).		
Total Other Equity	220.91	201.86

NOTE 12 CURRENT BORROWINGS

(₹ in Crores)

Particulars	As at March 31, 2020	As at March 31, 2019
Secured - at amortised cost		
Loan repayable on demand (Refer Note (i) below)		
- from banks	-	0.07
Total	-	0.07

The terms of repayment of loans are given below :

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

NOTE 13 DEFERRED TAX ASSETS AND LIABILITIES

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

(₹ in Crores)

Particulars	As at March 31, 2020	As at March 31, 2019
Deferred tax assets	17.47	15.05
Deferred tax liabilities	(17.99)	(13.61)
Net Deferred tax Assets / (Liabilities)	(0.52)	1.44

NOTES FORMING PART OF FINANCIAL STATEMENTS

(₹ in Crores)

2019-20	Opening balance	Recognised in profit or loss	Recognised in Other comprehensive income	Closing balance
Deferred tax (Liabilities) / Assets in relation to				
Property plant and equipment	(13.61)	(4.38)	-	(17.99)
Expenses allowable under tax on actual payment basis	5.16	0.16	-	5.32
Provision on doubtful debts	1.63	0.23	-	1.86
Defined benefit obligation - Gratuity	(0.04)	(0.56)	0.53	(0.07)
Timing difference on account of VRS	2.61	(1.17)	-	1.44
Other Temporary Timing Differences	5.69	(0.53)	-	5.16
Sub-Total	1.44	(6.25)	0.53	(4.28)
MAT Credit entitlement	-	3.76	-	3.76
Net Deferred tax (Liabilities) / Assets	1.44	(2.49)	0.53	(0.52)

NOTE 14 CURRENT TAX ASSETS AND LIABILITIES

(₹ in Crores)

Particulars	As at March 31, 2020	As at March 31, 2019
Current Tax Assets		
Advance payment of Tax and Tax Deducted at Source	138.15	129.33
Advance Fringe benefits tax	0.05	0.05
Total	138.20	129.38
Current Tax Liabilities		
Income Tax payables	(134.77)	(126.91)
Total	(134.77)	(126.91)
Tax Assets	3.43	2.47

NOTE 15 TRADE PAYABLES

(₹ in Crores)

Particulars	As at March 31, 2020	As at March 31, 2019
Dues to Micro Small and Medium Enterprise Vendors (Refer Note 37)	9.91	6.59
Related parties (Refer Note 33(c))	9.20	12.40
Others	74.00	92.50
Total	93.11	111.49

NOTE 16 OTHER FINANCIAL LIABILITIES

(₹ in Crores)

Particulars	Non-current		Current	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
Employee Related dues	-	-	16.54	16.85
Interest accrued but not due on borrowings	-	-	-	-
Unclaimed dividends	-	-	0.27	0.23
Deposits C & F Agents	0.02	0.05	-	-
Other payables	-	-	-	0.55
Derivative Liabilities (Net)	-	-	0.01	-
Total	0.02	0.05	16.82	17.63

NOTES FORMING PART OF FINANCIAL STATEMENTS

NOTE 17 PROVISIONS

(₹ in Crores)

Particulars	Non-current		Current	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
Provision for Warranty (Refer Note 17(a) below)				
Balance at the beginning of the year	-	-	1.57	1.25
Additions / Transfers	-	-	0.42	0.43
Amounts used / Transfers	-	-	-	-
Unused amounts reversed	-	-	-	(0.11)
Balance as at the end of the year	-	-	1.99	1.57
Provision for Employee benefits				
Provision for defined benefit plan	-	-	2.63	0.67
Provision for compensated absences	2.95	2.84	2.13	1.82
Sub-Total	2.95	2.84	4.76	2.49
Others				
Balance at the beginning of the year	-	-	5.52	5.23
Additions / Transfers	-	-	-	0.65
Amounts used / Transfers	-	-	-	(0.36)
Balance as at the end of the year	-	-	5.52	5.52
Total	2.95	2.84	12.27	9.58

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

NOTE 18 OTHER LIABILITIES

(₹ in Crores)

Particulars	Non-current		Current	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
Government grant (Refer Note 18(i))	-	-	-	0.22
Advances and Deposits from Customers / Others	-	-	0.13	0.08
Payable for capital purchases	-	-	3.37	2.83
Statutory remittances (Contributions to PF and ESIC, Withholding Taxes, GST, etc.)	-	-	0.72	1.20
Lease obligations	0.25	-	0.33	-
Others	-	-	0.04	0.03
Total	0.25	-	4.59	4.36

Note 18(i) : The deferred revenue arises as a result of the benefit received from EPCG on account of purchase of capital goods. The revenue was offset against the depreciation costs incurred in 2019-20 ₹Nil (2018-19 : ₹0.24 Cr)

NOTE 19 REVENUE FROM OPERATIONS

(₹ in Crores)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
(a) Sales of Products (Refer Note 19.1)	488.31	539.60
(b) Rebates	(18.24)	(26.58)
Sub-Total	470.07	513.02
(c) Other operating revenues		
- Scrap sales	0.90	0.65
- Material sales	0.01	0.22
Total	470.98	513.89

NOTES FORMING PART OF FINANCIAL STATEMENTS

19.1 Revenue from major products and services

The following is the Company's revenue from the continuing operations from its major products and services. (₹ in Crores)

Categories of products sold	Year ended March 31, 2020	Year ended March 31, 2019
Brake Linings	202.45	223.83
Disc Pads	233.22	247.26
Clutch Facings	4.64	5.62
Railway Brake Blocks	12.43	17.40
Others	17.33	18.91
Total	470.07	513.02

NOTE 20 OTHER INCOME

(₹ in Crores)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
(a) Interest income earned		
- On Financial assets (at amortised cost)	2.81	1.86
(b) Dividend Income - on financial assets (FVTPL)	0.11	0.30
(c) Other non-operating income (net of expenses directly attributable to such income)		
- Liabilities / Provisions no longer required written back	5.56	3.81
Others (aggregate of items)	1.96	1.11
Total	10.45	7.08

NOTE 21 COST OF RAW MATERIAL CONSUMED

(₹ in Crores)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Raw material and components consumed		
Opening inventory	27.02	19.08
Add: Purchases	227.53	257.67
Less: Inventory at the end of the year	32.77	27.02
Sub-Total	221.78	249.73
Freight inward	3.47	4.36
Job work expenses	5.29	5.83
Total	230.54	259.92

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

NOTE 22 CHANGES IN INVENTORIES OF WORK-IN-PROGRESS AND FINISHED GOODS

(₹ in Crores)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Opening Stock :		
Work-in-process	4.86	3.57
Finished goods	16.77	11.03
Closing Stock :		
Work-in-process	5.45	4.86
Finished goods	22.11	16.77
(Increase) / Decrease in Stocks	(5.93)	(7.03)

NOTE 23 EMPLOYEE BENEFIT EXPENSES

(₹ in Crores)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
(a) Salaries, Wages and Bonus	61.74	60.99
(b) Contribution to Provident and Other Funds (Refer Note 31)	3.75	3.67
(c) Gratuity (Refer Note 31)	1.02	0.88
(d) Staff Welfare Expenses	10.12	9.70
Total	76.63	75.24

NOTES FORMING PART OF FINANCIAL STATEMENTS

NOTE 24 FINANCE COSTS

(₹ in Crores)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Interest Expense of		
Working capital Loans (at amortised cost)	0.00	0.00
Other borrowing cost	0.02	0.39
Total	0.02	0.39

NOTE 25 DEPRECIATION, AMORTISATION AND IMPAIRMENT EXPENSE

(₹ in Crores)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Depreciation on Property, plant and equipment pertaining to continuing operations (Refer Note 2)	24.64	22.82
Depreciation on Right-of-Use assets (Refer Note 3A)	0.16	-
Amortisation of Intangible assets (Refer Note 3B)	1.49	1.43
Total depreciation, amortisation and impairment expense	26.29	24.25

NOTE 26 OTHER EXPENSES

(₹ in Crores)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Power and Fuel	22.86	25.15
Consumption of stores and spares	6.84	7.43
Travelling and Conveyance	6.06	6.86
Repairs and Maintenance		
- Buildings	1.23	0.95
- Plant and Equipment	11.42	9.82
- Others	4.62	3.97
Packing, Dispatching and Freight	20.75	23.42
Insurance	0.76	0.85
Rates and Taxes, excluding taxes on income	1.41	5.54
Rent expense	0.11	0.12
Commission to Selling Agents	1.38	1.46
Auditors' Remuneration (Refer Note 26(a) below)	0.19	0.19
Directors' Sitting fee	0.22	0.24
Sales Promotion and Publicity	4.09	3.66
Plant and equipment scrapped	0.08	0.11
Professional Charges	9.90	11.90
Foreign Exchange Loss (Net)	0.01	0.59
Provision for Doubtful Debts	0.75	1.24
Printing and Stationery	0.48	0.58
Royalty	6.07	4.94
Trade mark fees	2.44	2.72
Donation (Refer Note 36)	0.94	1.29
Miscellaneous Expenses	6.58	4.72
Total	109.19	117.75

NOTES FORMING PART OF FINANCIAL STATEMENTS

NOTE 26 (a) AUDITOR'S REMUNERATION

(₹ in Crores)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
(a) Audit Fee	0.10	0.10
(b) Tax audit fee	0.02	0.02
(c) Other Services	0.07	0.07
Total	0.19	0.19

NOTE 27 INCOME TAX EXPENSE

(₹ in Crores)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Current tax		
In respect of current year	7.86	13.62
In respect of prior years	-	-
Total	7.86	13.62
Deferred tax		
In respect of current year	6.24	(0.84)
Minimum Alternate Tax (MAT)	(3.76)	-
Deferred tax recognised in profit or loss	2.48	(0.84)
Total income tax expense	10.34	12.78

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

(₹ in Crores)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Profit before tax	44.68	49.31
Income Tax expense calculated @ 34.944% (FY 2018-19 : 34.944%)	15.61	17.23
Effect of income that is exempt from taxation	(0.09)	0.06
Effect of expenses that are not deductible in determining taxable profit	-	0.07
Effect of concessions (Research and Development and other allowances)	(6.82)	(4.75)
Effect of tax payable in future in respect of taxable temporary differences	5.40	0.16
Effect of previously unrecognised and unused tax losses and deductible temporary differences now recognised as deferred tax assets	-	-
Adjustments recognised in the current year in relation to the current tax of prior years	-	0.01
Other MAT adjustments	(3.76)	-
Income Tax expense recognised in profit or loss	10.34	12.78

27.1 Income tax recognised in other comprehensive income

(₹ in Crores)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Deferred tax		
Arising on income and expenses recognised in other comprehensive income:		
Remeasurement of defined benefit obligation	0.53	0.10
Others	-	-
Total income tax recognised in other comprehensive income	0.53	0.10

NOTE 28 RESEARCH AND DEVELOPMENT EXPENDITURE

(₹ in Crores)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
(i) Capital Expenditure	23.60	10.29
(ii) Revenue Expenses	16.20	17.07

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

NOTES FORMING PART OF FINANCIAL STATEMENTS

NOTE 29 EARNINGS PER SHARE

(₹ in Crores)

Particulars	Year ended	
	March 31, 2020	March 31, 2019
A) Basic Earnings per share		
Profit for the year (A)	34.34	36.53
Weighted average no. of shares outstanding (B)	0.79	0.79
Total basic earnings per share (A / B)	43.39	46.15
B) Diluted Earnings per share		
Profit for the year (A)	34.34	36.53
Weighted average no. of shares outstanding (B)	0.79	0.79
Total diluted earnings per share (A / B)	43.39	46.15

NOTE 30 SEGMENT REPORTING

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

30.1 Product wise break up - Please Refer Note 19.1

30.2 Geographical Information

(₹ in Crores)

Particulars	Revenue from external customers		Non - current assets**	
	Year ended March 31, 2020	Year ended March 31, 2019	Year ended March 31, 2020	Year ended March 31, 2019
India	448.96	491.88	133.16	120.30
Rest of World	22.02	22.01	-	-
Total	470.98	513.89	133.16	120.30

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

30.3 Information about major customers

Revenue from sale of Products to largest customers (greater than 10% of total sales) is ₹144.78 Crores (March 31, 2019 : ₹218.30 Crores)

NOTE 31 EMPLOYEE BENEFIT PLANS

A. Defined contribution plans

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

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

(a) Provident fund and pension

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

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

(b) Superannuation fund

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

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

NOTES FORMING PART OF FINANCIAL STATEMENTS

The total expense recognised in profit or loss of ₹3.43 Crores (for the year ended March 31, 2019 : ₹3.32 Crores) represents contributions payable to these plans by the company at rates specified in the rules of the plans. As at March 31, 2020, contributions of ₹0.29 Crores (as at March 31, 2019 : ₹0.54 Crores) due in respect to 2019-20 (2018-19) reporting period had not been paid over to the plans. The amounts were paid subsequent to the end of the respective reporting periods.

B. Defined benefit plans

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

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

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

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

C. Details of defined benefit obligation and plan assets :

Leave obligations

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

The amount of provision of ₹2.13 Crores (March 31, 2019 : ₹1.82 Crores) is presented as current, since the Company does not have an unconditional right to defer settlement for any of these obligations. However based on past experience, the Company does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months.

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

Principal Actuarial Assumptions at Balance Sheet date	2019-20	2018-19
Discount rate	6.63%	7.62%
Expected rate of salary increase		
- Executives and Staff	8.00%	8.00%
- Operators	8.00%	8.00%
Attrition rate		
- Executives and Staff	4.00%	3.00%
- Operators	1.00%	1.00%

NOTES FORMING PART OF FINANCIAL STATEMENTS

Gratuity

(i) Movements in the present value of the defined benefit obligation are as follows : (₹ in Crores)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Opening defined benefit obligation	13.93	12.48
Current Service Cost	0.98	0.90
Interest cost	1.05	0.94
Remeasurement (gains) / losses :		
Actuarial gains and losses arising from changes in demographic assumptions	-	-
Actuarial gains and losses arising from changes in financial assumptions	1.49	0.27
Actuarial gains and losses arising from experience adjustments	-	-
Past service cost, including losses / (gains) on curtailments	-	-
Benefits paid	(0.49)	(0.66)
Closing defined benefit obligation	16.96	13.93

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

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Opening fair value of plan assets	13.26	12.21
Interest income	(0.24)	0.20
Remeasurement gain / (loss) :		
Return on plan assets (excluding amounts included in net interest expense)	0.99	0.93
Contributions from the Employer	0.80	0.58
Benefits paid	(0.49)	(0.66)
Closing fair value of plan assets	14.32	13.26

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

Particulars	As at March 31, 2020	As at March 31, 2019
Present value of funded defined benefit obligation	16.96	13.93
Fair value of plan assets	14.32	13.26
Funded status	2.64	0.67
Restrictions on asset recognised	-	-
Others	-	-
Net liability arising from defined benefit obligation	2.64	0.67

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

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Service Cost :		
Current Service cost	0.98	0.90
Past service cost and (gain) / loss from settlements	-	-
Net interest expense	0.04	(0.02)
Components of defined benefit costs recognised in profit or loss	1.02	0.88

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

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

NOTES FORMING PART OF FINANCIAL STATEMENTS

(v) Risk Exposure

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

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

(vi) The principal assumptions used for the purposes of the actuarial valuations were as follows :

Particulars	Valuation as at	
	March 31, 2020	March 31, 2019
Discount Rate(s)	6.63%	7.62%
Expected Rate(s) of salary increase		
Executives and Staff	8.00%	8.00%
Operators	8.00%	8.00%
Attrition Rate		
Executives and Staff	4.00%	3.00%
Operators	1.00%	1.00%

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

Sensitivity Analysis

(₹ in Crores)

Change in assumption	March 31, 2020	March 31, 2019
A. Discount Rate + 50 BP	7.13%	8.12%
Defined Benefit Obligation [PVO]	16.10	13.21
Current Service Cost	1.11	0.92
B. Discount Rate - 50 BP	6.13%	7.12%
Defined Benefit Obligation [PVO]	17.89	14.71
Current Service Cost	1.25	1.05
C. Salary Escalation Rate + 50 BP	8.50%	8.50%
Defined Benefit Obligation [PVO]	17.88	14.71
Current Service Cost	1.25	1.05
D. Salary Escalation Rate - 50 BP	7.50%	7.50%
Defined Benefit Obligation [PVO]	16.10	13.20
Current Service Cost	1.11	0.92

- (i) The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.
- (ii) Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.
- (iii) There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

NOTES FORMING PART OF FINANCIAL STATEMENTS

Defined benefit liability and employer contributions

The weighted average duration of the defined benefit obligation is 11.4 years (2019 : 12.1 years). The expected maturity analysis of undiscounted gratuity is as follows :

(₹ in Crores)

Particulars	March 31, 2020	March 31, 2019
Year 1	0.94	0.56
Year 2	0.42	0.61
Year 3	0.50	0.61
Year 4	0.91	0.44
Year 5	0.95	0.81
Next 5 Years	7.06	5.65

NOTE 32 FINANCIAL INSTRUMENTS

32.1 Capital management

For the purpose of the Company's capital management, capital includes issued capital and all other equity reserves attributable to the equity shareholders of the Company. The primary objective of the Company when managing capital is to safeguard its ability to continue as a going concern and to maintain an optimal capital structure so as to maximize shareholder value. As at March 31, 2020, the Company has only one class of equity shares and has no debt. There are no externally imposed capital requirements. In order to maintain or achieve an optimal capital structure, the Company allocates its capital for distribution as dividend or re-investment into business based on its long term financial plans.

32.2 Categories of financial instruments

(₹ in Crores)

Particulars	As at March 31, 2020	As at March 31, 2019
Financial assets		
Measured at fair value through profit or loss (FVTPL)		
(a) Mandatorily measured :		
Equity investments	0.60	0.60
Investment in Mutual Funds (Grouped under cash and cash equivalents)	-	5.80
Measured at amortised cost		
Trade receivables	97.45	140.41
Cash and cash equivalents	37.54	8.06
Other bank balances	0.00	0.00
Other financial assets (Current)	0.97	0.60
Other financial assets (Non-Current)	12.85	12.78
Financial liabilities		
Measured at amortised cost		
Borrowings (Short-term)	-	0.07
Other Financial liabilities	16.84	17.68

(₹ in Crores)

Particulars	March 31, 2020	March 31, 2019	Fair value Hierarchy
Fair value hierarchy			
Derivative instruments (Forward contracts)	-	-	Level-1
Investment in Mutual Funds (Grouped under cash and cash equivalents)	-	5.80	Level-1
Equity investments	0.60	0.60	Level-3

NOTES FORMING PART OF FINANCIAL STATEMENTS

The Company carries equity investment as described in Note-4 to the financial statements. The fair value of the same is based on price of prior transactions. The said investment has subsequently been transferred at its carrying value during the financial year 2019-20. Accordingly, disclosure of the sensitivity of fair value measurement in unobservable inputs is considered not relevant. Other than the effect of disposal as stated above, there are no other changes in the fair value of such investments.

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

32.3 Financial risk management

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

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

32.3.1 Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market conditions. Market risk mainly comprises of interest rate risk, currency risk. Financial instruments affected by market risk includes borrowings, investments, trade payables, trade receivables and derivative financial instruments. The Company's activities expose it primarily to the financial risks of changes in foreign currency exchange rates, interest rates and other price risk.

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

(a) Interest rate risk

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

(b) Foreign Currency risk

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

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

Currency	Liabilities as at		Assets as at	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
EURO	54,392	1,93,358	76	370
GBP	-	3,890	37,625	53,263
JPY	9,23,46,578	6,92,92,397	-	-
USD	10,24,819	5,57,200	5,48,763	5,89,235

NOTES FORMING PART OF FINANCIAL STATEMENTS

Foreign Currency sensitivity analysis

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

(₹ in Crores)

Particulars	Impact on profit or loss for the year		Impact on total equity as at the end of the reporting period	
	2019-20	2018-19	2019-20	2018-19
A. Financial Assets				
USD	(0.21)	0.01	(0.14)	0.01
GBP	(0.01)	(0.20)	(0.01)	(0.14)
EUR	(0.00)	-	(0.00)	-
B. Financial Liabilities				
USD	(0.39)	-	(0.25)	-
EUR	(0.02)	-	(0.01)	-
JPY	(0.02)	-	(0.01)	-
Net Impact (A - B)	0.21	(0.19)	0.13	(0.13)

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

Forward foreign exchange contracts

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

Outstanding contracts	Average exchange rate (in ₹)		In respective Foreign currency		Notional value (in ₹)		Fair value assets / (liabilities) (in ₹)	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Cash flow hedges								
Buy Currency Euro								
Less than 03 months	83.11	-	15,078	-	12,53,121	-	12,48,142	-
Buy Currency JPY								
Less than 03 months	69.81	63.33	8,70,48,186	(8,62,73,723)	6,07,67,248	(5,46,35,135)	6,09,09,520	(5,45,17,228)
More than 03 months	-	63.52	-	(2,50,00,000)	-	(1,58,80,000)	-	(1,59,85,625)
Buy Currency USD								
Less than 03 months	-	69.76	-	(7,50,000)	-	(5,23,22,500)	-	(5,23,60,000)
More than 03 months		70.20	-	(2,50,000)	-	(1,75,50,000)	-	(1,75,56,250)
Cash flow hedges								
Sell GBP								
Less than 03 months	94.70	94.95	17,859	29,262	16,91,187	27,78,343	16,75,530	26,86,136

The line-items in the balance sheet that include the above hedging instruments are "Other financial assets" and "Other financial liabilities".

NOTES FORMING PART OF FINANCIAL STATEMENTS

32.3.2 Credit risk

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

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

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

32.3.3 Liquidity risk

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

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

(₹ in Crores)

Particulars	Less than 1 Year	1-5 years	More than 5 years	Total	Carrying value
March 31, 2020					
Borrowings	-	-	-	-	-
Trade payables	93.11	-	-	93.11	93.11
Derivative Financial Liabilities	0.01	-	-	0.01	0.01
Other Financial Liabilities	16.82	0.02	-	16.84	16.84
Lease Obligations (Refer Note 3A(d))	0.33	0.25	-	0.58	0.58
Total	110.27	0.27	-	110.54	110.54
March 31, 2019					
Borrowings	0.07	-	-	0.07	0.07
Trade payables	111.49	-	-	111.49	111.49
Derivative Financial Liabilities	-	-	-	-	-
Other Financial Liabilities	17.63	0.05	-	17.68	17.68
Total	129.19	0.05	-	129.24	129.24

NOTES FORMING PART OF FINANCIAL STATEMENTS

NOTE 33 RELATED PARTY DISCLOSURES

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

(i) Holding Company	Rane Holdings Limited (RHL)
(ii) Associate	Nisshinbo Holdings Inc. Japan
Other related parties where transactions have taken place during the year	
(iii) Fellow Subsidiaries	Rane Madras Limited (RML) Rane Engine Valve Limited (REVL) Rane Holdings America Inc. (RHAI) Rane Holdings Europe GmbH (RHEG) Rane Light Metal Castings Inc. USA (RLMCA)
(iv) Key Management Personnel (KMP)	Mr. L Ganesh, Chairman Mr. Vinay Lakshman, Managing Director (Upto 23.01.2020) Mr. R Balakrishnan, Manager & President (From 24.01.2020)
(v) Relatives of KMP	Mr. L Lakshman Mr. Harish Lakshman (Upto 23.01.2020)
(vi) Subsidiaries, Associate or Joint venture of other entities in Group	Rane TRW Steering Systems Private Limited (RTSS) Nisshinbo Automotive Manufacturing Inc. USA Nisshinbo Brake Inc. Japan Nisshintoa Iwao Inc. Japan Saeron Automotive Corporation, Korea Shijiazhuang TMD Friction Co. Ltd., China TMD Friction GmbH, Germany TMD Friction Esco GmbH, Germany TMD Friction DO Brasil S, Brasil
(vii) Entities significantly influenced by Key Management Personnel	Rane Foundation (RF)
(viii) Post employment benefit plan of the entity	Rane Brake Lining Limited Employees Gratuity Fund Rane Brake Lining Limited Senior Executives Pension Fund

(b) The above information regarding related parties have been determined to the extent such parties have been identified on the basis of information available with the Company.

NOTES FORMING PART OF FINANCIAL STATEMENTS

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

Description	Holding Company		Associate		Fellow Subsidiary		Key Management Personnel		Relatives of Key Management Personnel		Subsidiaries, Associate or Joint venture of other entities in Group		Entities significantly influenced by Key Management Personnel		Post employment benefit plan of the Entity		Total	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Transactions during the year																		
Trade Mark Fee	2.43	2.72															2.43	2.72
Professional Charges	4.51	3.92			0.26	0.25					4.90	5.27					9.67	9.44
Reimbursement of expenses	0.03	0.01			(0.01)	0.07					0.15	0.33					0.17	0.41
Commission to Chairman							0.93	1.00									0.93	1.00
Remuneration to Managing Director / Manager*							2.62	2.91									2.62	2.91
Supply of Products					1.83	2.26					-	9.98					1.83	12.24
Purchase of Raw Material											32.55	33.35					32.55	33.35
Purchase of Assets											1.30	-					1.30	-
Royalty											7.11	5.87					7.11	5.87
Sitting fees paid			0.01	0.01			0.04	0.04	0.03	0.04							0.08	0.09
Donation - CSR													0.79	1.02			0.79	1.02
Post Employment Benefit Plan																	0.93	0.57
																	0.93	0.57

NOTES FORMING PART OF FINANCIAL STATEMENTS

Description	Holding Company		Associate		Fellow Subsidiary		Relatives of KMP		Subsidiaries, Associate or Joint venture of other entities in Group		Post employment benefit plan of the Entity		Total	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Outstanding as at														
Amount Payable														
Purchase of Raw Material									3.61	4.52			3.61	4.52
Purchase of Software Licence	-	0.02											-	0.02
Trade mark	0.60	0.74											0.60	0.74
Royalty									2.03	2.00			2.03	2.00
Professional Charges									0.33	4.05			0.33	4.05
Post Employment Benefit											2.63	0.99	2.63	0.99
Others			-	0.08									-	0.08
Amount Receivable														
Supply of Products					0.37	0.63			0.01	0.12			0.38	0.75
Purchase of Raw Material									0.16	0.19			0.16	0.19
Professional Charges	-	0.23											-	0.23
Others					-	0.13							-	0.13

* Remuneration to Key Management Personnel Mr.Vinay Lakshman, Managing Director upto 23.01.2020 and Mr. R Balakrishnan, Manager w.e.f 24.01.2020

Particulars	2020	2019
Short term benefits paid	2.36	2.63
Other Long term benefits paid	0.23	0.25
Termination benefits	0.03	0.03
Total	2.62	2.91

NOTES FORMING PART OF FINANCIAL STATEMENTS

NOTE 34 COMMITMENTS

(₹ in Crores)

Particulars	As at March 31, 2020	As at March 31, 2019
Estimated amount of contracts remaining to be executed on capital account and not provided for	13.13	37.08

NOTE 35 EXCEPTIONAL ITEM

(₹ in Crores)

Particulars	Year ended	
	March 31, 2020	March 31, 2019
Voluntary retirement scheme (Refer note-(a))	-	0.91

Note (a) Exceptional item represents the amount paid to 7 employees who opted for early retirement in terms of a voluntary retirement scheme introduced by the Company for the year ended March 31, 2019.

NOTE 36 CORPORATE SOCIAL RESPONSIBILITY

(₹ in Crores)

Particulars	March 31, 2020	March 31, 2019
Total expenditure towards corporate social responsibility	1.09	1.26
Amount required to be spent u/s 135 of the Companies Act, 2013	0.98	0.89
Excess / (Shortfall)	0.11	0.37

NOTE 37 DUES TO MICRO AND SMALL ENTERPRISES

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

(₹ in Crores)

Particulars	March 31, 2020	March 31, 2019
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	9.91	6.59
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	-	-
Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	0.08	0.03
Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	0.00
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	-	-

NOTE 38 CONTINGENT LIABILITIES

(₹ in Crores)

Particulars	As at March 31, 2020	As at March 31, 2019
Income tax matters	8.45	7.77
Sales tax matters	1.21	1.27
Excise duty matters	-	0.05
Service tax matters	0.30	1.10
Total	9.96	10.19

NOTE 39 APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved for issued by the Board of Directors on June 17, 2020.

NOTES FORMING PART OF FINANCIAL STATEMENTS

NOTE 40 ADDITIONAL INFORMATION TO FINANCIAL STATEMENTS

(₹ in Crores)

Particulars	As at March 31, 2020	As at March 31, 2019
a) Raw materials consumed :		
i) Asbestos	11.61	11.67
ii) Chemicals & Resins	151.60	175.04
iii) Steel Components	58.57	63.03
iv) Others	-	0.00
Total	221.78	249.74
b) CIF Value of imports :		
i) Raw materials	80.71	80.95
ii) Capital goods	18.47	10.55
Total	99.18	91.50
c) Expenditure in foreign currency		
i) Royalty	5.74	4.28
ii) Technical and License Fees	2.45	6.13
iii) Travelling	0.11	0.07
iv) Sales Commission	0.28	0.38
v) Professional and Consultancy Charges	0.07	0.05
vi) Others	0.85	0.40
Total	9.50	11.31

d) Value of imported and indigenous raw materials, components and spares consumed and percentage of each to the total consumption :

Particulars	Year ended			
	March 31, 2020		March 31, 2019	
	Value (₹ in Crores)	Percentage	Value (₹ in Crores)	Percentage
i) Raw Materials				
a) Imported	103.04	45%	113.72	44%
b) Indigenous	118.74	52%	136.01	53%
ii) Stores and Spare Parts				
a) Imported	-	-	-	-
b) Indigenous	6.84	3%	7.43	3%
Total	228.62	100%	257.16	100%

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

Particulars	Year ended					
	March 31, 2020			March 31, 2019		
	No. of Non-resident shareholders	No. of equity shares held	Dividend remitted (₹ in Crores)	No. of Non-resident shareholders	No. of equity shares held	Dividend remitted (₹ in Crores)
Interim Dividend paid during the year	1	15,95,249	0.96	1	15,95,249	1.04
Final Dividend paid during the year	1	15,95,249	1.44	1	15,95,249	1.44

NOTES FORMING PART OF FINANCIAL STATEMENTS

f) Earnings in foreign currency (₹ in Crores)

Particulars	Year ended	
	March 31, 2020	March 31, 2019
FOB Value of exports	20.43	22.07
Total	20.43	22.07

g) Other Financial information (₹ in Crores)

Particulars	Year ended	
	March 31, 2020	March 31, 2019
i. Outstanding Letter of Credit	2.36	0.97
ii. Guarantees excluding financial guarantees	2.71	1.86
iii. Net exchange difference debited to Profit and Loss Statement	0.01	0.59

NOTE 41

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

As per our report of even date
For **Varma & Varma**
Chartered Accountants
Firm Registration No. 004532S

Georgy Mathew
Partner
Membership No. 209645
Place : Bengaluru

Place : Chennai
Date : June 17, 2020

R Balakrishnan
Manager

Ganesh Lakshminarayan
Chairman
DIN : 00012583

M A P Sridhar Kumar
Chief Financial Officer

Harish Lakshman
Director
DIN : 00012602

Venkatraman
Secretary

Signature to Note 1 to Note 41

For and on behalf of the Board

PARTICULARS OF DIRECTORS, KEY MANAGERIAL PERSONNEL AND EMPLOYEES

for the financial year 2019-20

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 2019-20 (₹in Crores)	% increase/ (decrease) of remuneration FY 2019-20	Ratio of remuneration of each Director to median remuneration of employees
Mr. L Ganesh	Chairman (Non-executive)	0.97	(7%)	19%
Key Managerial Personnel				
Mr. Vinay Lakshman	Managing Director	2.41	N.A.	
Mr. R Balakrishnan	President & Manager	0.89	N.A.	
Mr. M A P Sridhar Kumar	Chief Financial Officer	0.58	5%	Not Applicable
Mr. Venkatraman	Company Secretary (Refer note iv)	0.15	6%	

Note:

- (i) Mr. Vinay Lakshman resigned as Managing Director of the Company with effect from January 23, 2020. Mr. R Balakrishnan, President was appointed as Manager of the Company with effect from January 24, 2020. The remuneration drawn by Mr. R Balakrishnan represents the amount received in his capacity as President for the full FY 2019-20.
 - (ii) None of the other Directors receive any remuneration from the Company except sitting fees for attending meeting of the Board / Committee(s) thereof
 - (iii) Remuneration considered based on annual emoluments and designation as on date
 - (iv) Remuneration of Secretary is part of the secretarial services availed by the Company from Rane Holdings Limited
2. Median remuneration of the employees of the Company for FY 2019-20 is ₹0.05 crores. Increase in median remuneration during the year 3%
 3. Number of permanent employees on the rolls of the Company as on March 31, 2020 was 706 as against 756 as on March 31, 2019
 4. Average percentile increase already made in salary of employees other than the managerial personnel in last financial year: 6%, as against an percentile increase in managerial remuneration: (17%)
 5. It is hereby affirmed that the remuneration paid is in accordance with the remuneration policy of the Company.

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

i. Top ten employees in terms of remuneration drawn:

Name	Designation	Remuneration (₹crores)	Nature of employment	Qualifications and experience of the employee	Date of commencement of employment	Age (Yrs.)	Last employment held	Percentage of equity shares held by the employee in the company	Whether any such employee is a relative of any director or manager (if so, name of director / manager)
Mr.Vinay Lakshman*	Managing Director	2.41	Permanent	B.Com; Master's Degree in Accounting & Financial Management from DeVry University, Chicago, USA & 23 years	01-Oct-15	43	Sr.Vice President-Commercial, Rane Brake Lining Limited.	50 shares (0.00%)	Son of Mr.L Lakshman & Brother of Mr.Harish Lakshman
Mr. R Balakrishnan#	Manager & President	0.89	Permanent	B.Tech & 31 years	01-Oct-18	55	Sr.Vice President-Marketing & TQM, Rane (Madras) Limited	-	-
Mr. M A P Sridharkumar	Senior Vice President -Finance & CFO	0.58	Permanent	B.com; ACA & 25 years	10-Feb-97	52	Manager-Finance-Classic Bio-tech & Exports Limited	-	-
Mr. Balaji Srinivasan	Vice President-Research & Development	0.46	Permanent	BE, MBA, M.Tech & 24 years	09-Feb-17	45	General Manager R&D - Brakes India Private Limited	-	-
Mr. Bhargav S	General Manager - Techno Marketing	0.42	Permanent	BE,MS, EGMP (IIMB) & 21 years	02-Sep-02	43	Engineer - Brakes India Limited	-	-
Mr. Vijaya Kumar K	Deputy General Manager - Materials	0.40	Permanent	B.Tech (Chemical) PGPEX (IIM, C) & 17 years	28-Dec-17	40	Deputy General Manager, Materials - Mando Automotive India Pvt. Ltd.	-	-
Mr. R Govardhanan	General Manager - Human Resource	0.39	Permanent	B.Sc., BL, MA, MBA & 24 years	14-Aug-14	50	Senior Manager - Human Resources, BMW India Pvt. Ltd.	-	-
Mr.Balaji Lenin	Deputy General Manager - Research & Development	0.36	Permanent	BE, ME & 19 years	04-Jun-18	42	Associate General Manager - HCL Technologies Limited	-	-

Name	Designation	Remuneration (₹crores)	Nature of employment	Qualifications and experience of the employee	Date of commencement of employment	Age (Yrs.)	Last employment held	Percentage of equity shares held by the employee in the company	Whether any such employee is a relative of any director or manager (if so, name of director / manager)
Mr. Ganeshkumar K	Deputy General Manager - Techno Marketing	0.34	Permanent	B.Tech., M.Tech. PGDM & 17 years	28-Dec-15	40	Senior Manager - KAM - Passenger Car, Wheels India Limited	-	-
Mr. NVK Sharma	General Manager - Aftermarket	0.32	Permanent	M.A; Masters in Marketing Management & 31 years	11-Oct-18	52	Valeo Service India Pvt. Limited - Marketing Director	-	-
Mr. Babu Nizam	General Manager - Operations (Puducherry Plant)	0.30	Permanent	BE, MBA & 24 years	26-Nov-18	47	NTC logistics Pvt Limited - Head of Fleet and Operations	-	-

* Mr. Vinay Lakshman resigned as Managing Director of the Company with effect from January 23, 2020

The remuneration drawn by Mr. R Balakrishnan represents the amount received in his capacity as President for the FY 2019-20.

- ii. Employed throughout the financial year with remuneration not less than ₹1.02 crores per annum (excluding details of top ten employee(s) given in (i) above): **NIL**
- iii. Employees whose remuneration was not less than ₹8.50 lakhs p.m (if employed part of the financial year, excluding details of top ten employee(s) given in (i) above): **NIL**
- iv. Employees whose remuneration was in excess of that of MD / Whole time director / Manager and holding 2% of shares of the Company along with relatives (either employed throughout the financial year or part thereof): **NIL**



Expanding Horizons

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