

Registered Office
"Maithri",
No. 132, Cathedral Road,
Chennai 600 086,
India.
CIN: L63011TN2004PLC054948

Tel: 91 44 2811 2472
URL; www.ranegroup.com

Rane Brake Lining Limited



//Online submission//

RBL/SE/014/2022-23

June 02, 2022

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 17th Annual General Meeting & 17th Annual Report FY 2021-22 - Regulation 34 SEBI LODR

Ref: our letter no. RBL/SE/006/2022-23 dated May 18, 2022

The **Seventeenth Annual General Meeting** (17th AGM) is scheduled to be held on **Tuesday, June 28, 2022 at 14:00 hrs IST** through **Video Conference (VC) / Other Audio Visual Means (OAVM)**. 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 & e-voting at the AGM	June 21, 2022 (Tuesday)
e-Voting start date and time	June 25, 2022 (Saturday) and 09:00 hrs IST
e-Voting end date and time	June 27, 2022 (Monday) and 17:00 hrs IST

In terms of regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI LODR) the copy of 17th Annual Report along with the Notice of the 17th AGM dated May 18, 2022 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.

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

Venkatraman
Secretary

Encl.: a/a

Rane Brake Lining Limited

17th Annual Report 2021-22

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FINANCIAL HIGHLIGHTS

OPERATIONAL PERFORMANCE

(₹ in Crores)

FINANCIAL YEAR	FY 22	FY 21	FY 20	FY 19	FY 18	FY 17	FY 16	FY 15	FY 14	FY 13
Total Income (*)	518.19	434.81	481.43	520.97	487.21	470.58	451.64	418.49	386.51	379.68
Earnings Before Interest, Tax, Depreciation & Amortisation (EBITDA)	56.11	71.61	70.99	73.95	78.97	62.98	57.65	47.56	42.61	36.08
Profit Before Tax (PBT)	34.67	46.94	44.68	49.31	54.89	42.70	35.48	20.60	16.73	10.92
Profit After Tax (PAT)	27.19	31.80	34.34	36.53	35.75	34.93	25.76	16.11	17.21	9.10

(*) Total Income are net of excise duty, where applicable.

KEY PERFORMANCE INDICATORS

FINANCIAL YEAR	FY 22	FY 21	FY 20	FY 19	FY 18	FY 17	FY 16	FY 15	FY 14	FY 13
Return on Capital Employed (ROCE) %	14.23	19.61	19.61	24.16	30.17	25.11	21.90	13.82	12.10	9.31
Return on Net Worth (RONW) %	11.32	13.64	15.66	18.36	20.14	22.93	19.84	13.77	16.07	9.16
Earnings Per Share (₹)	35.17	41.02	43.39	46.15	45.17	44.13	32.54	20.36	21.76	11.50
Dividend (%) ^(@)	200	250	170	155	155	150	100	70	75	40
Dividend Payout ratio ^(@)	57	61	42	40	41	41	37	41	40	40
Book Value Per Share (₹)	314.16	306.57	289.10	265.03	237.80	210.72	174.27	153.77	141.84	128.88

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

BALANCE SHEET**

(₹ in Crores)

FINANCIAL YEAR	FY 22	FY 21	FY 20	FY 19	FY 18	FY 17	FY 16	FY 15	FY 14	FY 13
Equity Share Capital	7.73	7.75	7.91	7.91	7.91	7.91	7.91	7.91	7.91	7.91
Shareholders' funds	242.84	237.66	228.82	209.77	188.22	166.78	137.93	121.71	112.27	102.01
Non current Liabilities	5.80	6.95	3.74	2.89	3.07	6.09	14.34	23.83	39.16	56.63
Current Liabilities	150.31	139.41	126.79	143.13	119.60	104.87	103.61	109.55	116.51	102.87
Non current assets	134.50	136.41	150.25	138.12	131.42	136.30	118.36	129.50	143.14	148.44
Current assets	264.45	247.61	209.10	217.67	179.47	141.44	137.52	125.60	124.81	113.07

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

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.

CORPORATE INFORMATION

Board of Directors

L Ganesh, Chairman
Anil Kumar Venkat Epur
Dr. Brinda Jagirdar
Harish Lakshman
S Sandilya
Yasuji Ishii
(Nominee of Nisshinbo Holdings Inc., Japan)

Audit Committee

S Sandilya, Chairman
Anil Kumar Venkat Epur
Dr. Brinda Jagirdar
L Ganesh

Stakeholders' Relationship Committee

Harish Lakshman, Chairman
Anil Kumar Venkat Epur
L Ganesh

Nomination and Remuneration Committee

S Sandilya, Chairman
Anil Kumar Venkat Epur
Harish Lakshman

Corporate Social Responsibility Committee

L Ganesh, Chairman
Anil Kumar Venkat Epur
Harish Lakshman

Risk Management Committee

L Ganesh, Chairman
Harish Lakshman
S Sandilya
R Balakrishnan, President & Manager

President & Manager

R Balakrishnan

Vice President - Finance & Chief Financial Officer

J Ananth

Secretary

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 - 626 105
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 : corpseiv@integratedindia.in
Website : www.integratedindia.in

Rane Brake Lining Limited

CIN: L63011TN2004PLC054948

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

Phone: 044-28112472/73

Email: investorservices@ranegroup.com Website : www.ranegroup.com

NOTICE TO MEMBERS

NOTICE is hereby given that the **Seventeenth (17th) Annual General Meeting of Rane Brake Lining Limited** will be held on, Tuesday, June 28, 2022 at 14:00 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, 2022, 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, 2022 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 dividend of ₹20/- per equity share having face value of ₹10/- each fully paid up on 77,29,871 equity shares be and is hereby declared out of the profits of the Company for the year ended March 31, 2022 absorbing a sum of ₹15.46 Crores and that the dividend be paid, subject to deduction of applicable taxes at source, to those shareholders, whose names appear in the Company's Register of Members as on June 21, 2022."

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

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

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

4. To approve appointment of Statutory Auditors

M/s Varma & Varma (V&V), Chartered Accountants, (Firm registration Number: 004532S) hold the office of statutory auditors as per the members' approval accorded at the 12th Annual General Meeting (AGM) held on August 23, 2017. In view of V&V, completing the prescribed tenure under Section 139 of the Companies

Act, 2013 read with Companies (Audit and Auditors) Rules, 2014, at 17th AGM, the audit committee and the Board of Directors recommended the appointment of M/s. BSR & Co., LLP, Chartered Accountants (Firm Registration No. 101248W/W-100022) as Statutory Auditors of the Company for a first term of five consecutive years.

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

"Resolved that pursuant to the provisions of Sections 139, 141 142 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), M/s. BSR & Co., LLP, Chartered Accountants (Firm Registration No. 101248W/W-100022) be and are hereby appointed as statutory auditors of the Company in the place of M/s. Varma & Varma, Chartered Accountants (Firm Registration Number 004532S), for a first term of 5 (five) consecutive years from the conclusion of 17th Annual General Meeting (2022) till the conclusion of the 22nd Annual General Meeting (2027) on such terms and conditions including remuneration as may be determined by the Board of Directors of the Company and reimbursement of travelling and other out-of-pocket expenses actually incurred by them in connection with the audit."

SPECIAL BUSINESS:

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**:

"Resolved that in partial modification of special resolution passed at 16th AGM vide item no.6, 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 commission upto 2% of the net profits or minimum remuneration as approved by

the members at the 16th AGM whichever is higher, to Mr. Ganesh Lakshminarayan, (DIN:00012583) Chairman, for the financial year ended March 31, 2022 exceeding 50% (fifty percent) of the total annual remuneration paid / payable to all the Non-Executive Directors of the Company for the financial year ended March 31, 2022.

Resolved further that 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 commission upto 2% of the net profits or minimum remuneration as approved by the members at the 16th AGM, whichever is higher, to Mr. Ganesh Lakshminarayan, (DIN:00012583) Chairman, for the financial year ending March 31, 2023 exceeding 50% (fifty percent) of the total annual remuneration paid / payable to all the Non-Executive Directors of the Company for the financial year ending March 31, 2023."

6. To appoint Mr. C N Srivatsan (DIN:00002194) as an Independent Director

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

"Resolved that pursuant to Section 149, 150, 152 read with Schedule IV and such other applicable provisions of the Companies Act, 2013 (the "Act") and rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) Mr. C N Srivatsan DIN:00002194), appointed as an Independent Director of the Company, not liable to retire by rotation, in terms of section 149 of the Act read with Articles of Association of the Company, to hold office for a term of five consecutive years with effect from June 28, 2022, up to the conclusion of Twenty Second Annual General

Meeting or June 27, 2027, whichever is earlier, in accordance with the policy of the Company applicable to Board of Directors from time to time."

7. To appoint Mr. Ashok Malhotra as an Independent Director

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

"Resolved that pursuant to Section 149, 150, 152 read with Schedule IV and such other applicable provisions of the Companies Act, 2013 (the "Act") and rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) Mr. Ashok Malhotra (DIN:00029017), appointed as an Independent Director of the Company, not liable to retire by rotation, in terms of section 149 of the Act read with Articles of Association of the Company, to hold office with effect from June 28, 2022, up to October 08, 2024, in accordance with the policy of the Company applicable to Board of Directors from time to time."

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

Chennai
May 18, 2022

Venkatraman
Secretary

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

NOTES:

1. The 17th AGM of the Company is being conducted through VC/OAVM Facility, in compliance with General Circular No. 02/2022 dated May 05, 2022 issued by the Ministry of Corporate Affairs ('MCA Circulars') and the provisions of the Act which does not require physical presence of Members at a common venue. The deemed venue for the 17th AGM shall be the Registered Office of the Company. The Company has engaged Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means i.e., remote e-voting and voting at the AGM.
2. 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 business to be transacted at the AGM is annexed and forms part of this Notice.
3. 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. 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 the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.

4. Corporate members intending to send their authorised representatives to attend the AGM through VC / OAVM on its behalf and to vote through remote e-voting are requested to send to the Company a certified copy of the board resolution authorising their representative to the registered email address of the Company i.e., investorservices@ranegroup.com.
5. The record date for the purpose of dividend and the cut-off date for the purpose of determining eligibility of members for voting in connection with the Seventeenth AGM is **Tuesday, June 21, 2022**.
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 Seventeenth AGM and the annual report 2022 will be available in the Investors Section on the Company's website www.ranegroup.com.
8. Listed companies are required to use the Reserve Bank of India's approved electronic mode of payment such as National Automated Clearing House (NACH), National Electronic Fund Transfer (NEFT), Real Time Gross Settlement (RTGS) for making payments like dividend to the shareholders, in terms of Schedule I of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI LODR). Accordingly, shareholders holding securities in demat mode are requested to update their bank details with their depository participants. Shareholders holding securities in physical form may send a request updating their bank details to the company's Registrar and Transfer Agent.
9. Members holding shares in dematerialized form are requested to notify any change in their addresses, bank details or e-mail address with their respective DP and those holding shares in physical form are requested to notify the RTA at the following address:

**M/s. Integrated Registry Management Services
Private Limited**
SEBI Registration No. INR000000544
2nd Floor, "Kences Towers", No.1, Ramakrishna Street,
North Usman Road, T Nagar, Chennai - 600 017,
e-mail ID: corpserv@integratedindia.in
Phone: 044 2814 0801-803; Fax: 044 2814 2479
10. The Securities and Exchange Board of India (SEBI) has recently mandated furnishing of PAN, KYC details (i.e., Postal Address with Pin Code, email address, mobile number, bank account details) and nomination details by holders of securities. Effective from January 01, 2022, any service requests or complaints received from the member, will not be processed by RTA till the aforesaid details/ documents provided to RTA. On or after April 01, 2023, in case any of the above cited documents/ details are not available in the Folio(s), RTA shall be constrained to freeze such Folio(s). Relevant details and forms prescribed by SEBI in this regard are available on the website of the Company at https://ranegroup.com/forms_download#forms.
11. Pursuant to Finance Act 2020, dividend income is taxable in the hands of shareholders w.e.f. April 01, 2020 and the Company is required to deduct tax at source from dividend paid to shareholders at the prescribed rates. 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). Shareholders (Resident / Foreign) are required to update necessary documents for exemption / deduction at beneficial rates by uploading necessary documents on the website of the Company at https://ranegroup.com/rane-brake-liningltdinvestors/#document_upload_contact_details_updaton or email to investorservices@ranegroup.com.
12. As per SEBI norms, with effect from January 25, 2022, all transmission/transfer requests including issuance of duplicate share certificates are mandatorily to be processed in dematerialised form only.
13. In compliance with the aforesaid MCA Circular dated May 05, 2022 and SEBI circular dated May 13, 2022, the Notice of the AGM along with the Annual Report 2022 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 2022 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.
14. The Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
15. Information pursuant to regulations 36(3) & (5) of SEBI LODR and Secretarial Standard on General Meeting (SS-2) with respect of the Directors seeking appointment / re-appointment and auditor appointment, as the case may be, at the AGM are furnished in the Annexure to this Notice. The Directors have furnished the requisite consents / declarations for their appointment / re-appointment.
16. 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.
17. Since the AGM will be held through VC / OAVM, the route map is not annexed in this notice.
18. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 (including amendments thereto) and SEBI LODR, the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the AGM by electronic means and the business may be transacted through e-voting services.
 - i. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by 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.
- iii. 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.
 - iv. 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.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
 - (iii) Pursuant to SEBI Circular No. **SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020**, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

THE INSTRUCTIONS TO SHAREHOLDERS FOR E-VOTING AND JOINING VIRTUAL MEETINGS ARE AS UNDER:

- (i) The voting period begins on Saturday, June 25, 2022 and ends on Monday, June 27, 2022. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date Tuesday, June 21, 2022 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (iv) Login method for e-Voting and joining virtual meetings for Individual shareholders holding securities in Demat mode CDSL/NSDL is given below:

CDSL	NSDL
<p>1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or visit www.cdslindia.com and click on Login icon and select New System Myeasi.</p>	<p>1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</p>
<p>2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</p>	<p>2) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS "Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</p>

CDSL	NSDL
<p>Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-Voting service providers' website directly.</p>	
<p>3) If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration</p> <p>4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page or click on https://evoting.cdslindia.com/Evoting/EvotingLogin The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.</p>	<p>3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</p>

Individual Shareholders (holding securities in demat mode) login through their Depository Participants

You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 and 022-23058542-43.
Individual Shareholders holding securities in Demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30

- (v) Login method for e-Voting and joining virtual meetings for Physical shareholders and shareholders other than individual holding in Demat form.
 - a. The shareholders should log on to the e-voting website www.evotingindia.com.
 - b. Click on "Shareholders" module.
 - c. Now enter your User ID
 - i. For CDSL: 16 digits beneficiary ID,
 - ii. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - iii. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
 - d. Next enter the Image Verification as displayed and Click on Login.
 - e. If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.
 - f. If you are a first-time user follow the steps given below:

	For Physical shareholders and other than individual shareholders holding shares in Demat
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> • Shareholders who have not updated their PAN with the Company/Depository

- | | |
|--|--|
| | Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA. |
| Dividend Bank Details OR Date of Birth (DOB) | 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.

<ul style="list-style-type: none"> If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field. |
- (vi) After entering these details appropriately, click on "SUBMIT" tab.
- (vii) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders 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 company on which they are eligible to vote, provided that company 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.
- (viii) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (ix) Click on the EVSN for the relevant Company on which you choose to vote.
- (x) 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 option NO implies that you dissent to the Resolution.
- (xi) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xii) After selecting the resolution, 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.
- (xiii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xiv) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xv) 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.

(xvi) Additional Facility for Non - Individual Shareholders and Custodians -For Remote Voting only.

- 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 viz; 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.

INSTRUCTIONS TO SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM & E-VOTING DURING MEETING ARE AS UNDER:

- The procedure for attending meeting & e-Voting on the day of the AGM is same as the instructions mentioned above for e-voting.
- The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for e-voting.
- Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM.
- Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
- Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.

6. 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.
7. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance between from **Thursday, June 23, 2022 to Saturday, June 25, 2022** by mentioning their name, demat account number/folio number, email id, mobile number to investorservices@ranegroup.com. The shareholders who do not wish to speak during the AGM but have queries may too send their queries in the above manner.
8. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
9. Only those shareholders, who are 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 available during the AGM.
10. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/ MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/ DEPOSITORIES.

1. For Physical shareholders- please provide necessary details like 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/RTA Email ID**.

2. For Demat shareholders -, Please update your email id & mobile no. with your respective Depository Participant (DP).
3. For Individual Demat shareholders - Please update your Email ID & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.

If you have any queries or issues regarding attending the meeting & e-voting on the CDSL e-Voting System, you can write an email to helpdesk.evoting@cdslindia.com or contact the toll free no. 1800 22 55 33.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call on 022-23058542/43.

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

Chennai
May 18, 2022

Venkatraman
Secretary

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

EXPLANATORY STATEMENT

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

Item No.4

M/s. Varma and Varma, Chartered Accountants, (Firm registration Number: 004532S) (V&V) holds the office of statutory auditors in second term of five consecutive years, as per the members' approval accorded at the 12th Annual General Meeting (AGM) held on August 23, 2017 till the conclusion of the 17th Annual General Meeting of the Company. The members may take note that, in view of the statutorily prescribed tenure being completed by V&V, effective from the conclusion of the 17th AGM, the office of statutory auditor is being rotated by appointing a new auditor. After a detailed review of the profile, experience and expertise of few audit firms / entities, the Audit Committee and Board of Directors of the Company have recommended the appointment of M/s. BSR & Co., LLP, (Firm Registration No. 101248W/W-100022), Chartered Accountants, as Statutory Auditors of the Company, for approval of the members at the 17th AGM of the Company.

M/s. BSR & Co, LLP, is a member entity of BSR & Affiliates, a network registered with The Institute of Chartered Accountants of India (ICAI). They have audit experience across companies belonging to S&P BSE 30, S&P BSE 100 and S&P BSE 200 indices and in particular, the automotive sector globally.

M/s. BSR & Co., LLP have accorded their consent and confirmed that they fulfill all the eligibility criteria envisaged under Companies Act, 2013 and SEBI LODR to hold the office and perform the role of statutory auditor of the Company effectively.

They hold a valid peer review certificate issued by the ICAI. Considering the professional experience, expertise and technical competencies M/s. BSR & Co., LLP, the Audit Committee and the Board of Directors are of the opinion that it would be in the best interest of the Company to appoint M/s. BSR & Co., LLP, Chartered Accountants, as Statutory Auditors. Accordingly, the Board of Directors recommend to the shareholders the appointment of M/s. BSR & Co., LLP, Chartered Accountants, as Statutory Auditors in a first term of five consecutive years, from the conclusion of 17th AGM till the conclusion of the 22nd AGM on a remuneration of ₹20 Lakhs per annum towards statutory audit and quarterly limited reviews, excluding reimbursement of any out of pocket expenses at actuals and applicable taxes and subject to annual revisions as may be determined by the Board from time to time.

None of the Directors and KMP of the Company and their relatives are concerned or interested, financial or otherwise in this resolution, except to the extent of their shareholding, if any, in the Company.

The Board recommends passing the resolution as set out at item no.4 as an ordinary resolution.

Item No.5

The members of the Company at the Sixteenth Annual General Meeting held on July 26, 2021, had approved

payment of commission to Mr. L Ganesh, Chairman, upto a sum not exceeding 2% of the annual net profits of the Company or a minimum remuneration of ₹95,00,000/-, whichever is higher, for a period of 3 years with effect from April 01, 2021 to March 31, 2024. The resolution was approved by members with 99.99% of votes cast in favor of the resolution.

Since, the approved remuneration was expected to exceed 50% (fifty percent) of the total annual remuneration payable to all the Non-Executive Directors of the Company during the year 2021-22, annual approval of the members was also obtained pursuant to Regulation 17(6)(ca) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI LODR) at the 16th AGM vide Item no 6. The aforesaid approval was for payment of commission upto 2% of the net profits only. In order to align the annual approval under Regulation 17(6)(ca) of SEBI LODR with the approval pursuant to Section 197, 198 and Schedule V of Companies Act, it is now proposed to modify the said approval to include reference to the minimum remuneration approved by the members or 2% of the net profits, whichever is higher, for the financial year ended March 31, 2022.

Further, approval of shareholders is also being sought for the payment of annual remuneration to Mr. L Ganesh for the financial year ending March 31, 2023, being commission payable upto 2% of the net profits or minimum remuneration approved by the members, whichever is higher, as it is likely to exceed 50% (fifty percent) of the total annual remuneration payable to all the Non-Executive Directors of the Company during the year.

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. 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**.

Item No. 6

The Board of Directors had based on recommendations of the Nomination and Remuneration Committee (NRC) proposed to appoint Mr. C N Srivatsan (DIN: 00002194) as an Independent Director pursuant to Sections 149, 150 and 152 read with other relevant provisions of the Companies Act, 2013 (the 'Act'), for a period of five consecutive years effective from June 28, 2022 up to June 27, 2027 or until the conclusion of Twenty Second Annual General Meeting, whichever is earlier.

Mr. C N Srivatsan is a Chartered Accountant and a Certified Information Systems Auditor (CISA) with over 38 years

of diverse experience in handling Indian and overseas assignments. He was a member of Information Technology Control Practices Committee of ISACA. He has addressed innumerable seminars and is a regular faculty for training corporate heads in internal auditing, risk assessment and risk management.

At the time of recommendation, the NRC evaluated the balance of skills, knowledge and experience on the Board, and on the basis of such evaluation, prepared a description of the role and capabilities required of the Independent Director.

His role as an independent director requires skills, competence and expertise on industry, technology, business development, governance and allied disciplines in the context of automotive business.

His professional qualifications with over 39 years of experience in consulting industry across domains like information technology, strategy development, business processes, operation audit etc. and his association with corporates and professional bodies have been considered to meet the required skills.

Also considering his rich knowledge, experience and fulfilment of the various criteria for appointment as an Independent Director as specified in the Act, SEBI LODR, policies of the Company and based on the recommendations of the NRC, the Board of Directors recommends to the members that the appointment Mr. C N Srivatsan would be beneficial to the Company.

Mr. C N Srivatsan is not disqualified from being appointed as a Director in terms of section 164 of the Act and has given her consent to act as a Director. The Company has received a declaration from him that he meets with the criteria of independence as prescribed both under Section 149(6) of the Act and provisions of SEBI LODR. He has also registered with the Independent Director databank maintained by Indian Institute of Corporate Affairs (IICA) and is exempted from the requisite proficiency test.

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

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

The terms and conditions of appointment as an Independent Director is available for inspection by members at the registered office of the Company between 10:00 hrs - 12:00 hrs up to the date of AGM and also on the investor section of website of the Company www.ranegroup.com. His appointment will also be governed by the policy of the Company applicable to the Board of Directors.

None of the other Directors and KMP of the Company and their relatives are concerned or interested, financial or otherwise in this resolution, except to the extent of their

shareholding, if any, in the Company.

The Board recommends passing the resolution as set out at item no.6 as a **special resolution**.

Item No. 7

The Board of Directors had based on recommendations of the Nomination and Remuneration Committee (NRC) proposed to appoint Mr. Ashok Malhotra (DIN: 00029017) as an Independent Director pursuant to Sections 149, 150 and 152 read with other relevant provisions of the Companies Act, 2013 (the 'Act'), for a period of two years effective from June 28, 2022 up to June 27, 2024 or until the conclusion of nineteenth Annual General Meeting, whichever is earlier.

Mr. Ashok Malhotra holds P.G. Diploma in Business Administration from IIM Ahmedabad and has over 50 years of experience in the field of management consultancy. He has been a faculty member of Administrative Staff College of India. He was heading HR at M/s. Indian Oxygen Limited and M/s. Balmer Lawrie & Co Limited and was Chairman of the Indian Society for Individual and Social Development and M/s. Ma Foi Management Consultants Limited. He is also a founding partner of Sumedhas - Academy for Human Context.

At the time of recommendation, the NRC evaluated the balance of skills, knowledge and experience on the Board, and on the basis of such evaluation, prepared a description of the role and capabilities required of the Independent Director.

His role as an independent director requires skills, competence and expertise on industry, technology, business development, governance and allied disciplines in the context of automotive business.

His qualifications with over 50 years of experience across various industries sectors in areas of management consultancy, long association with corporates and business leaders besides his association with process work institutions in the country have been considered to meet the required skills.

Also considering his rich knowledge, experience and fulfilment of the various criteria for appointment as an Independent Director as specified in the Act, SEBI LODR, policies of the Company and based on the recommendations of the NRC, the Board of Directors recommends to the members that the appointment Mr. Ashok Malhotra would be beneficial to the Company.

Mr. Ashok Malhotra is not disqualified from being appointed as a Director in terms of section 164 of the Act and has given her consent to act as a Director. The Company has received a declaration from him that he meets with the criteria of independence as prescribed both under Section 149(6) of the Act and provisions of SEBI LODR. He has also registered with the Independent Director databank maintained by Indian Institute of Corporate Affairs (IICA) and is exempted from the requisite proficiency test.

In the opinion of Board, Mr. Ashok Malhotra fulfils the

conditions for appointment as an Independent Director as specified in the relevant provisions of the Act and SEBI LODR and he is independent of management of the Company.

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

The terms and conditions of appointment as an Independent Director is available for inspection by members at the registered office of the Company between 10:00 hrs to 12:00 hrs up to the date of AGM and also on the investor section of website of the Company www.ranegroup.com. His appointment will also be governed by the policy of the Company applicable to the Board of Directors.

None of the other Directors and KMP of the Company and

their relatives are concerned or interested, financial or otherwise in this resolution, except to the extent of their shareholding, if any, in the Company.

The Board recommends passing the resolution as set out at item no.7 as a **special resolution**.

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

Chennai
May 18, 2022

Venkatraman
Secretary

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

Annexure to the NOTICE dated May 18, 2022

Information about directors seeking re-appointment / appointment at the Seventeenth Annual General Meeting in compliance with Regulation 36(3) of SEBI LODR and Secretarial Standard on General Meetings (SS-2).

Name of the Director	Mr. Harish Lakshman	Mr. C N Srivatsan	Mr. Ashok Malhotra
I. Brief Resume			
Age (in years)	48	64	72
Director Identification Number (DIN)	00012602	00002194	00029017
Father's Name	Mr. L Lakshman	Mr. C R Natarajan	Mr. K C Kaifi
Date of Birth	February 12, 1974	May 25, 1957	October 09, 1949
Educational Qualifications	B.E. - BITS Pilani, MSM - Purdue University, USA.	C.A., C.I.S.A	P.G Diploma in Business Administration from IIM, Ahmedabad
Experience	Mr. Harish Lakshman has over 27 years of industrial experience in various domains like marketing, operations, export business developments business other corporate functions. He spearheads the Rane Group's initiative to achieve accelerated profitable growth. He is one of top 40 Indian business leaders published by ET (2014). He serves as Vice-Chairman of Rane Engine Valve Limited, Rane (Madras) Limited and Rane Holdings Limited.	Mr. C N Srivatsan has 39 years of diverse experience in handling Indian and overseas assignments. He has addressed innumerable seminars and is a regular faculty for training corporate heads in Internal Audit, Risk Assessment and Risk Management.	Mr. Ashok Malhotra has over 50 years of experience as teacher, consultant and practitioner of management.
Nature of expertise	Industrial, technical and operational expertise in automotive and driving business across geographies, governance practices and expertise in allied disciplines	Professional qualifications and experience in consulting industry across domains like information technology, strategy development, business processes, operation audit etc. and his long term association with corporates and professional bodies.	Qualifications and experience across various industries sectors in areas of management consultancy, long association with corporates and business leaders besides his association with process work institutions in the country.
II. Other details			
Date of first appointment on the board	July 22, 2008	June 28, 2022	June 28, 2022
Terms and Conditions of appointment	Re-appointed as a Non-Executive Director, liable to retire by rotation.	Proposed to be appointed as non-executive Independent Director per the resolution at item no. 6 of the Notice convening seventeenth Annual General Meeting on June 28, 2022 read with explanatory statement thereto	Proposed to be appointed as non-executive Independent Director per the resolution at item no. 7 of the Notice convening seventeenth Annual General Meeting on June 28, 2022 read with explanatory statement thereto
Last drawn remuneration	Sitting fee paid for FY 21-22 - ₹2,30,000/-	NA	NA

Name of the Director	Mr. Harish Lakshman	Mr. C N Srivatsan	Mr. Ashok Malhotra
Remuneration sought to be paid	No approval is being sought for payment of remuneration. Eligible for sitting fee for attending meetings of the Board and Committees of which he is a member.	No approval sought for payment of remuneration. Continues to be entitled to Sitting fee for attending meetings of the Board and Committees thereof.	No approval sought for payment of remuneration. Continues to be entitled to Sitting fee for attending meetings of the Board and Committees thereof.
Relationship with other Directors/ Manager/KMP	Nil	Nil	Nil
Other Directorships	<p>Chairman : Rane t4u Private Limited</p> <p>Vice Chairman: Rane (Madras) Limited Rane Holdings Limited Rane Engine Valve Limited</p> <p>Director: Oriental Hotels Limited Rane NSK Steering Systems Private Limited ZF Rane Automotive India Private Limited (fka Rane TRW Steering Systems Private Limited) Savithur Enterprises Private Limited HL Hill Station Properties Private Limited Young Presidents Organisation (Chennai Chapter) Rane Holdings America Inc., USA Rane Light Metal Casting Inc.,USA</p>	<p>Director: Precot Limited (fka Precot Meridian Limited) Rane Engine Valve Limited</p>	<p>Director: Etrans Solutions Private Limited Flame -Tao Knoware Private Limited Reflexive Lenses Consulting Private Limited Quinnergy Leadership Academy Private Limited Rane Engine Valve Limited</p>

Name of the Director	Mr. Harish Lakshman	Mr. C N Srivatsan	Mr. Ashok Malhotra
Committee Memberships in other Boards	<p>Chairman: Stakeholder Relationship Committee Rane (Madras) Limited</p> <p>Member: Audit Committee Rane NSK Steering Systems Private Limited</p> <p>Stakeholder Relationship Committee Rane Holdings Limited</p> <p>Nomination and Remuneration Committee Rane (Madras) Limited Rane Engine Valve Limited Corporate Social Responsibility Committee Rane (Madras) Limited Rane Holdings Limited Rane Engine Valve Limited Rane NSK Steering Systems Private Limited Risk Management Committee Rane (Madras) Limited Rane Holdings Limited</p>	<p>Chairman: Audit Committee Precot Limited (fka Precot Meridian Limited) Rane Engine Valve Limited</p> <p>Nomination and Remuneration Committee Precot Limited (fka Precot Meridian Limited)</p> <p>Member: Stakeholder Relationship Committee Rane Engine Valve Limited</p> <p>Risk Management Committee Precot Limited (fka Precot Meridian Limited)</p> <p>Corporate Social Responsibility Committee Rane Engine Valve Limited</p>	<p>Chairman: Stakeholder Relationship Committee Rane Engine Valve Limited</p> <p>Nomination and Remuneration Committee Rane Engine Valve Limited</p> <p>Member: Audit Committee Rane Engine Valve Limited</p>
Last three years directorship	-	-	-
Number of meetings of the Board attended during the year	5	-	-
Number of equity shares held (including joint holdings)*	100	Nil	Nil

*No shares are held as beneficial owners in the Company by the appointees

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

Venkatraman
Secretary

Chennai
May 18, 2022

REPORT OF THE BOARD OF DIRECTORS

Your Board of Directors hereby present to you the Seventeenth Annual Report covering the operational and financial performance together with the accounts for the year ended March 31, 2022 and other prescribed particulars:

1. State of Company's affairs

The financial year 2021-22 started with India facing a second wave of COVID-19 pandemic. The economy bounced back strongly with output reaching pre-pandemic levels on the back of buoyant government spending and pick up in investments post lifting of restrictions. The automotive and auto components industry faced supply chain challenges on the back

of semiconductor shortage, shipping and logistics constraints.

The Company scaled up the production in line with the demand and worked on several cost optimization measures to mitigate the inflationary environment. The Company continued to enhance its customer relationships and increased its business share across several customers.

1.1. Financial Performance

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

(₹ in Crores)

Particulars	2021-22	2020-21*
Revenue from Operations	505.55	423.88
Other Income	12.64	10.93
Profit / loss before Depreciation, Finance Costs, Exceptional items and Tax Expense	56.77	71.61
Less: Depreciation / Amortisation / Impairment	21.42	24.42
Profit / loss before Finance Costs, Exceptional items and Tax Expense	35.35	47.19
Less: Finance Costs	0.02	0.25
Profit / loss before Exceptional items and Tax Expense	35.33	46.94
Add / (less): Exceptional items	(0.66)	-
Profit / (loss) before Tax Expense	34.67	46.94
Less: Tax Expense (Current & Deferred)	7.60	15.14
Profit / (loss) for the year (1)	27.07	31.80
Total Comprehensive Income / (loss) (2)	(0.33)	0.68
Total (1+2)	26.74	32.48
Balance of profit / loss for earlier years	63.56	42.34
Less: Transfer to Reserves	-	-
Less: Dividend paid on Equity Shares	(19.32)	(8.71)
Less: Tax on Buyback of Shares	(0.41)	(2.55)
Balance carried forward	70.57	63.56

* previous year figures have been regrouped.

The Key Performance Indicators, operational performance and summary on balance sheet are furnished in page no1 of this annual report.

The Sales and other Operating Revenue for the FY 2021-22 increased by 19.27% while the Profit Before Tax (PBT) decreased by 26.14% when compared to previous year. The Earnings Per Share (EPS) for the year 2021-22 was ₹35.03 as against ₹40.45 in the previous year.

The Company continues to be a subsidiary of Rane Holdings Limited (RHL / Holding Company). There were 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 this report, apart from those disclosed in the financial statements section of this Annual Report. There was no change in nature of business during the year.

1.2. Appropriation

The Board of Directors, taking into consideration, the operational performance and financial position of the Company, have recommended a dividend of 200% (i.e., ₹20/- per share of ₹10/- each, fully paid-up) for approval of shareholders at the ensuing 17th Annual General Meeting (AGM) scheduled to be held on June 28, 2022. The total dividend paid / payable on equity shares for FY 2021-22 would be ₹15.46 crores.

On declaration of the dividend by the shareholders, it will be paid on July 07, 2022 to all the eligible shareholders, whose name appears in the register of members of the Company as on June 21, 2022, being the Record Date fixed for this purpose, subject to deduction of tax at source where applicable. The total of dividend paid / payable for the FY 2021-22 would be ₹20/- per equity share of a face value of ₹10/- each. This represents a payout ratio of 57%.

Considering the above, the Board has retained ₹64.76 Crores as surplus in the profit and loss account. A sum of ₹5.81 Crores being 21.46% of profits has been proposed by the Board for transfer to reserves.

The dividend pay-out is in accordance with the Company's Dividend Distribution Policy. The policy is available on the Company's website at the weblink: https://ranegroup.com/rbl_investors/dividend-distribution-policy.

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 Limited for its credit facilities during the year under review and this has been disclosed to stock exchange and made available in the Company's website. The Corporate Governance section of this Annual Report carries the details of credit rating.

1.4. Change in Share Capital- Buyback

The Board of Directors of the Company at their meeting held on October 15, 2020, approved Buyback of securities of the Company. The Buyback opened on October 27, 2020 and closed on April 26, 2021.

During the year, the Company bought back 22,488 equity shares from April 01, 2021 to April 26, 2021 and totally bought back 1,85,109 equity shares till April 26, 2021 (buyback closure date). The equity share capital of the Company after closure of the buyback and at the end of the financial year stood at ₹7,72,98,710/- consisting of 77,29,871 equity shares of ₹10/- each.

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 during the financial year 2021-22.

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, Corporate Social Responsibility Committee and Risk Management Committee are constituted 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 the composition of the Board of Directors of the Company and its Committees.

The following are the details of change in composition of the Board of Directors and its Committees:

- Mr. S Krishna Kumar (DIN: 00062582), Director of the Company retired from the Board and its Committees as per the retirement policy of the Company, with effect from May 01, 2021.
- Mr. Lakshman Lakshminarayan (DIN: 00012554), Non-Executive Director, retired as per the retirement policy of the Company effective from the conclusion of the business hours on May 27, 2021. He has been associated with Rane group for over 5 decades and as Director for about 3 decades. He has been instrumental in steering the Rane Group during a very challenging and exciting phase in the automobile industry's evolution and transformation in India. The Board placed on record its appreciation for the valuable advice and guidance rendered by him during his tenure especially on various strategic matters. Consequent to his retirement he ceased to be a member of the Corporate Social Responsibility Committee in which he served as a Chairman.
- Mr. S Sandilya (DIN: 00037542) & Mr. Anil Kumar Venkat Epur (DIN: 00202454) will be completing their second term as Independent Directors of the Company at the ensuing Annual General Meeting and will cease to hold office as per the provisions of the Companies Act, 2013. The Board placed on record its appreciation for their valuable advice and guidance rendered by them during their tenure.
- Mr. C N Srivatsan (DIN:00002194) is proposed to be appointed as an Independent Director. His appointment as an Independent Director of the Company has been recommended by the Nomination and Remuneration Committee and Board for approval of the shareholders of the Company at the ensuing Annual General Meeting.
- Mr. Ashok Malhotra (DIN:00029017) is proposed to be appointed as Independent Director. His appointment as an Independent Director of the Company has been recommended by the Nomination and Remuneration Committee and Board for approval of the shareholders of the Company at the ensuing Annual General Meeting.

The Board of Directors are of the opinion that the Director(s) proposed for appointment / re-appointment at the ensuing 17th AGM of the Company possess integrity, necessary expertise, relevant experience and proficiency and the Corporate Governance Report

annexed to this report contains necessary disclosures regarding the Director(s).

The terms and conditions of appointment of Independent Directors have been disclosed on the website of the Company and available at the web link: <https://ranegroup.com/rane-brake-lining-ltd-investors/#policies>.

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. Further, in terms of Section 150 of the Companies Act, 2013 read with Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014, all Independent Directors of the Company have confirmed that they have registered themselves with the databank maintained by the Indian Institute of Corporate Affairs (IICA) and have qualified the proficiency test, if applicable to them. The Board of Directors at its first meeting of the FY 2021-22 has taken on record the declarations and confirmations submitted by the Independent Directors. During the year, the Board had not appointed any person as an Alternate Director for an Independent Director on the Board. The Company has obtained a certificate from a Company Secretary in Practice that none of the Directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as Directors of companies by the SEBI / Ministry of Corporate Affairs or any such statutory authority.

2.2. Retirement by rotation

Mr. Harish Lakshman (DIN: 00012602) retires by rotation at the ensuing 17th AGM, being eligible, he offers himself for re-appointment. The proposal for re-appointment of Mr. Harish Lakshman as a Director is included in the notice convening the 17th 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 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. For eligible matters, the Board / its Committees may also accord approvals through resolutions passed by circulation, between two meetings.

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 present flow of information was timely and of superior quality and enable them to effectively perform their duties.

2.5. Board Evaluation

An annual evaluation of the performance of the Board, functioning of its committees, individual directors and the Chairman of the Board was carried out based on the criteria set by the Nomination and Remuneration Committee. A structured questionnaire was sent to all the directors seeking qualitative inputs and detailed comments on various parameters as recommended by the Nomination and Remuneration Committee.

Board diversity and skill set to review strategies, risk management dimensions and processes, flow of information, adequacy and timeliness of agenda materials, effectiveness of presentations and more importantly the processes of reviewing strategic matters, annual operating plan and strategic business plans were the key focus areas for evaluation of the Board and its Committee functioning.

Engagement with stakeholders, versatility in facilitating discussions and approach towards ensuring implementation of board action points were the areas on which the Board of Directors evaluated the performance of the Chairman.

Individual directors, including Independent Directors performance and contributions were evaluated through peer evaluation based on evaluation criteria determined by Nomination and Remuneration Committee. Contributions to board decisions and discussions and attributes like staying up to date on recent trends, being aware of macro level developments and networking skills were the areas considered for framing the evaluation criteria of directors besides commitment, competency and sectoral knowledge.

The Chairman after detailed consideration of all the feedbacks, comments and suggestions received from the directors, discussed with the Board a proposed action plan on matters requiring attention of the board which inter-alia included matters relating to competitor analysis, technological & industrial trends, strategy and risk management. The evaluation framework includes mechanism to share evaluation feedback on individual directors to the Nomination and Remuneration Committee, wherever required.

2.6. Familiarisation program for Independent Directors

The details of familiarization programmes for Independent Directors are available at the weblink: <https://ranegroup.com/rane-brake-lining-ltd-investors/#policies>

2.7. Key Managerial Personnel

During the year Mr. J Ananth - Vice President Finance was appointed as Chief Financial Officer (CFO) of the Company with effect from February 01, 2022 in the

place of Mr. M A P Sridhar Kumar, Senior Vice President - Finance, on account of transfer of services within the Rane group.

As at the year ended March 31, 2022, Mr. R Balakrishnan, President & Manager, Mr. J Ananth, 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/rane-brake-lining-ltd-investors/#policies>. There has been no change in this policy during the financial year 2021-22.

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 16th AGM held on July 26, 2021, 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 2021-22. The details of remuneration paid / payable to the Directors during the financial year 2021-22 is furnished in the Corporate Governance report annexed to this report of the Board.

3. Audit and allied matters

3.1. Audit Committee

The composition, 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

The Statutory Auditor report to the members for the year ended March 31, 2022 does not contain any qualification, reservation, adverse remark or disclaimer. Also there has been no instance of fraud reported by the statutory auditors for the period under review.

M/s. Varma & Varma, Chartered Accountants (Varma & Varma) (Firm registration Number. 004532S) hold

the office of statutory auditors in second term of five consecutive years, as per the members' approval accorded at the 12th Annual General Meeting (AGM) held on August 23, 2017 till the conclusion of the 17th Annual General Meeting of the Company. Varma & Varma would be completing the maximum overall tenure of ten consecutive years, spread over two term(s), at the conclusion of the 17th AGM of the Company, in terms of Section 139 of the Companies Act, 2013 read with applicable rules thereunder.

Based on the recommendations of the Audit Committee, the Board recommended the appointment of M/s BSR & Co., LLP, Chartered Accountants (Firm Registration Number 101248W/W-100022), Chartered Accountants, as Statutory Auditors of the Company, who will hold office for a first term of 5 years from 17th AGM (2022) to 22nd AGM (2027) for approval of the members at the 17th AGM of the Company.

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 the 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 2021-22. The Secretarial Audit report given in 'Annexure B' was taken on record by the Board of Directors at its meeting held on May 18, 2022. The report does not contain any qualification, reservation, adverse remark or disclaimer.

The Annual Secretarial Compliance report, (hereinafter referred to as 'compliance report'), for the FY 2021-22 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 May 18, 2022. 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, have over the years held the office of the Internal Auditors with the latest tenure concluding on December 31, 2021. Based on the recommendation of Audit Committee and after considering the proposal from the management to rotate the office of Internal Auditors, the Board of Directors of the Company at their Meeting held on January 27, 2022 approved the appointment of M/s.

Deloitte Touche Tohmatsu India LLP for a period of 1 (one) year commencing from January 01, 2022 to December 31, 2022.

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. The 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.

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 (RPTs)

All RPTs 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 RPTs made by the Company with related parties which require approval of the shareholders / which have potential conflict with the interest of the Company at large.

All RPTs 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. Effective January 01, 2022 all the Related Party Transactions that require prior approval of the Audit Committee are being approved by the Independent Directors who are the members of the Committee.

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. During the year the policy on RPT was amended by the Board of Directors of the Company at their meeting held on January 27, 2022 to incorporate the changes to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The policy as approved by the Board is uploaded on the Company's website and is available at the weblink: https://ranegroup.com/rbl_investors/#policies/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 receipt of remuneration, as applicable), 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 Ganesh, Committee Chairman, Mr. Harish Lakshman and Mr. Anil Kumar Venkat Epur as its members.

During the year, the Company has contributed a sum of ₹1.33 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 2021-22. The CSR policy of the Company is posted on our website at the web-link https://ranegroup.com/rbl_investors/#policies/corporate-social-responsibility-policy/

Further, in terms of the CSR Rules, the CFO has certified to CSR Committee that the funds disbursed for CSR have been used, for the purpose and in the manner approved by the Board for financial year 2021-2022.

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. 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.

9. Business Responsibility Report

The Business Responsibility Report as applicable to the Company in terms of Regulation 34(2) of SEBI LODR for the FY 2021-22 is provided in 'Annexure F' 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.

10. Particulars of Directors, Key Managerial Personnel and Employees

The information required pursuant to Section 197 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of Directors, Key Managerial Personnel (KMP) and Employees of the Company are provided as an 'Annexure' to this report.

11. Risk Management

In accordance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 effective from May 05, 2021, the Board of Directors have constituted a Risk Management Committee effective June 01, 2021.

The Company has in place a Risk Management Policy covering internal and external risks including information security, cyber security, Environmental, Social and Governance (ESG) related etc., measures for risk mitigation including systems and processes for internal control to identify risks associated with the Company and measures to mitigate such risks. The details of composition, scope and the meetings held during the year are provided as part of the Corporate Governance report are provided in 'Annexure E' to this 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 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.
- f. 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.
- g. The copy of the Annual Return is available on the website of the Company at www.ranegroup.com/
- 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 and 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 off during the financial year - Nil

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

k. The Company has not printed physical copies of the Annual Report for distribution in view of the exemptions available vide General circular 02/2022 dated May 05, 2022, issued by the Ministry of Corporate Affairs ("MCA") read with previous circulars and SEBI circular no. SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated May 13, 2022 in this regard. The full Annual Report will be made available on the website of the Company and will also be disseminated to the stock exchanges where shares of the Company are listed. The electronic copies of the annual report and the notice convening the 17th AGM would be sent to all the members whose e-mail addresses were registered with the Company or their respective Depository Participants (DP).

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

Chennai	Harish Lakshman	Ganesh Lakshminarayan
May 18, 2022	Director DIN: 00012602	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

The global economy is projected to have grown by 5.9% in 2021, the fastest rate recorded in over four decades, despite supply-chain-related disruptions to industrial production and slowdown in the second half of the year due to various restrictions imposed by respective governments globally amid resurgence of infections led by new COVID variants. Global trade rebounded at a fast pace despite shipping and logistics constraints and supply chain issues such as semiconductor scarcity. However, supply constraints due to global labour and input shortages combined with a rapid increase in global demand post lifting of lockdown restrictions led to higher price inflation. Global inflation shock especially in the United States and some emerging market economies has resulted in global monetary policy normalisation by central banks.

After a strong rebound in 2021, the global economy growth is expected to moderate to 4.4% in 2022 as central banks across the world start unwinding fiscal and monetary policy support enacted to combat the pandemic-driven downturn on the back of rising concerns over potential inflationary pressures. The world economy is caught between the pandemic, geopolitical conflict, rising inflation and policy tightening. The growth in the US economy is expected to moderate to 4.0% in 2022 on the back of policy tightening amid rise in inflation while growth in China is likely to ease to 4.8% in 2022 due to the lingering effects of the pandemic as well as additional regulatory tightening. Though resurgence in COVID infections could disrupt economic activity and derail growth prospects, however widespread deployment of vaccines is likely to prevent such outcome. Concerns due to new variants of COVID-19, ongoing geopolitical conflict between Russia and Ukraine, supply-chain bottlenecks, rising inflationary pressures and elevated levels of debt could act as major headwinds to growth.

2.2. Indian Economy

After recovering from a historic contraction of 7.3% in the preceding year, India's economy is estimated to have grown by 9.0% in FY22 surpassing pre-pandemic level,

mainly on account of improved performance, especially in farm, mining, manufacturing, and construction sectors. Economic damage caused by the second wave was short-lived with output reaching pre-pandemic levels on the back of buoyant government spending and pick up in investments post lifting of restrictions. Key indicators such as power consumption, railway freight, GST collections, e-way bills, etc. continued to point towards pickup in economic activity. Moreover, trade growth rebounded strongly reflecting robust economic recovery. Growth was driven by strong exports and domestic private investment. However, the lingering impact of the pandemic continued to weigh on consumer confidence and led to muted consumption demand. Healthy tax collections have provided the much-needed fiscal space for government to ramp up spending and boost economic growth.

According to International Monetary Fund (IMF), the Indian economy is expected to grow at 8.2% in FY23 on the back of improving investment outlook, improvement in credit growth, and increases in infrastructure investment. The growth outlook will also be supported by ongoing structural reforms, a better than-expected financial sector recovery and gradual pickup in contact-intensive services sector. The rapid vaccination drive across the country has ensured that the risk of future wave is minimised. Consumer confidence is expected to improve as the impact of the pandemic fades and businesses will accordingly ramp up spending to meet the demand thus fuelling economic growth. However, surge in infections due to new variants, geopolitical tension, rising inflation, high crude oil prices, etc. could dampen growth prospects.

3. Industry Review

3.1. Global Automobile Industry

Despite healthy demand, U.S. new-light vehicle sales rebounded slightly by 3.1% year over year to 14.9 million units, due to production cuts owing to global shortage of semiconductors. The semiconductor shortage hurt all automakers, but some were hit harder than others. In addition to chip shortage, the COVID pandemic and related supply-chain problems resulted in constrained new-car and truck inventory at dealerships amidst strong demand thus driving up the average new vehicle price compared to last year. As per National Automobile Dealers Association (NADA), Battery electric vehicles (BEV) continued to gain market share, accounting for 2.9% of all new-vehicle sales in 2021 with automakers spending billions of dollars as they prepare themselves to manufacture electric vehicles. Chip shortage issue is expected to linger in 2022 as well. NADA expects the U.S. new-vehicle sales to increase by 3.4% to 15.4 million in 2022 on the back of low inventory.

According to European Automobile Manufacturers' Association (ACEA), the European new-car registrations fell by 2.4% to 9.7 million units in 2021 due to continuing shortage of semiconductors that negatively impacted car production throughout the year. Almost a fifth of new cars sold across European markets, including the UK, were plug-in electric vehicles on the back of generous government subsidies as well as strict regulations introduced in 2020 that forced EU manufacturers to sell more low-emissions vehicles. The auto volume is expected to pick up in 2022 as the industry gradually works through supply chain headwinds and ramps up production to satisfy the pent-up demand.

The global automotive industry continued to face challenges due to shortage of semiconductors and restrictions imposed due to emergence of new COVID-19 variants which further aggravated the supply chain issues. Amid the ongoing uncertainty of input shortages, carmakers have been moving to set up partnerships with various suppliers. Also, with electrification trend continuing to gain momentum, automakers have started to set up joint ventures with battery manufacturers to secure future supplies. Tightening emissions regulations and government incentives are likely to boost global EV sales. The global auto industry is likely to witness positive momentum in 2022 with further recovery in demand and gradual easing of supply chain challenges. Moreover, the mobility landscape continues to transform rapidly with new business models and autonomous, connected, electric, and shared mobility trends which will provide next leg of growth for the industry.

3.2. Indian Automobile Industry

Indian automobile industry which had been witnessing strong recovery on account of low interest rate regime coupled with pent up demand, faced temporary headwinds during the start of the fiscal year due to second wave of pandemic which dented consumer sentiment and resulted in temporary shutdown of dealerships. Disruption in supply chain due to localized restrictions and shortage of semiconductors had an adverse impact on production. However, the industry witnessed sharp recovery once the impact of the pandemic subsided, and lockdown restrictions were eased. The supply side issues pertaining to chips shortage hampered production during the second half of the fiscal year.

The strong underlying demand fuelled by new launches and need for personal mobility post second COVID wave resulted in the Passenger Vehicle (PV) segment growing at 19%. The growth was attributable to low base as well. Utility vehicle (UV) segment saw a huge uptrend led by launch of new models by key OEMs which resulted in growth of 43% whereas the Passenger Car (PC) segment volume grew by 4%.

Revival in demand in the infrastructure and construction sectors, improving fleet utilisation, freight availability / rates and better financing along with increasing demand for e-commerce & last-mile delivery post the second wave of COVID helped strong uptick in Commercial Vehicle (CV) segment with volumes increasing by 29%. The Medium and Heavy Commercial Vehicles (M&HCV) segment witnessed volume recovery and registered increase of 50% owing to improvement in fleet utilization levels led by strong demand in cement, mining and steel segments and improving fleet operators' profitability supported by higher freight income. Demand for M&HCVs also benefitted from the rise in construction activity, especially in the residential housing segment. The Light Commercial Vehicles (LCV) segment reported volume increase of 18% supported by e-commerce, agriculture, and FMCG segment. The Small Commercial Vehicles (SCV) segment reported volume growth of 24%.

Two-wheelers witnessed decline of 3% on account of continued weak demand due to higher impact of COVID second wave in the rural market coupled with higher fuel prices, BS VI / commodity-related price hikes, higher-than-normal inventory levels, and deferrals in the re-opening of offices / educational institutions and chips shortages impacting premium motorcycles. Farm tractors experienced marginal decline compared to the previous year on the back of delayed Kharif harvest due to erratic rainfall.

Industry Segment (Production figures)	Growth in % (YoY change)	
	FY22	FY21
Vehicles		
Passenger Cars (PC)	4	(18)
Utility Vehicles (UV)	43	4
Multi-Purpose Vans (MPV)	7	(18)
Passenger Vehicles (PV)	19	(11)
Small Commercial Vehicles (SCV)	24	(21)
Light Commercial Vehicles (LCV)	18	(12)
Medium & Heavy Commercial Vehicles (M& HCV)	50	(21)
Commercial Vehicles (CV)	29	(17)
Two Wheelers (2W)	(3)	(13)
Farm Tractors (FT)	(0)	24

Source: Society of Indian Automobile Manufacturers (SIAM)

4. Business Review

4.1 Domestic Market

The Company reported a 19.4% increase in the domestic sales. The Company reported sales growth in all product categories, 12.8% in Brake Linings, 25.7% in Disc Pads and 11.3% in other automotive parts. The break-up of the domestic sales by products is given below:

(₹ in Crores)

Products	2021-22	2020-21	Growth in %
Brake linings	193.29	171.38	12.8%
Disc Pads	262.24	208.71	25.7%
Other Automotive Parts	22.88	20.55	11.3%
Total	478.41	400.64	19.4%

The sales to Original Equipment Manufacturer (OEM) and Aftermarket (AM) improved by 29.1% and 7.1% respectively. In OEM segment, the sales growth was driven by increase in volumes across all major segments and entry into new models in Passenger Car and Two wheeler segments.

(₹ in Crores)

Market	2021-22	2020-21	Growth in %
OEM	289.75	224.39	29.1%
Aftermarket	188.66	176.25	7.1%
Total	478.41	400.64	19.4%

4.2 Exports

The export for the year was ₹25.04 crores, an increase of 12.31% compared to the previous year. The Company took various initiatives to enhance the export turnover by strengthening the overseas distribution network and entering into new geographies in Africa and Middle East countries. To sustain the growth momentum in the export market, the Company has also enhanced the product range and developed new grades and obtained product certification as stipulated by the respective regulatory bodies.

4.3 Operational and Financial Performance

4.3.1 Financial Review

The Company registered a turnover (net sales and operating income) of ₹505.55 crores which was 19.27% higher than the turnover reported for fiscal 2021. The new products accounted for 5.6% of the total revenues. The profit before tax was ₹34.67 crores registering decrease of 26.14% over the previous year. The drop in profitability is due to steep increase in raw material costs on account of increase in the prices of various commodities along with increase in logistics costs. The company has undertaken various cost reduction and productivity improvement initiatives to partially mitigate the cost impact.

Sl. No.	Key Ratios	March 31, 2022	March 31, 2021	Reason for change in FY 22
1.	Operating Profit Margin (%)	6.99%	11.07%	The decline in ratios is on account of steep increase in major raw material prices which affected the profitability.
2.	Net Profit Margin (%)	5.38%	7.52%	
3.	Return on Networth (%)	11.27%	13.63%	

4.3.2 Operations and Manufacturing Review

The company registered new business worth ₹28.46 crores during the financial year and the growth in two wheeler disc pad business was 30% against previous year.

Energy conservation continued to be a key focus area. Various initiatives were undertaken by all manufacturing plants to minimize the power consumption and the Company has entered into contractual arrangements with the third party service providers for utilizing wind energy under Captive Generation Plant (CGP) scheme. Our Company created own generation of renewable energy of 3.2 MW. Further, it is proposed to add another 1 MW Solar capacity in-house at our Telangana plant during the next financial year. Special emphasis made on horizontal deployment of best practices across the group level to preserve energy.

People development initiatives continue to remain key focus area for the company. During this year, Long Term Settlement (LTS) Agreement with our team members were successfully completed at Chennai and Hyderabad Plant locations.

Some of the Key Operations and Manufacturing Highlights include:

- Robotic Preform Operations for Passenger Car Brake Linings.
- Auto measurement System for Two Wheeler Disc Pads.
- Capacity enhancement through various automation projects at Puducherry and Trichy Plants.
- Implementation of various productivity improvement projects resulting in cost optimization and enhanced assets utilization.
- Upgradation of R&D Dyno facilities.

4.4. Pursuit of business excellence

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

- Excellence in HR and HSE Practices - Silver award from ACMA.
- Various Outstanding / Platinum / Rhodium / Gold awards from QCFI, CII; ABK - AOTS in different categories.
- Certified as a 'Great Place to Work' by GPTW Institute, India for the 6th consecutive year.

4.5 Opportunities and Threats

The Indian automotive industry is set for robust growth and return to pre-pandemic level of volume. Large scale digitization and advance analytics have enabled huge productivity improvement while technological innovations continue to transform the mobility landscape and present immense opportunities for the Indian automakers to take cognizance and gain competitive edge globally. The growth of shared, connected, and electric mobility presents immense opportunity for the industry and the transforming E-mobility ecosystem would require participation and collaboration across diverse stakeholder groups. Further, push for green mobility in the Budget with focus on battery swapping and charging infrastructure is likely to expedite EV adoption and give rise to new era of growth and open immense opportunities for the existing and new players in the industry.

Although, the industry continues to be on growth trajectory, supply side issues related to semiconductor shortage, increase in raw material costs, high oil prices and resurgence of infections could pose headwinds for the industry in the short term. Moreover, prolonged Russia-Ukraine conflict could aggravate the semiconductor shortage issues thereby impacting production volume. Nevertheless, the Indian automotive industry remains exceptionally resilient and is on course to become the integrated manufacturing hub for automotive global supply chains on the back of supportive policies such as the PLI scheme, etc.

4.6 Outlook

The Indian automotive industry is back on strong footing and on course to reach the pre-pandemic level of sales

on the back of buoyant demand. Despite challenges due to increase in commodity prices and supply chain issue resulting in shortage of semiconductor, the industry remains upbeat and continue to invest in new technologies as it prepares to cross the pre-pandemic levels of sales volume. Supportive government policies such as the extension of FAME-II scheme till 2024, Production-Linked Incentive (PLI) scheme for the auto and auto component and advanced chemistry cell bodes well for the 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 a risk mitigation plan to the Board of Directors on a 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 the 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 the Company level is carried out and presented to the Board of Directors once in two years for their review.

	Risk	Nature of Risk	Risk Mitigation Strategies
	Industry / Market risk	Around 90%+ of revenue is derived from Indian Automotive sector. Hence, any drop in vehicle production will have a significant impact on company's business.	The company constantly strive 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.
Strategic	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 Competitive markets and availability of unorganized players further pose challenges.	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.

	Risk	Nature of Risk	Risk Mitigation Strategies
Operational	Quality / Processes	Quality and Delivery are sacrosanct for safety of 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 center 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 a significant part of the cost and volatility in the price of raw material costs will erode margin.	The Company constantly strive to mitigate the input cost increases. a) Procurement function will work on cost reduction initiatives through alternate sourcing, localization, etc. b) Further, negotiating to pass through specific input cost increases suitably to the customers. c) 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. a) Optimally balance the import and export to create natural hedge. b) Work with customer to index prices to mitigate currency fluctuations. c) 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: a) Use of internal accruals to fund expansion b) Constantly optimize working capital to reduce interest costs

6. Human Resource Development and Industrial Relations

6.1. Talent Development Initiatives

In FY 2021-22, the Company focused on the following talent development initiatives:

Leadership Development

- Leadership Boot Camp is an intervention to strengthen the engagement of entry level talent for swift assimilation and high performance. 3 Graduate Engineer Trainees (GETs) joined the Company in 2021 and are part of the GET connect program that has learning elements such as campus to corporate workshop, learning on machines, leadership and values workshop, function & practise orientation, stint in marketing, shadow exercise etc.
- High Potential Leadership Development program focusses on enhancing leadership capability of high potential talent at middle management level to enable them transition to leadership roles. Two participants began their learning journey during the year wherein they were a part of a two day in-person assessment and development center for measuring their competence against

the business competencies that culminated into crafting their individual development plans to help them develop competencies to succeed in their work. Developmental inputs focussed on Rane leadership competencies such as intrapreneurship, build leadership that will facilitate career transitions to leadership roles.

- As part of the Executive Leadership Development, two participants went through the "Leader as Coach" program whose objective is to cultivate appreciation of behavioural change and encourage a culture of development among senior leaders. The learning from the 10-month long intervention helped the participants in leading and collaborating with teams and driving critical outcomes.

Rane Manufacturing Systems Professional Programme (RMSP)

RMSP - Advanced is our flagship program launched with the objective of building manufacturing capability. The Gemba based learning intervention is for employees in Manufacturing, Manufacturing Engineering, Quality Assurance and Plant Engineering at junior and middle

management levels. The 18-month intervention comprises modules in Manufacturing Processes, Manufacturing Systems - common & function specific and Advanced Manufacturing and is facilitated by internal and external resource persons.

Six participants from batch IV completed their 18-month learning journey, 18 projects have been carried out by the participants in PQCDMS in line with their RMSP learning. 32 participants from batch VI & VIII are undergoing their RMSP journey.

Managerial & Technical Competency Development

Rane Institute for Employee Development (RIED), our leadership development centre, acts as a key enabler in our journey towards pursuing business excellence through its vision of building core competencies for individual and business excellence. In FY 2021-22, 65 programs focusing on technical, general management and soft skills were organized by RIED. The Company achieved 605 training man-days covering 191 employees.

Fight against COVID

As part of Rane Group's initiatives to tackle COVID-19, social distancing norms were continuously practiced and awareness of good hygiene practices was emphasized. Wellness webinars on COVID measures, meditation practices etc., were conducted across companies. Vaccination awareness programs and drives were conducted at plant locations encouraging employees and their family members to get vaccinated.

6.2. Digital Initiatives

Learning Management System (LMS) - To ensure employees have adequate knowledge of the policies that are part of the governance & vigil mechanism and other key policies, e-learning modules were rolled out through our LMS during the year. These include Rane Compass - Rane's Policy on Ethical Standards of Behaviour, including policies on gifts and vendor relationship, Whistle Blower policy, policy on Prevention of Sexual Harassment of Women at Workplace, Prohibition of Insider Trading and Information Security Management System. These e-learning policies act as a refresher for existing employees and a learning for new joiners.

One-hour learning - As part of providing tailored content to employees at their fingertips, access to micro learning modules on "Stress Management" was provided to our employees. This gave them access to micro content designed by subject matter experts.

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 enhanced learning results and business outcomes while improving the engagement levels significantly.

6.3. Industrial Relations

During the financial year, long-term wage settlements with the employee union at Chennai and Hyderabad plant were concluded smoothly. The industrial relations were generally cordial in all the plants. The group level industrial relations council works towards the objective of creating a healthy working environment by promoting peace and harmony amongst all segments of employees. The focus areas for the council includes interpretation and implementation of legislations, workforce mix planning for optimal deployment and sharing of best practices.

7. Corporate Social Responsibility (CSR)

Rane Foundation, a public charitable trust founded in the year 1967, is the lead for implementing Rane Group's CSR initiatives. 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 - Education, Healthcare, Environment and Community Development. In FY 2021-22, the Group implemented several projects by primarily focusing on Education and Healthcare.

The Company contributed to Rane Foundation (RF), the CSR arm of Rane Group, which primarily focuses on Education and Healthcare during the FY 2021-22.

Education:

The Rane Polytechnic, established at Trichy in the year 2011, under the aegis of Rane Foundation has stepped into its eleventh 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, 1700 students have completed their diploma program and 175 students will complete the program in the academic year 2021-22. 100% of the students who opted for placements were placed through campus interviews.

The Rane Vidyalaya, established at Trichy in the year 2018 under the aegis of Rane Foundation has stepped into its fourth academic year. Rane Vidyalaya was recognized by Directorate of School Education, Tamil Nadu in 2018 and is affiliated to the Central Board of Secondary Education, New Delhi. In 2021-22, it reached a student strength of 459 in its fourth year of operations, operating from LKG to VII standard proving the need for a quality school in rural area.

Healthcare

Rane Foundation and companies made significant contribution towards COVID relief measures to various relief funds and NGOs.

Other major CSR activities carried out by the Company during FY 2021-22 are as follows:

- Supporting education for children at SOS Children's Village of India and sponsorship for course fee for

state level seminars for needy people and trans genders.

- Sustainability and contribution to a Registered Trust which adopted 23 Government Middle Schools for infrastructure development and education of students.
- Continuing green initiatives such as greenery development, lake restoration, etc.
- Supporting the general public by providing 600 LED Street lights and replacing burn out LED Street lights at Mannadipet town panchayat, Puducherry.
- CCTV Camera installation for the safety of local public and supporting the police department at Ambattur and Sethurapatti Junction, Trichy.

8. Internal Control Systems

The Company has put in place a 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,

the resources are utilised effectively and the assets are safeguarded.

The internal audit function is outsourced to a professional firm of independent assurance service providers. The Audit Committee and the Board in consultation with the internal auditor, statutory auditor and operating management approve the annual internal audit plan. The scope also covers the internal financial controls and internal controls over financial reporting. The internal audit findings are placed before the Audit Committee at each of its quarterly meetings for review. The management's responses and counter measures are discussed in the Audit Committee meetings. This process ensures robustness of the internal control systems 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, 2022

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, read with Regulation 24A(1) of the SEBI (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 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 1, 2021 to March 31, 2022 ('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 in electronic mode through file sharing mechanism, forms and returns filed with statutory / regulatory authorities, and compliance related actions taken by the Company, during the year as well as after March 31, 2022, but before the issue of this report;
- (ii) Certificates confirming compliance with all laws applicable to the Company, given by the 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, 2022, 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) The Foreign Exchange Management Act, 1999, and the rules and regulations made thereunder, to the extent of Foreign Direct Investment ('FEMA').
- (v) The following Regulations prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Regulations'):
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI LODR'); and
 - (d) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018.
- (vi) The listing agreements entered into by the Company with the National Stock Exchange of India Limited (NSE) and BSE Limited (BSE) ('Agreements'), in relation to listing of Equity shares of the Company.
- (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, 2022, 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) (to the extent applicable to Board meetings), and Secretarial Standards on 'General Meetings' (SS-2) (to the extent applicable to General meetings), mentioned in paragraph 1.1 (vii) above. 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:
- Foreign Exchange Management Act, 1999, and the rules and regulations made thereunder, to the extent of Overseas Direct Investment and External Commercial Borrowings;
 - 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;
 - The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, and the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Redeemable Preference Shares) Regulations, 2013, which were replaced by the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021, with effect from 16th August 2021;
 - The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009, which was replaced by the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021, with effect from 10th June 2021;
 - The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, and the Securities and Exchange Board of India (Issue of Sweat Equity) Regulations, 2002, which were replaced by the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, with effect from 13th August 2021; and
 - The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) 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

- 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.
- As on March 31, 2022, the Board of Directors of the Company comprises of:
 - 3 (three) Non-Executive Non-Independent Directors; and
 - 3 (three) Independent Directors, including 1 (one) Independent Woman Director.
- The Company is not required to appoint an Executive Director, since it has appointed whole-time key managerial personnel in the position of Manager, under Section 203(1)(i) of the Companies Act, 2013 (the Act).
- The processes relating to the following changes in the composition of the Board of Directors during the year, were carried out in compliance with the applicable provisions of the Act and SEBI LODR:
 - Retirement of Mr. S Krishna Kumar (DIN: 00062582) as an Independent Director, with effect from May 1, 2021, as per the retirement policy of the Company.
 - Retirement of Mr. L Lakshman (DIN: 00012554), Non-Executive, Non-Independent Director, as a Director, with effect from closure of business hours on May 27, 2021, as per the retirement policy of the Company.
 - Appointment of Dr. (Mrs.) Brinda Jagirdar (DIN: 06979864), who was appointed as an Additional Director (Independent), with effect from conclusion of the Board meeting held on October 15, 2020, as an Independent Director not liable to retire by rotation, for a term of 5 (five) consecutive years from October 15, 2020 to October 14, 2025, at the 16th Annual General Meeting (AGM) held on July 26, 2021.
 - Re-appointment of Mr. Yasuji Ishii (DIN: 08078748) as a Director, upon retirement by rotation at the 16th AGM held on July 26, 2021.
- The Company was not required to appoint another Independent Director in the casual vacancy arising from the retirement of 1 (one) Independent Director on May 1, 2021, since it fulfilled the requirement of Independent Directors under Regulation 17(1) of SEBI LODR without making such appointment, on account of the retirement of 1 (one) Non-Executive Non-Independent Director with effect from closure of business hours on May 27, 2021.

2.2 Board meetings

- (i) Adequate notice was given to all the directors to enable them to 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, the following 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.

(A) Buy-back of shares from public shareholders

Pursuant to the public announcement issued on October 16, 2020, for buyback from the public shareholders through open market (stock exchange mechanism), of fully paid-up Equity shares of ₹10/-

each, for a total amount not exceeding ₹22 Crores, at a price not exceeding ₹825/- per Equity share, the Company bought-back 1,62,621 Equity shares during the period from October 27, 2020 to March 31, 2021, out of which 1,54,865 Equity shares were extinguished as on March 31, 2021, resulting in reduction in the paid-up share capital to 77,60,115 Equity shares of ₹10/- each, fully paid-up, as on March 31, 2021.

An aggregate of 1,85,109 Equity shares were bought-back during the buyback period which commenced from October 27, 2020 and closed on April 26, 2021 (after closure of market hours), at an average price of ₹740.66/- per Equity share, deploying approximately ₹13.71 Crores (excluding transaction costs), representing 62.32% of the Maximum Buyback Size of ₹22 Crores approved by the Board of Directors at their meeting held on October 15, 2020. Consequently, the paid-up share capital of the Company was reduced from 77,60,115 Equity shares as on March 31, 2021, to 77,29,871 Equity shares of ₹10/- each, fully paid-up, as on April 28, 2021, post-extinguishment of all the shares bought-back.

(B) Further Acquisition of shares by Rane Holdings Limited

Rane Holdings Limited (RHL), Promoter and Holding Company, acquired 1,80,000 Equity shares of ₹10/- each, fully paid-up, in the Company, through open market purchase on the stock exchanges, on March 14, 2022 and March 15, 2022, at an aggregate cost of ₹11.25 Crores (approx). Consequent to this acquisition, the shareholding of RHL in the Company increased from 36,87,440 Equity shares (47.70%) to 38,67,440 Equity shares (50.03%) of ₹10/- each, fully paid-up, as on March 15, 2022. Further, the Company which was hitherto a Board controlled subsidiary of RHL under Section 2(87)(i) of the Companies Act, 2013 (the Act), also became a subsidiary in which RHL holds more than 50% of the total voting share capital, in terms of Section 2(87)(ii) of the Act, effective from March 15, 2022.

For S. Krishnamurthy & Co.,
Company Secretaries
(Peer Review Certificate No.739/2020)

Sharanya Sriram
Partner

Membership No.: F10252
Certificate of Practice No.: 12731
UDIN: F010252D000341418

Place: Chennai
Date : May 18, 2022

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, 2022, 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 have also examined the compliance processes and 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 action taken by the Company after March 31, 2022, 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, and Guidelines issued by the Institute of Company Secretaries of India, in respect of various compliance related events as stated therein.
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
 (Peer Review Certificate No.739/2020)

Sharanya Sriram
 Partner
 Membership No.: F10252
 Certificate of Practice No.: 12731
 UDIN: F010252D000341418

Place: Chennai
 Date : May 18, 2022

Annexure C to the Report of the Board of Directors

ANNUAL REPORT ON CSR ACTIVITIES

for the Financial Year 2021 - 22

1. A brief outline of the Company's CSR policy

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:

- (a) Education;
- (b) Health Care;
- (c) Environment; and
- (d) Community Development.

Overview of projects implemented during FY 2021-22**I. Education & Health care:****A. Institutional Development**

The Company contributed to Rane Foundation (RF), the CSR arm of Rane Group, which primarily focused on Education. RF has established Rane polytechnic and Rane Vidyalaya at Trichy, Tamil Nadu. Rane Polytechnic is 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. 100% of the students who opted for placements were placed through campus interviews. Rane Vidyalaya is recognized by Directorate of School Education, Tamil Nadu and is affiliated to the Central Board of Secondary Education, New Delhi and operates classes from LKG to VII standard. During the year, it reached a student strength of 459 in its fourth year of operations and proving the need for a quality school in rural area.

The Company also contributed to several programmes with a focus on promoting education including imparting knowledge to enhance vocational skills.

- (a) Education support to 5 children at SOS Children's Village of India, Chennai.

- (b) Sustainability and contribution to a Registered Trust which adopted 23 Government Middle Schools for infrastructure development and education of students.

B. Health Care & Awareness Programme

- (a) Special focus made on COVID Relief Measures to various relief funds, NGOs at different locations of Chennai, Hyderabad, Puducherry & Trichy like:

- Contribution to Chief Minister Relief Fund
- High Performance Air Ventilator
- Mattress and Pillow to Covid Care Centre
- Medical Infrastructure Equipments
- Personal Protective Equipment (PPE) Kits
- Sanitization Amenities
- Hot & Cold Water dispensers

- (b) Awareness programmes on health and sanitation were carried out for the local government primary schools situated across our manufacturing facilities.

II. Community Development - Amenities and Sanitation

- (a) Continue to focus on providing Safe Drinking Water facility including RO Plant, AMC.
- (b) Provision of CCTV Surveillance equipments.
- (c) 600 Units of LED Street Lights in various villages of Mannadipet Commune Panchayat, Puducherry.

III. Environment - Plantation Drives

- (a) Distribution of tree saplings & Cotton bags with disposable utensils to 1000 families of Bahour town of Puducherry under the theme "Green & Clean Puducherry".
- (b) Puducherry Keni (Lake) maintenance to protect the water resource for people, birds and animals.

2. The Composition of the CSR Committee

The Company has constituted a robust governance structure to oversee the implementation of the CSR projects, in compliance with the requirements of Section 135 of the Companies Act, 2013. The CSR governance structure 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:

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Mr. L Ganesh, Committee Chairman	Non-Executive Chairman and Promoter Director	One (1)	One (1)
2.	Mr. Anil Kumar Venkat Epur, Committee Member	Non-Executive and Independent Director	One (1)	One (1)
3.	Mr. Harish Lakshman, Committee Member	Non-Executive and Promoter Director	NA	NA

Note:

- 1) Mr. L Lakshman ceased to be chairman and member w.e.f. May 27, 2021. He attended one CSR Committee meeting held on May 17, 2021.
- 2) Mr. L Ganesh was appointed as chairman w.e.f. June 29, 2021.
- 3) Mr. Harish Lakshman became member w.e.f. June 29, 2021.

The Board CSR Committee grants auxiliary power to the working committee of the Company to act on their behalf. The members of the CSR working committee are:

Members	Designation
Mr. R Balakrishnan	President & Manager
Mr. M A P Sridhar Kumar	Senior Vice President - Finance & CFO (Upto January 31, 2022)
Mr. J Ananth	Vice President - Finance & CFO (From February 01, 2022)

3. Web-links on the website of the Company:

- (a) Composition of CSR committee: <https://ranegroup.com/rane-brake-lining-ltd-investors/>
- (b) CSR Policy and CSR projects approved by the Board: https://ranegroup.com/rbl_investors/corporate-social-responsibility-policy/

4. Details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 - Not Applicable
5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (₹)	Amount required to be set-off for the financial year, if any (₹)
1.	2018-2019	Nil	Nil
2.	2019-2020	Nil	Nil
3.	2020-2021	2,33,219/-	Nil

6. Average net profit of the company as per section 135(5) (Amount in ₹)

Particulars	2018-2019	2019-2020	2020-21
Net profit for the year	36,53,23,672/-	34,34,50,095/-	31,80,18,623/-
Adjusted Net profit (as per Section 198)	49,70,81,979/-	44,77,88,534/-	47,34,14,407/-
Average Net profit		47,27,61,640/-	

7. (a) Two percent of average net profit of the company as per section 135(5) - ₹94,55,233/-
- (b) Surplus arising out of the CSR projects / programmes / activities of the previous financial years - Nil
- (c) Amount required to be set off for the financial year - Nil
- (d) Total CSR obligation for the financial year (7a+7b- 7c) - ₹94,55,233/-

8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year (in ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
1,32,95,710/-		NIL		NIL	

(b) Details of CSR amount spent against ongoing projects for the financial year:

(1) Sl. No.	(2) Name of the Project	(3) Item from the list of activities in Schedule VII to the Act	(4) Local area (Yes/No)	(5) Location of the project		(6) Project duration	(7) Amount allocated for the project (in ₹)	(8) Amount spent in the current Financial Year (in ₹)	(9) Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹)	(10) Mode of Implementation - Direct (Yes/No)	(11) Mode of Implementation - Through Implementing Agency Name CSR Registration number
				State	District						
NIL											

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

(1) Sl. No.	(2) Name of the Project	(3) Item from the list of activities in schedule VII to the Act	(4) Local area (Yes/No)	(5) Location of the project		(6) Amount spent for the project (in ₹)	(7) Mode of implementation - Direct (Yes/No)	(8) Mode of implementation - Through implementing agency Name CSR registration number**
				State	District			
1.	Education - Institutional Development	Promoting education	Yes	Tamil Nadu	Trichy	75,75,000/-	No	Rane Foundation (Registered Trust) SOS Children's Village of India, Chennai (Registered NGO) CSR000004387 CSR000000692
			Yes	Tamil Nadu	Selayur, (Tambaram), Trichy	35,000/-	Yes	NA
	Community Development - Amenities and Sanitation	Promoting Gender Equality	Yes	Tamil Nadu	Trichy	15,000/-	Yes	NA
		Rural Development	Yes	Tamil Nadu, Telangana & Puducherry	Thiruvallur, Pongalur & Thirubuvanai (Puducherry), Trichy	5,79,806/-	Yes	NA
3.	Environment	Conservation of natural resources and maintaining air and water.	Yes	Tamil Nadu	Chennai	1,00,000/-	No	Rotary Club of Madras Charitable Trust, Chennai (Registered NGO) CSR000000997
		Protection of flora and fauna	Yes	Puducherry	Bahour, Puducherry	58,000/-	Yes	NA
		Promoting Health care including preventive health care.	Yes	Tamil Nadu	Chennai	15,45,600/-	No	The Voluntary Health Services, Chennai CSR000003444
4.	Health Care, Sanitization and Disaster Management	Promoting Health care including preventive health care.	Yes	Tamil Nadu, Telangana & Puducherry	Thiruvallur, Pongalur (Telangana), Thirubuvanai (Puducherry), Trichy	7,77,304/-	Yes	NA
		Disaster Management, including relief, rehabilitation and reconstruction activities	Yes	Tamil Nadu	Tamil Nadu	25,00,000/-*	Yes	NA
	TOTAL					1,32,95,710/-		

* COVID-19 relief contribution to Tamil Nadu Chief Minister Relief Fund

- (d) Amount spent in Administrative Overheads - Nil
(e) Amount spent on Impact Assessment - Not Applicable
(f) Total amount spent for the Financial Year (8b+8c+8d+8e) - ₹1,32,95,710/-
(g) Excess amount for set off - ₹38,40,477/-

Sl. No.	Particular	Amount (in ₹)
(i)	Two percent of average net profit of the company as per section 135(5)	94,55,233/-
(ii)	Total amount spent for the Financial Year	1,32,95,710/-
(iii)	Excess amount spent for the financial year [(ii)-(i)]	38,40,477/-
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	-
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	38,40,477/-

9. (a) Details of Unspent CSR amount for the preceding three financial years:

Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (in ₹)	Amount spent in the reporting Financial Year (in ₹)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial year (in ₹)
				Name of the Fund	Amount (in ₹)	Date of transfer	
Nil							

- (b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No.	Project ID	Name of the Project	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project (in ₹)	Amount spent on the project in the reporting Financial Year (in ₹)	Cumulative amount spent at the end of reporting Financial Year (in ₹)	Status of the project - Completed / Ongoing
Nil								

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details) - Not Applicable

- (a) Date of creation or acquisition of the capital asset(s).
(b) Amount of CSR spent for creation or acquisition of capital asset.
(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.
(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5) - Not Applicable

For and on behalf of the Board

Chennai
May 18, 2022

Ganesh Lakshminarayan
Chairman of CSR Committee
DIN:00012583

Harish Lakshman
Director
DIN:00012602

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

- Implementation of variable frequency drives in production process for motors higher than 5HP completed across all plants and achieved energy savings.
- Carried out thermography analysis at Puducherry plant and minimized the energy loss by taking appropriate countermeasures.
- Projects for optimisation of motor and fan pulley size to reduce the motor speed in baking ovens were undertaken to increase energy savings.
- LED light conversion for high bay area completed in all plants.
- Introduced Karakuri Kaizens (simplified engineering kaizens) to eliminate additional conveyors in preform process.
- Process wise Motor idle time study conducted across all the plants and actions initiated for eliminating energy loss during idle running.
- Introduced AC magnetron for air conditioner units used in office and other admin buildings.
- Energy audit conducted by a certified third party agency for Hyderabad plant and actions initiated for introduction of IE3 motors in place of conventional high energy loss motors.

Steps taken for utilising alternate sources of energy

- Continued to use alternate energy sources viz. Wind and Solar and constantly working to enhance alternate energy sources.
- Renewable energy contributes around 34% of overall energy consumption.

Capital investment in energy conservation equipment

- During the year, the Company invested ₹0.75 Cr for sourcing renewable energy under the group captive scheme.

B. Technology Absorption

Efforts towards Technology Absorption

- Electronic Parking Brake (EPB) pad developed for SUV application.
- New organic grade developed for high performance 2 wheeler vehicles and approved by Tier 1 customer.

- Developed new liner grade for heavy duty tipper application, considering elevated operating temperature. Vehicle level validation trials jointly with Tier 1 planned and in progress.
- Metro Rail brake blocks developed and approved for field testing.
- Long life pad developed and launched cost competitive grade for Aftermarket LCV segment (7T~10T) developed and applied.
- Copper free pads for CV disc brake under development for meeting regulatory requirements of North America.
- New grades being developed adopting 3R concept towards elimination of by products being disposed into landfills after treatment.
- Copper free new grade for SUV segment under development.

Capacity addition / Infrastructure

- Two wheeler vehicle test datalogger - This can be used to perform homologation testing, performance evaluation and fade characteristics of brake pads. Enables measuring vehicle speed, deceleration, brake pad temperature, brake lever travel, brake pressure, etc.
- Passenger car homologation testing - Enables homologation evaluation of brake friction materials during product development. Tests that can be performed are - Dynamic performance, IS 15986 homologation testing - performance, booster fail performance, etc.

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

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

Details of Imported Technology (during the last 3 years reckoned from the beginning of the FY 2021-22)

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

Sl. No.	Particulars	₹ in Crores	
		2021-22	2020-21
A	Capital expenditure	0.08	1.60
B	Recurring expenditure	17.02	15.02
C	Total	17.20	16.62
D	Total R & D expenses as a percentage of total turnover	3.30%	3.82%

C. Foreign Exchange Earnings and Outgo

Foreign Exchange	₹ in Crores	
	2021-22	2020-21
Earnings	17.51	23.01
Outgo	104.30	86.01

For and on behalf of the Board

Chennai
May 18, 2022

Harish Lakshman
Director
DIN: 00012602

Ganesh Lakshminarayan
Chairman
DIN: 00012583

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

As on March 31, 2022, the Board consists of Six (6) Non-Executive Directors with more than 50% of them being Independent Directors. The Chairman of the Board is a Non-Executive Director. There are no Alternate Directors on the Board. The Woman Director of the Company is an Independent Director. The composition of the Board

is aimed at maintaining an appropriate balance of skills, background, experience and knowledge of the Board for guiding the Company in achieving its objectives in a sustainable manner. The composition of the Board, as at end of FY 2021-22, was in conformity the Regulation 17 of SEBI LODR.

To the best of our knowledge and information furnished to the Board, total Directorships held by the Directors are within the limits prescribed under Section 165 of the Companies Act, 2013 (Act) read with Regulation 17A of SEBI LODR. None of the Independent Directors serves as an Independent Directors in more than seven (7) listed companies and where any Independent Director is serving as Whole-Time Director in any listed Company not more than three (3) listed Companies are served by him / her as an Independent Director. Similarly, none of the Directors on the Board is a member of more than ten (10) Committees or Chairperson of more than five (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 notify the Company about change in their Directorship(s) / Committee position(s) as and when they take place.

During the FY 2021-22, the Board met five (5) times on May 17, 2021, July 26, 2021, October 19, 2021, January 27, 2022 and March 15, 2022 with requisite quorum present throughout the meetings. Wherever required, the Company facilitates the participation of the Directors in Board / Committee meetings through video-conferencing or other audio visual means. 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 membership / Chairman position(s) held by them in other public Companies as on March 31, 2022 are given below:

Name of the Director / (DIN)	Category	No. of Board meetings attended	Attendance at the last AGM (July 26, 2021)	Number of Directorship in other public companies #		Number of Committees Membership @	
				Chairperson	Member	Chairperson	Member
Mr. L Ganesh (00012583)	Chairman, Non-Executive & Promoter	5	Yes	3	4	-	5
Mr. Anil Kumar Venkat Epur (00202454)	Non-Executive & Independent	5	Yes	-	1	-	-
Mr. Harish Lakshman (00012602)	Non-Executive & Promoter	5	Yes	1	5	1	2
Mr. S Sandilya (00037542)	Non-Executive & Independent	4	Yes	2	3	3	4
Mr. Yasuji Ishii (08078748)	Non-Executive & Nominee	5	No	-	-	-	-

Name of the Director /(DIN)	Category	No. of Board meetings attended	Attendance at the last AGM (July 26,2021)	Number of Directorship in other public companies #		Number of Committees Membership @	
				Chairperson	Member	Chairperson	Member
Dr. (Mrs.) Brinda Jagirdar (06979864)	Non-Executive & Independent	5	Yes	-	5	1	5

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:

1. Mr. S Krishna Kumar (DIN: 00062582) and Mr. L Lakshman (DIN: 00012554), Directors, retired as per the retirement policy of the Company, effective from May 01, 2021 and May 27, 2021 respectively.

The details of Directorship held in other listed entities as on March 31, 2022 are 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
	Sundaram Finance 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
Dr. (Mrs.) Brinda Jagirdar	Rane Engine Valve Limited	Non-Executive & Independent
	IDFC First Bank Limited	Non-Executive & Independent
Mr. S Sandilya	Eicher Motors Limited	Chairman, Non-Executive & Independent
	Mastek Limited	Chairman, Non-Executive & Independent
	Rane (Madras) Limited	Non-Executive & Independent
Mr. Yasuji Ishii	-	-
Mr. Anil Kumar Venkat Epur	Rane Engine Valve Limited	Non-Executive & Independent

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 detailed agenda for the meetings along with necessary annexure to effectively participate in discussions. Post Board meeting reviews were held by the Chairman to monitor and follow up the effective execution of the decisions, directions and suggestions of the Board and its Committees, by the management.

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

The Company had issued formal letter 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. In case of resignation of a Director before the expiry of his term, the Company obtains a formal resignation letter requiring detailing of reasons for resignation and the same is furnished to the

stock exchanges. However, there was no instance of resignation during the year.

Presentations on business and performance updates of the Company, global business environment and business strategy are made to the Board and the committee members. 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 / Competence / Expertise	Remarks	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 Venkat Epur Mr. Harish Lakshman Mr. S Sandilya 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 Venkat Epur Mr. Harish Lakshman Mr. S Sandilya 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 Venkat Epur Mr. Harish Lakshman Mr. S Sandilya Dr. (Mrs.) Brinda Jagirdar
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 Venkat Epur Mr. Harish Lakshman Mr. S Sandilya Dr. (Mrs.) Brinda Jagirdar

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 17, 2021; July 26, 2021; October 19, 2021 and January 27, 2022 with requisite quorum was present throughout the 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	4
Mr. Anil Kumar Venkat Epur	Member, Non-Executive & Independent	4
Dr. (Mrs.) Brinda Jagirdar	Member, Non-Executive & Independent	4

Skills, expertise and competence of the Board

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

The Statutory Auditor and the Internal Auditor were present as invitees in all the meetings. The Manager and 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 26, 2021.

Overall purpose and terms of reference

The purpose of the Audit Committee is to assist the Board of Directors (Board) in reviewing the financial information which is disseminated to the shareholders and others, reviewing the systems of internal controls established in the Company, appointing, retaining and reviewing the performance of Internal 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 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 and roles of the Audit Committee are in line with the provisions of SEBI LODR / Companies Act, 2013, which are mentioned hereunder:

- 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.
- Consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders.

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 The 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 SEBI LODR, the Audit Committee accords prior approval for all Related party transactions (RPTs), including any modifications thereto, as per the policy on RPT. 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.

During the year, the Committee inter-alia reviewed and recommended the amendments to the RPT policy in line with amendments to the SEBI LODR. On a quarterly basis, the Audit Committee reviews RPTs entered into by the company pursuant to each of the omnibus approval. Pursuant to SEBI LODR sixth amendment regulations w.e.f January 01, 2022 all RPTs are approved only by the Independent Directors. 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 May 17, 2021; October 19, 2021 and January 27, 2022 with requisite quorum present throughout the 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	2
Mr. Harish Lakshman	Member, Non - Executive, Promoter	2
Mr. Anil Kumar Venkat Epur	Member, Non-Executive & Independent	3

Note:

1. Mr. Harish Lakshman was inducted as member w.e.f June 29, 2021.
2. Mr. L Ganesh ceased to be a member of the Committee w.e.f January 01, 2022. During the year, he attended two meetings of the Committee held on May 17, 2021 & October 19, 2021.

Overall purpose and terms of reference

The terms of reference and roles of the NRC are in line with the provisions of SEBI LODR / Companies Act, 2013 and roles of the NRC, 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/Manager.
- 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 and recommended the revision in sitting fees payable to the Non-Executive Directors for the FY 2021-22.

- reviewed the compensation benefits of SMP and KMP of the Company.
- considered and recommended the appointment of Mr. J. Ananth as the CFO.
- reviewed and recommended the process of Board evaluation, its committees and Directors.

Remuneration Policy

The policy on appointment and remuneration of Directors, Key Managerial Personnel (KMP) and Senior Management Personnel (SMP) is available on the website of the Company 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.

Remuneration to Non-Executive Directors

During the year, approval was accorded by the shareholders by way of a special resolution at the 16th AGM held on July 26, 2021, in terms of Section 197 of the Companies Act, 2013 and the rules made thereunder, for payment of commission, not exceeding 2% of the net profits of the Company calculated as per Section 198 of the Act or a minimum remuneration of ₹95,00,000/- in case of any inadequacy of profits, to Mr. L Ganesh, Chairman for a period of three financial years from April 01, 2021 to March 31, 2024.

Further, in terms of Regulation 17(6)(ca) of SEBI LODR an additional annual approval from shareholders is being obtained for payment of remuneration to Mr. L Ganesh, Non-Executive Chairman, whose total annual remuneration exceeds fifty percent (50%) of the total annual remuneration payable to all other Non-Executive Directors for the FY ended March 31, 2022. An annual approval under said regulations is also being sought at the ensuing 17th AGM for payment of commission to Mr. L Ganesh for FY 2022-23, exceeding fifty per cent of the total annual remuneration payable to all Non-Executive Directors.

Other Non-Executive Directors receive sitting fee as remuneration for attending the Board and Committee meetings.

Sitting Fees

The Directors are eligible for sitting fees, apart from reimbursement of their actual travel and out-of-pocket expenses, if any, for attending the meetings of the Board / Committee. The sitting fees payable per meeting of Board and its Committees are as hereunder:

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

Details of Remuneration paid to Directors

The details of remuneration including sitting fees paid to the Directors and their shareholding for the year ended March 31, 2022 are as follows:

Name of the Director	Sitting Fees (in ₹)	Remuneration (in ₹)	Shares held as on March 31, 2022
Mr. L Ganesh	3,70,000	95,00,000	100
Mr. Harish Lakshman	2,30,000		100
Mr. S Sandilya	2,85,000		-
Mr. Anil Kumar Venkat Epur	3,85,000		-
Mr. Yasuji Ishii	2,00,000		-
Dr. (Mrs.) Brinda Jagirdar	3,40,000		-
Total	18,10,000	95,00,000	200

Note:

- Commission for FY 2021-22 being the minimum remuneration paid/payable to Mr. L Ganesh, Chairman under Schedule V of the Companies Act, 2013 and in accordance with approval of the shareholders.
- Mr. S Krishna Kumar ceased to be a director w.e.f May 01, 2021.
- During the year, Mr. L Lakshman was paid sitting fees of ₹40,000 and holds 100 shares as on March 31, 2022. He retired as per the retirement policy of the Company effective May 27, 2021.
- No shares of the Company were pledged by the Directors and there is no stock option scheme prevailing in the Company.
- Sitting fee payable to Nominee Director is being remitted to Nisshinbo Holdings Inc. Japan.
- 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 two (2) times during the year, i.e. May 17, 2021 and October 19, 2021 with requisite quorum present through the 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	2
Mr. L Ganesh	Member, Non-Executive & Promoter	1
Mr. Anil Kumar Venkat Epur	Member, Non-Executive & Independent	2

Overall purpose and terms of reference

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

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

There were 2 investor complaints relating to non-receipt of dividend which were received and resolved during the year. No pending complaints remain unresolved at the end of the financial year 2021-22. The Chairman of the SRC was present at the last AGM of the Company held on July 26, 2021 to answer queries of the security holders. The SRC at its meeting held on May 17, 2021 and October 19, 2021 respectively reviewed the Internal Audit report for the FY 2019-20 & FY 2020-21 issued to RTA, in line with the SEBI Circular dated April 20, 2018.

6. Corporate Social Responsibility (CSR) Committee

Education, Healthcare, Community Development and Environment are the four focus areas under Corporate

Social Responsibility (CSR) as per the CSR activities of the Company. The CSR projects and activities undertaken by the Company are in line with the CSR Policy and recommendations of the CSR Committee which are in accordance with the areas or subjects specified under the Companies Act, 2013, as amended from time to time. The Committee met once during the year on May 17, 2021 with requisite quorum present throughout the meeting. The Company Secretary acts as the Secretary to the Committee. The details of members and their attendance are as stated below:

Name of the Director	Category	No. of meetings attended
Mr. L Ganesh	Chairman, Non-Executive & Promoter	1
Mr. Harish Lakshman	Member, Non-Executive & Promoter	-
Mr. Anil Kumar Venkat Epur	Member, Non-Executive & Independent	1

Note:

1. Mr. L Lakshman ceased to be Chairman & Member w.e.f May 27, 2021 & during the year he attended one meeting held on May 17, 2021.
2. Mr. L Ganesh was appointed as Chairman of the Committee and Mr. Harish Lakshman was inducted as member of the Committee on June 29, 2021.

Overall purpose and terms of reference

The terms of reference of the Committee are as follows:

- Formulate and recommend CSR Policy, for approval of the Board.
- Formulate and recommend to the Board, an annual action plan in pursuance to the CSR policy.
- Approve projects that are in line with the CSR policy.
- Implement CSR projects / programmes directly and through implementing agencies.
- Have monitoring mechanisms in place to track the progress of each project.
- Recommend the CSR expenditure to the Board of the company for approval.
- Carry out impact assessment of project/programmes, where required.
- Ensure utilization of CSR expenditure.
- Such other terms as required under statutory obligations.

The report on CSR projects undertaken during the year 2021-22 as approved by the CSR Committee in

consultation with the Board is annexed to this report as 'Annexure C'.

7. Risk Management Committee

The Company has constituted a Risk Management Committee in compliance with the SEBI Listing Regulations.

The Committee comprises of members from the Board and senior member(s) from leadership team. The current composition of the Committee is as follows:

Name of the Director	Category	No. of meetings attended
Mr. L Ganesh	Chairman, Non-Executive & Promoter	2
Mr. Harish Lakshman	Member, Non-Executive & Promoter	2
Mr. S Sandilya	Member, Non-Executive & Independent	2
Mr. R Balakrishnan	Member, President - Management Group	2

The Company's approach towards risk management is to mitigate risks to an acceptable level within its tolerances, protect Rane Group's reputation and brand and strive to achieve operational and strategic business objectives.

Risk Assessment is conducted once in two years and the Company has mechanism to identify, assess, mitigate and monitor various risks to key business objectives.

Business process and compliance risk evaluation is an on-going process within the Company. The Company has a dynamic risk management framework to identify, monitor, mitigate and minimise risks.

The Committee is governed by a charter per the terms of reference prescribed under LODR viz.,

- (1) To formulate a detailed risk management policy which shall include:
 - (a) A framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.
 - (b) Measures for risk mitigation including systems and processes for internal control of identified risks.
 - (c) Business continuity plan.
- (2) To ensure that appropriate methodology, processes and systems are in place to monitor and

evaluate risks associated with the business of the Company;

- (3) To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
- (4) To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
- (5) To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;
- (6) The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee.

The Committee met two (2) times during the year October 19, 2021 and March 15, 2022, wherein the committee reviewed the risk review plan and approved a policy on risk management.

8. 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.

Finance Committee

A Finance Committee comprising of Mr. L Ganesh and Mr. Harish Lakshman (Non-Executive Directors) as its members. The Committee is authorised to approve borrowings and connected matters, in accordance with the delegations made by the Board, from time to time. The Company Secretary acts as Secretary of the Committee. During the year, no meeting was held.

10. General Body Meetings

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

Date of AGM	Special resolutions passed	Time	Venue / Mode
July 26, 2021 (16 th AGM)	<ol style="list-style-type: none"> 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. 2. Approval of payment of commission to Mr. Ganesh Lakshminarayan (DIN: 00012583), Chairman (Non- Executive Director) for a period of three years. 	15:00 hrs	Video Conferencing / Other Audio Visual Means (VC / OAVM)

Executive Committee

An Executive Committee comprising of Mr. L Ganesh and Mr. Harish Lakshman as its members, is authorized to carry out activities in connection with change in authorization to officials under various legislations, operation of bank accounts 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, no meeting was held.

Buyback Committee

During the year, two (2) meetings were held viz., April 05, 2021 and, April 26, 2021 to authorize extinguishment of equity shares bought back and to carry out closure of buy-back and connected matters. Pursuant to the closure of buyback, the committee is infructuous.

9. Code of conduct

The Board of Directors has laid down a code of conduct, i.e. "Ethical Standards of Behaviour - RANE COMPASS" for all Board members and employees of the Company in furtherance of its emphasis towards good Corporate Governance practices. The same has been posted on the website of the Company, viz., https://ranegroup.com/rbl_investors/code-of-conduct/. The Board members and SMP 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 http://ranegroup.com/rbl_investors/code-of-fair-disclosure/.

Date of AGM	Special resolutions passed	Time	Venue / Mode
August 05, 2020 (15 th AGM)	1. Approval of appointment and remuneration of Mr. R Balakrishnan as Manager. 2. 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.	15:00 hrs	Video Conferencing / Other Audio Visual Means (VC / OAVM)
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	The Music Academy (Mini Hall), New No. 168, TTK Road, Royapettah, Chennai - 600 014

No resolution was passed either through postal ballot or Extra-Ordinary General Meeting during the financial year 2021-22.

11. 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 including those with persons /entities belonging to promoter / promoter group as per Ind AS are stated in Note 32 of the financial statements. The policy on related party transaction is available on the website of the Company at 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
 - a. 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
 - b. adopted best practices to ensure a regime of financial results / statement with unmodified audit opinion.
 - c. internal auditor directly reports 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 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 has no material subsidiary 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 Director(s) on the Board of the Company have been debarred or disqualified from being appointed or continuing as Director of the companies by the Board / Ministry of Corporate Affairs or any such statutory authority. The Certificate obtained is attached in 'Annexure (ii)' to this report on Corporate Governance.
- 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 Regulation 16 read

with Regulation 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, of such quantum and for such risks which commensurate to the operations of the Company and in line with the industry standards.
- xi. The disclosure in relation to Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 is available in the Directors' Report.
- xii. The 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.
- xiii. The Company has complied with all mandatory requirements specified in Regulation 17 to 27 and Regulation 46(2)(b) to (i) of SEBI LODR.
- xiv. The Board has accepted / considered all the recommendation(s) made by Committee(s) to the Board in the relevant financial year under review.
- xv. The total fees for all services paid by the listed entity, to the Statutory Auditor are given as under:

(₹ in Crores)

Particulars	FY 2021-22	FY 2020-21
Varma & Varma, Chartered Accountants	0.21	0.19
Net Work entities and firms (if any)	-	-
Total	0.21	0.19

- xvi. 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. There are no convertible instruments due for conversion into Equity.
- xvii. The Board of Directors at their meeting held on May 17, 2021 has formulated a Dividend Distribution Policy and the same is available on the website of the Company weblink: https://ranegroup.com/rbl_investors/dividend-distribution-policy/.
- xviii. The Company on a periodical basis reviews various policies framed under the Companies Act, 2013 and SEBI LODR and such other statues, as applicable and amends them based on the requirement to ensure conformity with relevant regulatory changes and industry practices.

- xix. There were no loans / advances to firms/ companies in which Directors are interested.

12. 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.

13. 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 have 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. The whistle blower policy has also been posted in the Company's website at http://ranegroup.com/rbl_investors/whistle-blower-policy/.

14. 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 on the websites of the Stock Exchanges and the Company at www.ranegroup.com. During the year, press releases, presentations made to analysts / institutional investors were made available on the website of the Company.

The Company has not printed physical copies of annual report for distribution in view of exemption available vide circular(s) circular no. 02/2021 dated January 13, 2021 issued by the Ministry of Corporate Affairs ("MCA") read with previous circulars and SEBI circular no. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021 in this regard. The full Annual Report was made available on the website of the Company and also disseminated to the stock exchanges where shares of the Company are listed. The electronic copies of the annual report and the notice convening the 16th AGM were sent to all the members whose e-mail addresses were registered with the Company or their respective Depository Participants (DP).

15. General Shareholder Information

i. Annual General Meeting

June 28, 2022 (Tuesday) at 14:00 hrs (IST) through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM")

ii. Financial Year: April 01, 2022 - March 31, 2023

Financial Calendar:

Board meeting for approval of	Tentative schedule
Audited Annual financial results and financial statements for the year ended March 31, 2022	May 18, 2022
Un-audited financial results for the 1 st quarter ending June 30, 2022	By fourth week of July 2022
Un-audited financial results for the 2 nd quarter ending September 30, 2022	By fourth week of October 2022
Un-audited financial results for the 3 rd quarter ending December 31, 2022	By fourth week of January 2023

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

iii. Dividend

The Board of Directors of the Company at their meeting held on May 18, 2022 have considered and recommended a dividend of 200% (₹20/- per share) on the equity share capital for approval of the shareholders at the ensuing 17th AGM to be held on June 28, 2022. The dividend, if declared, would be paid for those eligible shareholders whose name appeared in the register of members of the Company as on Tuesday, June 21, 2022 (being the Record Date) fixed for this purpose.

iv. 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 2022-23 to NSE & BSE, where the shares of the Company continue to be listed. The shares of the Company were not suspended from trading during the FY 2021-22.

v. Unpaid / Unclaimed Dividends

Pursuant to the provisions of Section 124 of the Companies Act, 2013, dividend for the financial year ended March 31, 2014 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 ₹2,99,198/- for the financial year ended March 31, 2014 on September 04, 2021. Information in respect of such unclaimed dividends when due for transfer to the said fund is given below:

(Amount in ₹)

Year	Date of declaration	Dividend per share [#]	Amount outstanding in Unclaimed Dividend Account (as on 31.03.2022) [^]	Last Date for claiming unpaid dividend	Due date for transfer to IEPF
31.03.2015	20.07.2015	7.00	2,66,980.00	26.08.2022	25.09.2022
31.03.2016*	10.03.2016	10.00	3,78,830.00	16.04.2023	16.05.2023
31.03.2017*	20.01.2017	6.00	2,89,632.00	26.02.2024	27.03.2024
31.03.2017	23.08.2017	9.00	3,73,923.00	28.09.2024	28.10.2024
31.03.2018*	29.01.2018	6.50	2,01,415.50	06.03.2025	04.04.2025
31.03.2018	24.07.2018	9.00	2,32,083.00	30.08.2025	29.09.2025
31.03.2019*	18.01.2019	6.50	1,55,467.00	05.03.2026	04.04.2026
31.03.2019	25.07.2019	9.00	3,06,180.00	30.08.2026	29.09.2026
31.03.2020*	23.01.2020	6.00	1,46,214.00	28.02.2027	30.03.2027
31.03.2020	05.08.2020	11.00	2,61,658.00	11.09.2027	10.10.2027
31.03.2021	04.08.2021	25.00	5,27,878.00	10.09.2028	09.10.2028

share of paid-up value of ₹10 per share

* interim dividend

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

During the year, the Company had filed with Registrar of Companies, the details of all unpaid and unclaimed amounts as on March 31, 2021 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 at www.ranegroup.com.

vi. **Transfer of shares to IEPF Authority**

Pursuant to Sections 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.

During the year under review, the Company has transferred to IEPF the following shares:

Year from which dividend has remained unclaimed / unpaid for seven consecutive years	No. of shares
2013-14 (Final)	1,329

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 2014-15 (Final) are liable to be transferred to IEPF Authority during the current FY 2022-23. 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.

vii. **Unclaimed share suspense**

In accordance with Regulation 39 of SEBI LODR read with Schedule V of the SEBI LODR, the Company reports the movement of unclaimed shares in the unclaimed share suspense account. 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 share 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	21	2,169
Requests for transfer during the year	1	100
Transfers during the year	1	100
Balance at the end of the year	20	2,069

viii. **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 (NSE) 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, 2021 - March 31, 2022 is given below:

Month	BSE Share Prices (in ₹)		BSE Sensex		NSE Share Prices (in ₹)		NSE Nifty	
	High	Low	High	Low	High	Low	High	Low
April 2021	880.00	776.60	50,375.77	47,204.50	887.80	783.00	15,044.35	14,151.40
May 2021	924.80	773.00	52,013.22	48,028.07	920.00	780.00	15,606.35	14,416.25
June 2021	996.90	842.00	53,126.73	51,450.58	996.95	854.90	15,915.65	15,450.90
July 2021	1,200.90	913.00	53,290.81	51,802.73	1,209.00	906.60	15,962.25	15,513.45
August 2021	1,039.70	882.00	57,625.26	52,804.08	1,038.00	880.00	17,153.50	15,834.65
September 2021	965.00	839.60	60,412.32	57,263.90	967.90	845.10	17,947.65	17,055.05
October 2021	930.00	782.60	62,245.43	58,551.14	930.00	791.60	18,604.45	17,452.90
November 2021	942.00	721.00	61,036.56	56,382.93	854.00	720.80	18,210.15	16,782.40
December 2021	905.40	704.40	59,203.37	55,132.68	907.90	712.90	17,639.50	16,410.20
January 2022	859.60	748.90	61,475.15	56,409.63	862.00	742.50	18,350.95	16,836.80
February 2022	820.10	624.90	59,618.51	54,383.20	831.10	616.60	17,794.60	16,203.25
March 2022	736.00	581.10	58,890.92	52,260.82	734.00	577.00	17,559.80	15,671.45

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

ix. Registrar and Transfer Agent

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

Integrated 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: corpseerv@integratedindia.in

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

x. Share Transfer System

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 prescribed timelines. On a yearly basis, the compliance with the share transfer / transmission formalities is audited by a Practicing Company Secretary (PCS) in terms of Regulation 40(10) of SEBI (LODR) with the stock exchanges and a certificate to this effect is filed with the stock exchanges.

xi. Distribution of shareholding as on March 31, 2022

No. of shares held	Shareholders		Shares	
	Number	% to total	Number	% to total
Upto 500	17,685	97.71	7,63,779	9.89
501 - 1000	202	1.12	1,52,811	1.98
1001 - 2000	99	0.55	1,49,780	1.94
2001 - 3000	36	0.20	92,096	1.19
3001 - 4000	21	0.12	76,012	0.98
4001 - 5000	14	0.08	64,932	0.84
5001 - 10000	17	0.09	1,27,586	1.65
10001 & above	24	0.13	63,02,875	81.53
Total	18,098	100.00	77,29,871	100.00

xii. Shares Dematerialization

The Company has entered into the necessary agreements with National Securities Depository

Limited and Central Depositories Services (India) Limited for dematerialisation of the shares held by investors. As of March 31, 2022, about 99.08% of the shareholdings have been dematerialised. The promoter and promoter group hold their entire shareholding only in dematerialised form. A comparative table 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, 2022	March 31, 2021	March 31, 2022*	March 31, 2021*
Physical	71,019	87,858	0.92	1.13
Demat	76,58,852	76,72,257	99.08	98.87
Total	77,29,871	77,60,115	100.00	100.00

* The reduction in total capital is due to the Buyback of equity shares

A reconciliation of share capital, audited by Practicing Company Secretary (PCS) is submitted to the Stock Exchanges on a quarterly basis in terms of regulation 76 of SEBI (Depositories and Participants) Regulations, 2018. 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 share with differential voting rights or granted stock options or sweat equity shares or any convertible instruments.

xiii. Transfer/Transmission/issue of duplicate share certificates of shares in demat mode only

As per SEBI norms, with effect from January 25, 2022, all transmission/transfer requests including issuance of duplicate share certificates are mandatorily to be processed in dematerialised form only.

xiv. Plant locations- Refer corporate overview 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, 2022 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	112.82	AA-	Stable	Re-affirmed	January 21, 2022
	Short term	52.50	A1+	-		

Address for communication:

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

OR

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

Annexure (i)

To
The Members,
[Rane Brake Lining Limited](#)

Declaration by Manager on Code of Conduct pursuant to Part C of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

I, hereby declare that to the best of my knowledge and information, all the Board members and Senior Management Personnel have affirmed compliance with 'Ethical Standards of Behaviour - RANE COMPASS', the code of conduct, for the year ended March 31, 2022.

Chennai
May 18, 2022

R Balakrishnan
Manager

Annexure (ii)

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 below named directors who are on the Board of Directors of **RANE BRAKE LINING LIMITED** ('the Company') as on **March 31, 2022**, 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	Ganesh Lakshminarayan	Chairman, Non-Executive, Promoter	00012583
2	Harish Lakshman	Non-Executive, Promoter	00012602
3	Srinivasan Sandilya	Non-Executive, Independent	00037542
4	Anil Kumar Venkat Epur	Non-Executive, Independent	00202454
5	Brinda Jagirdar	Non-Executive, Independent	06979864
6	Yasuji Ishii	Non-Executive, Non-Independent, 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 website 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 Directors 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 its Corporate Governance process or the process followed by its management with regard to appointment / continuation of a person as a Director on the Board of Directors of the Company.

For S. Krishnamurthy & Co.,
Company Secretaries,
(Peer Review Certificate No.739/2020)

Sharanya Sriram
Partner

Place: Chennai
Date: **May 18, 2022**

Membership No.: **F10252**
Certificate of Practice No.: **12731**
UDIN: **F010252D000341726**

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 the Company for the year ended March 31, 2022 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, 2022.
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
 Partner

Place: Bengaluru
 Date: 18th May 2022

M No. 209645
 UDIN: 22209645AJFETG4636

Annexure F to the Report of the Board of Directors

BUSINESS RESPONSIBILITY REPORT

Pursuant to Regulation 34 of SEBI LODR, 2015

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 2021-2022
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 - 9 nos.
a) Number of International Locations (Provide details of major 5)	a) International locations - Nil
b) Number of National Locations	b) National locations - 9 nos. Plants: Chennai / Hyderabad / Puducherry / Trichy Depots : Secunderabad, Gurugram, Pune, Howrah & Coimbatore
10. Markets served by the Company - Local / State / National / International	All

Section B: Financial details of the Company

1. Paid-up Capital: ₹7,72,98,710/-
2. Total Turnover: ₹505,55,22,394/-
3. Total profit after taxes: ₹27,07,72,665/-
4. Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%) 4.91%
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, 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	Mr. Ganesh Lakshminarayan	Chairman

(b) Details of the BR head:

Sl. No.	Particulars	Details
1.	DIN	NA
2.	Name	Mr. R Balakrishnan
3.	Designation	President & Manager
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	Stakeholder Engagement	Human Rights	Environment	Public Policy	CSR	Customer Relations
Do you have a policy / policies for the principle	Y	Y	Y	Y	Y	Y	Y	Y	Y
Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
Does the policy conform to any national / international standards? If yes, specify?	Y	Y	Y	Y	Y	Y	Y	Y	Y
Has the policy being approved by the Board? 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.

The Sustainability report is internally reviewed on a half yearly basis and the BR performance report is reviewed by the Board on an annual basis.

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

The BR Report is published as part of this Annual Report and the same is available on the Company's website https://ranegroup.com/rane-brake-lining-ltd-investors/#annual_reports

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, every employee of the Company at all locations, 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 2021-2022, the Company has received 2(two) complaints from investors. The Stakeholders Relationship Committee (SRC) oversees the redressal of complaints and that they are redressed in an effective and timely manner. There are no investor complaints pending unresolved at the end of the financial year 2021-2022.

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

- Copper free pads for CV disc brake under development for meeting regulatory requirements of North America.
- New grades being developed adopting 3R concept towards elimination of by products being disposed into landfills after treatment.
- Copper free new grade for SUV segment under development.

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:

- Strategic initiatives towards Raw Material Localisation.
- Dust reuse and co processing activities.

- Increased usage of renewable power.
- Reusable packing material instead of carton boxes to reduce the usage of paper.
- Cycle Time Reduction Projects Implemented multi cavity direct charging cure press for PCDP resulting in elimination of preforming operations.

(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)	
		2021-2022	2020-2021	2021-2022	2020-2021
1	Energy (Kwh)	171	71	21,80,960	5,85,708
2	Water (KL)	6	6	324	508

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

Resource conservation & environment friendly products:

- High friction NVH free NAO grade developed for SUV application.
- New Organic grade developed for two wheeler application.
- New grades being developed by adopting new process technology for Rail Brake Blocks.
- Long life Brake pads for PV application developed and introduced for AM after extensive trials and validation.
- Electronic Parking Brake (EPB) Pad developed for SUV application.

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, safety and environmental conservation as one of the key requirements. The Company encourages the vendors to ensure compliance with these policies towards establishing a successful business relationship. It also covers various aspects pertaining to 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 the capacity and capability of local and small vendors?

The Company being Tier-2, has a major base of vendors who seek support in such matters. The steps taken to

improve the capability and capacity of local vendors includes the following measures:

- The company strongly promotes and support 'Make in India' initiatives by implementing RM localization projects. Company promotes manufacturing technology development at domestic vendors and provides employment to local communities by these initiatives.
- The company carried out extensive process and system audit and also organized events like Annual kaizen meet, Supplier Excellence Program (RaSE 2.0 and SANSKRITI) for improving the product quality, reducing the wastages and sustainable development.
- Specific initiatives taken during COVID pandemic, to protect the health of employees, preserve scarce resources and ensuring supplies by complying MHA / WHO norms.

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

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

- Enhancing usage of reusable packing material by replacing carton boxes to reduce the paper consumption.
- STP / ETP - Zero discharge by using the water for gardening.
- 4R norms - Process waste being shared with Cement industries where the same is used as an input material.

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

1. Total number of employees: 1799
2. Total number of employees hired on temporary / contractual / casual basis: 1038
3. Number of permanent women employees:31
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		
2.	Sexual harassment		Nil
3.	Discriminatory employment		

8. What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?
 - a. Permanent Employees - 100%
 - b. Permanent Women Employees - 100%
 - c. Casual / Temporary / Contractual Employees - 100%
 - d. Employees with Disabilities - NA

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 report 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 2021-2022, 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 relate 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 and the same is available in the web link: https://ranegroup.com/rane-brake-lining-ltd-investors/#annual_reports

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:

- Enhanced usage of renewable energy year on year and currently the renewable energy utilization is around 34%.
- Additional sources for renewable energy in pipeline.
- Continued to implement energy saving initiatives like extensive usage of VFDs in machineries and LED lamps resulting in reduction of energy consumption significantly.
- Horizontal deployment of conversion of air-conditioned environment from water based cooling system to direct cooling system implemented to improve efficiency of refrigeration system.
- Thyristor controllers in place of contactors for baking ovens.
- 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 the 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 MCCI (Madras Chamber of Commerce and Industry).
- c) Friction Materials Standards Institute Inc. USA.
- d) National Safety Council.

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

Yes, representations have been made to chambers and associations connected to the Company'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 works 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?

No formal impact assessment was carried out. However, the Company has financially supported various CSR initiatives of Rane Foundation including establishment of Rane Vidyalaya (School project). The Rane Polytechnic, established at Trichy in the year 2011 under the aegis of Rane Foundation has stepped into its ninth academic year. The institution was accredited by the National Board of Accreditation (NBA) for the Diploma in Mechanical Engineering program in 2017. The impact of the initiative is visible as over the last four batches, 1,700 students have completed their diploma program. In the current year, 175 students completed their diploma program. 100% 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 the Directorate of School Education, Tamil Nadu and has applied for affiliation with the Central Board of Secondary Education (CBSE). In 2021-22, it reached a student strength of 459 in its fourth year of operations, operating from LKG to VII standard proving the need for a quality school in rural area. The school adopted new modes of teaching which was well received by the parents and students during the COVID period.

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 of addressing customer complaints. Overall customer quality performance is good and the Quality indicators are within acceptable limits. Customer Line PPM is maintained within Single digit. Total Quality Management System is in place and improved continually.

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, as amended from time to time.

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 such cases were pending at the end of the FY 2021-2022

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

Customer focus, total employee involvement and continuous improvements are three key elements of TQM. Various systems are in place to ensure that the customer requirements are fulfilled and the feedbacks are received to drive the actions. 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 FY20-21. The Customer feedback on the performance and corrective actions are reviewed by the top management regularly and action plans are discussed with customers on a periodic basis.

For and on behalf of the Board

Chennai May 18, 2022	Harish Lakshman Director DIN: 00012602	Ganesh Lakshminarayan Chairman DIN: 00012583
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INDEPENDENT AUDITOR'S REPORT

To

**The Members
Rane Brake Lining Limited**

REPORT ON THE AUDIT OF STANDALONE FINANCIAL STATEMENTS

Opinion

We have audited the accompanying standalone financial statements of Rane Brake Lining Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2022, 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 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, its profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the 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 statement.

Emphasis of Matter

We draw attention to Note 1 - 3.5 to the financial statements, which describes the impact due to the COVID-19 pandemic situation on the Company's financial results, as assessed by the management, and the uncertainties associated with it considering the nature and duration of the pandemic.

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 controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based

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

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

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the 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, 2020 ("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 "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143(3) of the Act, we report that:

- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- c. The Balance Sheet, the Statement of Profit and Loss, including other comprehensive income, the Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- d. In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- e. On the basis of the written representations received from the directors as on 31st March, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2022 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 37 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

(iv)

- i. The Management has represented that, to the best of its knowledge and belief, no funds

(which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

- ii. The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

- iii. Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.

- (v) As stated in Note 11 to the standalone financial statements,

1. the final dividend proposed in the previous year, declared and paid by the company during the year is in accordance with Section 123 of the Act, as applicable.
2. the Company has not declared or paid any interim dividend during the year.
3. the Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.

For **Varma & Varma**
Chartered Accountants
FRN004532S

Georgy Mathew
Partner

M No. 209645

UDIN: 22209645AJFENS6856

Place: Bengaluru

Date : May 18, 2022

ANNEXURE 'A' TO 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, 2022

- (i) a. (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment and relevant details of right-of-use assets.
- (B) The Company has maintained proper records showing full particulars of intangible assets
- b. The Company has a program of physical verification to cover all the items of Property, Plant and Equipment and right-of-use assets in a phased manner which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. According to the information and explanations given to us, no material discrepancies have been 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, we report that the title deeds of immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in the financial statements are held in the name of the company. In one case where there is a dispute regarding title, the company has received an interim stay from the Honourable High Court of Telangana and based on legal opinion, we report that the title deeds of immovable properties are held in the name of the company;
- d. The Company has not revalued any of its Property, Plant and Equipment (including right-of-use assets) and intangible assets during the year.
- e. According to the information and explanations given to us and based on the examination of the records of the company, no proceedings have been initiated during the year or are pending against the Company as at March 31, 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
- (ii) a. We are informed that the physical verification of inventory has been conducted by the management at reasonable intervals and in our opinion, the coverage and procedure of such verification by the management is appropriate. According to the information and explanations given to us and based on the examination of the records of the company, discrepancies of 10% or more in the aggregate for each class of inventory were not noticed on such verification
- b. The quarterly returns or statements filed by the company with banks or financial institutions in respect of working capital limits in excess of five crore rupees, in aggregate, on the basis of security of current assets, are in agreement with the books of account of the Company. The differences, if any, are not material in nature.
- (iii) The Company has made investments in a company and has granted unsecured loans to certain parties and employees during the year, in respect of which, according to the information and explanations given to us and based on the records of the company examined by us:
- a. The Company has not provided any loans or advances in the nature of loans or stood guarantee, or provided security to any other entity during the year, and hence reporting under clause 3(iii)(a) of the order is not applicable.
- b. In our opinion, the investments made and the terms and conditions of the grant of loans, during the year are, prima facie, not prejudicial to the Company's interest. The company has not provided any guarantee or given any security during the year.
- c. In respect of interest-free loans granted by the Company to its employees, the schedule of repayment of principal has been stipulated and the repayment of principal amounts have generally been regular as per stipulation.
- d. In respect of interest-free loans granted by the Company, to its employees, there is no overdue amount remaining outstanding as at the balance sheet date.
- e. No loan granted by the Company which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to the same parties. Hence, reporting under clause 3(iii)(e) is not applicable.
- f. The Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment during the year. Hence, reporting under clause 3(iii)(f) is not applicable.
- (iv) According to the information and explanations given to us and based on the records of the company examined by us, the Company has complied with the provisions of Sections 186 of the Companies Act, 2013 in respect of investments made during the year. The company has not 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, 2022 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 referred to in sub-clause (a) that have not been deposited on account of any dispute as at March 31, 2022 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	0.27	April 2001 to March 2002, April 2003 to March 2004	High Court of Judicature, Madras
Income Tax Act, 1961	Income Tax	0.40	April 2006 to March 2007	Assessing officer, Chennai
Income Tax Act, 1961	Income Tax	1.86	April 2010 to March 2013, April 2015 to March 2018	Commissioner of income tax (Appeals), Chennai
Central Sales Tax Act, 1956	Sales Tax	0.09	April 2008 to March 2010 and April 2011 to March 2012	The Telangana Value Added Tax Appellate Tribunal, Hyderabad
Central Sales Tax Act, 1956	Sales Tax	0.06	April 2017 to June 2017	Madras High Court, Chennai
Central Sales Tax Act, 1956	Sales Tax	0.07	April 2013 to March 2014	The Joint Commissioner of Sales Tax (Appeal), Pune
Finance Act, 1994	Service Tax (including interest and penalty)	0.11	August 2012, April 2015 to June 2017	Customs, Excise And Service Tax Appellate Tribunal, Chennai

(viii) There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).

- (ix) a. The Company has not taken any loans or other borrowings from any lender. Hence, reporting under clause 3(ix)(a) of the Order is not applicable
- b. The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- c. The company has not taken any term loan during the year and there are no outstanding term loans at the beginning of the year and hence, reporting under clause 3(ix)(c) of the Order is not applicable.
- d. On an overall examination of the financial statements of the Company, we report that during the year, no funds raised on short-term basis have, prima facie, been used, for long-term purposes by the Company.
- e. The Company does not have any subsidiaries, associates or joint ventures and hence, reporting on clause 3(ix)(e) of the Order is not applicable.

f. The Company does not have any subsidiaries, associates or joint ventures and hence, reporting on clause 3(ix)(f) of the Order is not applicable.

(x) As per the information and explanations furnished to us, and according to our examination of the records of the Company,

a. The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.

b. During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable.

(xi) As per the information and explanations furnished to us, and according to our examination of the records of the Company,

a. No fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

- b. No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
- c. No whistle blower complaints have been received by the Company during the year (and upto the date of this report)
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on the records of the Company examined by us, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and the details thereof have been duly disclosed in Note 32C to the standalone financial statements as required by the applicable accounting standard.
- (xiv) a. In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- b. We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.
- (xv) According to the information and explanations given to us and based the records of the Company examined by us, the company has not entered into any non-cash transactions with directors or persons connected with the directors and hence, reporting 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,
- a. The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a) of the Order is not applicable.
- b. The company has not conducted any Non-Banking Financial or Housing Finance activities during the year. Hence, reporting under clause 3(xvi)(b) of the Order is not applicable.
- c. The company is a not Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Hence, reporting under clause 3(xvi)(c) of the Order is not applicable.
- d. There is no core investment company as defined in the regulations made by the Reserve Bank of India within the Group. Hence, reporting under clause 3(xvi)(d) of the Order is not applicable.
- (xvii) The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors of the Company during the year.
- (xix) On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) There are no unspent amounts towards Corporate Social Responsibility (CSR) on on-going or other than ongoing projects. Accordingly, reporting under clause 3(xx)(a) and (b) of the order is not applicable for the year.

For **Varma & Varma**
Chartered Accountants
FRN004532S

Georgy Mathew
Partner

Place: Bengaluru
Date : May 18, 2022

M No. 209645
UDIN : 22209645AJFENS6856

ANNEXURE 'B' TO 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 31ST MARCH 2022

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, 2022 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Varma & Varma**
Chartered Accountants
FRN004532S

Georgy Mathew
Partner

Place: Bengaluru
Date : May 18, 2022

M No. 209645
UDIN : 22209645AJFENS6856

BALANCE SHEET

AS AT MARCH 31, 2022

(₹ in Crores)

Sl. No.	Particulars	Note No.	As at March 31, 2022	As at March 31, 2021
A.	ASSETS			
	Non-Current Assets			
(a)	Property, plant and equipment	2	113.19	117.16
(b)	Capital Work in Progress	2	3.40	1.66
(c)	Right-of-Use assets	3A	0.23	0.36
(d)	Intangible Assets	3B	0.43	0.38
(e)	Financial Assets			
(i)	Investments	4	1.35	0.60
(ii)	Other financial assets	5	10.68	10.93
(f)	Tax assets (Net)	13	3.75	3.61
(g)	Other Non Current Assets	6	1.47	1.71
	Total non-current assets		134.50	136.41
	Current Assets			
(a)	Inventories	7	100.74	65.28
(b)	Financial Assets			
(i)	Trade Receivables	9	137.28	129.79
(ii)	Cash and Cash Equivalents	8A	21.01	48.38
(iii)	Bank Balances other than (ii) above	8B	-	1.12
(iv)	Other Financial Assets	5	1.39	0.59
(c)	Other Current Assets	6	4.03	2.45
	Total current assets		264.45	247.61
	TOTAL ASSETS		398.95	384.02
B.	EQUITY AND LIABILITIES			
	Equity			
(a)	Equity Share Capital	10	7.73	7.75
(b)	Other Equity	11	235.11	229.91
	Total equity		242.84	237.66
	Liabilities			
	Non-Current Liabilities			
(a)	Financial Liabilities			
i.	Borrowings		-	-
ia.	Lease Liabilities	15	0.11	0.23
ii.	Other Financial Liabilities	15	0.56	0.02
(b)	Provisions	16	3.71	3.36
(c)	Deferred Tax Liabilities (Net)	12	1.30	3.34
(d)	Other non-current liabilities	17	0.12	-
	Total non-current liabilities		5.80	6.95
	Current Liabilities			
(a)	Financial Liabilities			
i.	Borrowings		-	-
ia.	Lease Liabilities	15	0.12	0.13
ii.	Trade Payables			
a)	Micro and small enterprises	14	24.19	21.31
b)	Others	14	100.67	92.40
iii.	Other Financial Liabilities	15	19.26	16.83
(b)	Other Current Liabilities	17	2.22	3.27
(c)	Provisions	16	3.85	5.47
	Total current liabilities		150.31	139.41
	TOTAL LIABILITIES		156.11	146.36
	TOTAL EQUITY AND LIABILITIES		398.95	384.02
	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 Number : 004532S

Georgy Mathew
Partner
Membership No. 209645
Place : Bengaluru

Place : Chennai
Date : May 18, 2022

Harish Lakshman
Director
DIN : 00012602

R Balakrishnan
Manager

For and on behalf of the Board

Ganesh Lakshminarayan
Chairman
DIN : 00012583

J Ananth
Chief Financial Officer

Venkatraman
Secretary

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2022

(₹ in Crores)

Sl. No.	Particulars	Note No.	Year ended March 31, 2022	Year ended March 31, 2021
I	Revenues from Operations	18	505.55	423.88
II	Other Income	19	12.64	10.93
III	Total Income (I+II)		518.19	434.81
IV	Expenses:			
	Cost of raw materials consumed	20	271.70	194.46
	Purchases of Stock-in-Trade		0.05	0.04
	Changes in Inventories of finished goods, work-in-progress and stock in trade	21	(2.83)	7.60
	Employee benefits expense	22	78.77	64.80
	Finance costs	23	0.02	0.25
	Depreciation, amortisation and impairment	24	21.42	24.42
	Other expenses	25	113.73	96.30
	Total Expenses		482.86	387.87
V	Profit before tax (Before Exceptional items) (III-IV)		35.33	46.94
VI	Exceptional items	34	0.66	-
VII	Profit before tax (After Exceptional items) (V-VI)		34.67	46.94
VIII	Tax Expense:			
	(1) Current Tax	26	9.52	16.44
	(2) Deferred Tax	26	(1.92)	(1.30)
			7.60	15.14
IX	Profit for the year (VII - VIII)		27.07	31.80
X	Other Comprehensive Income			
	A. i) Items that will not be reclassified to profit or loss			
	a) Remeasurements of the defined benefit plans	30	(0.44)	1.04
	ii) Income tax expense on remeasurement benefit / (loss) of defined benefit plans	26.1	0.11	(0.36)
	Total other comprehensive income A(i+ii)		(0.33)	0.68
XI	Total Comprehensive Income for the period (IX+X)		26.74	32.48
XII	Earnings Per Equity Share (Nominal value per share ₹10/-)			
	(a) Basic (In ₹)	28	35.03	40.45
	(b) Diluted (In ₹)	28	35.03	40.45
	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 Number : 004532S

Georgy Mathew
 Partner
 Membership No. 209645
 Place : Bengaluru

Place : Chennai
 Date : May 18, 2022

Harish Lakshman
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R Balakrishnan
 Manager

For and on behalf of the Board

Ganesh Lakshminarayan
 Chairman
 DIN : 00012583

J Ananth
 Chief Financial Officer

Venkatraman
 Secretary

CASH FLOW STATEMENT

FOR THE YEAR ENDED MARCH 31, 2022

(₹ in Crores)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
A. Cash flow from operating activities		
Profit for the year	34.67	46.94
Adjustments for :		
Finance costs recognised in profit or loss	0.02	0.25
Interest Income recognised in profit or loss	(0.86)	(1.96)
(Gain) / Loss on disposal of property, plant and equipment	(0.05)	(0.04)
Impairment loss recognised on trade receivables	1.69	(2.41)
Depreciation and Amortisation of non-current assets	21.42	24.42
Other Non Cash items	(0.31)	-
Net foreign exchange (gain) / loss - Unrealised	0.15	0.04
	56.73	67.24
Movements in working capital :		
(Increase) / decrease in trade and other receivables	(8.49)	(29.94)
(Increase) / decrease in inventories	(35.46)	(2.26)
(Increase) / decrease in other assets	(2.49)	10.10
Increase / (decrease) in trade payables	10.93	20.60
Increase / (decrease) in provisions	(1.71)	(5.35)
Increase / (decrease) in other liabilities	1.48	(1.15)
Cash generated from operations	20.99	59.24
Income Tax paid	(9.66)	(12.86)
Net cash generated by operating activities	11.33	46.38
B. Cash flow from investing activities		
Proceeds on sale of property, plant and equipment	0.06	0.05
Interest received	0.86	1.96
Payments for property, plant and equipment	(18.01)	(12.04)
Payments for intangible assets	(0.28)	(0.29)
Investments made during the year	(0.75)	-
Net cash used in investing activities	(18.12)	(10.32)
C. Cash flow from financing activities		
Repayment of Lease liability	(0.13)	(0.22)
Dividends paid	(19.32)	(8.71)
Equity Shares Buyback	(1.82)	(12.39)
Tax on Equity shares Buyback	(0.42)	(2.55)
Interest paid	(0.02)	(0.25)
Net cash used in financing activities	(21.71)	(24.12)
Net increase in cash and cash equivalents	(28.50)	11.94
Cash and cash equivalents at the beginning of the year	49.50	37.54
Effects of exchange rate changes on the balance of cash and cash equivalents held in foreign currencies	0.01	0.02
Cash and Cash equivalents at the end of the year	21.01	49.50

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.

CASH FLOW STATEMENT

FOR THE YEAR ENDED MARCH 31, 2022

(b) Cash and Cash equivalents comprises of

(₹ in Crores)

Particulars	As at March 31, 2022	As at March 31, 2021
(i) Cash and Cash Equivalents		
(a) Balance with banks in Current accounts	2.23	1.16
(b) Balance with banks in deposit accounts	9.75	27.00
(c) Cash on hand	0.02	0.02
(d) Mutual Fund investments	9.01	20.20
Sub-Total	21.01	48.38
(ii) Other Bank Balances		
(a) Balances with banks in earmarked accounts	-	1.12
Sub-Total	-	1.12
Total	21.01	49.50

The accompanying notes are an integral part of the financial statements

As per our report of even date

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

For and on behalf of the Board

Georgy Mathew
Partner
Membership No. 209645
Place : Bengaluru

Harish Lakshman
Director
DIN : 00012602

Ganesh Lakshminarayan
Chairman
DIN : 00012583

Place : Chennai
Date : May 18, 2022

R Balakrishnan
Manager

J Ananth
Chief Financial Officer

Venkatraman
Secretary

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED MARCH 31, 2022

(₹ in Crores)

Particulars	Share Capital (A)	Other Equity				Total (G) = (B)+(C)+(D)+(E)+(F)	Total (A)+(G)
		Share premium (B)	General reserve (C)	Capital Redemption reserve (D)	Retained earnings (E)		
Balance as at April 01, 2020	7.91	2.80	175.77	-	43.23	220.91	228.82
2020-21							
Profit for the year					31.80	31.80	31.80
Other comprehensive income for the year, net of income tax						0.68	0.68
Buy-back of equity shares	(0.16)	(2.80)	(9.10)			(11.90)	(12.06)
Share Buy-back cost, net of income tax			(0.32)			(0.32)	(0.32)
Tax on Buy-back of equity shares					(2.55)	(2.55)	(2.55)
Amount transferred within Reserves			(0.16)	0.16			
Payment of dividends on equity shares					(8.71)	(8.71)	(8.71)
Balance as at March 31, 2021	7.75	-	166.19	0.16	63.77	229.91	237.66
2021-22							
Profit for the year					27.07	27.07	27.07
Other comprehensive income for the year, net of income tax						(0.33)	(0.33)
Buy-back of equity shares	(0.02)		(1.81)			(1.81)	(1.83)
Share Buy-back cost, net of income tax							
Tax on Buy-back of equity shares					(0.41)	(0.41)	(0.41)
Amount transferred within Reserves			(0.02)	0.02			
Payment of dividends on equity shares					(19.32)	(19.32)	(19.32)
Balance as at March 31, 2022	7.73	-	164.36	0.18	71.11	235.11	242.84

The accompanying notes are an integral part of these financial statements

As per our report of even date

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

Georgy Mathew
Partner
Membership No. 209645
Place : Bengaluru

Place : Chennai
Date : May 18, 2022

Harish Lakshman
Director
DIN : 00012602

R Balakrishnan
Manager

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Chief Financial Officer

Ganesh Lakshminarayan
Chairman
DIN : 00012583

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.

Depreciation

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

NOTES FORMING PART OF FINANCIAL STATEMENTS

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 Equipment (other than computers)	3
Laboratory Equipment	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's lease asset classes primarily consist of leases for vehicle. 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.

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

NOTES FORMING PART OF FINANCIAL STATEMENTS

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 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

NOTES FORMING PART OF FINANCIAL STATEMENTS

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 annual contribution and recognises such contribution as expense as and when due.

3. Defined Benefit Plan

Gratuity

The Company provides for gratuity, a defined benefit plan (the "Gratuity Plan") administered by LIC covering eligible employees in accordance with the Payment of Gratuity Act, 1972. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation, resignation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment. The Company's

liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses / gains are recognised in the other comprehensive income in the year in which they arise. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss.

4. Other Long term employee benefits

Compensated Absence

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

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

NOTES FORMING PART OF FINANCIAL STATEMENTS

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.

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

NOTES FORMING PART OF FINANCIAL STATEMENTS

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 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

NOTES FORMING PART OF FINANCIAL STATEMENTS

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 results for the current year are not comparable as such with that of the previous year on account of Covid 19 pandemic, which impacted the economy in general and also the operations of the company.

The Management, based on the internal and external information available up to the date of approval of these financial results, has concluded that no adjustments are required in the carrying amounts of property, plant and equipment, inventories, trade receivables and other financial assets. However, given the uncertainties associated with the nature and duration of the pandemic, actual results may differ from those estimated as at the date of approval of the financial statements. The company will continue to monitor future economic conditions and update its assessment.

4. Recent Accounting Pronouncements

On March 23, 2022, MCA notified the Companies (Indian Accounting Standards) Amendment Rules, 2022, with

amendment to certain Ind AS that are applicable to the Company effective 1st April, 2022, as given below.

4.1 Ind AS 16 - Property Plant and equipment

The amendment clarifies that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognised in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant, and equipment.

4.2 Ind AS 37 - Provisions, Contingent Liabilities and Contingent Assets

- a. The amendment specifies that the 'cost of fulfilling' a contract (while assessing whether a contract is onerous) comprises the 'costs that relate directly to the contract' which can either be the incremental costs of fulfilling that contract or an allocation of other costs that relate directly to fulfilling the contract.
- b. Further, the requirement of recognising any impairment loss before a separate provision for an onerous contract is established has also been amended to cover all assets used in fulfilling the contract and not only the assets dedicated to that contract.

4.3 Ind AS 109 - Financial Instruments

The amendment clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS 109 in assessing whether to derecognise a financial liability.

The Company has evaluated the effect of the above amendments on the financial statements and the impact is not expected to be material.

NOTES FORMING PART OF FINANCIAL STATEMENTS

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

(₹ in Crores)

Particulars	As at March 31, 2022	As at March 31, 2021
Carrying amounts of:		
Freehold land	4.47	4.47
Buildings	33.09	34.33
Plant and equipment	73.34	75.60
Furniture and Fixtures	0.23	0.21
Office Equipments	1.75	2.43
Vehicles	0.31	0.12
Sub-Total	113.19	117.16
Capital Work-in-progress	3.40	1.66
Total	116.59	118.82

(₹ in Crores)

Gross carrying value	Freehold land	Buildings	Plant and equipment	Furniture and Fixtures	Office Equipments	Vehicles	Total
Balance as at April 01, 2020	4.47	40.44	166.83	0.62	6.32	0.99	219.67
Additions	-	2.60	5.63	0.08	1.11	-	9.42
Disposals	-	(0.00)	(0.34)	(0.00)	(0.01)	-	(0.35)
Balance as at March 31, 2021	4.47	43.04	172.12	0.70	7.42	0.99	228.74
Additions	-	0.74	15.11	0.10	0.85	0.30	17.10
Disposals	-	-	(0.05)	(0.00)	(0.05)	-	(0.10)
Balance as at March 31, 2022	4.47	43.78	187.18	0.80	8.22	1.29	245.74

(₹ in Crores)

Accumulated depreciation and impairment	Freehold land	Buildings	Plant and equipment	Furniture and Fixtures	Office Equipments	Vehicles	Total
Balance as at April 01, 2020	-	6.79	77.51	0.42	3.56	0.69	88.97
Eliminated on disposals	-	(0.00)	(0.33)	(0.00)	(0.01)	-	(0.34)
Depreciation / impairment expense	-	1.92	19.34	0.07	1.44	0.18	22.95
Balance as at March 31, 2021	-	8.71	96.52	0.49	4.99	0.87	111.58
Eliminated on disposals	-	-	(0.04)	(0.00)	(0.05)	-	(0.09)
Depreciation / impairment expense	-	1.98	17.36	0.08	1.53	0.11	21.06
Balance as at March 31, 2022	-	10.69	113.84	0.57	6.47	0.98	132.55

(₹ in Crores)

Particulars	Freehold land	Buildings	Plant and equipment	Furniture and Fixtures	Office Equipments	Vehicles	Total
Carrying amount as on March 31, 2021	4.47	34.33	75.60	0.21	2.43	0.12	117.16
Carrying amount as on March 31, 2022	4.47	33.09	73.34	0.23	1.75	0.31	113.19

Capital Work-in-progress

(₹ in Crores)

Particulars	As at March 31, 2022	As at March 31, 2021
Plant and equipment	3.40	1.66
Total	3.40	1.66

NOTES FORMING PART OF FINANCIAL STATEMENTS

Capital Work-in-Progress ageing schedule

(₹ in Crores)

Particulars	Less than 1 Year	1 to 2 years	2 to 3 years	More than 3 years	Total
As at March 31, 2021					
i) Projects in progress	1.56	0.05	0.05	-	1.66
ii) Projects temporarily suspended	-	-	-	-	-
As at March 31, 2022					
i) Projects in progress	3.38	0.02	-	-	3.40
ii) Projects temporarily suspended	-	-	-	-	-

NOTE 3A : LEASES

a) Right-of-Use Assets

(₹ in Crores)

Gross carrying value	Vehicles	Total
Balance as at April 01, 2020	0.74	0.74
Additions	-	-
Disposals	(0.05)	(0.05)
Balance as at March 31, 2021	0.69	0.69
Additions	-	-
Disposals	(0.03)	(0.03)
Balance as at March 31, 2022	0.66	0.66

Accumulated depreciation and impairment	Vehicles	Total
Balance as at April 01, 2020	0.16	0.16
Eliminated on disposals	-	-
Depreciation / impairment expense	0.17	0.17
Balance as at March 31, 2021	0.33	0.33
Eliminated on disposals	(0.03)	(0.03)
Depreciation / impairment expense	0.13	0.13
Balance as at March 31, 2022	0.43	0.43

Particulars	Vehicles	Total
Carrying amount as on March 31, 2021	0.36	0.36
Carrying amount as on March 31, 2022	0.23	0.23

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, 2022 :

(₹ in Crores)

Particulars	As at March 31, 2022	As at March 31, 2021
Current lease liabilities	0.12	0.13
Non-current lease liabilities	0.11	0.23
Total	0.23	0.36

c) Movement in Lease liabilities :

The following is the movement in lease liabilities during the year ended March 31, 2022:

(₹ in Crores)

Particulars	As at March 31, 2022	As at March 31, 2021
Balance as on April 01, 2021	0.36	0.58
Reclassified on account of adoption of IND AS 116	-	-
Additions	-	-
Finance costs accrued during the period	0.01	0.01
Deletions	(0.02)	-
Payment of Lease liabilities	(0.12)	(0.23)
Balance As at March 31, 2022	0.23	0.36

NOTES FORMING PART OF FINANCIAL STATEMENTS

d) The table below provides details regarding the contractual maturities of lease liabilities as at March 31, 2022 on an undiscounted basis: (₹ in Crores)

Particulars	As at March 31, 2022	As at March 31, 2021
Less than one year	0.12	0.13
One to five years	0.11	0.23
More than five years	-	-
Total	0.23	0.36

e) Others

Particulars	As at March 31, 2022	As at March 31, 2021
Interest on lease liabilities	0.01	0.01
Expenses relating to short-term leases	0.18	0.09
Total cash outflows for leases	0.12	0.23

NOTE 3B INTANGIBLE ASSETS

(₹ in Crores)

Gross carrying amount	As at March 31, 2022	As at March 31, 2021
Carrying amounts of:		
Technical Knowhow	-	-
Software Licence	0.43	0.38
Total	0.43	0.38

(₹ in Crores)

Gross carrying amount	Technical Knowhow	Software Licence	Total
Balance as at April 01, 2020	4.07	0.66	4.73
Additions made during the year	-	0.29	0.29
Balance as at March 31, 2021	4.07	0.95	5.02
Additions made during the year	-	0.28	0.28
Disposals	-	-	-
Balance as at March 31, 2022	4.07	1.23	5.30

(₹ in Crores)

Accumulated Amortisation	Technical Knowhow	Software Licence	Total
Balance as at April 01, 2020	2.95	0.39	3.34
Amortisation expense for the year	1.12	0.18	1.30
Balance as at March 31, 2021	4.07	0.57	4.64
Amortisation expense for the year	-	0.23	0.23
Balance as at March 31, 2022	4.07	0.80	4.87
Carrying amount as on March 31, 2021	-	0.38	0.38
Carrying amount as on March 31, 2022	-	0.43	0.43

NOTE 4 NON-CURRENT INVESTMENTS

(₹ in Crores)

Particulars	As at March 31, 2022		As at March 31, 2021	
	Number	Amount	Number	Amount
Investments in Equity Instruments at FVTPL - Unquoted:				
Capsol Energy Private Limited of ₹10/- each	600,000	0.60	600,000	0.60
Shree MTK Textiles Private Limited of ₹100/- each	2,340	0.75	-	-
CWRE wind Power Private Limited of ₹10/- each	379	0.00	379	0.00
Total	602,719	1.35	600,379	0.60

NOTES FORMING PART OF FINANCIAL STATEMENTS

NOTE 5 OTHER FINANCIAL ASSETS

(₹ in Crores)

articulars	Non-current as at		Current as at	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Unsecured and considered good unless otherwise stated :				
(a) Security Deposits	5.73	5.44	-	0.10
(b) Interest receivable	-	-	0.25	0.27
(c) Advance recoverable in cash	-	-	0.65	0.22
(d) Long term deposits more than one year (Refer note (i))	0.00	0.15	0.08	-
(e) Earmarked balances for Unclaimed dividend	0.31	0.29	-	-
(f) Deposits with Statutory authorities	4.64	5.05	0.41	-
Total	10.68	10.93	1.39	0.59

Note Non-current Long term deposits more than one year is towards Margin money with banks to the extent of ₹29,410/-.

NOTE 6 OTHER ASSETS

(₹ in Crores)

Particulars	Non-current as at		Current as at	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Unsecured and considered good unless otherwise stated :				
Capital Advances	0.83	1.71	-	-
Advances paid to suppliers	-	-	1.47	0.43
Prepaid Expenses	0.64	-	1.38	1.31
Travel advance	-	-	0.77	0.71
Others (Refer Note 35)	-	-	0.41	-
Unsecured and considered doubtful:				
(a) Capital Advances	0.20	0.20	-	-
Less: Provision for doubtful advances	(0.20)	(0.20)	-	-
Total	1.47	1.71	4.03	2.45

NOTE 7 INVENTORIES

(₹ in Crores)

Particulars	As at March 31, 2022	As at March 31, 2021
(At lower of cost and net realisable value)		
(a) Raw materials	56.33	32.62
(b) Stock of Trading Goods	0.34	0.30
(c) Work-in-process	5.12	4.52
(d) Finished goods	17.67	15.44
(e) Stores and spares	4.49	3.20
(f) Raw materials - Goods in transit	16.79	9.20
Total	100.74	65.28

The cost of inventories recognised as an expense during the year is as per NOTENO. 20 and 21

The cost of inventories recognised as an expense includes ₹0.74 Crores (March 31 2021: ₹0.74 Crores) in respect of write-downs of inventory to net realisable value.

The mode of valuation of inventories has been stated in NOTE 2.8

NOTES FORMING PART OF FINANCIAL STATEMENTS

NOTE8 CASH AND BANK BALANCES

NOTE8A CASH AND CASH EQUIVALENTS

(₹ in Crores)

Particulars	As at March 31, 2022	As at March 31, 2021
(a) Balance with banks in current accounts	2.23	1.16
(b) Balance with banks in deposit accounts	9.75	27.00
(c) Cash on hand	0.02	0.02
(d) Mutual Fund investments (HDFC Liquid Fund - Growth)	9.01	20.20
Total	21.01	48.38

NOTE8B OTHER BANK BALANCES

(₹ in Crores)

Particulars	As at March 31, 2022	As at March 31, 2021
(a) Balances with banks in earmarked accounts		
- In Margin Money accounts	-	1.12
Total	-	1.12

NOTE9 TRADE RECEIVABLES

(₹ in Crores)

Particulars	As at March 31, 2022	As at March 31, 2021
Secured, considered good	-	-
Trade receivables considered good - Unsecured	137.28	129.79
Trade receivables - credit impaired	3.32	2.34
Sub -Total	140.60	132.13
Allowance for credit impaired (expected credit loss allowance)	(3.32)	(2.34)
Total	137.28	129.79
Current	137.28	129.79
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 0.08% and 21.11% (March 31, 2021: 0.29% and 24.26%).

(₹ in Crores)

Movement in expected credit loss allowance	As at March 31, 2022	As at March 31, 2021
Balance at beginning of the year	2.34	4.76
Movement in expected credit loss allowance on trade receivables	1.69	(2.41)
Amount written off during the year	(0.71)	(0.01)
Balance at end of the year	3.32	2.34

NOTES FORMING PART OF FINANCIAL STATEMENTS

9.2 Trade Receivables ageing Schedule

(₹ in Crores)

Particulars	Outstanding for following periods from due						Total
	Not Due	Less than 6 months	6 Months to 1 year	1 to 2 years	2 to 3 years	More than 3 years	
As at March 31, 2021							
i) Undisputed trade receivable considered good	117.36	12.43	-	-	-	-	129.79
ii) Undisputed trade receivable - which have significant increase in credit risk							-
iii) Undisputed trade receivable - credit impaired	-	-	0.18	1.28	0.49	0.39	2.34
iv) Disputed trade receivable considered good*							-
v) Disputed trade receivable - which have significant increase in credit risk*							-
vi) Disputed trade receivable - credit impaired*							-
As at March 31, 2022							
i) Undisputed trade receivable considered good	129.72	7.56					137.28
ii) Undisputed trade receivable - which have significant increase in credit risk							-
iii) Undisputed trade receivable - credit impaired		0.42	0.90	0.64	0.75	0.61	3.32
iv) Disputed trade receivable considered good*							-
v) Disputed trade receivable - which have significant increase in credit risk*							-
vi) Disputed trade receivable - credit impaired*							-

*There are no trade receivables that are overdue on account of any outstanding legal disputes

NOTE 10 EQUITY SHARE CAPITAL

(₹ in Crores)

Particulars	As at March 31, 2022	As at March 31, 2021
AUTHORISED :		
Equity Shares:		
1,00,00,000 Equity Shares of ₹10 each	10.00	10.00
ISSUED, SUBSCRIBED AND FULLY PAID UP		
77,29,871 (March 31, 2021 : 77,52,359) Equity Shares of ₹10 each fully paid-up	7.73	7.75
Total	7.73	7.75

10.1 Reconciliation of number of shares

Particulars	2021-22		2020-21	
	No of Shares (in Nos)	Amount (₹ in Crores)	No of Shares (in Nos)	Amount (₹ in Crores)
Equity Shares of ₹10 each fully paid up				
At the beginning of the period	77,52,359	7.75	79,14,980	7.91
At the end of the period	77,29,871	7.73	77,52,359	7.75

NOTES FORMING PART OF FINANCIAL STATEMENTS

The Board of Directors at its meeting held on October 15, 2020, approved a proposal to buy-back upto 2,66,667 nos of equity shares of the Company for an aggregate amount not exceeding ₹22.00 crore, being less than 10% of total paid up equity share capital and free reserves as on March 31, 2020 at ₹825/- per equity share. The buy back was from the open market through the stock exchanges. The Company further bought back of 22,488 nos (March 31, 2021: 1,62,621 nos) equity shares out of the shares that were tendered by eligible shareholders and extinguished. Capital redemption reserve was created to the extent of share capital extinguished ₹0.02 crore (March 31, 2021: ₹0.16 crore). The excess cost of buy-back of ₹1.81 crore (March 31, 2021: ₹9.42 crore) over par value of shares and corresponding tax on buy-back of ₹0.42 crore (March 31, 2021: ₹2.55 crore) were offset from reserves.

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.

10.3 Shares held by holding company

(₹ in Crores)

Particulars	2021-22		2020-21	
	No of Shares (in Nos)	Amount (₹)	No of Shares (in Nos)	Amount (₹)
Equity shares of ₹10 each, fully paid up held by Rane Holdings Limited, the Holding Company	38,67,440	3.87	36,87,440	3.69

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

Name of the Share holder	No of shares held as at			
	March 31, 2022		March 31, 2021	
	Nos.	%	Nos.	%
Rane Holdings Limited	38,67,440	50.03%	36,87,440	47.57%
Nisshinbo Holdings Inc.	15,95,249	20.64%	15,95,249	20.58%
United India Insurance Company Ltd*	90,582	1.17%	4,79,030	6.18%

*FY 21-22, reduced to less than 5% of total equity shares

10.5 Shares held by promoters at the end of the year:

Promoter Name	March 31, 2022			March 31, 2021		
	No. of Shares	% of total Shares	% Change during the year	No. of Shares	% of total Shares	% Change during the year
Pushpa Lakshman & Lakshman L	50	0.00	-	50	0.00	-
Lakshman L & Pushpa Lakshman	50	0.00	-	50	0.00	-
Ganesh L & Meenakshi Ganesh	50	0.00	-	50	0.00	-
Lakshman Harish	50	0.00	-	50	0.00	-
Vinay Lakshman	50	0.00	-	50	0.00	-
Meenakshi Ganesh & Ganesh L	50	0.00	-	50	0.00	-
Malavika Lakshman & Harish Lakshman	50	0.00	-	50	0.00	-
Aparna Ganesh	50	0.00	-	50	0.00	-
Aditya Ganesh	50	0.00	-	50	0.00	-
Rekha Sundar	19,400	0.25	-	19,400	0.25	-

NOTES FORMING PART OF FINANCIAL STATEMENTS

NOTE 11 OTHER EQUITY

(₹ in Crores)

Particulars	As at March 31, 2022	As at March 31, 2021
General Reserve	164.36	166.19
Securities Premium reserve	-	-
Capital Redemption reserve	0.18	0.16
Retained Earnings	70.57	63.56
	235.11	229.91

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

(₹ in Crores)

Particulars	As at March 31, 2022	As at March 31, 2021
(a) General Reserve		
Opening balance	166.19	175.77
Add : Addition during the year	-	-
Less : Buy-back of equity shares	(1.81)	(9.10)
Less : Share Buy-back cost, net of income tax	-	(0.32)
Less : Amount transferred within Reserves	(0.02)	(0.16)
Closing balance	164.36	166.19
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
Add : Addition during the period	-	-
Less : Buy-back of equity shares	-	(2.80)
Closing balance	-	-
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) Capital Redemption Reserve		
Opening balance	0.16	-
Add : Addition during the period	0.02	0.16
Less : Buy-back of equity shares	-	-
Closing balance	0.18	0.16
Capital redemption reserve was created for buyback of equity shares in the financial year 2020-21 & 2021-22		
(d) Retained Earnings		
Balance at the beginning of the year	63.56	42.34
Profit for the year	27.07	31.80
Other comprehensive income for the year, net of income tax	(0.33)	0.68
Payment of dividends on equity shares	(19.32)	(8.71)
Tax on Buy-back of equity shares	(0.41)	(2.55)
Amount transferred within Reserves	-	-
Balance at the end of the year	70.57	63.56
In respect of the year ended March 31, 2022, the directors proposed that a dividend of ₹20/- per share be paid on fully paid equity shares. This equity dividend is subject to approval by shareholders at the Annual General Meeting and has not been included as a liability in these financial statements. The proposed equity dividend is payable to all holders of fully paid equity shares. The total estimated equity dividend to be paid is ₹15.45 Crores.		
Total Other Equity	235.11	229.91

NOTES FORMING PART OF FINANCIAL STATEMENTS

NOTE 12 DEFERRED TAX ASSETS AND LIABILITIES

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

Particulars	(₹ in Crores)	
	As at March 31, 2022	As at March 31, 2021
Deferred tax assets	7.45	11.88
Deferred tax liabilities	(8.75)	(15.22)
Net Deferred tax Asset / (Liability)	(1.30)	(3.34)

2021-22	(₹ in Crores)				
	Opening balance	Recognised in profit or loss	Recognised in Other comprehensive income	Recognised directly in equity	Closing balance
Deferred tax (liabilities)/asset in relation to					
Property plant and equipment	(15.22)	6.47	-	-	(8.75)
Expenses allowable under tax on actual payment basis	3.79	(1.17)	-	-	2.62
Provision on doubtful debts	1.02	0.02	-	-	1.04
Defined benefit obligation - Gratuity	-	(0.11)	0.11	-	-
Timing difference on account of VRS	0.23	(0.06)	-	-	0.17
Other Temporary Timing Differences	6.84	(3.22)	-	-	3.62
Sub-Total	(3.34)	1.92	0.11	-	(1.30)
MAT Credit entitlement	-	-	-	-	-
Net Deferred tax Asset / (Liability)	(3.34)	1.92	0.11	-	(1.30)

NOTE 13 CURRENT TAX ASSETS AND LIABILITIES

Particulars	(₹ in Crores)	
	As at March 31, 2022	As at March 31, 2021
Current Tax Assets		
Advance payment of Tax and Tax Deducted at Source	155.48	150.83
Advance Fringe benefits tax	0.05	0.05
Total	155.53	150.88
Current Tax Liabilities		
Income Tax payable	(151.78)	(147.27)
Total	(151.78)	(147.27)
Tax Assets	3.75	3.61

NOTE 14 TRADE PAYABLES

Particulars	(₹ in Crores)	
	As at March 31, 2022	As at March 31, 2021
Dues to Micro Small and Medium Enterprise Vendors (Refer note No. 36)	24.19	21.31
Related parties (Refer note No. 32(c))	7.57	5.61
Others	93.10	86.79
Total	124.86	113.71

NOTES FORMING PART OF FINANCIAL STATEMENTS

NOTE 14A TRADE PAYABLES - AGEING SCHEDULE

(₹ in Crores)

Particulars	Outstanding for following periods from due date of payment					Total
	Not Due	Less than 1 Year	1 to 2 years	2 to 3 years	More than 3 years	
As at March 31, 2021						
i) MSME	21.30	0.01	-	-	-	21.31
ii) Others	88.33	3.97	0.09	0.00	0.01	92.40
iii) Disputed dues - MSME*						-
iv) Disputed dues - Others*						-
As at March 31, 2022						
i) MSME	24.19	-	-	-	-	24.19
ii) Others	96.01	4.61	0.03	0.02	0.00	100.67
iii) Disputed dues - MSME*						-
iv) Disputed dues - Others*						-

*There are no trade payables that are overdue on account of any outstanding legal disputes

NOTE 15 OTHER FINANCIAL LIABILITIES

(₹ in Crores)

Particulars	Non-current		Current	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
Employee Related dues	-	-	16.39	14.73
Unclaimed dividends	-	-	0.31	0.29
Commission payable to Chairman	-	-	0.95	0.93
Deposits C & F Agents	-	0.02	-	-
Security Deposits	0.56	-	-	-
Payable for capital purchases	-	-	1.39	0.79
Lease obligations	0.11	0.23	0.12	0.13
Derivative Liabilities (Net)	-	-	0.22	0.09
Total	0.67	0.25	19.38	16.96

NOTE 16 PROVISIONS

(₹ in Crores)

Particulars	Non-current		Current	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
Provision for Warranty				
Balance at the beginning of the year	-	-	2.21	1.99
Additions / Transfers	-	-	0.28	0.22
Amounts used / Transfers	-	-	-	-
Unused amounts reversed	-	-	(1.99)	-
Balance as at the end of the year	-	-	0.50	2.21
Provision for Employee benefits				
Provision for defined benefit plan (Refer Note No. 30(C)(iii))	-	-	1.43	0.45
Provision for compensated absences	3.71	3.36	1.15	1.01
Sub - Total	3.71	3.36	2.58	1.46
Others				
Balance at the beginning of the year	-	-	1.80	5.52
Additions / Transfers	-	-	-	-
Amounts used / Transfers / reversed	-	-	(1.03)	(3.72)
Balance as at the end of the year	-	-	0.77	1.80
Total	3.71	3.36	3.85	5.47

Note 16(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.

NOTES FORMING PART OF FINANCIAL STATEMENTS

NOTE 17 OTHER LIABILITIES

(₹ in Crores)

Particulars	Non-current		Current	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
Advances and Deposits from Customers / Others	-	-	0.12	0.08
Deferred Income	0.12	-	0.03	-
Statutory remittances (Contributions to PF and ESIC, Withholding Taxes, GST, etc.)	-	-	2.07	3.19
Total	0.12	-	2.22	3.27

NOTE 18 REVENUE FROM OPERATIONS

(₹ in Crores)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
(a) Sales of Products (Refer Note No.18.1)	524.94	444.00
(b) Rebates	(21.47)	(21.06)
Sub-Total	503.47	422.94
(c) Other operating revenues		
- Scrap sales	1.29	0.41
- Material sales	0.05	0.04
- Export entitlements	0.74	0.49
Total	505.55	423.88

18.1 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, 2022	Year ended March 31, 2021
Brake Linings	209.17	189.62
Disc Pads	268.82	212.67
Clutch Facings	3.65	4.69
Railway Brake Blocks	1.40	2.67
Others	20.43	13.29
Total	503.47	422.94

NOTE 19 OTHER INCOME

(₹ in Crores)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
(a) Interest income earned		
- On Financial assets (at amortised cost)	0.83	1.75
(b) Dividend Income - on financial assets (FVTPL)	-	-
(c) Other non-operating income (net of expenses directly attributable to such income)		
- Liabilities / Provisions no longer required written back	10.42	8.75
- Others (aggregate of items)	1.39	0.43
Total	12.64	10.93

NOTES FORMING PART OF FINANCIAL STATEMENTS

NOTE 20 COST OF RAW MATERIAL CONSUMED

(₹ in Crores)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Raw material and components consumed		
Opening inventory	42.12	32.77
Add : Purchases	292.84	195.52
Less : Inventory at the end of the year	73.47	42.12
Sub-Total	261.49	186.17
Freight inward	4.59	3.25
Job work expenses	5.62	5.04
Total	271.70	194.46

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

NOTE 21 CHANGES IN INVENTORIES OF WORK IN PROGRESS AND FINISHED GOODS

(₹ in Crores)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Opening Stock:		
Work-in-progress	4.52	5.45
Finished goods	15.44	22.11
Closing Stock:		
Work-in-progress	5.12	4.52
Finished goods	17.67	15.44
(Increase) / Decrease in Stocks	(2.83)	7.60

NOTE 22 EMPLOYEE BENEFIT EXPENSES

(₹ in Crores)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
(a) Salaries, Wages and Bonus	63.20	51.29
(b) Contribution to Provident and Other Funds (Refer Note 30)	3.92	3.58
(c) Gratuity (Refer Note 30(C)(iv))	1.14	1.28
(d) Staff Welfare Expenses	10.51	8.65
Total	78.77	64.80

NOTE 23 FINANCE COSTS

(₹ in Crores)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Interest Expense of		
Working capital Loans (at amortised cost)	-	0.00
Obligations under finance lease	0.01	0.01
Other borrowing cost	0.01	0.24
Total	0.02	0.25

NOTE 24 DEPRECIATION, AMORTISATION AND IMPAIRMENT EXPENSE

(₹ in Crores)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Depreciation on Property, plant and equipment pertaining to continuing operations (Refer Note-2)	21.06	22.95
Depreciation on Right-of-Use assets (Refer Note 3A)	0.13	0.17
Amortisation of Intangible assets (Refer Note 3B)	0.23	1.30
Total depreciation, amortisation and impairment expense	21.42	24.42

NOTES FORMING PART OF FINANCIAL STATEMENTS

NOTE 25 OTHER EXPENSES

(₹ in Crores)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Power and Fuel	22.53	19.22
Consumption of stores and spares	7.69	6.47
Travelling and Conveyance	3.56	3.12
Repairs and Maintenance		
- Buildings	0.58	1.03
- Plant and Equipment	10.82	10.76
- Others	7.01	8.27
Packing, Despatching and Freight	25.58	21.19
Insurance	1.12	1.00
Rates and Taxes, excluding taxes on income	1.12	0.84
Rent expense	0.18	0.09
Commission to Selling Agents	0.62	0.39
Auditors' Remuneration (Refer Note No.25 (a))	0.21	0.19
Directors' Sitting fee	0.19	0.06
Commission to Chairman	0.95	0.93
Sales Promotion and Publicity	6.71	5.50
Plant and equipment scrapped	0.00	0.01
Professional Charges	8.30	5.89
Information System Expenses	2.21	1.83
Foreign Exchange Loss (Net)	0.34	0.89
Provision for Bad Debts	1.69	(2.41)
Printing and Stationery	0.43	0.38
Royalty	5.88	5.08
Trade mark fees	2.51	2.10
Contribution towards Corporate Social Responsibility (Refer Note 35.1)	0.92	1.02
Bank Charges	0.23	0.23
Miscellaneous Expenses	2.35	2.22
Total	113.73	96.30

NOTE 25 (a) AUDITORS' REMUNERATION

(₹ in Crores)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
(a) Audit Fee	0.11	0.10
(b) Tax audit fee	0.02	0.02
(c) Other Services	0.08	0.07
Total	0.21	0.19

NOTE 26 INCOME TAX EXPENSE

(₹ in Crores)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Current tax		
In respect of current year	10.26	16.44
In respect of prior years	(0.74)	-
Total	9.52	16.44
Deferred tax		
In respect of current year	(1.92)	(1.30)
Minimum Alternate Tax (MAT)	-	-
Deferred tax recognised in profit or loss	(1.92)	(1.30)
Total income tax expense	7.60	15.14

NOTES FORMING PART OF FINANCIAL STATEMENTS

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

(₹ in Crores)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Profit before tax	34.67	46.94
Income Tax expense calculated @ 25.168% (March 31, 2021: 34.944%)	8.73	16.40
Effect of income that is exempt from taxation	-	(0.41)
Effect of expenses that are not deductible in determining taxable profit	0.23	0.25
Effect of concessions (research and development and other allowances)	-	-
Effect of tax payable in future in respect of taxable temporary differences	0.32	(1.10)
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	(0.74)	
On account of difference in tax rates	(0.94)	-
Income Tax expense recognised in profit or loss	7.60	15.14

26.1 Income tax recognised in other comprehensive income

(₹ in Crores)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Deferred tax		
Arising on income and expenses recognised in other comprehensive income:		
Remeasurement of defined benefit obligation	0.11	(0.36)
Total income tax recognised in other comprehensive income	0.11	(0.36)

NOTE 27 RESEARCH AND DEVELOPMENT EXPENDITURE

(₹ in Crores)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
(i) Capital Expenditure	0.08	1.60
(ii) Revenue Expenses	17.02	15.02

All the above items were included in the respective heads of expenditure disclosed under "Other expenses" (Note-25)

NOTE 28 EARNINGS PER SHARE

(₹ in Crores)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
A) Basic Earnings per share		
Profit for the year (A)	27.07	31.80
Weighted average no of shares outstanding (B)	0.77	0.79
Total basic earnings per share in ₹ (A/B)	35.03	40.45
B) Diluted Earnings per share		
Profit for the year (A)	27.07	31.80
Weighted average no of shares outstanding (B)	0.77	0.79
Total diluted earnings per share in ₹ (A/B)	35.03	40.45

NOTE 29 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 the 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.

NOTES FORMING PART OF FINANCIAL STATEMENTS

29.1 Product wise break up - Please refer note no. 18.1

29.2 Geographical Information

(₹ in Crores)

Particulars	Revenue from external customers		Non-current assets**	
	Year ended March 31, 2022	Year ended March 31, 2021	Year ended March 31, 2022	Year ended March 31, 2021
India	481.21	399.14	117.24	119.56
Rest of World	23.60	24.25	-	-
Total	504.81	423.39	117.24	119.56

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

29.3 Information about major customers

Revenue from sale of Products to largest customers (greater than 10% of total sales) is ₹152.76 Crores (March 31, 2021, ₹167.67 Crores)

NOTE 30 EMPLOYEE BENEFIT PLANS

A. Defined contribution plans

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

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

(a) Provident fund and pension

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

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

(b) Superannuation fund

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

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

The total expense recognised in profit or loss of ₹3.70 Crores (for the year ended March 31, 2021: ₹3.36 Crores) represents contributions payable to these plans by the company at rates specified in the rules of the plans. As at March 31, 2022, contributions of ₹0.59 Crores (as at March 31, 2021: ₹0.56 Crores) due in respect to 2021-22 (2020-21) 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.

NOTES FORMING PART OF FINANCIAL STATEMENTS

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 ₹1.15 Crores (March 31, 2021 - ₹1.01 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	2021-22	2020-21
Discount rate	7.26%	6.91%
Expected rate of salary increase		
- Executives and Staff	8.00%	8.00%
- Operators	8.00%	8.00%
Attrition rate		
- Executives and Staff	5.00%	4.00%
- Operators	1.00%	1.00%

Gratuity

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

(₹ in Crores)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Opening defined benefit obligation	17.39	16.96
Current Service Cost	1.13	1.17
Interest cost	1.18	1.11
Remeasurement (gains) / losses :		
Actuarial gains and losses arising from changes in demographic assumptions	-	-
Actuarial gains and losses arising from changes in financial assumptions	0.50	(1.16)
Actuarial gains and losses arising from experience adjustments	-	-
Past service cost including losses / (gains) on curtailments	-	-
Benefits paid	(0.57)	(0.69)
Closing defined benefit obligation	19.64	17.39

NOTES FORMING PART OF FINANCIAL STATEMENTS

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

(₹ in Crores)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Opening fair value of plan assets	16.94	14.32
Interest income	0.14	(0.23)
Remeasurement gain (loss) :		
Return on plan assets (excluding amounts included in net interest expense)	1.17	1.00
Contributions from the Employer	0.46	2.63
Benefits paid	(0.57)	(0.66)
Actuarial gain/(loss) on plan assets	0.07	(0.12)
Closing fair value of plan assets	18.21	16.94

(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, 2022	As at March 31, 2021
Present value of funded defined benefit obligation	19.64	17.39
Fair value of plan assets	18.21	16.94
Balance to be funded	1.43	0.45
Restrictions on asset recognised	-	-
Others	-	-
Net liability arising from defined benefit obligation	1.43	0.45

(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, 2022	Year ended March 31, 2021
Service Cost :		
Current Service cost	1.13	1.17
Past service cost and (gain) / loss from settlements	-	-
Net interest Expense	0.01	0.10
Components of defined benefit costs recognised in profit or loss	1.14	1.27

(v) Amounts recognised in other comprehensive income are as follows:

(₹ in Crores)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Return on plan assets (excluding amounts included in net interest expense)		
Actuarial (gains) / losses on plan asset	0.06	(0.12)
Actuarial (gains) / losses on present value of obligations	(0.50)	1.16
Recognised in other comprehensive income for current period	(0.44)	1.04

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.

(vi) 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.

NOTES FORMING PART OF FINANCIAL STATEMENTS

The estimates of future salary increases, considered in actuarial valuation, takes into account 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.

(vii) The principal assumptions used for the purposes of the actuarial valuations were as follows:

Particulars	Valuation as at	
	March 31, 2022	March 31, 2021
Discount Rate(s)	7.26%	6.91%
Expected Rate(s) of salary increase		
Executives and Staff	8.00%	8.00%
Operators	8.00%	8.00%
Attrition Rate		
Executives and Staff	5.00%	4.00%
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 analyses below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant:

Sensitivity Analysis

(₹ in Crores)

Change in assumption	March 31, 2022	March 31, 2021
A. Discount Rate +50 BP	7.76%	7.41%
Defined Benefit Obligation [PVO]	18.76	16.54
Current Service Cost	1.14	1.07
B. Discount Rate -50 BP	6.76%	6.41%
Defined Benefit Obligation [PVO]	20.57	18.30
Current Service Cost	1.26	1.20
C. Salary Escalation Rate +50 BP	8.50%	8.50%
Defined Benefit Obligation [PVO]	20.57	18.30
Current Service Cost	1.26	1.20
D. Salary Escalation Rate -50 BP	7.50%	7.50%
Defined Benefit Obligation [PVO]	18.75	16.53
Current Service Cost	1.14	1.07

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

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

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

Defined benefit liability and employer contributions

The weighted average duration of the defined benefit obligation is 10.0 years (March 31, 2021 : 11.0 years). The expected maturity analysis of undiscounted gratuity is as follows:

(₹ in Crores)

Particulars	March 31, 2022	March 31, 2021
Year 1	0.53	0.43
Year 2	1.29	0.78
Year 3	1.11	0.93
Year 4	1.61	0.94
Year 5	1.03	1.67
Next 5 Years	11.09	7.71

NOTES FORMING PART OF FINANCIAL STATEMENTS

NOTE 31 FINANCIAL INSTRUMENTS

31.1 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, 2022, the Company has only one class of equity shares. 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.

31.2 Categories of financial instruments

(₹ in Crores)

Particulars	As at March 31, 2022	As at March 31, 2021
Financial assets		
Measured at fair value through profit or loss (FVTPL)		
(a) Mandatorily measured:		
- Equity investments	1.35	0.60
- Investment in Mutual Funds (Grouped under cash and cash equivalents)	9.01	20.20
Measured at amortised cost		
- Trade receivables	137.28	129.79
- Cash and cash equivalents	12.00	28.18
- Other bank balances	-	1.12
- Other financial assets (Current)	1.39	0.59
- Other financial assets (Non-Current)	10.68	10.93
Financial liabilities		
Measured at amortised cost		
- Trade payables	124.86	113.71
- Lease Liabilities	0.23	0.36
- Derivative instruments	0.22	0.09
- Other Financial liabilities	19.82	16.85

Fair value hierarchy

(₹ in Crores)

Particulars	March 31, 2022	March 31, 2021	Fair value Hierarchy
- Derivative instruments (Forward contracts)	0.22	0.09	Level-1
- Investment in Mutual Funds (Grouped under cash and cash equivalents)	9.01	20.20	Level-1
- Equity investments	1.35	0.60	Level-3

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 2021-22. 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.

31.3 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.

NOTES FORMING PART OF FINANCIAL STATEMENTS

31.3.1 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, 2022	March 31, 2021	March 31, 2022	March 31, 2021
EUR	5,88,608	1,30,997	345	-
CNH	4,54,659	-	-	-
GBP	-	-	31,603	45,322
JPY	26,97,22,575	9,59,88,718	-	-
USD	8,86,144	4,67,497	8,73,646	5,01,140

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	
	2021-22	2020-21	2021-22	2020-21
A. Financial Assets				
USD	(0.33)	(0.18)	(0.22)	(0.12)
GBP	(0.00)	(0.01)	(0.00)	(0.00)
EUR	(0.00)	-	(0.00)	-
B. Financial Liabilities				
USD	(0.34)	(0.17)	(0.22)	(0.11)
EUR	(0.18)	(0.01)	(0.12)	(0.01)
JPY	(0.21)	-	(0.14)	-
CNH	(0.03)	-	(0.02)	-
Net Impact (A-B)	0.43	(0.01)	0.28	(0.00)

NOTES FORMING PART OF FINANCIAL STATEMENTS

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 respective Foreign currency		Notional value		Fair value assets / (liabilities) (in ₹)	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Cash flow hedges								
Buy Currency Euro								
Less than 3 months	84.80	86.89	(1,61,394)	(1,04,221)	(1,36,85,525)	(90,55,763)	(1,36,54,005)	(91,04,703)
More than 3 months								
Buy Currency JPY								
Less than 3 months	63.92	67.27	(20,09,33,150)	(10,62,01,730)	(12,84,45,019)	(7,14,46,240)	(12,62,27,292)	(7,22,68,800)
Cash flow hedges								
Sell Currency GBP								
Less than 3 months	101.96	101.35	31,146	33,904	31,75,750	34,36,093	31,08,499	34,30,656

The line-items in the balance sheet that include the above hedging instruments are "Other financial assets" and "Other financial liabilities".

31.3.2 Credit risk

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

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

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

31.3.3 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 have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay:

NOTES FORMING PART OF FINANCIAL STATEMENTS

(₹ in Crores)

Particulars	Less than 1 Year	1-5 years	More than 5 years	Total	Carrying value
March 31, 2022					
Borrowings	-	-	-	-	-
Trade payables	124.86			124.86	124.86
Derivative Financial Liabilities	0.22			0.22	0.22
Other Financial Liabilities	19.26	0.67		19.92	19.92
Total	144.34	0.67	-	145.00	145.00
March 31, 2021					
Borrowings	-	-	-	-	-
Trade payables	113.71			113.71	113.71
Derivative Financial Liabilities	0.09			0.09	0.09
Other Financial Liabilities	16.83	0.25		17.08	17.08
Total	130.62	0.25	-	130.88	130.88

NOTE32 - Related Party Disclosures

(a) Names of Related Parties and nature of relationship :

List of related parties where control exists	
(i) Holding company	Rane Holdings Limited (RHL)
(ii) Entity with significant influence	Nisshinbo Holdings Inc; Japan
Other related parties where transactions have taken place during the year	
(iii) Key Management Personnel (KMP)	Mr R Balakrishnan, Manager & President Mr L Ganesh, Chairman (KMP of Parent) Mr Harish Lakshman, Director (KMP of Parent)
(iv) Relatives of Key Management Personnel	Mr L Lakshman, Director (Related party upto 27.05.2021)
(v) Entities controlled by KMP	Rane Foundation (RF)
(vi) Fellow Subsidiaries / Associates / Joint ventures of other entities	Rane (Madras) Limited (RML) Rane Engine Valve Limited (REVL) Rane Holdings America Inc (RHAL) Rane Holdings Europe GmbH (RHEG) Rane Light Metal Castings Inc; USA (RLMCA) Rane t4u Private Limited (Rt4u) ZF Rane Automotive India Private Limited (ZFRAIPL) (Formerly known as Rane TRW Steering Systems Private Limited) Rane NSK Steering Systems Private Limited (RNSSPL) Nisshinbo Automotive Manufacturing Inc; USA Nisshinbo Brake Inc; Japan Nisshintoa Iwao Inc; Japan Saeron Automotive Corporation; Korea Shijiazhuang TMD Friction Ltd.Co.; China TMD Friction Services GmbH, Germany (TMD Friction GmbH, Germany & TMD Friction Esco GmbH, Germany amalgamated with TMD Friction Services GmbH, Germany)
(vii) Post employment benefit plan of the Entity	Rane Brake Lining Limited Employees Gratuity Fund (RBLLEGF) Rane Brake Lining Limited Senior Executives Pension Fund (RBLLEPF)

(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

(₹ in Crores)

Description	Holding Company		Entity with significant influence		Key Management Personnel		Relatives of Key Management Personnel		Entities controlled by Key Management Personnel		Fellow Subsidiaries / Associates / Joint ventures of other entities		Post employment benefit plan of the Entity		Total	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
Transactions during the year																
- Trade Mark Fee	2.51	2.11													2.51	2.11
- Professional Charges	4.06	3.78									5.26	3.00			9.32	6.78
- SAP Hana Licence Fee	0.24														0.24	-
- Export Market Development Exp											1.39	0.54			1.39	0.54
- Reimbursement of expenses	0.20	-									0.16	0.08			0.36	0.08
- Commission to Chairman					0.95	0.93									0.95	0.93
- Remuneration to KMP*					0.93	0.93									0.93	0.93
- Supply of Products											2.85	1.82			2.85	1.82
- Purchase of Raw Material											35.21	27.60			35.21	27.60
- Purchase of Face Mask											0.00	0.03			0.00	0.03
- Royalty											6.51	5.57			6.51	5.57
- Sitting fees paid			0.02	0.00	0.06	0.01	0.00	0.01							0.08	0.02
- Donation - CSR									0.76	0.50					0.76	0.50
- Post Employment Benefit Plan													1.69	2.86	1.69	2.86

NOTES FORMING PART OF FINANCIAL STATEMENTS

(₹ in Crores)

Description	Holding Company		Entity with significant influence		Key Management Personnel		Relatives of Key Management Personnel		Entities controlled by Key Management Personnel		Fellow Subsidiaries / Associates / Joint ventures of other entities		Post employment benefit plan of the Entity		Total	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
Outstanding as at March 31																
Amount Payable																
- Purchase of Raw Material											2.22	1.84			2.22	1.84
- Trade Mark Fee	0.31	0.74													0.31	0.74
- Royalty											3.58	2.35			3.58	2.35
- Reimbursement of expenses											0.00	-			0.00	-
- Post Employment Benefit													1.45	0.46	1.45	0.46
Amount Receivable																
- Supply of Products											0.79	0.36			0.79	0.36
- Purchase of Raw Material											-	0.58			-	0.58
- Professional Charges	0.18	0.24													0.18	0.24
- Export Market Development Exp											0.01	-			0.01	-
- Employee Group Transfer+Others											-	0.04			-	0.04

* Remuneration to Key Management Personnel

Mr.R Balakrishnan, Manager

(₹ in Crores)

Particulars	2022	2021
Short term benefits paid	0.91	0.91
Other Long term benefits paid	0.10	0.07
Termination benefits	0.02	0.02
Total	1.03	1.00

NOTES FORMING PART OF FINANCIAL STATEMENTS

NOTE 33 COMMITMENTS

(₹ in Crores)

Particulars	As at	
	March 31, 2022	March 31, 2021
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for	29.65	18.45

NOTE 34 EXCEPTIONAL ITEM

(₹ in Crores)

Particulars	Year ended	
	March 31, 2022	March 31, 2021
Voluntary retirement scheme (Refer note-(a))	0.66	-

(a) Exceptional item represents the amount paid to 5 employees (March 31, 2021 - Nil employees) who opted for early retirement in terms of a voluntary scheme introduced by the Company.

NOTE 35 CORPORATE SOCIAL RESPONSIBILITY

(₹ in Crores)

Particulars	Year ended	
	March 31, 2022	March 31, 2021
(a) Gross amount required to be spent u/s 135 of the Companies Act, 2013	0.95	1.00
(b) Amount approved by the board to be spent u/s 135 of the Companies Act, 2013	1.45	1.00
(c) Expenditure towards corporate social responsibility		
(i) Construction / acquisition of any asset	-	-
(ii) Purpose other than (i) above	1.33	1.02
Excess / (Shortfall)	0.38	0.02

Excess spent considered for setoff against future CSR contribution ₹0.41 cr

35.1 Corporate Social responsibility - Expenses incurred towards

(₹ in Crores)

Particulars	Year ended	
	March 31, 2022	March 31, 2021
Donation	0.78	0.82
Social Welfare expenses	0.14	0.20
Donation & Social Welfare Excess spent and transferred to Prepaid	0.41	-
Total	1.33	1.02

Note 36 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,	
	2022	2021
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	24.19	21.31
Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	1.92
Interest due and payable towards suppliers registered under MSMED Act, for payments already made	-	0.01

NOTES FORMING PART OF FINANCIAL STATEMENTS

NOTE 37 CONTINGENT LIABILITIES

(₹ in Crores)

Particulars	As at March 31, 2022	As at March 31, 2021
Income tax matters	7.27	9.03
Sales tax matters	0.90	1.35
Service tax matters	0.33	0.31
Total	8.50	10.69

NOTE 38 APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved for issue by the Board of Directors on May 18, 2022.

NOTE 39 ADDITIONAL INFORMATION TO FINANCIAL STATEMENTS

(₹ in Crores)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
a) Raw materials consumed :		
i) Asbestos	10.91	9.42
ii) Chemicals & Resins	171.89	122.97
iii) Steel Components	78.69	53.78
iv) Others	-	-
	261.49	186.17
b) CIF Value of imports :		
i) Raw materials	93.33	68.83
ii) Capital goods	0.44	0.78
	93.77	69.61
c) Expenditure in foreign currency		
i) Royalty	4.14	3.27
ii) Technical and License Fees	7.05	2.35
iii) Travelling	-	0.01
iv) Sales Commission	0.59	0.59
v) Professional and Consultancy Charges	0.02	0.96
vi) Others	1.52	0.94
	13.32	8.12

(₹ in Crores)

d) Value of imported and indigenous raw materials, components and spares consumed and percentage of each to the total consumption:	Year ended			
	March 31, 2022		March 31, 2021	
	Value	Percentage	Value	Percentage
i) Raw Materials				
a) Imported	114.00	42%	86.55	45%
b) Indigenous	147.49	55%	99.62	52%
ii) Stores and Spare Parts				
a) Imported	-	-	-	-
b) Indigenous	7.69	3%	6.47	3%
	269.18	100%	192.64	100%

NOTES FORMING PART OF FINANCIAL STATEMENTS

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

Particulars	Year ended					
	March 31, 2022			March 31, 2021		
	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)
Final Dividend paid during the year	1	15,95,249	3.99	1	15,95,249	1.75

f) Earnings in foreign currency (₹ in Crores)

Particulars	Year ended	
	March 31, 2022	March 31, 2021
FOB Value of exports	21.25	22.70

g) Other Financial information (₹ in Crores)

Particulars	Year ended	
	March 31, 2022	March 31, 2021
i. Outstanding Letter of Credit	1.60	3.64
ii. Guarantees excluding financial guarantees	0.61	2.45
iii. Net exchange difference debited to Profit and Loss Statement	0.34	0.89

h) Others

No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries). The Company has not received any fund from any party(s) (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

NOTES FORMING PART OF FINANCIAL STATEMENTS

NOTE 40 RATIOS

SL No	Ratios	Numerator	Denominator	As at March 31, 2022	As at March 31, 2021	% of Change	Remarks
1	Current ratio	Current Assets	Current Liabilities	1.76	1.78	(0.94)%	
2	Debt - Equity ratio	-	-	-	-	-	Not Applicable - Company does not have any Debt
3	Debt - Service Coverage ratio	-	-	-	-	-	Not Applicable - Company does not have any Debt Service
4	Return on Equity	Net Profit After Taxes	Average Shareholder's Equity	11.27%	13.63%	(17.35)%	
5	Inventory Turnover ratio	Sales	Average Inventory	6.07	6.59	(8.01)%	
6	Trade Receivable Turnover Ratio	Net Credit Sales	Average Trade Receivables	3.77	3.72	1.29%	
7	Trade Payable Turnover Ratio	Net Credit Purchase	Average Trade Payables	2.45	1.89	29.84%	Due to higher purchases in FY 2021-2022 on account of increase in production volume
8	Net Capital turnover ratio	Net Sales	Working Capital (i)	4.41	3.91	12.84%	
9	Net Profit Ratio (in %)	Net Profit/(Loss) for the year	Total Income	5.38%	7.52%	(28.49)%	Due to Steep increase in major raw material prices
10	Return on Capital Employed (in %)	Earning before interest and taxes	Capital Employed (ii)	14.23%	19.61%	(27.42)%	Due to Steep increase in major raw material prices
11	Return on Investments	-	-	-	-	-	The Company does not have any return bearing investments

(i) Working Capital = Current Assets - Current Liabilities

(ii) Capital Employed = Tangible Networth + Total borrowings + Deferred tax liabilities

NOTES FORMING PART OF FINANCIAL STATEMENTS

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

Signature to Note - 1 to Note - 41
For and on behalf of the Board

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

Harish Lakshman
Director
DIN : 00012602

Ganesh Lakshminarayan
Chairman
DIN : 00012583

Georgy Mathew
Partner
Membership No. 209645
Place : Bengaluru
Place : Chennai
Date : May 18, 2022

R Balakrishnan
Manager

J Ananth
Chief Financial Officer

Venkatraman
Secretary

Annexure to the Report of the Board of Directors

PARTICULARS OF DIRECTORS, KEY MANAGERIAL PERSONNEL AND EMPLOYEES

for the Financial Year 2021-22

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 2021-22 (₹in Crores)	% increase / (decrease) of remuneration FY 2021-22	Ratio of remuneration of each Director to median remuneration of employees
Mr. L Ganesh	Non- Executive Chairman	0.99	5%	15%
Key Managerial Personnel				
Mr. R. Balakrishnan	President & Manager	0.84	Not comparable (refer note v)	Not Applicable
Mr. M A P Sridhar Kumar	Chief Financial Officer (upto January 31, 2022)	0.45	Not comparable (refer note iv)	
Mr. J Ananth	Chief Financial Officer (from February 01, 2022)	0.08		
Mr. Venkatraman	Company Secretary (Refer note iii)	0.20	Not comparable (refer note v)	

Note:

- (i) None of the Directors receive any remuneration from the Company except sitting fees for attending meeting of the Board / Committee(s) thereof.
 - (ii) Remuneration considered based on annual emoluments and designation as on date.
 - (iii) Remuneration of Secretary is part of the secretarial services availed by the Company from Rane Holdings Limited.
 - (iv) Not comparable due to change during the year FY 2021-22.
 - (v) The percentage increase or decrease is not comparable / relevant as there was a graded reduction in remuneration to Directors /employees due to COVID-19 pandemic during the FY 2020-21.
2. Median remuneration of the employees of the Company for FY 2021-22 is ₹0.07 crores. Increase in median remuneration during the year 32%.
 3. Number of permanent employees on the rolls of the Company as on March 31, 2022 was 623 as against 660 as on March 31, 2021.
 4. Average percentile increase already made in salary of employees other than the managerial personnel was (4)%, as against a percentile increase in managerial remuneration 3% in the last financial year.
 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

1. Top ten employees in terms of remuneration drawn:

Name	Designation	Remuneration (₹ in Crores)	Nature of employment	Qualifications and experience of the employee	Date of commencement of employment	Age	Last employment held	Percentage of equity shares held by the employee in the company	Whether any such employee is a relative of any director or manager (if so, name of director / manager)
Mr. R Balakrishnan	Manager & President	0.84	Permanent	B.Tech & 32 years	01-Oct-18	57	Sr.Vice President- Marketing & TQM, Rane (Madras) Limited	-	-
Mr. M A P Sridhar Kumar*	Senior Vice President -Finance & CFO (upto January 31, 2022)	0.45	Permanent	B.com; ACA & 27 years	10-Feb-97	54	Manager- Finance- Classic Bio- tech & Exports Limited	-	-
Mr. Balaji Srinevasan	Vice President- Research & Development	0.41	Permanent	BE, MBA, M.Tech & 25 years	09-Feb-17	47	General Manager R&D - Brakes India Private Limited	-	-
Mr. R Govardhanan	Associate Vice President - Human Resource	0.35	Permanent	B.Sc., BL, MA, MBA & 25 years	14-Aug-14	53	Senior Manager - Human Resources, BMW India Pvt. Ltd.	-	-
Mr. Balaji Lenin	General Manager - Research & Development	0.34	Permanent	BE, ME & 20 years	04-Jun-18	44	Associate General Manager - HCL Technologies Limited	-	-
Mr. K Vijaya Kumar	General Manager - Materials	0.33	Permanent	B.Tech (Chemical) PGPEX (IIM, C) & 18 years	28-Dec-17	42	Deputy General Manager, Materials - Mando Automotive India Pvt. Ltd.	-	-

Name	Designation	Remuneration (₹ in Crores)	Nature of employment	Qualifications and experience of the employee	Date of commencement of employment	Age	Last employment held	Percentage of equity shares held by the employee in the company	Whether any such employee is a relative of any director or manager (if so, name of director / manager)
Mr. Babu Nizam	Associate Vice President – Operations (Puducherry Plant)	0.31	Permanent	BE, MBA & 25 years	26-Nov-18	49	NTC logistics Pvt Limited - Head of Fleet and Operations	-	-
Mr.M Muthukumar	General Manager – Research & Development	0.29	Permanent	M.Sc; Ph.D & 28 years	24-Mar-08	54	Fosroc Technology Centre, Bengaluru - Project Manager	-	-
Mr.NVK Sharma	General Manager – Aftermarket	0.26	Permanent	M.A; Masters in Marketing Management & 32 years	11-Oct-18	54	Valeo Service India Pvt Limited – Marketing Director	-	-
Mr.K.Vasudeva Rao	General Manager – Operations (Ambattur Plant)	0.25	Permanent	ME & 26 years	26-Apr-19	47	FLSmith Private Limited - Senior Global Operations Manager	-	-
Mr.TS Balaji	General Manager – Research & Development	0.24	Permanent	M Tech & 23 years	17-Apr-98	52	NIL	-	-

* Employed for part of the year.

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

Rane Brake Lining Limited

CIN: L63011TN2004PLC054948

"Maithri", 132, Cathedral Road,
Chennai-600 086, India

Phone: +91 44 28112472 / 73

www.ranegroup.com