



Dream. Design. Deliver.



Rane Brake Lining Limited

12th Annual Report 2016-17



Expanding Horizons

Corporate Overview

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Caution regarding forward-looking statements

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





Dream. Design. Deliver.

Creating a dream is not an easy task... so many things we aspire for, so many things to consider. We were at similar crossroads in 2010 after laying a solid foundation of operational excellence. We realized it was time to dream big, it was time to have a laser sharp focus on creating a Decade of Profitable Growth.

When we envision a dream, it seems distant... far away. Even impossible. This is because there is no magic formula to bridge the journey between Dream and Deliver. It is imperative to Design a route that will deliver the dream. We know that it is not a simple task and the route is not a single, long straight path but a road which will require the sweat, determination and hard work of each employee to complete the journey. The past few years has seen us stepping up the pace on the designed path. Yes, there have been course corrections as we progressed but the early results of our strategy are starting to become visible. It gives us confidence on the direction taken and the course designed to ensure a flawless delivery of profitable growth in the years to come. As we step closer to the Dream, we are confident that the Design is right, further boosting our motivation to keep working hard, and start delivering to all our stakeholders.

The World of Rane Brake Lining

Part of the Rane Group, Rane Brake Lining Limited was established in 1964. 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

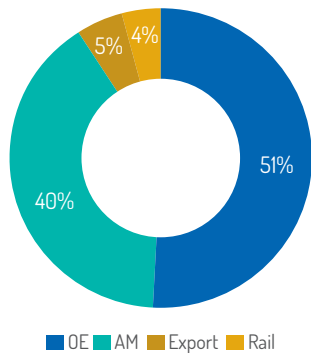
railways. With a technical and equity collaboration with Nisshinbo Group, Japan, the Company is a market leader in India and also has a strong presence in the international markets.

Vision

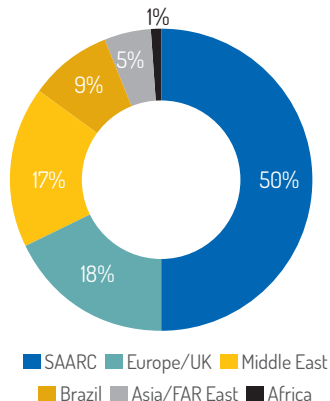
To establish global presence and enhance domestic leadership by providing eco-friendly friction solutions.



Revenue Mix by User Segment (FY17)



Export Revenue Mix by Geography (FY17)



Key Customers

OEM


ASHOK LEYLAND


BHARAT BENZ


DAIMLER


HONDA


ISUZU


Mahindra


MARUTI SUZUKI


NISSAN


RENAULT


SKODA AUTO


TATA


TOYOTA


VOLKSWAGEN

2 - Wheeler


BAJAJ


PIAGGIO


ROYAL ENFIELD


SUZUKI


YAMAHA

Tier-1


Brakes India Private Limited


CHASSIS BRAKES INTERNATIONAL


brembo


ENDURANCE Complete Solutions


Mando


Automotive Axles Limited

Railways



Others


JMA


SPEED-A-WAY PRIVATE LTD.
PARTS AND COMPONENTS MARKETING SPECIALISTS


GO


PARTAP SINGH & SONS

Manufacturing Plants

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

Quality Accreditation

ISO 9000:2008	Quality Management
TS16949:2009	Quality Management
OHSAS 18001:2007	Occupational Health and Safety Management
ISO 14001:2015	Environmental Management
Deming Prize	Total Quality Management (TQM)
Deming Grand Prize	Excellence in TQM

Financial Highlights

(₹ in Crore)

Particulars	FY17	FY16	FY15	FY14	FY13	FY12	FY11	FY10	FY09	FY08
Total Income	491.96	451.64	418.49	386.51	379.68	363.52	308.32	237.68	193.15	184.27
Earnings Before Interest, Tax, Depreciation & Amortisation	77.32	57.65	47.56	42.61	36.08	43.76	36.49	30.20	21.25	23.29
Profit Before Tax (PBT)	42.36	35.48	20.60	16.73	10.92	21.90	19.67	14.93	4.32	11.19
Profit After Tax (PAT)	34.72	25.76	16.11	17.21	9.10	16.19	15.29	10.09	2.89	8.94
Return on Capital Employed (RoCE) %	33.20	21.90	13.82	12.10	9.31	16.41	16.72	14.49	7.81	9.71
Return on Net Worth (RoNW) %	22.78	19.84	13.77	16.07	9.16	17.65	18.76	14.12	4.43	9.91
Earnings per share (₹)	43.86	32.54	20.36	21.76	11.50	20.45	19.31	12.78	4.01	12.39
Dividend (%)	150.00	100.00	70.00	75.00	40.00	70.00	50.00	45.00	20.00	40.00
Book Value per share (₹)	210.91	174.27	153.77	141.84	128.88	122.03	109.72	96.50	92.49	88.38

Balance Sheet Highlights*

(₹ in Crore)

Particulars	FY17	FY16	FY15	FY14	FY13	FY12	FY11
Equity Share Capital	7.91	7.91	7.91	7.91	7.91	7.91	7.91
Shareholders' Fund	166.93	137.93	121.71	112.27	102.01	96.59	86.84
Non-current Liabilities	7.95	14.34	23.83	39.16	56.63	59.55	46.79
Current Liabilities	104.21	103.61	109.55	116.51	102.87	95.60	73.22
Non-current Assets	137.23	118.36	129.50	143.14	148.44	132.28	115.14
Current Assets	141.84	137.52	125.60	124.81	113.07	119.46	91.71

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

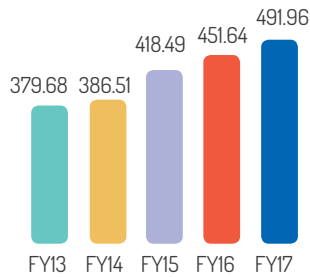
Business Highlights

- Continued to maintain global benchmarks in quality standards at Trichy, Chennai and Hyderabad plants
- Aimed to achieve operational efficiency through automation at Chennai
- Enhanced technical Capabilities by investing in a new Dynamometer
- Successfully accomplished post DGP review post winning the Deming Prize in 2013
- Going green – installation of 2 MW solar power unit in Tamil Nadu

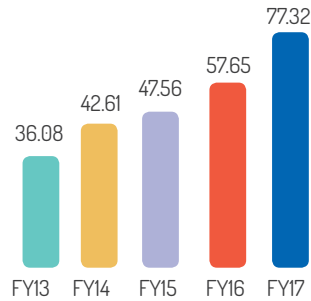


Key Performance Indicators

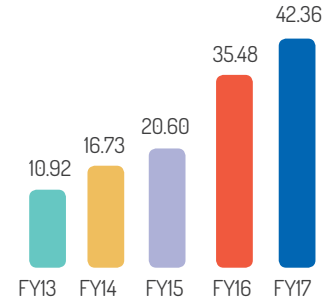
Total Income (₹ in Crore)



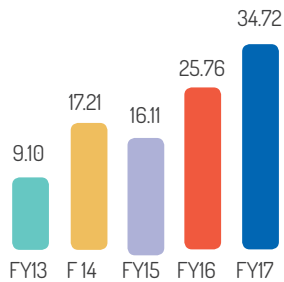
EBITDA (₹ in Crore)



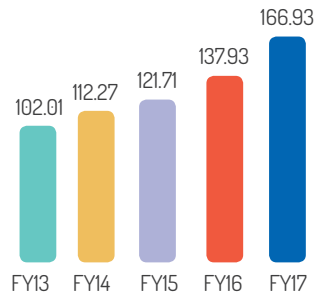
PBT (₹ in Crore)



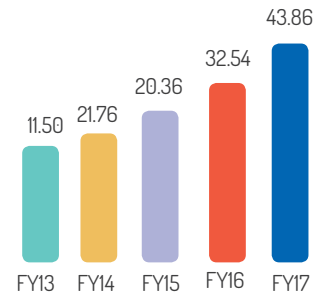
PAT (₹ in Crore)



Net Worth (₹ in Crore)



EPS (in ₹)



Awards & Accolades

- Certified as 'Great Workplace' by Great Place to Work® Institute, India
- Bagged HR Excellence award in 'Large' category from ACMA
- Won Certificate for best Health & Safety award from National Safety Council
- Received Award for Energy Excellence from CII
- Accredited with Certification of Performance in Friction Material
- Won various Awards on Quality and Productivity from CII, ACMA, QCFI and other reputed organisations



From the Desk of the Chairman

Dear Shareholders,

Fiscal 16-17 was a good year of delivering on the Vision of Decade of Profitable Growth.

In line with the vision of profitable growth, the Company had rolled out cost reduction initiatives to improve margins. It was year which saw a focus on building stronger OEM relationships and continued focus on R&D capabilities to have a stronger and larger product portfolio.

While total income has grown by 9% to ₹ 491.96 Crores, EBITDA and PAT have grown at a much faster pace. Since FY12, total income has grown at a CAGR of 6%, however, EBITDA and PAT have grown by 12% and 16%, respectively.

A strong product portfolio with a best in class product line helped the Company post a 10% revenue increase in the Domestic market. This was partly led by the OEM business which grew by 16% during the fiscal and the aftermarkets segment which saw a growth of 8% during the year. Railway business went down by 34%.

Looking forward, I am bullish on the Indian economy and the automotive segment. The rollout of the Goods and Service Tax is expected to further aid the growth of the economy. Normal monsoon, low interest regime, strong rural demand are likely to further fuel the growth.

The Company will continue to roll out multiple initiatives to seize the growth opportunity. These include a strong focus on R&D to create state of art and world class product portfolio, building capacities to support new and existing OEM customers and innovative, cost competitive new products for the aftermarkets. We continue to invest in our key asset – people, to build capabilities to prepare them to take on the challenges and deliver on our Vision.

On behalf of the Board of Directors of Rane Brake Lining Ltd., I thank our stakeholders – Employees, Customers, Vendors, Investors, Bankers and Communities – and remain committed and sincere in our efforts to keep delivering better value in the years ahead.

Regards,
L Ganesh
Chairman



Board of Directors

L GANESH

Chairman

VINAY LAKSHMAN

Managing Director

ANIL KUMAR VENKAT EPUR

HARISH LAKSHMAN

KAZUHIRO IWATA

(Nominee of Nisshinbo Holdings Inc., Japan)

L LAKSHMAN

P S KUMAR

RANJANA KUMAR

S SANDILYA

SURESH CHANDRA GUPTA

Audit Committee

S SANDILYA

Chairman

L GANESH

P S KUMAR

SURESH CHANDRA GUPTA

Stakeholders' Relationship Committee

L LAKSHMAN

Chairman

SURESH CHANDRA GUPTA

L GANESH

Nomination and Remuneration Committee

S SANDILYA

Chairman

L GANESH

P S KUMAR

SURESH CHANDRA GUPTA

Corporate Social Responsibility Committee

L LAKSHMAN

Chairman

L GANESH

SURESH CHANDRA GUPTA

Vice President - Finance / Chief Financial Officer

M A P SRIDHAR KUMAR

Secretary

VENKATRAMAN

Listing of Shares on

BSE Limited, Mumbai

National Stock Exchange of India Limited, Mumbai

Statutory Auditors

Varma & Varma

Chartered Accountants

105, "Sreela Terrace" First Main Road

Gandhi Nagar, Adyar,

Chennai - 600 020

Secretarial Auditors

S Krishnamurthy & Co;

Company Secretaries

"Sreshtam", Old No.17, New No.16

Pattammal Street, Mandaveli

Chennai - 600 028

Bankers

HDFC Bank Limited

IDBI Bank Limited

Standard Chartered Bank

The Hongkong and Shanghai Banking Corporation

State Bank of India

YES Bank Limited

Registered Office

Rane Brake Lining Limited

CIN: L63011TN2004PLC054948

"MAITHRI", 132, Cathedral Road

Chennai 600 086

Phone : 044-28112472

Fax : 044-28112449

Email : investorservices@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

- 1) Muthuramalingapuram Village,
Aruppukottai Taluk, Virudhunagar District,
Tamil Nadu

Registrar and Transfer Agent

Integrated Registry Management Services Private Limited

II Floor, "Kences Towers", No 1 Ramakrishna Street

North Usman Road, T Nagar, Chennai 600 017

Ph: 044-28140801-03 E-mail: corpserv@integratedindia.in

Report of the Board of Directors

Your Directors have pleasure in presenting the Twelfth Annual Report together with the accounts for the year ended March 31, 2017 and other prescribed particulars:

1. State of Company's affairs

1.1 Financial Performance

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

(₹ Crores)		
Particulars	2016-17	2015-16
Sales and Operating Revenues	487.48	448.42
Other Income	4.48	3.22
Profit Before Tax (PBT)	42.36	35.48
Provision for Tax	7.64	9.72
Profit After tax (PAT)	34.72	25.76
Surplus brought forward	9.53	6.67
Amount available for appropriation	44.25	32.43

Key performance indicators, operational performance and balance sheet summary are furnished in page nos. 4-5 of this annual report.

The Sales and Other Operating Revenue grew by 8.7%. The Profit before tax improved by 19.4% over the previous year. Earnings per share for the year 2016-17 was ₹ 43.86 as against ₹ 32.54 in the previous year.

There was no material changes and commitments, affecting the financial position of the Company between the end of the financial year of the Company and the date of the report other than those disclosed in the financial statements.

There was no change in nature of business during the year. The Company is a subsidiary company of Rane Holdings Limited (RHL/holding company). The Company does not have any subsidiary, associate or joint venture.

1.2 Appropriation

During the year 2016-17, the board of directors declared an interim dividend of 60% (i.e., ₹ 6/- per share of ₹ 10/- each, fully paid-up) and the same was paid on February 9, 2017 to all the eligible shareholders whose name appeared in the register of members of the Company as on February 2, 2017, being the Record Date fixed for this purpose.

The board of directors of the have considered and recommended a final dividend of 90% (i.e ₹ 9/-per share of ₹ 10/- each, fully paid-up) for approval of shareholders at the ensuing twelfth Annual General Meeting (AGM) to be held on August 23, 2017 The total dividend amount inclusive of distribution tax, surcharge and cess thereon would be ₹ 8.57 Crores. The final dividend, if declared by

the shareholders, will be paid on August 30, 2017 to all the eligible shareholders whose name appears in the register of members of the Company as on August 16, 2017, being the Record Date fixed for this purpose.

1.3 Management Discussion & Analysis

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

2. Board of Directors

2.1 Composition

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

Mr. S A Murali Prasad (DIN: 00001432) retired as per retirement policy of the company, with effective from the conclusion of meeting of Board of Directors held on October 25, 2016 and the board places on record its appreciation for his valuable contributions to the organisation during his tenure.

During the year, Mr. P S Kumar (DIN: 00267280) was co-opted to the Board as an additional director (in the category of Non-Executive, Independent) with effect from January 20, 2017 based on the recommendation of the Nomination and Remuneration Committee. The appointment of Mr. P S Kumar is subject to the approval of the shareholders at the ensuing 12th AGM in the first term, effective from January 20, 2017 till the conclusion of 14th AGM

Mr. S Sandilya (DIN: 00037542), Mr Anil Kumar V Epur (DIN: 00202454), Mr. S C Gupta (DIN: 02085068), appointed as Independent Directors by the shareholders at the 9th AGM held on July 22, 2014, for a period of three years, hold office upto the conclusion of the ensuing 12th AGM.

Based on the Board evaluation, the Nomination and Remuneration Committee at its meeting held on May 17, 2017, have recommended their re-appointment as Independent Directors, for a second term as set out in the notice convening the 12th AGM which contains necessary resolution for their re-appointment for a second term, by way of special resolution.

The terms and conditions of appointment of independent directors have been disclosed on the website of the Company and available at <http://ranegroup.com/pdf/investors/rbl/rbltermsid.pdf>

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

2.2 Retirement by rotation

At the ensuing Annual General Meeting (AGM), Mr. Kazuhiro Iwata (DIN: 06875329), retires by rotation and being eligible, offers himself for re-appointment. The notice convening the AGM includes the proposal for his re-appointment as director.

2.3 Board Meetings

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

2.4 Meeting of Independent Directors

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

3. Board and Management

3.1 Board evaluation

During the year, a formal process for annual evaluation of performance of Board, its committees and directors individually was carried out as per the criteria laid down by the Nomination and Remuneration Committee, pursuant to the provisions of the Companies Act, 2013 (CA 2013) and SEBI LODR.

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

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

The evaluation was carried out through a structured methodology approved by the Nomination and Remuneration Committee after ensuring that the aspects under each of the laid down criteria are comprehensive and commensurate with the size of the board and the Company. The Nomination and Remuneration Committee, reviews and makes recommendation to the board, from time to time, for ensuring an optimum composition of the Board and its Committees, induction of directors into the Board, participation on the Board effectiveness and evaluation process. The outcome of the evaluation also forms the basis for the Nomination and Remuneration Committee while considering re-appointment of Directors and appointment in various Committee(s) of the Board.

3.2 Familiarisation program for independent directors

The familiarisation program for independent directors and details of familiarisation program for independent directors has been put up on the website and available at <http://ranegroup.com/ranebrakelining/rblinvestors.html>

3.3. Key Managerial Personnel

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

During the year there was no change in the Key Managerial Personnel (KMP).

3.4 Remuneration policy

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

4. Audit

4.1 Audit Committee

In terms of the provisions of Section 177 of the Companies Act, 2013 and Regulation 18 of SEBI LODR, the Audit Committee of the Board acts in accordance with terms of reference prescribed therein. Detailed disclosure on compositions, terms of reference and meetings of the Audit Committee are furnished in the Corporate Governance Report.

4.2 Statutory Auditors

M/s. Varma & Varma, Chartered Accountants were appointed as Statutory Auditors at the ninth AGM held on July 22, 2014, for a period of three years i.e., until the conclusion of the ensuing twelfth AGM, subject to ratification by members at every AGM.

Pursuant to the provisions of Section 139, 141 read with Companies (Audit and Auditors) Rules, 2014 and any other applicable provisions of the Act, including rules made thereunder, the Audit Committee at its meeting held on May 17, 2017 has reviewed the proposal to re-appoint M/s. Varma & Varma as Statutory Auditors of the Company for a second term of five consecutive years commencing from the conclusion of 12th AGM (2017) until the conclusion of 17th AGM (2022) and recommended the same to the board for proposing it to the shareholders at the ensuing 12th AGM.

The Company has received a letter from M/s. Varma & Varma consenting to the re-appointment and confirmation to the effect that their appointment, if made, would be within the prescribed limits and that they do not suffer from any disqualification under Section 141 of the Companies Act, 2013 and the rules made thereunder. M/s. Varma & Varma have also submitted the peer review certificate issued to them by The Institute of Chartered Accountants of India. The notice of the ensuing 12th AGM contains necessary resolution in this regard. Members may consider appointing M/s. Varma & Varma as Statutory Auditors of the Company as per the provisions of the Companies Act, 2013 till the conclusion of the 17th AGM (2022).

During the year under review, the Auditors have not reported any matter under Section 143 (12) of the Act and therefore no detail is required to be disclosed under Section 134(3)(ca) of the Companies Act, 2013. The Statutory Auditors' Report to the members for the year ended March 31, 2017 does not contain any qualification, reservation, adverse remark or disclaimer.

4.3 Cost Audit

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

4.4 Secretarial Auditors

The Company had appointed M/s. S Krishnamurthy & Co., Company Secretaries in practice, to undertake the Secretarial Audit of the Company. The report on the Secretarial Audit carried out for the year 2016-17 is annexed herewith as 'Annexure C'. The secretarial audit report does not contain any qualification, reservation, adverse remark or disclaimer..

4.5 Internal Auditors

The Company continues to engage M/s. Capri Assurance and Advisory Services, a firm of independent assurance service professionals, as Internal Auditors of the Company. Their scope of work includes review of processes for safeguarding the assets of the Company, review of operational efficiency, effectiveness of systems and processes, and assessing the internal control strengths in all areas. Internal Auditors findings are discussed with the process owners and suitable corrective actions are taken as per the directions of Audit Committee on a regular basis to improve efficiency in operations.

5. Directors' responsibility statement

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

- i. in the preparation of the financial statements for the financial year 2016-17, the applicable accounting standards had been followed and there were no material departures;
- ii. they had selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for the year under review;
- iii. they had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company, preventing and detecting fraud and other irregularities;
- iv. they had prepared the financial statements for the financial year on a 'going concern' basis ;
- v. they had laid down internal financial controls to be followed by the Company and such internal financial controls were adequate and were operating effectively ; and
- vi. they had devised proper systems to ensure compliance with the provisions of all applicable laws and such systems were adequate and operating effectively.

6. Related Party Transactions

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

All Related Party Transactions are placed before the Audit Committee for approval. Prior omnibus approval of the Audit Committee is obtained for the transactions which are foreseen and repetitive in nature. The transactions entered into pursuant to the omnibus approval so granted are reviewed by the Audit Committee on a quarterly basis.

The Company has put in place proper system for identification and monitoring of such transactions. The policy on Related Party Transactions as approved by the Board is uploaded on the Company's website (<http://ranegroup.com/pdf/policies/rblrpt.pdf>). None of the Directors or Key Managerial Personnel or Senior Management Personnel has any material financial and commercial transactions, where they have personal interest, which may have potential conflict with interest of the Company at large.

7. Corporate Social Responsibility (CSR)

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

The CSR activities undertaken by the Company are in line with the CSR Policy and recommendations of the CSR Committee comprising of Mr. L Lakshman, Committee Chairman, Mr. L Ganesh, Director and Mr.S C Gupta, independent director, as members. The Annual Report on CSR activities carried out during the year 2016-17 is annexed as '**Annexure D**'. The CSR policy of the Company is available in the Company's website (<http://www.ranegroup.com/pdf/policies/rblcsr.pdf>)

8. Fixed Deposits

The Company had discontinued accepting or renewing the fixed deposits with effect from April 1, 2014 and has not accepted deposits falling within the ambit of Chapter V, Section 73 of the Companies Act, 2013. Pursuant to the order of Company Law Board (CLB) had vide its order dated September 16, 2015 the company has repaid all the outstanding deposits and interest thereon during the year and there are no outstanding deposits / interest, as on March 31, 2017. The Company has not defaulted in repayment of any fixed deposits or any interest thereon.

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

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

10. Particulars of Directors, Key Managerial Personnel and Employees

The information required pursuant to Section 197 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of Directors, Key Managerial Personnel (KMP) and Employees of the Company are provided in the Annual Report is annexed herewith as '**Annexure F**'.

11. Corporate Governance Report

Your Company has complied with the corporate governance requirements pursuant to Regulation 34 and schedule V of SEBI LODR. Detailed report on the compliance and a certificate by the Statutory Auditors forms part of this report as '**Annexure G**'.

12. Other disclosures

- 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 details forming part of the extract of the Annual Return under Section 92(3) of the Companies Act, 2013 in form MGT-9 is annexed herewith as '**Annexure H**'.
- e) 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.
- f) The Company believes that women should be able to do their work in a safe and respectful environment that encourages maximum productivity. The Company has a zero tolerance towards sexual harassment. The Company has adopted a policy on prevention of sexual harassment of women at work place and put in place proper mechanism across the Company. There was no case reported during the year under review through this mechanism.

For and on behalf of the Board
L GANESH
Chairman

Chennai
May 17, 2017

VINAY LAKSHMAN
Managing Director

Annexure – A to the Report of the Board of Directors

Management Discussion and Analysis

Overview

The Company manufactures and markets auto components viz., safety critical friction material products such as brake linings, disc pads, clutch facings, clutch buttons, brake shoes and railway brake blocks for passenger cars, utility vehicles, commercial vehicles, two wheelers and railways. The Company operates predominantly in a single reportable segment viz., components for the transportation industry.

Industry structure, developments and performance

During the financial year 2016-17, the domestic industry witnessed a positive growth in all segments except 3 wheeler. From an overall industry perspective, the Passenger Car and Utility Vehicle registered a positive growth with new launches especially in Utility Vehicle segment. Migration trend to Utility Vehicle segment from Passenger Car segment continues.

The growth in Medium & Heavy Commercial Vehicle segment was muted at 0.4%. During the first half of the year, the replacement demand started to wane as the core sectors such as mining, infrastructure were stagnating. In the second half of the year, demonetization had negative impact to the M&HCV segment drying up the sales for at least 3 months. The Light Commercial vehicles segment fared better in the commercial vehicle segment with a growth of 6%.

Though the Two Wheeler segment was worst affected by demonetization, the significant demand during the festive season and growth in Scooter sub-segment helped to offset and deliver modest 5.8% growth.

Industry Growth

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

Industry Segment (Production figures)	Growth in % (YoY change)	
	2016-17	2015-16
Vehicles		
Passenger Cars (PC)	5.4%	4.0%
Utility Vehicles (MUV)	26.3%	13.7%
Vans (MPV)	(0.6)%	5.6%
Passenger Vehicles	9%	6%
Small Commercial Vehicles (SCV)	2.7%	(10.3)%
Light Commercial Vehicles (LCV)	6.0%	9.6%
Medium & Heavy Commercial Vehicles (M&HCV)	0.4%	27.0%
Commercial Vehicles	3%	12%
3 - Wheelers	(16.2)%	(1.6)%
2 - Wheelers	5.8%	1.8%
Farm Tractors (FT)	21.1%	(6.8)%

Source: Society of Indian Automobile Manufacturers

Domestic Market

The Company reported 10% increase in the domestic market. The overall market remained positive for the Company except for drop in volumes in railway business.

The Company reported about 20% increase in the sales of disc pads followed by 7% increase in the brake linings and 19% decline in others (Primarily, Railway brake blocks).

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

(₹ in crores)			
Products	2016-17	2015-16	Growth in %
Brake Linings	203.36	190.23	7%
Disc Pads	220.93	184.26	20%
Other Automotive Parts	37.53	46.54	(19)%
Total	461.82	421.03	10%

The OE business for the Company remained significantly higher than the previous year, reporting 16% growth. The Company also reported 8% growth in the aftermarkets while the railway business reported a decline of 34%.

(₹ in crores)			
Market	2016-17	2015-16	Growth in %
OEM	250.89	215.41	16%
Aftermarket	193.66	179.37	8%
Railway	17.27	26.25	(34)%
Total	461.82	421.03	10%

Exports

The exports for the year ended at ₹ 24.9 crores, a decline of 7% compared to the previous year.

Operational and Financial Performance

Financial Review

The Company registered a turnover (net sales) of ₹ 486.75 Crores which was 8.7% higher than the sales reported for fiscal 2016 with new products generating 13% of the revenues. The profit before tax was ₹ 42.36 Crores registering an increase of 9% over the previous year. This growth was achieved due to the special attention towards cost reduction initiatives and softening of input material costs.

Operations and Manufacturing Review

Strong demand from the Indian OEMs predominantly in the Passenger cars and commercial vehicles led to significant improvement in the overall business for the Company.

The Company, being an energy intensive unit, continue to focus on energy saving initiatives. Company successfully completed installation of 2 MW solar power unit in Tamil Nadu. In addition to reducing energy cost, this project was a big step forward towards our vision statement of focusing on green initiatives.

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

Pursuit of business excellence

The Company continued to focus on the 'Business Excellence Model' which was built on the strong foundation of existing TQM practices. Having won the Deming Grand Prize in 2013, Company undertook and successfully completed post DGP review in the fiscal year 2016-17.

In addition, Innovation, Customer satisfaction, Employees and other stakeholders interest have been the focus areas for the year. These helped the Company to win the following awards during the year:

- (i) Certified as "Great Workplace" by Great Place to Work® Institute, India
- (ii) Customer awards – Certification of Performance in Friction Material category
- (iii) HR Excellence award in 'Large' category from ACMA
- (iv) Certificate for best Health & Safety award from National Safety Council
- (v) Award for Energy Excellence from CII
- (vi) Awards on Quality and Productivity from CII, ACMA, QCFI and other reputed organisations

Outlook

With the positive sentiments of politico economic environment, Indian economy is poised to grow at 7% GDP level further cascading the growth in the automotive industry. A fast growing economy, rising per capita income, easy access to finance, end of life vehicle policies, low penetration of cars and a major thrust on infrastructure are some of the key positive trends which continues in favour of our Company.

The industry awaits the implementation of goods and services tax (GST) which is anticipated to be largely positive for the economy and automotive sector over long term. However, there is uncertainty in the short term during the transition phase with respect to the likely tax rates, adaptation across the value chain and readjustment of demand.

Given the overall positive environment for the new fiscal for Indian automotive sector, Rane Brake Lining intends to continue its robust performance. Some of the key initiatives planned for fiscal 2018 are:

- R&D capability enhancement with the addition of new global standard machine having advanced features of hydraulic and pneumatic brake system validation
- Building capacities to support new and existing OEM customers and innovative, cost competitive new products in After markets

- Continue emphasis on strategic initiatives to drive cost efficiencies and mitigate adverse currency impact

Opportunities and Threats

Given the positive sentiments about Indian economy across the globe and favourable GDP numbers reflects signs of further possible growth in Automobile industry. Your company is in a good position to leverage on the opportunities presented and counter its threats.

The Company's main areas of strength are:

- (i) State of art R&D and Manufacturing facilities
- (ii) Operational excellence
- (iii) Technical collaboration with NISB (World's largest friction material company)
- (iv) Preferred supplier of OEMs
- (v) Strong distribution network

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

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

Internal Control Systems

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

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

Risk Management

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

non-detection and its impact on business. The top management reviews the strategic risks, the risks with high probability and high impact every quarter and presents its report along with risk mitigation plan to the Board of Directors on half-yearly basis. The strategic risks are taken into consideration in the annual planning process with their mitigation plan. Other risks are covered as part of internal audit process and presented to the Audit Committee every quarter. The business processes risks and the related controls are subjected to internal audit and reviewed on a quarterly basis. The risk ratings are revalidated with the top management as part of the internal audit process every quarter. The overall re-assessment of risks at company level is carried out and presented to the Board of Directors once in two years for their review.

Human Resource Development and Industrial Relations

In the year 2016-17, the company had extensively focused on leadership development, revamping the performance management system, employee engagement and leveraging technology.

With a view to enhancing the manufacturing capability, a comprehensive long term Initiative christened as Rane Manufacturing Systems Professional (RMSP) has been rolled out. RMSP comprising of modules on manufacturing processes and systems will be delivered at the plants with high focus on Gemba learning.

One of the major initiatives was the launch of the next version of Performance Assessment & Development System (PADS 6.0) which lays emphasis on both performance assessment and potential appreciation. The refreshed leadership competencies, the structured individual development plan, the suite of resources and tools provided as part of the application are the hallmarks of refreshed PADS.

As part of the continuing executive education initiatives, the company encourages promising talents to pursue higher education in both technical and management disciplines. The company has tied up with various institutions on a pan India basis. As on date 3 employees are pursuing various programs under this scheme.

The company continues to strengthen its leadership bandwidth in line with the growth aspirations. For the High Potential Leadership Development (HPLD) group, the company had rolled out the TOP GEAR (Transforming Organization & Profitability through Growth, Engagement, Actions and Results) program. Five participants attended this 6 days program covering the themes of Business Focus, Customer Centricity, Self-leadership, Execution Excellence and Leading people. TOP GEAR was designed and delivered in partnership with one of the reputed B-Schools. For the Executive Leadership group, the interventions were need specific such as coaching engagements and nominations to general management programs to provide them global perspectives on evolving business models, strategy and execution.

The company has introduced automated workflows and mobile applications for various aspects of employees' benefits administration such as time & attendance management, reimbursements and such other processes.

Further, as indicated earlier, during the year, the company was certified as a great workplace in the small and mid-sized organization category by the Great Place to Work institute.

Voluntary Retirement Scheme launched based on the request of the employees and around 107 people opted the scheme. Long term wage settlements with employees union were signed in one of the plants during the year. The industrial relations were generally cordial in all the plants.

Cautionary Statement

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

Annexure B to Report of the Board of Directors

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

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

Criteria for Appointment

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

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

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

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

Criteria for Remuneration

The Company recognizes that compensation is a strategic lever in the achievement of vision and goals. The compensation philosophy is designed

to attract, motivate, and retain talented employees who drive the company's success and it aims at aligning compensation to goals of the company, performance of the individual, internal equity, market trends and industry practices, legal requirements and appropriate governance standards.

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

Non- Executive Directors

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

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

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

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

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

Annexure C to the Report of the Board of Directors

Secretarial Audit Report for the financial year ended March 31, 2017

Form No. MR-3

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

To

The Members of

RANE BRAKE LINING LIMITED

[CIN: L63011TN2004PLC054948]

"Maithri", No.132, Cathedral Road, Chennai-600086

We have conducted a Secretarial Audit of the compliance of applicable statutory provisions and adherence to good corporate practices by **RANE BRAKE LINING LIMITED** (hereinafter called "the Company") during the financial year from **April 1, 2016 to March 31, 2017** ("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 verification of the books, papers, minute books and other records maintained by the Company and furnished to us, forms/returns filed and compliance related action taken by the Company during the year as well as after March 31, 2017 but before the issue of this report;
- (ii) Compliance certificates confirming compliance with all laws applicable to the Company given by the key managerial personnel of the Company and taken on record by the Board of Directors; and
- (iii) The representations made and information provided by the Company, its officers, agents and authorised representatives during our conduct of the Secretarial Audit.

In our opinion, during the audit period covering the **financial year ended on March 31, 2017**, the Company has complied with the statutory provisions listed hereunder and also has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter. The members are requested to read this report along with our letter of even date annexed to this report as Annexure - A.

1. Compliance with specific statutory provisions

We report that:

- 1.1. We have examined the books, papers, minute books and other records maintained by the Company and the forms, returns, reports,

disclosures and information filed or disseminated during the year according to the applicable provisions / clauses of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder.
- (ii) Companies Act, 1956 and the rules made thereunder
- (iii) Securities Contracts (Regulation) Act, 1956 and the rules made thereunder.
- (iv) The Depositories Act, 1996 and the regulations and bye-laws framed thereunder.
- (v) The following Regulations prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (d) Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act, 2013 and dealing with client; and
 - (e) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- (vi) The listing agreements entered into by the Company with the National Stock Exchange of India Limited and BSE Limited.
- (vii) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment and External Commercial Borrowings (FEMA);
- (viii) Secretarial Standards (SS-1) on "Meetings of the Board of Directors" and Secretarial Standards (SS-2) on "General Meetings" issued by The Institute of Company Secretaries of India.

- 1.2. During the period under review, and also considering the compliance related action taken by the Company after March 31, 2017 but before the issue of this report, the Company has, to the best of our knowledge and belief and based on the records, information, explanations and representations furnished to us:
- (i) **Complied with** the applicable provisions / clauses of the Acts, Rules, Regulations, and Agreements mentioned under paragraph 1.1. (i) to 1.1.(vii) above; and
 - (ii) **Complied with** the Secretarial Standards mentioned under paragraph 1.1. (viii) above to the extent applicable to Board meetings and General meetings.
- 1.3. We are informed that, during / in respect of the year:
- (i) The Company was not required to comply with the following laws/guidelines / regulations and consequently was not required to maintain any books, papers, minute books or other records or file any forms/returns under:
 - (a) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Overseas Direct Investment (FEMA);
 - (b) Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
 - (c) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - (d) Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; and
 - (e) Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
 - (ii) There was no other law that was specifically applicable to the Company, considering the nature of its business. Hence the requirement to report on compliance with specific laws under paragraphs 1.1 and 1.2 above did not arise.
- 2.2 Adequate notice is given to all directors to schedule the Board Meetings. Notice of Board meetings were sent at least seven days in advance. Agenda and detailed notes on agenda were sent at least seven days before the Board meetings with the exception of the following items, which were either circulated separately or at the meetings and consent of the Board for circulating them separately or at the meeting was duly obtained as required under the Secretarial Standards:
- (i) Supplementary agenda notes and annexures in respect of unpublished price sensitive information such as audited accounts / results, unaudited financial results and connected papers; and
 - (ii) Additional subjects / information and supplementary notes.
- 2.3 A system exists for directors to seek and obtain further information and clarifications on the agenda items before the meetings and for their meaningful participation at the meetings.
- 2.4 We are informed that, at the Board meetings held during the year:
- (i) Majority decisions were carried through; and
 - (ii) No dissenting views were expressed by any Board member on any of the subject matters discussed, that were required to be captured and recorded as part of the minutes.

3 Compliance mechanism

We further report that:

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

4 Specific events

We further report that:

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

2. Board processes

We further report that:

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

Coimbatore
May 17, 2017

For **S KRISHNAMURTHY & CO.**,
Company Secretaries,

R SIVASUBRAMANIAN,
Partner

Membership No : A22289
Certificate of Practice No : 12052

Annexure – A to

Secretarial Audit Report of even date

To,

The Members

Rane Brake Lining Limited [CIN : L63011TN2004PLC054948]

"Maithri", No. 132, Cathedral Road, Chennai - 600086

Our Secretarial Audit Report (Form MR-3) of even date for the financial year ended March 31, 2017 is to be read along with this letter.

1. The Company's management is responsible for maintenance of secretarial records and compliance with the provisions of corporate and other applicable laws, rules, regulations and standards. Our responsibility is to express an opinion on the secretarial records produced for our audit.
2. We have followed such audit practices and processes as we considered appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records.
3. While forming an opinion on compliance and issuing this report, we have also considered compliance related action taken by the Company after March 31, 2017 but before the issue of this report.
4. We have considered compliance related actions taken by the Company based on independent legal / professional opinion obtained as being in compliance with law.
5. We have verified the secretarial records furnished to us on a test basis to see whether the correct facts are reflected therein. We also examined the compliance procedures followed by the Company on a test basis. We believe that the processes and practices we followed provide a reasonable basis for our opinion.
6. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
7. We have obtained the Management's representation about compliance of laws, rules and regulations and happening of events, wherever required.
8. Our Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Coimbatore
May 17, 2017

For **S KRISHNAMURTHY & CO.,**
Company Secretaries,

R SIVASUBRAMANIAN,
Partner

Membership No: A22289
Certificate of Practice No: 12052

Annexure – D to the Report of the Board of Directors

Annual Report on CSR activities

(For financial year 2016-17)

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

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

Overview of projects implemented during 2016-17:

RBL continued its focus on

1. Education –

A. Institutional Development

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

B. Vocational Development

Women empowerment for underprivileged in the local villages with a focus to create a sustainable income and overall upkeep – special attention made by providing sewing machines and training at respective locations.

C. Awareness Programme

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

2. Community Development – Amenities and Sanitation

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

3. Environment- Plantation Drives

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

The policy on CSR recommended by the CSR Committee was approved and adopted by the Board of Directors is available on the website of the Company (web link: <http://ranegroup.com/pdf/policies/rblcsr.pdf>)

2. The Composition of the CSR Committee:

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

The members of the CSR committee are:

Board CSR committee	Company CSR committee
Mr. L Lakshman Committee Chairman, Non-Executive & Promoter Director	Mr. Vinay Lakshman Managing Director
Mr. L Ganesh Chairman, Non-Executive & Promoter Director	Mr. M A P Sridhar Kumar Vice President- Finance
Mr. S C Gupta Non-Executive & Independent Director	Mr. Govardhanan R DGM – Human Resource

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

(₹ in Crores)

Particulars	2013-14	2014-15	2015-16
Net profit for the year (PAT)	17.21	16.11	25.76
Adjusted Net profit (as per section 198)	17.75	20.90	35.80
Average Net profit	24.82		

4. Prescribed CSR Expenditure Expenditure (two per cent of the amount as in item 3 above) ₹ 0.50 crores

5. Details of CSR spent during the financial year.

- (a) Total amount to be spent for the financial year: ₹ 0.50 Crores
(b) Amount unspent, if any : NIL

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

(Amount in ₹)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sl. No.	CSR Project or activity identified	Sector in which the Project is covered	Projects or programs – (1) Local area or other (2) Specify the state and district where projects or programs was undertaken	Amount outlay (budget) project or program wise	Amount spent on the projects or program.I (Sub-heads - 1- Direct on projects or program 2- Overheads)	Cumulative expenditure upto to the reporting period	Amount spent: Direct or through implementing agency
(1)	Education – Institutional Development	1) Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects 2) Training to promote rural sports, nationally recognized sports, Paralympic sports and Olympic sports	1) Trichy (Tamil Nadu)	40,000,00	40,000,00	40,000,00	Implementing Agency: Rane Foundation (Registered Trust): Direct :40,000,00
(2)	Education – Awareness Programs	(1) Improving school education, Enhancing infrastructure, promoting preventive health care and sanitation and making available safe drinking water.	1) Local 2) Thiruvallur (Tamil Nadu), Pregnapur(Telangana);Trichy (Tamil Nadu), Thirubuvanai (Pondicherry), Trichy (Tamil Nadu)	6,04,000	6,97,775	4,697,775	Direct 6,53,775 and Through SOS Children's Villages of India 44,000
(3)	Education – Vocational Training	(1) Promoting education, including special education and employment enhancing vocation skills especially among children, and the differently abled and livelihood enhancement projects	1) Local 2) Thiruvallur (Tamil Nadu), Pregnapur(Telangana);Trichy (Tamil Nadu), Thirubuvanai (Pondicherry), Trichy (Tamil Nadu)	2,45,000	1,82,640	4,880,415	Direct: 1,82,640
(4)	Community Development – Amenities and Sanitation	(1) Eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water.	1) Local 2) Thiruvallur (Tamil Nadu), Pregnapur(Telangana);Trichy (Tamil Nadu), Thirubuvanai (Pondicherry), Trichy (Tamil Nadu)	98,000	94,520	4,974,935	Direct 84,520 and through Gshalas 10,000
(5)	Environment – Plantation Drives	(1) Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining air and water.	1) Local 2) Thiruvallur (Tamil Nadu), Pregnapur(Telangana);Trichy (Tamil Nadu), Thirubuvanai (Pondicherry), Trichy (Tamil Nadu)	53,000	36,143	5,011,078	Direct 36,143
Total				50,00,000	50,11,078	50,11,078	

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

Not Applicable.

7. Responsibility statement of the CSR Committee

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

Chennai
May 17, 2017

VINAY LAKSHMAN
Managing Director

L LAKSHMAN
Chairman of the Committee

Annexure E to the Report of the Board of Directors

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

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

A. CONSERVATION OF ENERGY

Steps taken or impact on conservation

- ❖ Horizontal deployment of best practices across locations
- ❖ Optimizing the dust collector usage at CVL Lines
- ❖ Optimisation of Motor HP
- ❖ Usage of Thermal insulation sheets
- ❖ LED Tube lights for shop floor and Solar street lighting
- ❖ Process semi automation
- ❖ Reducing Pneumatic Air losses by establishing Air management & Modification of air line
- ❖ SCR controllers (Power controller) in place of heater contactors

Utilising alternate sources of energy

- ❖ Continues to use alternate sources like Wind and Solar

Capital investment in energy conservation equipment

- ❖ Successfully installed 2 MW Captive power unit at Tamilnadu.

B. TECHNOLOGY ABSORPTION

Efforts towards technology absorption

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

During the year, the Company launched new products for both Domestic and Export markets. Product range caters to the needs of OEMs, OES and Aftermarket. The Company has introduced process improvements to enhance overall productivity. Facilities with New XRF (X-Ray Fluorescence) equipment for raw material elemental analysis has been installed which would enhance R&D capability by benchmarking and development of new materials and improvement of product quality. New CV dyno has been installed with higher technology and capacity for

improving testing capability and capacity. Electronic simulated inertia capacity of this dyno would help in flexibility of testing for PCV and CV applications and would help meet emerging new high capacity Caliper brake applications for Metro-Rails and air-brakes for CV.

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

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

Details of Imported Technology

Technology imported during the last 3 years reckoned from the beginning of the financial year 2016-17	Year of import	Has the technology been fully absorbed	Where technology not fully absorbed reason and future plan of action.
Not applicable			

Research and Development expenditure incurred

(₹ in crores)

	Particulars	2016-17	2015-16
A	Capital expenditure	11.91	0.31
B	Recurring expenditure	7.64	8.64
C	Total	19.55	8.95
D	Total R & D expenses as a percentage of total turnover	4.01%	1.99%

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

(₹ in crores)

Foreign Exchange	2016-17	2015-16
Earnings	23.62	26.08
Outgo	90.32	68.55

For and on behalf of the Board

L GANESH
Chairman

VINAY LAKSHMAN
Managing Director

Chennai
May 17, 2017

Annexure – F to the Report of the Board of Directors

Particulars of Directors, Key Managerial Personnel and Employees for the year 2016-17

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 2016-17 (In ₹ Crs.)	% increase/ (decrease) of remuneration FY 2016-17	Ratio of remuneration to median remuneration of employees
Mr. L Ganesh	Non-Executive Chairman	0.85	29%	22
Key Managerial Personnel				
Mr. Vinay Lakshman	Managing Director	1.07	Note (iii)	27
Mr. M A P Sridhar Kumar	Chief Financial Officer	0.45	10%	Not Applicable
Mr. Venkatraman	Company Secretary	0.11	8%	

Note:

- (i) None of the other directors receive any remuneration from the Company except sitting fees for attending meeting of the Board/ Committee(s) thereof.
 - (ii) Remuneration considered based on annual emoluments (paid basis) and designation as on date.
 - (iii) Mr. Vinay Lakshman, Managing Director was appointed w.e.f October 1, 2015. Hence, comparison is not applicable.
2. Median remuneration of the employees of the Company for FY 2016-17 is ₹ 0.04 Crores. Increase in median remuneration during the year : 3%
 3. Number of permanent employees on the rolls of the Company as on March 31, 2017 was 755 as against 820 as on March 31, 2016.
 4. Average percentile increase already made in salary of employees other than the managerial personnel in last financial year: 9%, as against an percentile increase in managerial remuneration: 81%. The increase in Managerial remuneration is not comparable as Mr. Vinay Lakshman was appointed as Managing Director w.e.f October 1, 2015. (i.e for part of the financial year 2015-16).
 5. It is hereby affirmed that the remuneration paid is in accordance with the remuneration policy.

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

i. Top ten employees in terms of remuneration drawn:

Name	Designation	Remuneration (₹ crs)	Nature of employment	Qualifications and experience of the employee	Date of commence ment of employment	Age (Yrs)	Last employment held	Percentage of equity shares held by the employee in the company	Whether any such employee is a relative of any director or manager (if so, name of director / manager)
Mr. Vinay Lakshman	Managing Director	1.07	Permanent	B.Com; Master's Degree in Accounting & Financial Management from DeVry University, Chicago, USA 19 years	01-Oct-15	40	Sr.Vice President- Commercial Rane Brake Lining Ltd	50 shares (0.00%)	Son of L Lakshman & Brother of Harish Lakshman

Name	Designation	Remuneration (₹ crs)	Nature of employment	Qualifications and experience of the employee	Date of commencement of employment	Age (Yrs)	Last employment held	Percentage of equity shares held by the employee in the company	Whether any such employee is a relative of any director or manager (if so, name of director / manager)
Mr. Gurunathan R	Senior Vice President - Research & Development	0.66	Permanent	B.E; MBA 36 years	01-Aug-09	60	Vice President-Rane NSK Steering Systems Ltd	-	-
Mr. Bheemsingh Melchisedec D	Senior Vice President - Operations & Strategy	0.60	Permanent	MSc; MBA 27 years	14-Nov-05	50	Plant Head-TI Cycles-Nasik Plant, Tube Investments of India Ltd.	-	-
Mr. Sridharkumar M A P	Vice President - Finance & CFO	0.45	Permanent	B.com; ACA 22 years	10-Feb-97	49	Manager-Finance-Classic Bio-tech & Exports Ltd	-	-
Mr. Nagarajan S	Vice President - Corporate Manufacturing Development	0.42	Permanent	B.E; M.E 26 years	01-Jun-06	49	Member, Production Engineering-Sundaram Clayton Ltd	-	-
Mr. Venkat Raj S R	General Manager - Marketing	0.38	Permanent	B.E; MBA 23 years	26-May-14	48	General Manager-Sales & Marketing, TI Metal Forming, Division of Tube Investments of India Ltd	-	-
Mr. Viswanathan N	Deputy General Manager - Techno Marketing	0.33	Permanent	B.Tech; M.Tech. 24 years	02-May-14	43	Senior Manager-R&D, Mahindra & Mahindra Ltd	-	-
Mr. BabuNizam K	General Manager - Operations	0.30	Permanent	B.E; MBA 21 years	24-Jun-13	44	Deputy General Manager-Operations, TTK - LIG Ltd	-	-
Mr. R Govardhanan	Deputy General Manager - Human Resource	0.26	Permanent	B.Sc., BL, MA, MBA 20 years	14-Aug-14	48	Senior Manager - Human Resources, BMW India Pvt Ltd	-	-
Mr. Gunapandian F	Deputy General Manager - Operations	0.26	Permanent	BS, MS 20 years	23-Jun-14	40	Senior Manager-Operations, Harita Fehrer Ltd	-	-

- ii. Employed throughout the financial year with remuneration not less than ₹ 1.02 crores per annum (excluding details of top ten employees given in (i)) : **NIL**.
- iii. Employees whose remuneration was not less than ₹ 8.50 lakhs p.m (if employed for part of the financial year, excluding details of top ten employees given in (i) above) : **NIL**
- iv. Employees whose remuneration was in excess of that of MD / Whole time director / Manager and holding 2% of shares of the Company along with relatives (either employed throughout the financial year or part thereof) : **NIL**

Annexure - G to Report of the Board of Directors

Corporate Governance Report

1. Philosophy on Code of Governance

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

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

2. Board of Directors

Composition, Attendance & Meetings

As of March 31, 2017, the Board of Directors of the Company consists of nine (9) non-executive directors and one (1) executive director

with 50% of them being independent directors. The composition of the Board is in conformity with the statutory requirements. The directorships held by the directors are within the limits prescribed under Section 165 of the Companies Act, 2013. In compliance with Regulation 25 of SEBI LODR, none of the Independent Directors serve as Independent Directors in more than seven (7) listed companies and where any Independent Director is serving as whole-time director in listed company such director is not serving as Independent Director in more than three (3) listed companies. None of the directors on the Board, is a member of more than 10 committees or chairperson of more than 5 committees across all listed and unlisted public companies in which he/she is a director in terms of Regulation 26 of SEBI LODR.

The Board met five (5) times during the financial year on May 23, 2016, July 21, 2016, October 25, 2016, January 20, 2017 and March 22, 2017. The names and categories of the directors on the Board, their attendance at board Meetings and Annual General Meeting held during the year, the number of directorships and committee memberships / chairperson position(s) held by them in other public companies as on March 31, 2017 are given below:

Name of the Director / (DIN)	Category	No of board meetings attended	Attendance at the last AGM (July 21, 2016)	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	6	-	5
Mr. Vinay Lakshman (07295820)	Managing Director, Executive & Promoter	5	Yes	-	-	-	-
Mr. L Lakshman (00012554)	Non-Executive & Promoter	5	Yes	1	6	-	4
Mr. Harish Lakshman (00012602)	Non-Executive & Promoter	5	Yes	-	4	1	2
Mr. S A Murali Prasad* (00001432)	Non-Executive & Independent	3	Yes			NA	
Mr. S Sandilya (00037542)	Non-Executive & Independent	5	Yes	2	5	3	6
Mr. Anil Kumar V Epur (00202454)	Non-Executive & Independent	5	Yes	-	1	-	-
Mr. Suresh Chandra Gupta (02085068)	Non-Executive & Independent	5	Yes	-	-	-	-

Name of the Director / (DIN)	Category	No of board meetings attended	Attendance at the last AGM (July 21, 2016)	Number of Directorship in other public companies #		Number of Committees Membership ®	
				Chairperson	Member	Chairperson	Member
Ms. Ranjana Kumar (02930881)	Non-Executive & Independent	2	No	-	3	1	2
Mr. Kazuhiro Iwata (06875329)	Non-Executive & Nominee	2	No	-	-	-	-
Mr. Parvathaneni Santosh Kumar [§] (00267280)	Additional, Non-Executive & Independent	2	N.A.	-	1	-	2

excludes directorships held on the boards of private companies, Section 8 companies and companies incorporated outside India.

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

* Mr. S A Murali Prasad retired as per retirement policy of the company, on attaining age of 75 years, with effect from the conclusion of meeting of Board of Directors held on October 25, 2016.

§ Mr. P S Kumar was appointed as an additional director (in the category of Non - Executive, Independent) with effect from January 20, 2017.

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

The information as prescribed under PART A of Schedule II pursuant to Regulation 17(7) of SEBI LODR such as annual operating plans and budgets, quarterly results for the Company, minutes of meetings of audit committee and other committees of the board, quarterly details of foreign exchange exposures, risk management and mitigation measures etc. are discussed by the Board of Directors.

Annual calendar for the Board and its committee meetings is circulated in advance to the directors for their planning. The directors are provided with detailed agenda for the meetings along with necessary annexures to effectively participate in discussions. The Company has post board meeting reviews to monitor and follow up the effective execution of the decisions, directions and suggestions of the Board and its Committees, by the management.

The disclosure regarding meeting of independent directors, Board and directors performance evaluation are discussed in the Directors Report.

The details of familiarisation programme for the independent directors are disclosed on the website of the Company <http://ranegroup.com/ranebrakelining/rblinvestors.html>

3. Audit Committee

Composition, Attendance and Meetings

The composition of the Audit Committee of the Board is in conformity with the requirements of Section 177 of the Companies Act, 2013 and Regulation 18 of SEBI LODR. The Committee met

four (4) times during the year May 23, 2016, July 21, 2016, October 25, 2016 and January 20, 2017. The details of members and their attendance are as below:

Name of the Director	Category	No of Meetings Attended
Mr. S Sandilya	Chairman - Independent	4
Mr. L Ganesh	Member - Non-Executive, Promoter	4
Mr. S A Murali Prasad*	Member - Independent	3
Mr. Suresh Chandra Gupta	Member - Independent	4
Mr. P S Kumar [§]	Member - Independent	N.A.

* Retired effective conclusion of meeting of board of directors held on October 25, 2016

§ Inducted as a member effective meeting of the audit committee held on May 17, 2017

All the members of the audit committee are financially literate and possess accounting and related financial management expertise.

The Company Secretary acts as the Secretary to the Committee.

The statutory auditors and the internal auditors were present as invitees in all the meetings. The Managing Director and Vice President (Finance) & CFO of the Company attended the meetings by invitation. Based on the requirement, other directors attended the meetings by invitation. All the recommendations of the Audit Committee during the year, were considered, accepted and approved by the Board.

Overall purpose and terms of reference

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

The terms of reference of the Audit Committee are as per the provisions of the SEBI LODR read with Section 177 of the Companies Act, 2013. In line with these provisions the Company has framed an Audit Committee Charter, which is subject to review by the Audit Committee.

The roles of the Audit Committee inter-alia, includes, review of :

- Quarterly / Annual financial statements with statutory auditors and management before submission to the Board.
- Internal control systems, findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board
- Internal audit function, internal audit reports relating to internal control weaknesses and functioning of whistle blower mechanism.
- Evaluation of internal financial controls and risk management systems
- Management discussion and analysis of financial condition, results of operation financial and risk management policies of the Company.
- Defaults, if any, in payments to depositors, shareholders / creditors and the status of the inter-corporate loans and investments for scrutiny in detail.
- Approve related party transactions, including any subsequent modifications thereto
- Compliance with listing and other legal requirements relating to financial statements
- Changes, if any, in accounting policies and practices and reasons for the same, major accounting entries involving estimates based on the exercise of judgement by management and significant adjustments made in the financial statements arising out of the audit findings.
- Valuation of undertakings or assets of the company, as and when required

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

- Recommends appointment of Auditors and their remuneration and approves the appointment of CFO

- Discusses the scope of audit and post-audit area of concern and qualifications, if any, with Statutory Auditors / Internal Auditors.

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

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

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

**4. Nomination and Remuneration Committee (NRC)
Composition, Attendance and Meetings:**

The Nomination and Remuneration Committee (NRC) of the Board is constituted in terms of Section 178 of the Companies Act, 2013 and Regulation 19 of SEBI LODR. The Committee met two (2) times during the year May 23, 2016 and July 21, 2016. The details of members and their attendance are as below:

Name of the Director	Category	No of Meetings Attended
Mr. S Sandilya	Chairman – Independent	2
Mr. L Ganesh	Member – Non – Executive, Promoter	2
Mr. S A Murali Prasad*	Member – Independent	2
Mr. Suresh Chandra Gupta	Member – Independent	2
Mr. P S Kumar [§]	Member – Independent	N.A.

* Retired effective conclusion of meeting of board of directors held on October 25, 2016

§ Inducted as a member effective meeting of nomination & remuneration committee held on May 17, 2017

Terms of Reference:

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

During the year, the NRC perused the candidature of Mr. P S Kumar and after satisfying themselves of his qualifications, experience and expertise, recommended his appointment to the Board of directors as an Additional Director in the category of 'Independent Director' on the board, effective January 20, 2017.

During the year, the NRC inter alia, reviewed the process for evaluation of the board, its committee and directors, recommended payment of commission to Mr. L Ganesh, Chairman and remuneration to Mr. Vinay Lakshman, Managing Director, reviewed the compensation and benefits of senior management personnel (SMP) and key managerial personnel (KMP) of the Company.

Remuneration Policy

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

Details of Remuneration paid to Directors

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

The details of remuneration including sitting fees paid to the directors and their shareholding for the year ended March 31, 2017 are as follows:

Name of the Director	Sitting Fees (₹)	Remuneration (₹)	Shares held as on March 31, 2017 [®]
Mr. L Ganesh	2,87,500	85,05,513	100
Mr. Vinay Lakshman	-	1,06,54,741	50
Mr. L Lakshman	1,55,000	-	100
Mr. Harish Lakshman	1,62,500	-	100
Mr. S Sandilya	2,70,000	-	-
Mr. S A Murali Prasad*	1,85,000	-	-
Mr. Suresh Chandra Gupta	2,75,000	-	-
Mr. Anil Kumar V Epur	1,60,000	-	-
Ms. Ranjana Kumar	60,000	-	-
Mr. Kazuhiro Iwata [#]	60,000	-	-
Mr. P S Kumar	60,000	-	-

* Retired with effect from October 25, 2016

remitted to Nisshinbo Holdings Inc. Japan.

[®] includes joint holdings & HUF, if any

Note:

- No other remuneration was paid to non-executive directors except sitting fees (other than Chairman).
- Commission to Mr. L Ganesh, Chairman for the year 2016-17 pursuant to the approval accorded by shareholders vide ordinary resolution passed at the 10th Annual General Meeting held on July 20, 2015.
- Remuneration to Mr. Vinay Lakshman, Managing Director is based on recommendation of Nomination and Remuneration Committee and pursuant to approval of the Board of Directors at their meeting held on July 21, 2016. The detailed break-up is provided in MGT-9 of this Annual Report
- No shares were pledged by the directors. There is no stock option scheme prevailing in the Company.

5. Stakeholder's Relationship Committee**Composition & Attendance of Meetings:**

The Stakeholder's Relationship Committee looks into grievances of shareholders and redress them expeditiously in accordance with Section 178 of the Companies Act, 2013 and as per the requirements under Regulation 20 of SEBI LODR. The Company Secretary is the compliance officer of the company. The Committee met two (2)

times during the year October 25, 2016 and January 20, 2017. 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	2
Mr. Anil Kumar V Epur	Member, Non-Executive & Independent	2

Details of investor complaints received and redressed during the year, are given below :

	Nature of Complaint	Received during the year	Resolved	Pending at the end of the year
Regulatory Authorities (MCA / SEBI / Stock Exchanges)	Non-receipt of Annual Report & non-receipt of dividend	2	2	-
Through Registrar & Transfer Agent	Duplicate share certificate and non-receipt of dividend advise	3	3	-
Directly to Company	-	-	-	-

No complaint was received under the SEBI Complaints Redress System (SCORES). There are no investor complaints pending unresolved at the end of the financial year 2016-17.

6. Corporate Social Responsibility (CSR) Committee

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

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

The CSR Committee meeting at its held on May 23, 2016 was attended by all the Committee members. The Company Secretary acts as the Secretary to the Committee. The Committee approves the annual CSR report, recommends the annual CSR expenditure budget and CSR activities undertaken for the financial year to the Board.

The terms of reference of the Committee are as follows

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

The report on CSR projects undertaken during the year 2016-17 as approved by the CSR committee in consultation with the Board is annexed to Report of the Board of Directors as **Annexure 'D'**.

7. Other Committees

Share Transfer Committee:

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

Finance Committee

The Finance Committee has been constituted to exercise the borrowing powers delegated by the Board, to approve the financial facilities in connection with the capital expenditures and working capital expenditures of the Company, as per the Annual Operating Plans approved by the Board.

During the year, one (1) meeting of the Finance Committee was held on April 1, 2016. The composition of the Committee and attendance particulars are as under:

Name of the Director	Category	No. of meetings Attended
Mr. L Ganesh	Member	1
Mr. L Lakshman	Member	-
Mr. Harish Lakshman	Member	1
Mr. Vinay Lakshman	Member	1

Executive Committee

The Executive Committee has been constituted to carry out activities in connection with change in operation of bank accounts and authorization of officials under various legislations and other administrative matters between two consecutive meetings of the Board. The committee comprises of Mr. L Ganesh, Mr. Vinay Lakshman, Mr. Harish Lakshman and Mr. L Lakshman as its members. No sitting fees is payable to the committee members. During the year, one (1) meeting of the Executive Committee was held on August 11, 2016 and was attended by all the members of the Committee.

8. Code of conduct

The board of directors has laid down a code of conduct i.e. "Ethical Standards of Behaviour – RANE COMPASS" for all board members and employees of the Company in furtherance of its emphasis towards good Corporate Governance practices. The same has been posted on the website of the Company viz., <http://ranegroup.com/pdf/policies/coc.pdf>. The board members and senior management personnel have affirmed their compliance with the code of conduct. Declaration from the Managing Director of the Company to this effect forms part of this report.

Prevention of Insider Trading

The board of directors have formulated "Rane Code to regulate, monitor and report trading by insiders and practices and procedures for fair disclosure of unpublished price sensitive information" in accordance with SEBI (Prohibition of Insider Trading) Regulations, 2015 to prevent misuse of any unpublished price sensitive information and prohibit insider trading activity. The code of fair disclosure practices and procedures for unpublished price sensitive information is available at <http://www.ranegroup.com/pdf/policies/rblcfd.pdf>.

9. General Body Meetings

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

Date of AGM	Special resolutions passed	Time	Venue
July 21, 2016 (Eleventh AGM)	1. Appointment of Mr. Vinay Lakshman as Managing Director	10.15 am	
July 20, 2015 (Tenth AGM)	No Special resolution was passed	10.30 am	The Music Academy (Mini Hall), New No. 168, TTK Road, Royapettah, Chennai 600 014.
July 22, 2014 (Ninth AGM)	1. Approve borrowing powers under section 180 of the Companies Act, 2013. 2. Re-appointment of Mr. P S Rao as 'Manager' under the Companies Act, 2013	10.15 am	

10. Disclosures

- During the year, the Company had not entered into any transaction of material nature with any of the promoters, directors, management or relatives or subsidiaries etc., which were in conflict with the interests of the Company. The transactions entered with related parties during the year were covered under the omnibus approval of the Audit Committee and were in the ordinary course and arms' length. The details of the related party transactions as per AS 18 as stated in note no. 38 of the financial statements. The policy on Related party Transaction is available on the website of the Company viz. URL: <http://ranegroup.com/pdf/policies/rblrpt.pdf>.
- 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.
- 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.
- 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.
- The Company has complied with all the mandatory requirements prescribed under Chapter IV of the SEBI LODR. The Company has complied with the following non-mandatory requirements:-
 - maintaining an office for the Chairman at the registered office of the Company
 - adopting best practices to ensure a regime of unqualified financial statements
 - individual communication of half-yearly performance including summary of the significant events to shareholders
 - Separate posts for Chairman and Managing Director
 - Internal Auditor directly reporting to the Audit Committee
- In order to comply with all laws governing the operations and conduct of affairs of the Company in accordance with the highest ethical and legal standards, the Company has adopted a Statutory Compliance Kit (STACK). STACK is a structured process providing comprehensive reference framework to facilitate education to dealing personnel, execution, escalation and regular reviews to strengthen

compliance management. The STACK is electronically integrated through an online platform (e-STACK) to improve the compliance management system and its efficiency. The master lists of statutory requirements are effectively complied through practice of Daily Routine Management (DRM) and Vital Activity Monitoring (VAM) charts. Reports relating to the compliance with various laws applicable to the Company are regularly reviewed and the vital issues are presented to the Audit Committee and the Board.

7. The Company does not have any material listed / unlisted subsidiary companies as defined under SEBI LODR.
8. The Independent Directors have confirmed that they meet the criteria of 'Independence' as stipulated under Sec 149 of the Companies Act, 2013 and Regulation 16 of the SEBI LODR.
9. The CEO and CFO of the Company have certified to the Board on the integrity of the financial statements, effectiveness of internal controls and significant changes in internal control /accounting policies during the year as required under Regulation 17(8) of the SEBI LODR and Companies Act, 2013.
10. The Company has complied with all mandatory requirements specified in Regulation 17 to 27 and Regulation 46(2)(b) to (i) of SEBI LODR.

13. General Shareholder Information

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

Name of the Director	Mr. Kazuhiro Iwata	Mr. Parvathaneni Santosh Kumar	Mr. Srinivasan Sandilya	Mr. Suresh Chandra Gupta	Mr. Anil Kumar Venkat Epur
Age (in years)	59	73	69	72	68
Director Identification Number (DIN)	06875329	00267280	00037542	02085068	00202454
Father's Name	Mr. Katsumi Yasukawa	Mr. Parvathaneni Brahmaya	Mr. S Srinivasan	Mr. Prem Narain	Mr. E V Ram Reddi
Date of Birth	January 03, 1958	April 07, 1944	April 11, 1948	April 05, 1945	November 17, 1948
Educational Qualifications	Bachelor of Business Science	Fellow member of Institute of Chartered Accountants of India (ICAI) and Institute of Chartered Accountants of England and Wales (ICAEW).	B.Com, M.B.A. (IIM Ahmedabad)	B.Tech (Hons.) (BITS Pilani)	B.S. MEE and MBA – Cornell University, USA

11. Whistle blower mechanism:

The Company has a whistle blower policy, which provides the vigil mechanism for reporting with reliable information on any improper or unethical practices or actions which are violative (actual or potential) of the code of the Company by any employee or others dealing with the Company. It also addresses the protection to whistle blower who makes protected disclosures under the policy and provides for direct access to the Chairman of the Audit Committee.

The policy and the mechanism for reporting has been appropriately communicated across all locations of the Company. The whistle blower policy has also been posted in the Company's website <http://ranegroup.com/pdf/policies/rblwbpolicy.pdf>.

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

12. Means of communication

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

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

Name of the Director	Mr. Kazuhiro Iwata	Mr. Parvathaneni Santosh Kumar	Mr. Srinivasan Sandilya	Mr. Suresh Chandra Gupta	Mr. Anil Kumar Venkat Epur
Experience	Kazuhiro Iwata has over 35 years of industrial experience.	P S Kumar has over 45 years of rich experience in the fields of corporate & internal audits, mergers & acquisitions, international taxation; transfer pricing including specified domestic transactions etc.	Mr. Sandilya has over 48 years of industrial experience and has held various positions in different business Units in Eicher Group and was responsible for finance and strategic planning.	S C Gupta was associated with the Indian railways and has over 49 years of industrial experience.	Anil Kumar Venkat Epur has over 41 years of industrial experience. He is associated with the Confederation of Indian Industry (CII) and held various positions including as its southern regional chairman. He was also actively involved in various expert committees constituted by the government of Andhra Pradesh.
Date of first appointment on the board	May 21, 2014	January 20, 2017	February 6, 2008 July 22, 2014 : 1 st term as Independent Director under Companies Act, 2013.	March 24, 2008 July 22, 2014 : 1 st term as Independent Director under Companies Act, 2013.	February 6, 2008 July 22, 2014 : 1 st term as Independent Director under Companies Act, 2013.
Terms and Conditions of appointment	Nominated by Nisshinbo Holdings Inc. Japan and appointed as non-executive director, liable to retire by rotation by the shareholders at 9 th Annual General meeting on July 22, 2014.	Additional Director (Independent) who holds office upto this AGM. Proposed to be appointed as Independent Director with effect from January 20, 2017 as per resolution no. 5 of the Notice dated May 17, 2017 read with explanatory statement thereto.	Proposed to be re-appointed as Independent Director for a second term as per resolution no. 6 of the Notice dated May 17, 2017 read with explanatory statement thereto.	Proposed to be re-appointed as Independent Director for a second term as per resolution no. 7 of the Notice dated May 17, 2017 read with explanatory statement thereto.	Proposed to be re-appointed as Independent Director for a second term as per resolution no. 8 of the Notice dated May 17, 2017 read with explanatory statement thereto.
Last drawn remuneration	Sitting fee for FY 2016-17 ₹ 60,000 /-	Sitting fee for FY 2016-17 ₹ 60,000 /-	Sitting fee for FY 2016-17 ₹ 2,70,000 /-	Sitting fee for FY 2016-17 ₹ 2,75,000 /-	Sitting fee for FY 2016-17 ₹ 1,60,000 /-
Remuneration sought to be paid	No approval sought for remuneration. Eligible for Sitting fee for attending meetings of the Board and Committees of which he is a member.	No approval sought for remuneration. Eligible for Sitting fee for attending meetings of the Board and Committees of which he is a member.	No approval sought for remuneration. Eligible for Sitting fee for attending meetings of the Board and Committees of which he is a member.	No approval sought for remuneration. Eligible for Sitting fee for attending meetings of the Board and Committees of which he is a member.	No approval sought for remuneration. Eligible for Sitting fee for attending meetings of the Board and Committees of which he is a member.
Relationship with other Directors / Manager / KMP	-	-	-	-	-

Name of the Director	Mr. Kazuhiro Iwata	Mr. Parvathaneni Santosh Kumar	Mr. Srinivasan Sandilya	Mr. Suresh Chandra Gupta	Mr. Anil Kumar Venkat Epur
Other Directorships	Director 1. Nisshinbo Automotive Manufacturing Inc., USA 2. TMD Friction Group S.A, Luxembourg.	Director 1. The KCP Limited 2. Brahmayya Consultants Private Limited	Chairman 1. Eicher Motors Limited 2. Mastek Limited Director 1. Tube Investments of India Limited 2. GMR Infrastructure Limited 3. GMR Generation Assets Limited 4. Mastek UK Limited 5. Lean Management Institute Of India 6. Association of Indian Automobiles Manufacturers.	NIL	Director 1. Gati Kausar India Limited
Committee Memberships in other Boards	NIL	Member – Audit 1. The KCP Limited Member – Stakeholders’ Relationship 1. The KCP Limited Member – Nomination and Remuneration 1. The KCP Limited Member –Corporate Social Responsibility 1. The KCP Limited	Chairman – Audit 1. Tube Investments of India Limited 2. Mastek Limited Chairman – Stakeholders’ Relationship 1. Mastek Limited Member – Audit 1. Eicher Motors Limited 2. GMR Generation Assets Limited Member – Stakeholders’ Relationship 1. Eicher Motors Limited Chairman – Corporate Social Responsibility 1. Tube Investments of India Limited 2. Eicher Motors Limited Member – Nomination and Remuneration 1. Eicher Motors Limited 2. Mastek Limited 3. Tube Investments of India Limited 4. GMR Generation Assets Limited Member – Risk Management 1. Eicher Motors Limited	NIL	Chairman – Nomination and Remuneration Committee 1. Gati Kausar India Limited
Number of meetings of the Board attended during the year	Two	Two	Five	Five	Five
Number of equity shares held	Nil	Nil	Nil	Nil	Nil

ii. Annual General Meeting**August 23, 2017 (Wednesday) at 10.15 a.m.**

The Music Academy (Mini Hall)
New No.168, T T K Road
Royapettah, Chennai 600 014

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

Board meeting for approval of	Tentative Date
Annual Accounts for the year ended March 31, 2017	May 17, 2017
Un-audited results for the 1 st quarter ending June 30, 2017	By third week of August 2017
Un-audited results for the 2 nd quarter ending September 30, 2017	By last week of November 2017
Un-audited results for the 3 rd quarter ending December 31, 2017	By third week of January 2018
Annual Accounts for the year ending March 31, 2018	Before end of May 2018

iv. Dividend:

During the year 2016-17, the board of directors declared an interim dividend of 60% (i.e., ₹ 6.00 per share) on the share capital on January 20, 2017. The interim dividend was paid on February 9, 2017 to all the eligible shareholders whose name appeared in the register of members of the Company as on February 2, 2017 (being the Record Date) fixed for this purpose.

The board of directors of the Company at their meeting held on May 17, 2017 have considered and recommended a final dividend of 90% (₹ 9/- per share) on the equity share capital for approval of the shareholders at the ensuing 12th AGM to be held on

August 23, 2017. The final dividend, if declared, would be paid to those eligible shareholders whose name appeared in the register of members of the Company as on August 16, 2017 (being the Record Date) fixed for this purpose.

v. Listing on Stock Exchanges

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

Listing Fee:

The shares of the Company are listed on NSE & BSE which provide nationwide access to trade and deal in Company's equity shares across the country. The Company has paid the Annual Listing fee for the financial year 2017-18 to NSE & BSE where the shares of the Company continue to be listed.

vi. Unpaid / Unclaimed Dividends

Pursuant to the provisions of Section 124 of the Companies Act, 2013, dividend for the financial year ended March 31, 2010 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 an unclaimed dividend of ₹ 61,614/- for the financial year ended March 31, 2009 and interim dividend amount of ₹ 98,850/- for the financial year ended March 31, 2010. The Company has sent reminder letters to each of the shareholder's whose dividend is remaining unclaimed as per the records available with the Company. Information in respect of such unclaimed dividends when due for transfer to the said fund is given below: -

Year	Date of declaration	Dividend per share# (₹)	Amount outstanding in Unclaimed Dividend Account (as on 31.03.2017) (₹)	Last Date for claiming unpaid dividend	Due date for transfer to IEPF
31.03.2010	21.07.2010	1.50	92,344.50	26.08.2017	25.09.2017
31.03.2011 *	25.01.2011	3.00	1,02,450.00	02.03.2018	01.04.2018
31.03.2011	22.07.2011	2.00	69,158.00	27.08.2018	26.09.2018
31.03.2012 *	25.01.2012	4.00	1,79,204.00	01.03.2019	31.03.2019
31.03.2012	13.07.2012	3.00	1,19,058.00	18.08.2019	17.09.2019
31.03.2013*	22.01.2013	2.00	78,092.00	27.02.2020	28.03.2020
31.03.2013	24.07.2013	2.00	80,696.00	29.08.2020	28.09.2020
31.03.2014	22.07.2014	7.50	3,00,855.00	27.08.2021	26.09.2021
31.03.2015	20.07.2015	7.00	2,69,192.00	26.08.2022	25.09.2022
31.03.2016*	10.03.2016	10.00	3,82,930.00	15.04.2023	15.05.2023

- Share of paid-up value of ₹ 10 per share

* - Interim dividend

During the year, the Company had filed with Registrar of Companies, the details of all unpaid and unclaimed amounts as on July 21, 2016 in accordance with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer And Refunds) Rules, 2016. The above details were also uploaded in the website of the Company viz. <http://ranegroup.com>.

In respect of interim dividend of ₹ 6/- per share declared by the board of directors on January 20, 2017, unpaid / unclaimed dividend has been transferred to an unclaimed dividend account on February 25, 2017. The last date for claiming such amount in terms of Section 124 of the Companies Act 2013 is February 25, 2024.

vii. Unclaimed share certificates

Under clause 5A (II) of the listing agreement / Regulation 39 of SEBI LODR, the Company has previously sent three reminders to the shareholders for getting their confirmation on unclaimed shares.

Details of Unclaimed Suspense account	Number of shareholders	Outstanding shares
Aggregate at the beginning of the year	136	15,250
Requests for transfer during the year	-	-
Transfers during the year	-	-
Balance at the end of the year	136	15,250

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

viii. Transfer of shares to IEPF Suspense Account

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

The details of such unclaimed shares which are liable for transfer to the IEPF Authority is available on the web-link <http://ranegroup.com/ranebrakelining/ranebrakeliningshareholder.html>. The concerned shareholders are requested to claim their shares before the due dates of transfer of shares to the IEPF. The Ministry of Corporate Affairs is yet to notify DP Account to which such unclaimed shares are required to be transferred.

An intimation in this regard has been sent to all concerned shareholders, whose shares are liable to be transferred to IEPF Authority, at their latest known addresses. The Company has also published notices in newspapers in accordance with the said rules.

ix. Share Price Data:

The share price data (based on closing price) as quoted on the National Stock Exchange of India Ltd. and BSE Ltd. along with the movement in the respective stock index during the last financial year viz., April 1, 2016 – March 31, 2017 is given below :

Month	BSE		BSE Sensex		NSE		NSE Nifty	
	Share Prices (₹)		High	Low	Share Prices (₹)		High	Low
	High	Low			High	Low		
April 2016	383.10	371.70	26,064.12	24,673.84	382.90	373.30	7,979.90	7,546.45
May 2016	391.30	370.80	26,725.60	25,101.73	388.80	365.85	8,178.50	7,706.55
June 2016	387.15	366.45	27,020.66	26,395.71	384.75	364.85	8,287.75	8,088.60
July 2016	639.55	395.60	28,208.62	27,126.90	638.85	396.95	8,666.30	8,323.20
August 2016	796.75	574.50	28,452.17	27,697.51	797.70	574.05	8,786.20	8,544.85
September 2016	1,302.05	779.95	29,045.28	27,827.53	1,310.70	780.30	8,952.50	8,591.25
October 2016	1,283.20	1,136.40	28,334.55	27,529.97	1,279.75	1,138.45	8,769.15	8,520.40
November 2016	1,137.45	770.20	27,876.61	25,765.14	1,133.70	769.55	8,626.25	7,929.10
December 2016	1,022.05	900.70	26,747.18	25,807.10	1,026.65	894.50	8,261.75	7,908.25
January 2017	1,013.70	958.90	27,882.46	26,595.45	1,011.45	960.15	8,641.25	8,179.50
February 2017	1,010.35	954.45	28,892.97	28,141.64	1,004.75	955.95	8,939.50	8,716.40
March 2017	1,043.45	922.35	29,648.99	28,832.45	1,040.80	923.50	9,173.75	8,897.55

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

x. Registrar and Transfer Agent

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

Integrated Registry Management Services Private Limited

SEBI Registration No. INR0000000544

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

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

e-mail: corpseiv@integratedindia.in

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

xi. Share Transfer System & Share Capital Audit

The power to approve transfer of shares has been delegated by the Board to the Share Transfer Committee which approves the share

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

A reconciliation of share capital audit in terms of regulation 55A of SEBI (Depositories and Participants) Regulations, 1996 is taken up on a quarterly basis and the report of the PCS is filed with the stock exchanges certifying that the total listed capital of the Company is in agreement with the total number of shares in physical and dematerialized form and that there is no difference between the issued and the listed capital of the Company.

xii. Distribution of shareholding as on March 31, 2017

No. of shares held	Shareholders		Shares	
	Number	% to total	Number	% to total
Upto 500	9,769	95.33	6,54,090	8.26
501 – 1000	242	2.36	1,85,518	2.34
1001 – 2000	105	1.02	1,52,833	1.93
2001 – 3000	48	0.47	1,23,866	1.57
3001 – 4000	19	0.19	68,633	0.87
4001 – 5000	16	0.16	73,130	0.92
5001 – 10000	24	0.23	1,70,219	2.15
10001 & above	25	0.24	64,86,691	81.96
Total	10,248	100.00	79,14,980	100.00

xiii. Shares**Dematerialization**

The Company has entered into the necessary agreements with National Securities Depository Limited and Central Depositories Services (India) Limited for dematerialisation of the shares held by investors. As of March 31, 2017, about 97.96% of the shareholdings have been dematerialised.

Comparative chart of physical and demat holdings for the current and previous financial year is given below:

Particulars	Number of shares		% to total capital	
	As on March 31, 2017	As on March 31, 2016	As on March 31, 2017	As on March 31, 2016
Physical	1,61,222	1,69,360	2.04	2.14
Demat	77,53,758	77,45,620	97.96	97.86
Total	79,14,980	79,14,980	100.00	100.00

The promoter and promoter group hold their entire shareholding only in dematerialised form.

Reconciliation of share capital audited by practicing company secretary is furnished every quarter to the stock exchanges, where the shares of the Company are listed.

Demat ISIN : **INE244J01017**

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

xiv. **Plant locations** - Corporate Overview section of the Annual Report

xv. **Address for communication:**

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

To
The Members
Rane Brake Lining Limited

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

I, hereby declare that to the best of my knowledge and information, all the board members and senior management personnel have affirmed compliance with 'Ethical Standards of Behaviour - RANE COMPASS', the code of conduct, for the year ended March 31, 2017.

Chennai
May 17, 2017

VINAY LAKSHMAN
Managing Director

INDEPENDENT AUDITOR'S CERTIFICATE

To
The Members
Rane Brake Lining Limited

1. We have examined the compliance of conditions of Corporate Governance by **Rane Brake Lining Limited** ("the company") for the year ended on March 31, 2017, as stipulated in the relevant provisions of Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").
2. The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
3. In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement / Listing Regulations, as applicable.
4. We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

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

P R PRASANNA VARMA

Partner

Membership Number : 025854

Place : Chennai
Date : May 17, 2017

Annexure - H to Report of the Board of Directors

Extract of Annual Return- MGT 9

as on the financial year ended March 31, 2017

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

I. REGISTRATION AND OTHER DETAILS:

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

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

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

Sl.No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Friction materials- Brake Lining, Disc pad, Brake shoe, Clutch facing and Clutch button	C-29-301	96%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl.No.	Name and address of the company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	Rane Holdings Limited 'Maithri' No.132,Cathedral Road,Chennai - 600086, Tamil Nadu,India	L35999TN1936PLC002202	Holding Company	46.09	2(46)

iv. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

Category-wise Share Holding:

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoter(s)									
(1) Indian									
a) Individual / HUF	7,550	-	7,550	0.10	450	-	450	0.01	(0.09)
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	36,48,311	-	36,48,311	46.09	36,48,311	-	36,48,311	46.09	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Sub-total (A) (1):-	36,55,861	-	36,55,861	46.19	36,48,761	-	36,48,761	46.10	(0.09)
(2) Foreign									
a) NRIs - Individuals	19,400	-	19,400	0.25	19,400	-	19,400	0.25	-
b) Other - Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	15,95,249	-	15,95,249	20.15	15,95,249	-	15,95,249	20.15	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Sub-total (A) (2):-	16,14,649	-	16,14,649	20.40	16,14,649	-	16,14,649	20.40	-
Total Public Shareholding (A) = (A)(1)+ (A)(2)	52,70,510	-	52,70,510	66.59	52,63,410	-	52,63,410	66.50	(0.09)
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	-	200	200	0.00	-	200	200	0.00	-
b) Banks / FI	-	645	645	0.00	6,055	645	6,700	0.08	0.08
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	7,70,528	-	7,70,528	9.74	7,70,528	-	7,70,528	9.74	-
g) FIs	55	-	55	0.00	1,632	-	1,632	0.02	0.02
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	7,70,583	845	7,71,428	9.75	7,78,215	845	7,79,060	9.84	0.09
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	91,749	1,625	93,374	1.18	81,718	1,625	83,343	1.05	(0.13)
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	11,49,611	12,60,72	12,75,683	16.12	11,00,270	1,17,934	12,18,204	15.39	(0.73)

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	4,07,894	38,668	4,46,562	5.64	3,81,453	38,668	4,20,121	5.31	(0.33)
c) Others (specify)									
Non Resident Indians	28,392	2,150	30,542	0.39	39,085	2,150	41,235	0.52	0.13
Overseas Corporate Bodies	-	-	-	-	-	-	-	-	-
Foreign Nationals	-	-	-	-	-	-	-	-	-
Clearing Members	11,631	-	11,631	0.15	94,357	-	94,357	1.19	1.04
Trusts	-	-	-	-	-	-	-	-	-
Foreign Bodies – D R	-	-	-	-	-	-	-	-	-
Rane Brake Lining Limited – Unclaimed Shares Suspense Account	15,250	-	15,250	0.19	15,250	-	15,250	0.19	-
Sub-total (B)(2):-	17,04,527	1,68,515	18,73,042	23.66	17,12,133	1,60,377	18,72,510	23.65	(0.01)
Total Public Shareholding (B)=(B)(1)+ (B)(2)	24,75,110	1,69,360	26,44,470	33.41	24,90,348	1,61,222	26,51,570	33.50	0.09
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	77,45,620	1,69,360	79,14,980	100.00	77,53,758	1,61,222	79,14,980	100.00	-

ii) Shareholding of Promoters :

Sl. No	Shareholder's Name	At the beginning of the year			At the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Rane Holdings Limited	36,48,311	46.09	-	36,48,311	46.09	-	-
2	Nisshinbo Holdings Inc.,	15,95,249	20.15	-	15,95,249	20.15	-	-
3	Rekha Sundar	19,400	0.25	-	19,400	0.25	-	-
4	Pushpa Lakshman & L Lakshman	50	-	-	50	-	-	-
5	Pushpa Lakshman	7,100	0.09	-	-	-	-	(0.09)
6	Vinay Lakshman	50	-	-	50	-	-	-
7	Lakshman Harish	50	-	-	50	-	-	-
8	Ganesh L & Meenakshi Ganesh	50	-	-	50	-	-	-
9	Meenakshi Ganesh & L Ganesh	50	-	-	50	-	-	-
10	Lakshman L & Pushpa Lakshman	50	-	-	50	-	-	-
11	Malavika Lakshman & Harish Lakshman	50	-	-	50	-	-	-
12	Aparna Ganesh	50	-	-	50	-	-	-
13	Aditya Ganesh	50	-	-	50	-	-	-
	TOTAL	52,70,510	66.58	-	52,63,410	66.49	-	(0.09)

(iii) Change in Promoters' Shareholding

Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
At the beginning of the year	52,70,510	66.59	52,70,510	66.59
Pushpa Lakshman	7,100	0.09	7,100	0.09
Other Promoters (mentioned in (ii) above)	52,63,410	66.50	52,63,410	66.50
Date wise Increase in Promoters shareholding during the year specifying the reasons for increase /decrease: (e.g. allotment /transfer / bonus/ sweat equity etc.)				
Pushpa Lakshman Sale of shares between 17/08/2016 and 22/08/2016	7,100	0.09	7,100	0.09
At the end of the year	52,63,410	66.50	52,63,410	66.50
Pushpa Lakshman	-	(0.09)	-	(0.09)
Other Promoters(mentioned in (ii) above)	52,63,410	66.50	52,63,410	66.50

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

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Date (DD/MM/YYYY)	Increase/ Decrease in shareholding	% of total shares of the company	Reason	Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company					No. of shares	% of total shares of the company
1	United India Insurance Company Limited	4,79,030	6.05	-	-	-	-	4,79,030	6.05
2	General Insurance Corporation of India	2,91,498	3.68	-	-	-	-	2,91,498	3.68
3	Gautam Jain	51,014	0.65	-	-	-	-	51,014	0.65
4	M MNarayanamma	46,594	0.59	-	-	-	-	46,594	0.59
5	Ramani Narayan Swamy	35,180	0.44	-	-	-	-	35,180	0.44
6	S N Swamy	34,544	0.44	-	-	-	-	34,544	0.44
7	Om Prakash Rawat	31,350	0.40	17-02-2017	(1500)	(0.02)	Transfer	29,850	0.38
8	Bachaladharani	29,901	0.38	-	-	-	-	29,901	0.38
9	Shanmugasundaram K N	27,200	0.34	-	-	-	-	27,200	0.34
10	Nagendra Baliga B	27,116	0.34	-	-	-	-	27,116	0.34

(v) Shareholding of Directors and Key Managerial Personnel:

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

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

V. INDEBTEDNESS :

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

(Amount in ₹)

	Secured Loans Excluding Deposits- Long term Loan	Secured Loans Excluding Deposits- Working Capital	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year					
i) Principal Amount	4,60,31,250	16,82,69,307	4,95,86,439	90,95,000	27,29,81,996
ii) Interest due but not paid	-	-	-	-	-
iii) Interest accrued but not due	6,49,167	3,73,822	-	6,40,088	16,63,077
Total (i+ii+iii)	4,66,80,417	16,86,43,129	4,95,86,439	97,35,088	27,46,45,073
Change in Indebtedness during the financial year					
Addition	-	5,98,97,283	-	-	5,98,97,283
Reduction	(4,66,80,417)	(16,86,43,129)	(4,95,86,439)	(97,35,088)	(27,46,45,073)
Net Change	(4,66,80,417)	(10,87,45,846)	(4,95,86,439)	(97,35,088)	(21,47,47,790)
Indebtedness at the end of the financial year					
i) Principal Amount	-	5,98,78,168	-	-	5,98,78,168
ii) Interest due but not paid	-	-	-	-	-
iii) Interest accrued but not due	-	19,115	-	-	19,115
Total (i+ii+iii)	-	5,98,97,283	-	-	5,98,97,283

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:**A. Remuneration to Managing Director, Whole-time Directors and/or Manager:**

(Amount in ₹)

Sl.No.	Particulars of Remuneration	Managing Director
		Vinay Lakshman
(a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	99,68,056
(b)	Value of perquisites u/s 17(2) Income-tax Act, 1961	6,86,685
(c)	Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-
2	Stock Option	-
3	Sweat Equity	-
4	Commission - as % of profit	-
5	Others, please specify	-
Total (A)		1,06,54,741
Ceiling as per the Act (being 5% of net profits of the Company calculated as per Section 198 of the Companies Act, 2013)		2,12,63,781

B. Remuneration to other Directors :

(Amount in ₹)

Sl. No.	Particulars of Remuneration	Name of Directors										Total Amount
		L Ganesh	L Lakshman	Harish Lakshman	P S Kumar ^{^^}	S Sandilya	S CGupta	SA Murali Prasad [^]	Ranjana Kumar	Kazuhiro Iwata	Anil Kumar Epur	
1	Independent Directors											
a	Fee for attending board / committee meetings	-	-	-	60,000	2,70,000	2,75,000	1,85,000	60,000	60,000	1,60,000	10,70,000
b	Commission	-	-	-	-	-	-	-	-	-	-	-
c	Others, please specify	-	-	-	-	-	-	-	-	-	-	-
	Total (1)	-	-	-	60,000	2,70,000	2,75,000	1,85,000	60,000	60,000	1,60,000	10,70,000
2	Other Non-Executive Directors											
a	Fee for attending board / committee meetings	2,87,500	1,55,000	1,62,500	-	-	-	-	-	-	-	6,05,000
b	Commission	85,05,513	-	-	-	-	-	-	-	-	-	85,05,513
c	Others, please specify	-	-	-	-	-	-	-	-	-	-	-
	Total (2)	87,93,513	-	-	-	-	-	-	-	-	-	91,10,513
	Grand Total B = (1+2)	87,93,513	1,55,000	1,62,500	60,000	2,70,000	2,75,000	1,85,000	60,000	60,000	1,60,000	1,01,80,513
	*Ceiling as per the Act	₹ 85,05,513/- (being 2% of net profits of the Company calculated as per Section 198 of the Companies Act, 2013)										
	Total Managerial Remuneration (A+B)	₹ 2,08,35,254/-										
	*Ceiling as per the Act	₹ 4,67,80,319/- (being 11% of net profits of the Company calculated as per Section 198 of the Companies Act, 2013)										

[^] Resigned as Director w.e.f. October 25, 2016^{^^} Appointed as Director w.e.f. January 20, 2017

* The ceiling as per Act does not include sitting fees.

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

(Amount in ₹)

S. No.	Particulars of Remuneration	Key Managerial Personnel		Total
		Chief Financial Officer	Company Secretary*	
		M A P Sridhar Kumar	Venkatraman	
(a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	36,02,562	11,05,497	47,08,059
(b)	Value of perquisites u/s 17(2) Income-tax Act, 1961	5,31,315	1,867	5,33,182
(c)	Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission - as % of profit - others, specify...	-	-	-
5	Others, please specify	-	-	-
Total (A)		45,38,617/-	11,07,364	52,41,241

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

IV. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:

There were no penalties, punishment or compounding of offences during the year ended March 31, 2017.

Independent Auditors' Report

To,
The Members,
Rane Brake Lining Limited

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of Rane Brake Lining Limited (the Company), which comprise the Balance Sheet as at March 31, 2017, Profit and Loss Statement and the Cash flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2017 and its Profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section(11) of section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The Balance Sheet, the Profit and Loss Statement and the Cash flow Statement dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - (e) On the basis of the written representations received from the directors as on March 31, 2017 taken on record by the

- Board of Directors, none of the directors is disqualified as on March 31, 2017 from being appointed as a director in terms of Section 164(2) of the Act; and
- (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".
- (g) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements-Refer Note-23 to the standalone financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
 - iv. The Company has provided requisite disclosures in the financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 9th November, 2016 to 30th December, 2016. Based on audit procedures and relying on the management representation, we report that the disclosures are in accordance with books of account maintained by the Company and as produced to us by the Management – Refer Note No. 40 to Financial Statements.

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

P R PRASANNA VARMA
Partner
Membership Number : 025854

Place : Chennai
Date : May 17, 2017

Annexure 'A' to the Independent Auditor's Report

Referred to in Paragraph 1 under the heading "Report on Other Legal And Regulatory Requirements" of our Independent Audit Report of even date on the Standalone Financial Statements of Rane Brake Lining Limited for the year ended March 31, 2017.

- (i) a. The company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
- b. We are informed that fixed assets have been physically verified by the Management at reasonable intervals and that no material discrepancies were noticed on such verification.
- c. According to the information and explanations given to us and based on the examination of the records of the company and also having regard to the confirmation received from banks in respect of title deeds deposited with them wherever applicable and also legal opinion received in a case, we report that the title deeds of immovable properties are held in the name of the company.
- (ii) We are informed that the physical verification of inventory has been conducted by the management at reasonable intervals and no material discrepancies were noticed on such verification.
- (iii) The Company has not granted any loans, secured or unsecured, to companies / firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013, and hence, the relative reporting requirements under Clause 4(iii) of the Order is not commented upon.
- (iv) According to the information and explanations given to us and based on the records of the company examined by us, the company has not made any investments, granted any loans or given any security or guarantee for which the provisions of section 185 and 186 of the Act are applicable.
- (v) The company has not accepted any deposit from the public during the year. In respect of deposits accepted by the company in the earlier years and repaid during the current year, the company has complied with the directives issued by the Reserve Bank of India and the provisions of Section 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder.
- (vi) To the best of our knowledge and according to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 148(i) of the Act for the company.
- (vii) a. As per the information and explanations furnished to us, and according to our examination of the records of the Company, the Company has been regular in depositing the undisputed statutory dues including provident fund, employees state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable to the Company with the appropriate authorities during the year and no undisputed amounts in respect of material statutory dues were in arrears as at March 31, 2017 for a period of more than six months from the date they became payable.
- b. According to the information and explanations given to us and based on the records of the Company examined by us, the particulars of dues of income tax, sales tax, service tax, duty of customs, duty of excise and value added tax that have not been deposited on account of any dispute as at March 31, 2017 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	1.20	April 2000 to March 2002, April 2004 to March 2005 and April 2006 to March 2007	Income Tax Appellate Tribunal, Chennai
Income Tax Act, 1961	Income Tax	0.02	April 2003 to March 2004	High Court of Judicature, Madras
Income Tax Act, 1961	Income Tax	0.44	April 2010 to March 2013	Commissioner of Income Tax (Appeals), Chennai
Central Sales Tax Act, 1956	Sales Tax	0.34	April 2004 to March 2005, April 2008 to March 2011	Sales Tax Appellate Tribunal, Hyderabad

Statute	Nature of dues	Amount (₹ in Cr)	Period to which the amount relates	Forum where the dispute is pending
Central Sales Tax Act, 1956	Sales Tax	0.01	April 2011 to March 2012	Joint Commissioner (CT)- II, Hyderabad
Puducherry Value Added Tax Act, 2007	Sales Tax	0.01	April 2008 to March 2009 and April 2011 to March 2012	Puducherry Value Added Tax Appellate Tribunal, Puducherry
Central Sales Tax Act, 1956	Sales Tax	0.24	April 2008 to March 2009 and April 2011 to March 2012	Puducherry Value Added Tax Appellate Tribunal, Puducherry
Kerala Value Added Tax, 2003	Sales Tax	0.01	April 2010 to March 2011	The Deputy Commissioner (Appeals-I), Ernakulam
Maharashtra Value Added Tax Act, 2002	Sales Tax	0.03	April 2008 to March 2009	The Joint Commissioner of Sales Tax (Appeal), Pune
Central Sales Tax Act, 1956	Sales Tax	0.13	April 2008 to March 2009 and April 2010 to March 2011	The Joint Commissioner of Sales Tax (Appeal), Pune
Central Excise Act , 1944	Excise Duty (including interest and penalty)	0.86	April 2001 to March 2005, March 2009 to April 2010 and December 2011	Customs, Excise And Service Tax Appellate Tribunal, Chennai
Finance Act, 1994	Service Tax (including interest and penalty)	0.82	September 2004 to May 2008, April 2010 to March 2011 and August 2012	Customs, Excise And Service Tax Appellate Tribunal, Chennai
Finance Act, 1994	Service Tax (including interest and penalty)	0.73	April 2013 to March 2016	Commissioner of Central Excise (Appeals), Chennai

- viii. In our opinion and according to the information and explanations given to us and based on the records of the Company examined by us, the Company has not defaulted in repayment of loans to banks and government. The Company has neither taken any loans or borrowings from any financial institution nor has issued any debentures.
- ix. According to the information and explanations given to us and based on the records of the Company examined by us, no monies were raised by way of initial public offer or further public offer (including debt instruments) or by way of term loans during the year and hence relative reporting requirements under clause 3(ix) of the Order are not commented upon.
- x. During the course of our examination of the books and records of the company carried out in accordance with generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any instances of material fraud by the company or on the company by its officers or employees which has been, noticed or reported during the year, nor have we been informed of any such case by the management.
- xi. According to the information and explanations given to us and based on the records of the Company examined by us, managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- xii. The Company is not a Nidhi Company. Accordingly, the reporting requirements under clause 3(xii) of the Order are not applicable.
- xiii. According to the information and explanations given to us and based on the records of the Company examined by us, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and the details thereof have been duly disclosed in Note 38 to the standalone financial statements as required by the applicable accounting standard.

- xiv. According to the information and explanations given to us and based the records of the Company examined by us, the company has not made any preferential allotment / private placement of shares or fully or partially convertible debentures during the year under review and hence the requirements of Section 42 of the Act are not Applicable.
- xv. According to the information and explanations given to us and based the records of the Company examined by us, the company has not entered into any non-cash transactions with directors or persons connected with the directors. Accordingly, the reporting requirements under clause 3(xv) of the Order is not applicable.
- xvi. According to the information and explanations given to us and the records of the Company examined by us, the company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the reporting requirement under clause 3(xvi) of the Order is not applicable.

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

P R PRASANNA VARMA

Partner
Membership Number : 025854

Place : Chennai
Date : May 17, 2017

Annexure 'B' the Independent Auditor's Report

Referred to in paragraph 2(F) under the heading "Report on Other Legal And Regulatory Requirements" of our Independent Audit Report of even date on the Standalone Financial Statements of Rane Brake Lining Limited for the year ended March 31, 2017.

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, 2017 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, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **VARMA & VARMA**

Chartered Accountants

Firm Registration Number : 0045325

P R PRASANNA VARMA

Partner

Membership Number : 025854

Place : Chennai

Date : May 17, 2017

Balance Sheet

as at March 31, 2017

(₹ in Crores)

Particulars	Note	As at March 31, 2017	As at March 31, 2016
I. EQUITY AND LIABILITIES			
(1) Shareholders' Funds			
(a) Share Capital	3	7.91	7.91
(b) Reserves and Surplus	4	159.02	130.02
(2) Non-Current Liabilities			
(a) Long-term borrowings	5	-	4.66
(b) Deferred tax liabilities (Net)	6	4.12	6.00
(c) Other Long - term liabilities	7	0.41	0.41
(d) Long-term provisions	8	3.42	3.27
(3) Current Liabilities			
(a) Short-term borrowings	9	5.99	16.83
(b) Trade payables	10	84.59	70.44
(c) Other current liabilities	11	10.09	12.44
(d) Short-term provisions	12	3.53	3.90
Total		279.08	255.88
II. ASSETS			
(1) Non-current assets			
(a) Fixed assets			
(i) Property, Plant and Equipment (Tangible assets)	13	119.99	104.14
(ii) Intangible assets	14	0.14	0.18
(iii) Capital work-in-progress		0.42	1.84
(b) Non-current Investment	15	0.37	0.37
(c) Long-term loans and advances	16	16.00	11.38
(d) Other non-current assets	17	0.31	0.45
(2) Current assets			
(a) Inventories	18	35.52	30.92
(b) Trade receivables	19	100.65	99.44
(c) Cash and Bank balances	20	1.28	1.93
(d) Short-term loans and advances	21	3.93	4.86
(e) Other current assets	22	0.47	0.37
Total		279.08	255.88
Summary of Significant accounting policies	2		

The accompanying Notes are an integral part of the financial statements

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

For VARMA & VARMA

Chartered Accountants

Firm Registration Number : 004532S

P R PRASANNA VARMA

Partner

(Membership Number : 025854)

Place: Chennai

Date: May 17, 2017

L GANESH

Chairman

M A P SRIDHAR KUMAR

Chief Financial Officer

For and on behalf of the Board

VINAY LAKSHMAN

Managing Director

VENKATRAMAN

Secretary

Profit and Loss Statement

for the year ended March 31, 2017

(₹ in Crores)

Particulars	Note	Year ended March 31, 2017	Year ended March 31, 2016
I. Revenue from operations (Gross)	25	554.14	509.28
Less : Excise Duty (Refer Note 32(a))		66.66	60.86
Revenue from Operations (Net)		487.48	448.42
II. Other Income	26	4.48	3.22
III. Total Revenue (I +II)		491.96	451.64
IV. Expenses :			
Cost of materials consumed	27	226.72	209.75
Purchase of Stock-in-trade		0.04	0.04
Changes in inventories of Finished Goods, Work-in-progress and Stock-in-Trade	28	(2.35)	(2.32)
Employee benefits expense	29	66.87	70.07
Finance costs	30	0.76	3.26
Depreciation and amortisation expense	31	19.50	18.91
Other expenses	32	123.35	116.45
Total Expenses		434.89	416.16
V. Profit before tax before exceptional item (III - IV)		57.07	35.48
VI. Exceptional Items	33	14.71	-
VII. Profit before tax (V - VI)		42.36	35.48
VIII. Tax Expense:			
(1) Current Tax		9.80	13.95
(2) Minimum Alternative Tax Credit		(0.20)	-
(3) Tax relating to earlier years		(0.07)	(0.07)
(4) Deferred Tax		(1.89)	(4.16)
IX. Profit / (Loss) for the period (VII - VIII)		34.72	25.76
X. Earnings per equity share: (Nominal Value per share: ₹ 10)			
(1) Basic (in ₹)	37	43.86	32.54
(2) Diluted (in ₹)	37	43.86	32.54
Summary of Significant Accounting Policies	2		

The accompanying Notes are an integral part of the financial statements
This is the Profit and Loss Statement referred to in our report of even date.

For VARMA & VARMA

Chartered Accountants

Firm Registration Number : 004532S

P R PRASANNA VARMA

Partner

(Membership Number : 025854)

Place: Chennai

Date: May 17, 2017

L GANESH

Chairman

M A P SRIDHAR KUMAR

Chief Financial Officer

For and on behalf of the Board**VINAY LAKSHMAN**

Managing Director

VENKATRAMAN

Secretary

Cash Flow Statement

for the year ended March 31, 2017

(₹ in Crores)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
(A) CASH FLOW FROM OPERATING ACTIVITIES		
Profit before Tax	42.36	35.48
Adjustment for:		
Depreciation / Amortisation	19.50	18.91
Interest Charges	0.46	2.97
Profit / (Loss) on Property, Plant and Equipment (Tangible assets) sold	0.33	0.33
Interest income from deposits	(0.71)	(0.25)
Operating profit before Working Capital Changes	61.94	57.44
Changes in working capital:		
(Increase) / Decrease in Inventories	(4.60)	(3.71)
(Increase) / Decrease in Trade Receivables	(0.83)	(10.68)
(Increase) / Decrease in Loans and Advances	(3.67)	(1.99)
(Increase) / Decrease in Other Current Assets	-	-
Increase / (Decrease) in Trade and other payables	17.45	21.57
Cash generated from operations	70.29	62.63
Income Taxes Paid (Net of refunds)	(9.62)	(10.39)
Net Cash generated from Operating Activities	60.67	52.24
(B) CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Property, Plant and Equipment (Tangible) / intangible assets	(34.24)	(7.78)
Sale proceeds of Property, Plant and Equipment (Tangible) / intangible assets	0.03	0.02
Purchase of investments	-	-
Interest received	(0.61)	(0.21)
Net Cash used in Investing Activities	(33.60)	(7.55)

(₹ in Crores)

Particulars		Year ended March 31, 2017	Year ended March 31, 2016
(C)	CASH FLOW FROM FINANCING ACTIVITIES		
	Increase / (Decrease) in long term loans (net)	(4.60)	(13.10)
	Increase / (Decrease) in A.P Government Sales tax deferral Scheme	(4.96)	(0.34)
	Increase / (Decrease) in Fixed Deposits	(0.41)	(3.32)
	Proceeds from / (Repayment) of Short term loans	(5.50)	(2.50)
	Increase / (Decrease) in Cash credit, Packing credit and Buyers credit	(5.34)	5.18
	Increase / (Decrease) in Commercial Paper	-	(9.79)
	Dividend and Dividend tax paid	(5.77)	(16.18)
	Interest paid	(0.84)	(4.04)
	Net Cash from Financing Activities	(27.42)	(44.09)
	Net Increase / (Decrease) in Cash and Cash Equivalents (A + B + C)	(0.35)	0.60
(D)	Cash and Cash Equivalents at the Beginning of the Year	1.20	0.60
(E)	Cash and Cash Equivalents at the End of the Year	0.85	1.20
Note : Cash and Cash Equivalents comprise of :			
	Cash on hand	0.05	0.06
	Bank Balances	0.80	1.14

The accompanying Notes are an integral part of the financial statements

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

For VARMA & VARMA

Chartered Accountants

Firm Registration Number : 004532S

P R PRASANNA VARMA

Partner

(Membership Number : 025854)

Place: Chennai

Date: May 17, 2017

L GANESH

Chairman

M A P SRIDHAR KUMAR

Chief Financial Officer

For and on behalf of the Board

VINAY LAKSHMAN

Managing Director

VENKATRAMAN

Secretary

Notes forming part of the financial statements

1. General Information

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

2. Summary of Significant accounting policies

2.1 Basis of Preparation

The financial statements are prepared under historical cost convention in accordance with the Generally Accepted Accounting Principles in India and comply in all material respects with the accounting standards specified under the section 133 of the Act, as amended, read with rule 7 of the Companies (Accounts) Rules, 2014.

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

2.2 Use of Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in India requires the management to make estimates and assumptions that affect the reported amount of assets and liabilities as of the Balance Sheet date, reported amount of revenues and expenses for the year and disclosure of contingent liabilities as of the Balance Sheet date.

Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about the assumptions and estimates may result in outcomes requiring a material adjustment to the carrying amount of assets or liabilities in future periods. Difference between actual results and estimates are recognised in the Profit and Loss Statement in the year in which the results are known / materialised.

2.3 Fixed Assets & Depreciation

Property, Plant & Equipment (Tangible Assets)

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 for 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 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 a subsequent review is different from that envisaged in the aforesaid schedule, depreciation is provided at such a rate based on the useful life / remaining useful life as technically advised. Accordingly, depreciation is provided based on the useful life indicated below which is different from that stated in Schedule II to the Companies, Act, 2013.

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

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

Depreciation methods, useful lives and residual values are reviewed at each financial year end.

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
Software licence	3
Technical Know how	3

2.5 Impairment

Assessment is done at each Balance Sheet date as to whether there is any indication that an asset (Property, Plant and Equipment (Tangible asset) and intangible asset) may be impaired. For the purpose of assessing impairment, the smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets, is considered as a cash generating unit. If any such indication exists, an estimate of the recoverable amount of the asset / cash generating unit is made. Assets whose carrying value exceeds their recoverable amount are written down to the recoverable amount. Recoverable amount is higher of an asset's or cash generating unit's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. Assessment is also done at each Balance Sheet date as to whether there is any indication that an impairment loss recognised for an asset in prior accounting periods may no longer exist or may have decreased.

2.6 Borrowing Cost

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

2.7 Inventories

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

2.8 Foreign Currency Transaction

Initial Recognition

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

Subsequent Recognition

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

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

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

Forward Exchange Contracts

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

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

2.9 Revenue Recognition

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

2.10 Other Income

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

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

2.11 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 or termination of employment, of an amount based on the respective employee's salary and the tenure of employment. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses / gains are recognised in the Profit and Loss Statement in the year in which they arise

4. Other Long term employee benefits

Compensated Absence

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

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

2.12 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.

Deferred tax is recognised for all the timing differences, subject to the consideration of prudence in respect of deferred tax assets. Deferred tax assets are recognised and carried forward only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date. At each Balance Sheet date, the Company re-assesses unrecognised deferred tax assets, if any.

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

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

2.13 Investments

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

2.14 Research & Development Expenditure

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

2.15 Provisions and Contingent Liabilities

Provisions : Provisions are recognised when there is a present obligation as result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle

the obligation and there is a reliable estimate of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance Sheet date and are not discounted to its present value

Contingent Liabilities : Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made..

2.16 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.

2.17 Dividend

The final dividend on shares is recorded as a liability on the date of approval by shareholders and interim dividends are recorded as a liability on the date of declaration by company's Board of Directors.

(₹ in Crores)

	As at March 31, 2017	As at March 31, 2016
3. Share Capital		
3.1 Authorised		
10,000,000 (March 31, 2016 : 10,000,000) equity shares of ₹ 10 each	10.00	10.00
Issued		
7,914,980 (March 31, 2016 : 7,914,980) equity shares of ₹ 10 each	7.91	7.91
Issued, Subscribed and Paid up		
7,914,980 (March 31, 2016 : 7,914,980) equity shares of ₹ 10 each	7.91	7.91
3.2 Reconciliation of number of shares		
Equity Shares		
Balance as at the beginning of the year		
Number of Shares	7,914,980	7,914,980
Value of shares (₹ in Crores)	7.91	7.91
Balance as at the end of the year		
Number of Shares	7,914,980	7,914,980
Value of shares (₹ in Crores)	7.91	7.91
3.3 Rights, preferences and restrictions attached to Shares		
Equity Shares : The Company has one class of equity shares having a par value of ₹ 10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.		
3.4 Shares held by holding company		
3,648,311 shares (March 31, 2016 : 3,648,311 shares) of ₹ 10 each, fully paid up held by Rane Holdings Limited, the Holding Company	3.65	3.65

3.5 Details of shares held by shareholders holding more than 5% of the aggregate shares in the company

Equity Shares in Numbers		
Rane Holdings Limited	3,648,311	3,648,311
	(46.09%)	(46.09%)
Nisshinbo Holdings Inc.	1,595,249	1,595,249
	(20.15%)	(20.15%)
United India Insurance Company Ltd.	479,030	479,030
	(6.05%)	(6.05%)

(₹ in Crores)

	As at March 31, 2017	As at March 31, 2016
4 Reserves and Surplus		
4.1 Securities Premium Account		
Balance as at the beginning of the year	2.80	2.80
Balance as at the end of the year	2.80	2.80
4.2 General Reserve		
Balance as at the beginning of the year	117.69	104.32
Add : Transferred from surplus in Profit and Loss Statement	-	13.37
Balance as at the end of the year	117.69	117.69
4.3 Surplus in Profit and Loss Statement		
Balance as at the beginning of the year	9.53	6.67
Profit for the year	34.72	25.76
Less : Appropriations		
Interim dividend on the Equity Shares	4.75	7.91
Dividend distribution tax on Interim dividend on Equity Shares	0.97	1.62
Transfer to General Reserve	-	13.37
Balance as at the end of the year	38.53	9.53
Total	159.02	130.02

4.3.a The Board of Directors, in the meeting held on May 17, 2017, have recommended a final dividend of ₹ 9 Per Share amounting to ₹ 712 Crores on Equity Shares of ₹ 10/- each for the year 2016-17, subject to the approval of the Shareholders. Dividend Distribution Tax on the same amounts to ₹ 1.45 Crores. This final dividend on shares will be recorded as a liability on the date of approval by the Shareholders.

(₹ in Crores)

	As at March 31, 2017	As at March 31, 2016
5 Long -term borrowings		
5.1 Secured		
Term Loans :		
From a Bank	-	-
Foreign Currency Loans from Banks	-	-

	As at March 31, 2017	As at March 31, 2016
5.2 Unsecured		
Fixed Deposits (Refer Note 5.5)	-	-
Deferred Sales Tax Loan	-	4.66
Total	-	4.66

5.3 Nature of Security and terms of repayment for secured borrowings

Nature of Security	Terms of Repayment
i. Term loan from a Bank (including repayable within one year classified in Note 11 other current liabilities) amounting to ₹ Nil (March 31, 2016 : ₹ 4.60 Crs) are secured by paripasu basis first charge on the company's immovable properties both present and future and also secured by hypothecation of company's movable properties both present and future.	Repayable in 16 equal quarterly instalments from January 20, 2013 along with interest rate of 7.25%

5.4 Terms of Repayment for unsecured borrowings

Nature of Security	Terms of Repayment
(i) Deferred Sales Tax Loan - Government of Andhra Pradesh, Commissionerate of Industries issued to the Company Eligibility Certificate No.20/2/8/1551 dated 27th January 1999 for deferral of sales tax beyond the base sales turnover of ₹ 21 Crores for a period of 14 years i.e. from 01.07.1998 to 30.06.2012 which would be treated as interest free loan. The Sales tax deferred for the period from January 1, 1999 to March 31, 2012 aggregating ₹ Nil (March 31, 2016 : ₹ 4.96 Crs) has been classified as Unsecured Loan under Long Term Borrowings and current maturities classified under Note 11 Other Current Liabilities.	The sales tax deferral loan is settled during the year at a discounted value as per the scheme introduced by Government of Telangana vide G.O. Ms. No. 178, Revenue (Commercial Taxes - II), dated 30 th June 2016.

(₹ in Crores)

	As at March 31, 2017	As at March 31, 2016
5.5 Includes Fixed Deposits		
- held by Directors	-	-
- held by Relatives	-	0.05
6 Deferred Tax Liabilities (Net)		
Deferred Tax Liabilities		
Difference between WDV of Fixed Assets as per books and as per Income Tax Act	15.06	11.54
Provision for expenses allowable on payment basis	2.22	2.31
Other timing differences	8.72	3.23
Total	4.12	6.00

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

(₹ in Crores)

	As at March 31, 2017	As at March 31, 2016
7 Other Long-term Liabilities		
Trade Deposits	0.04	0.04
Others	0.37	0.37
	0.41	0.41

(₹ in Crores)

	As at March 31, 2017	As at March 31, 2016
8 Long-term Provisions		
Provision for Employee Benefits		
Provision for Compensated absences	2.96	2.97
Other Provisions		
Provision for Warranty	0.46	0.30
Total	3.42	3.27

(₹ in Crores)

	As at March 31, 2017	As at March 31, 2016
9 Short-term Borrowings		
Secured		
Working Capital Loans repayable on demand from banks (Refer Note (a) & (b))	0.00	4.58
Short-term Loans repayable on demand from bank (Refer Note (b))	-	5.50
Buyers Credit / Packing Credit Facility (Refer Note (a) & (b))	5.99	6.75
Total	5.99	16.83

(a) Working Capital Loans, Buyers credit and PCFC, from 6 (March 31, 2016 - 6) banks, are secured on pari passu basis by way of hypothecation of all inventories, book debts and other current assets of the Company. Amount outstanding is ₹ 40,000 which is below the rounding off norms adopted by the company

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

(₹ in Crores)

	As at March 31, 2017	As at March 31, 2016
10 Trade Payables		
Trade Payables		
- Due to Micro and Small Enterprises	4.44	1.46
- Others	80.15	68.98
Total	84.59	70.44

(₹ in Crores)

	As at March 31, 2017	As at March 31, 2016
11 Other Current Liabilities		
Current Maturities of Long-term debt		
- Term Loan repayable within one year (Refer note 5.3)	-	4.60
- Fixed Deposits repayable within one year	-	0.91
- Deferred Sales Tax Loan repayable within one year	-	0.30
Interest accrued but not due on borrowings	0.02	0.45
Advance received from customers	0.65	0.27
Unpaid dividends (Refer note (a) below)	0.17	0.12
Statutory dues including Provident Fund and Tax deducted at Source	5.04	4.45
Creditors for Capital Goods	3.86	0.98
Others	0.35	0.36
Total	10.09	12.44

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

(₹ in Crores)

	As at March 31, 2017	As at March 31, 2016
12 Short Term Provisions		
Provision for Employee benefits		
Provision for Compensated absence	1.18	1.40
Provision for gratuity	1.36	1.93
Other provisions		
Provision for Warranty (Refer Note below)	0.99	0.57
Total	3.53	3.90

Warranty Provisions	Warranty - Short Term		Warranty - Long Term	
	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016
Balance as at the beginning of the year	0.57	0.12	0.30	0.19
Additions / Transfers	0.77	0.57	0.23	0.22
Amounts used / Transfers	0.35	-	0.07	0.11
Unused amounts reversed	-	0.12	-	-
Balance as at the end of the year	0.99	0.57	0.46	0.30

Note No. 13 & 14 : Property, Plant and Equipment (Tangible Assets) & Intangible Assets and Capital Work in Progress

Description	Gross Block - At cost				Depreciation			Net Block	
	April 1, 2016	Additions	Disposal	March 31, 2017	April 1, 2016	For the year	Disposals / Adjustments	March 31, 2017	March 31, 2016
13 Property, Plant and Equipment (Tangible Assets)									
Own Assets									
Land	3.77	0.69	-	4.46	-	-	-	4.46	3.77
Buildings	43.76	2.72	-	46.48	13.41	1.40	-	31.67	30.35
Plant and Equipment	43.56	0.23	0.03	43.76	12.06	1.36	0.01	30.35	31.49
Furniture and Fixtures	224.06	30.89	2.48	252.47	155.50	17.15	2.14	81.96	68.56
Vehicles	228.31	5.21	9.46	224.06	148.03	16.63	9.16	68.56	80.28
Office Equipment	1.46	0.02	0.10	1.38	1.12	0.14	0.09	0.21	0.34
	1.60	0.02	0.16	1.46	1.10	0.15	0.13	0.34	0.50
	0.98	0.36	-	1.34	0.56	0.17	-	0.61	0.42
	0.57	0.41	-	0.98	0.47	0.09	-	0.42	0.10
	4.80	0.93	0.44	5.29	4.10	0.54	0.43	1.08	0.70
	7.46	0.50	3.16	4.80	6.70	0.56	3.16	0.70	0.76
Total	278.83	35.61	3.02	311.42	174.69	19.40	2.66	119.99	104.14
Previous year	285.27	6.37	12.81	278.83	168.36	18.79	12.46	104.14	116.90
14 Intangible Assets									
Own Assets (Acquired)									
Software Licence	1.62	0.05	-	1.67	1.43	0.10	-	0.14	0.18
Technical Knowhow	1.47	0.15	-	1.62	1.31	0.12	-	0.18	0.18
Others	1.78	-	-	1.78	1.78	-	-	0.00	0.00
Goodwill	1.78	-	-	1.78	1.78	-	-	0.00	0.00
	1.62	-	-	1.62	1.62	-	-	0.00	0.00
	1.62	-	-	1.62	1.62	-	-	0.00	0.00
Total	5.02	0.05	-	5.07	4.83	0.10	-	0.14	0.18
Previous year	4.87	0.15	-	5.02	4.71	0.12	-	0.18	0.18
Capital Work in Progress									
Previous year								0.42	1.84
								1.84	0.58

(₹ in Crores)

	As at March 31, 2017	As at March 31, 2016
15 Non-current Investment		
15.1 Un Quoted (Trade)		
Investment in Equity instruments	0.37	0.37
(TCW Renewable Energy India Pvt. Ltd., 408,969 shares - Face value of ₹ 10/- for a consideration of ₹ 9.02 each)		
Total	0.37	0.37

(₹ in Crores)

	As at March 31, 2017	As at March 31, 2016
16 Long-Term Loans and Advances		
Unsecured, considered good		
Capital Advances	1.36	0.02
Security Deposits	0.57	0.18
Other Deposits (Refer note (c))	7.86	5.32
Income Tax (Refer note (a))	0.96	1.20
Fringe benefits tax	0.05	0.05
Minimum Alternative Tax Credit	1.62	1.35
Rent Advance (Refer note (b))	0.14	0.13
Other loans and advances		
Balance with Government Authorities	0.11	0.11
Balance with Electricity Board	3.33	3.02
Unsecured, considered doubtful		
Capital Advances	0.20	-
Less : Provision	(0.20)	-
Total	16.00	11.38

(a) Net of provision for taxes ₹ 91.05 Crs (March 31, 2016 : ₹ 81.25 Crs)

(b) Includes rent deposit paid to a director - ₹ 0.12 Crs (March 31, 2016 : ₹ 0.12 Crs)

(c) Includes Sales tax and Excise deposit

(₹ in Crores)

	As at March 31, 2017	As at March 31, 2016
17 Other Non current assets		
Unsecured, considered good (unless otherwise stated)		
Long term deposits with banks with maturity period more than 12 months (Refer note (a))	0.14	0.34
Other Bank Balances		
Unpaid dividend account	0.17	0.11
Interest Warrant Account (Refer note (b))	-	0.00
Total	0.31	0.45

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

(b) Amount is ₹ .Nil (March 31 2016 : ₹ 21,627) below the rounding off norm adopted by the Company

		(₹ in Crores)	
		As at March 31, 2017	As at March 31, 2016
18	Inventories		
	Stores and Spares	1.77	1.61
	Raw Materials (includes in transit : ₹ 2.87 Crores, March 31, 2016 : ₹ 1.99 Crores)	19.04	16.95
	Work-in-Progress	4.74	3.74
	Finished Goods	9.97	8.62
	Total	35.52	30.92
	(a) Details of Inventory		
	(i) Finished Goods		
	Brake Linings	5.69	5.12
	Disc Pads	3.18	2.63
	Clutch Facings	0.42	0.39
	Railway Brake Blocks	0.02	0.01
	Others	0.66	0.47
	Total	9.97	8.62
	(ii) Details of Work in progress		
	Brake Linings	2.22	2.02
	Disc Pads	2.00	1.34
	Clutch Facings	0.09	0.18
	Railway Brake Blocks and Others	0.43	0.20
	Total	4.74	3.74

18.1 Method of Valuation of Inventory : Refer Note 2.7 of Significant Accounting Policies

		(₹ in Crores)	
		As at March 31, 2017	As at March 31, 2016
19	Trade Receivables		
	Unsecured Considered good		
	Outstanding for a period exceeding 6 months from the date they are due for payment	-	-
	Others	100.65	99.44
	Unsecured Considered Doubtful		
	Outstanding for a period exceeding 6 months from the date they are due for payment	1.54	0.48
	Others	1.55	0.20
	Less : Provision for Doubtful debts	(3.09)	(0.68)
	Total	100.65	99.44

(₹ in Crores)

	As at March 31, 2017	As at March 31, 2016
20 Cash and Bank Balances		
Cash and Cash Equivalents		
Cash on hand	0.05	0.06
Bank Balances		
In Current Accounts	0.80	1.14
	0.85	1.20
Other Bank Balances		
Demand deposits (less than 3 months maturity)	0.34	0.66
Long term deposit with maturity more than 3 months but less than 12 months (Refer note (a) below)	0.09	0.07
Total	1.28	1.93

(a) Held as margin by bank against bank guarantees

(b) For specified bank notes please refer note 40

(₹ in Crores)

	As at March 31, 2017	As at March 31, 2016
21 Short Term Loans and Advances		
Unsecured, considered good, unless otherwise stated		
Advances Recoverable in Cash or in Kind		
Other loans and advances		
- Balance with Government Authorities	0.83	0.17
- Others	1.72	3.80
Prepaid Expenses	1.38	0.89
Total	3.93	4.86

(₹ in Crores)

	As at March 31, 2017	As at March 31, 2016
22 Other Current Assets		
Unsecured, considered good, unless otherwise stated		
Interest accrued on Deposits	0.47	0.37
Total	0.47	0.37

(₹ in Crores)

	As at March 31, 2017	As at March 31, 2016
23 Contingent Liabilities		
Claims against the company not acknowledged as debt		
Income Tax matters	5.51	6.89
Sales Tax matters	5.92	2.83
Excise Duty matters	0.86	0.84
Service Tax matters	1.72	1.99
Total	14.01	12.55

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

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

(₹ in Crores)

	As at March 31, 2017	As at March 31, 2016
24 Capital and other Commitments		
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advance)	9.75	13.58
(b) Export obligation in respect of capital goods imported on payment of concessional duty	13.95	-

(₹ in Crores)

	As at March 31, 2017	As at March 31, 2016
25 Revenue		
Sale of products (Gross)		
Finished goods	553.36	508.74
Other Operating revenues		
Sale of Materials	0.04	0.04
Scrap Sales	0.74	0.50
Revenue from Operations (Gross)	554.14	509.28
Less: Excise duty	66.66	60.86
Revenue from Operations (Net)	487.48	448.42
(a) Details of Sales (Finished goods)		
Brake Linings	225.94	214.74
Disc Pads	223.16	186.37
Clutch Facings	7.49	8.53
Railway Brake Blocks	17.27	26.37
Others	13.58	12.37
Sales (net)	487.44	448.38
(b) Details of sales (Traded goods)		
Raw Materials	0.04	0.04
Total	0.04	0.04

(₹ in Crores)

	Year ended March 31, 2017	Year ended March 31, 2016
26 Other Income		
Interest Income	0.68	0.69
Dividend Income	0.12	0.02
Provision / Liabilities written back to the extent no longer required	0.76	1.66
Profit on Sale of Asset (Net)	0.00	(0.02)
Other non-operating income - Net	2.92	0.87
Total	4.48	3.22

Profit on Sale of Asset (Net) as on March 31,2017 is ₹ 24,013 which is below the rounding off norms adopted by the company.

(₹ in Crores)

	Year ended March 31, 2017	Year ended March 31, 2016
27 Cost of materials Consumed		
Raw materials and components consumed		
Opening Inventory	16.95	15.46
Add : Purchases	215.82	202.14
Less : Inventory at the end of the year	16.17	16.95
Total	216.60	200.65
Freight Inward	5.31	4.59
Job Work Expenses	4.81	4.51
Grand Total	226.72	209.75

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

The consumption is inclusive of Exchange rate fluctuation. Refer Note 34(g)(iii)

(₹ in Crores)

	Year ended March 31, 2017	Year ended March 31, 2016
28 Changes in inventories of Finished Goods, Work-in-progress and Stock-in-Trade		
(Increase) / decrease in stocks		
Stock at the beginning of the year :		
Finished Goods	8.62	6.26
Work-in-progress	3.74	3.78
Total- A	12.36	10.04
Stock at the end of the year :		
Finished Goods	9.97	8.62
Work-in-progress	4.74	3.74
Total - B	14.71	12.36
(Increase) / Decrease in Stocks (A - B)	(2.35)	(2.32)

		(₹ in Crores)	
		Year ended March 31, 2017	Year ended March 31, 2016
29	Employee Benefit Expenses		
	Salaries, Wages and Bonus	53.12	56.20
	Contribution to Provident and Other Funds	3.70	3.65
	Gratuity (Refer note (b) below)	1.36	1.93
	Staff Welfare Expenses	8.69	8.29
	Total	66.87	70.07

(a) Defined Contribution Plans

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

		(₹ in Crores)	
		Year ended March 31, 2017	Year ended March 31, 2016
	Employers contribution to Provident Fund	3.16	3.16
	Employers contribution to Employee's State Insurance	0.24	0.16
	Employers contribution to Superannuation Fund	0.28	0.33

(b) Defined benefit Plans (Funded)

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

		(₹ in Crores)	
		As at March 31, 2017	As at March 31, 2016
		Gratuity	
(i) Present value of Defined benefit obligation			
	Balance at the beginning of the year	14.37	12.45
	Current service cost	1.00	0.92
	Interest cost	0.98	0.94
	Actuarial (gain) / loss	0.42	0.98
	Benefits paid	(4.20)	(0.92)
	Balance at the end of the year	12.57	14.37
(ii) Fair Value of plan assets			
	Balance at the beginning of the year	12.43	10.45
	Expected return on plan assets	1.00	0.97
	Actuarial gain / (loss) on plan assets	0.04	(0.07)
	Contribution by the company	1.95	2.00
	Benefits Paid	(4.22)	(0.92)
	Balance at the end of the year	11.21	12.43
(iii) Assets and Liabilities recognised in the Balance sheet			
	Present value of Defined Benefit obligation	12.57	14.37
	Less : Fair Value of Plan Assets	(11.21)	(12.43)
	Amounts recognised as liability	1.36	1.94
	Recognised under :		
	Long Term Provision	-	-
	Short Term Provision	1.36	1.94
	Current Liabilities	-	-
	Total	1.36	1.94
(iv) Expense recognised in the Profit and Loss Statement			
	Current service cost	1.00	0.92
	Interest cost	0.98	0.94
	Expected return on plan assets	(1.00)	(0.97)
	Actuarial (gain) / loss recognised in the year	0.38	1.05
	Total Expense	1.36	1.94

(₹ in Crores)

	Year ended				
	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013
(v) Actuarial Assumptions					
Discount rate	7.20%	8.00%	7.80%	9.20%	8.00%
Expected return on plan assets	8.20%	8.85%	8.85%	8.85%	9.30%
Salary Growth rate	8.00%	8.00%	8.00%	8.00%	8.00%
Attrition rate	1.80%	1.80%	2.83%	1.50%	1.50%
(vi) Amounts recognised in current year and previous four years					
Gratuity					
Defined Benefit Obligation	12.57	14.36	12.46	9.74	10.00
Plan Assets	11.21	12.43	10.46	10.49	9.22
Surplus / (Deficit)	1.36	1.93	2.00	(0.75)	0.78

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

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

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

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

Assumptions	Year ended March 31, 2017	Year ended March 31, 2016
Discount Rate	7.20%	8.00%
Salary escalation rate	8.00%	8.00%
Attrition rate	1.80%	1.80%

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

(₹ in Crores)

	Year ended March 31, 2017	Year ended March 31, 2016
30. Finance Costs		
Interest Expense		
Term Loans	0.21	1.22
Fixed Deposits	0.03	0.26
Working Capital Loans	0.22	1.49
Other borrowing costs	0.30	0.29
Total	0.76	3.26

(₹ in Crores)

	Year ended March 31, 2017	Year ended March 31, 2016
31 Depreciation and Amortisation Expense (Refer note 13 & 14)		
Depreciation on Property, Plant and Equipment (Tangible assets)	19.40	18.79
Amortisation on Intangible assets	0.10	0.12
Total	19.50	18.91

(₹ in Crores)

	Year ended March 31, 2017	Year ended March 31, 2016
32 Other Expenses		
Consumption of Stores and Spare parts	6.69	6.54
Excise Duty (Refer note (a) below)	0.17	0.32
Power and fuel	24.44	23.86
Rent	0.11	0.11
Repairs & Maintenance		
Buildings	0.50	0.47
Machinery	8.19	7.75
Others	3.79	3.66
Insurance	0.73	0.67
Rates and taxes	1.23	1.41
Travelling and Conveyance	5.17	4.34
Professional Charges	6.96	9.23
Royalty and Technical Fees	5.17	4.33
Freight Outward	11.62	10.55
Packing and Forwarding	8.53	8.15
Advertisement and Sales Promotion	3.70	3.55
Discount and Incentive	22.82	21.61
Product Warranty	0.96	0.57
Trade Mark Fee	2.58	2.35
Provision for Doubtful advances	0.20	-
Provision for Bad & Doubtful debts	2.58	0.32
Directors' Sitting Fees	0.17	0.18
Donation	0.42	0.31
Auditors' Remuneration - Refer Note 32.1 below	0.17	0.15
Miscellaneous Expenses	6.45	6.02
Total	123.35	116.45

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

(₹ in Crores)

	Year ended March 31, 2017	Year ended March 31, 2016
32.1 Auditors' Remuneration		
a. Audit fee	0.09	0.09
b. Tax Audit Fee	0.02	0.01
c. Other services	0.06	0.05
d. Reimbursement of expenses	-	-
Total	0.17	0.15

32.2 The company has incurred an amount of ₹ 0.51 Crs (March 31, 2016 : ₹ 0.35 Crs) towards corporate social responsibility activities, during the current year ended March 31, 2017.

(₹ in Crores)		
	Year ended March 31, 2017	Year ended March 31, 2016
33 Exceptional Items		
Voluntary retirement scheme (Refer note (a) below)	14.71	-
Total	14.71	-

(a) Exceptional item represents the amount paid to 107 employees who have opted for early retirement in terms of a Voluntary Retirement Scheme introduced by the Company during the year

(₹ in Crores)		
	Year ended March 31, 2017	Year ended March 31, 2016
34 ADDITIONAL INFORMATION TO THE FINANCIAL STATEMENTS		
a) Raw materials consumed		
i) Asbestos	12.97	14.57
ii) Chemicals & Resins	152.83	142.24
iii) Steel Components	50.80	43.84
iv) Others	-	-
	216.60	200.65
b) CIF Value of imports		
i) Raw materials	102.04	89.41
ii) Components and Spare parts	-	-
iii) Capital goods	20.73	0.22
	122.77	89.63
c) Expenditure in foreign currency		
i) Royalty	5.17	4.33
ii) Technical Fees	1.49	1.88
iii) Travelling	0.07	0.01
iv) Sales Commission	0.57	0.64
v) Professional and Consultancy Charges	0.57	0.85
vi) Others	0.18	0.56
	8.05	8.27

	Year ended			
	March 31, 2017		March 31, 2016	
	Value (₹ in Crores)	Percentage	Value (₹ in Crores)	Percentage
d) Value of imported and indigenous raw materials, components and spares consumed and percentage of each to the total consumption:				
i) Raw Materials				
a) Imported	102.42	46%	95.71	46%
b) Indigenous	114.18	51%	104.94	51%
ii) Stores and Spare Parts				
a) Imported	-	-	-	-
b) Indigenous	6.69	3%	6.54	3%
Total	223.29	100%	207.19	100.00%

Particulars	Year ended					
	March 31, 2017			March 31, 2016		
	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)
e) Amount remitted in foreign currencies towards dividends during the year :						
Interim Dividend paid during the year	1	1,595,249	0.96	1	1,595,249	1.60
Final Dividend paid during the year	1	1,595,249	-	1	1,595,249	1.12
						(₹ in Crores)
				Year ended March 31, 2017	Year ended March 31, 2016	
f) Earnings in foreign currency						
FOB Value of exports				24.77	26.87	
				24.77	26.87	
						(₹ in Crores)
				Year ended March 31, 2017	Year ended March 31, 2016	
g) Other Financial Information						
i. Outstanding Bank Guarantees				2.45	2.91	
ii. Outstanding Letter of Credit				1.31	1.27	
iii. Net exchange difference debited to Profit and Loss Statement				0.66	(0.14)	
				4.42	4.04	
						(₹ in Crores)
				Year ended March 31, 2017	Year ended March 31, 2016	
h) Research and Development Cost						
i. Capital Expenditure				11.91	0.31	
ii. Revenue Expenditure				7.64	8.64	
				19.55	8.95	

35. Dues to micro and small enterprises

Dues to Micro Small & Medium Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Company. This has been relied upon by the auditors. According to the records available with the Company certain amount have been identified as dues to suppliers 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)	
		As at March 31, 2017	As at March 31, 2016
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end		4.44	1.46
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end		-	-
Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year		13.43	4.61
Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year		-	-
Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year		-	-
Interest due and payable towards suppliers registered under MSMED Act, for payments already made		0.04	0.02
Further interest remaining due and payable for earlier years		-	-

36. Segment Reporting

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

		(₹ in Crores)	
		As at March 31, 2017	As at March 31, 2016
37	Earnings per Share		
(a)	Basic		
	Profit after tax	34.72	25.76
	Adjusted net profit for the year	A 34.72	25.76
	Weighted average number of shares outstanding	B 7,914,980	7,914,980
	Basic EPS	A / B 43.86	32.54
(b)	Diluted		
	Diluted EPS	43.86	32.54
	Face value per share (₹)	10.00	10.00

38 Related Party Disclosures		
(a)	Names of related parties and nature of relationship :	
(i)	Holding Company	Rane Holdings Limited (RHL)
(ii)	Fellow subsidiaries	Rane (Madras) Limited (RML) Rane Engine Valve Limited (REVL) Rane Holdings America Inc. (RHAI)
(iii)	Significant influence	Nisshinbo Holdings Inc. (NHI)
(iv)	Key Management Personnel (KMP)	Mr. L Ganesh, Chairman Mr. Vinay Lakshman, Managing Director
(v)	Relatives of KMP (L.Ganesh & Vinay Lakshman)	Mrs. Meenakshi Ganesh, Mr. Aditya Ganesh, Mrs. Aparna Ganesh, Mr. L Lakshman, Mrs. Pushpa Lakshman, Mr. Harish Lakshman, Mrs. Priya Vinay Lakshman, Ms. Mantra Vinay Lakshman, Ms. Shloka Vinay Lakshman, Mrs. Hema C Kumar, Mrs. Vanaja Aghoram and Mrs. Shanthi Narayan
(vi)	Enterprise over which KMP / Relatives of KMP exercise significant influence	Rane Foundation (RF) Ganesh (HUF) Lakshman (HUF) Savithur Enterprises Private Limited (SEPL) HL Hill Station Properties Private Limited (HHSPL) RT Automotive Systems Private Limited (RTASPL)
(vii)	Enterprises under common control	SasMos HET Technologies Limited (SHTL) (upto March 16, 2017) Rane TRW Steering Systems Private Limited (RTSSPL) Rane NSK Steering Systems Private Limited (RNSSPL) Rane (Madras) International Holdings B.V (RMIH) Rane Precision Diecast Inc. (RPDC)
(b)	The above information regarding related parties have been determined to the extent such parties have been identified on the basis of information available with the Company.	

38 (c) Transactions / Balances	₹ in Crores													
	Holding Company		Fellow Subsidiary		KMP		Relatives of KMP		Enterprise over which KMP / relatives exercise significant influence		Other Related Parties under common control		Total	
Description	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
Transactions during the year														
Trade Mark Fee	2.58	2.35											2.58	2.35
Professional Charges	4.01	4.12	0.12	0.15									4.13	4.27
Commission to Chairman					0.85	0.65							0.85	0.65
Remuneration to Managing Director *					1.07	0.58							1.07	0.58
Remuneration to P S Rao **						0.62							-	0.62
Rent Deposit to L Lakshman							0.12	0.12					0.12	0.12
Purchase of Vehicle												0.10	-	0.10
Repayment of Loan										0.25			-	0.25
Fixed deposits Repaid						0.05	0.05	0.12	0.09	0.19			0.14	0.36
Interest on Fixed Deposits						0.00	0.00	0.01	0.00	0.01			0.01	0.03
Sitting fees paid					0.03	0.03	0.03	0.03					0.06	0.06
Donation									0.40	0.28			0.40	0.28
Balance as at Year End														
Payables														
Fixed Deposits							-	0.05	-	0.09			-	0.14
Receivables														
Interest Free Loan														

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

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

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

(Foreign Currency in Crores)

Particulars	As at March 31, 2017	As at March 31, 2016
Foreign Currency Exposures that are directly hedged by a derivative instrument or otherwise		
Receivables		
DOLLAR	-	-
EURO	-	-
GBP	0.01	0.00
AUD	-	-
Payables		
DOLLAR	-	-
EURO	0.00	0.00
GBP	-	-
JPY	11.51	9.12
Foreign Currency Loan		
DOLLAR	-	-
EURO	-	-
GBP	-	-
JPY	1.67	2.98
Foreign Currency Exposures that are not directly hedged by a derivative instrument or otherwise		
Due to Creditors		
DOLLAR	0.05	0.01
EURO	-	0.00
GBP	-	-
JPY	0.02	0.00
Due from Debtors		
DOLLAR	0.04	0.05
EURO	-	-
GBP	0.00	0.00
AUD	0.01	0.00
Foreign Currency Loan		
DOLLAR	-	-
EURO	-	-
GBP	-	-
JPY	-	-

40. Specified Bank Notes

Transactions in cash during November 9, 2016 to December 30, 2016

				(Amount in ₹)
Sl. No.	Particulars	Specified Bank Notes	Other Denomination Notes	Total
1	Closing cash in hand as on 08.11.2016	138,500	245,061	383,561
2	(+) Permitted receipts	166,000	3,912,593	4,078,593
3	(-) Permitted payments	-	(2,782,204)	(2,782,204)
4	Sub total	304,500	1,375,450	1,679,950
5	(-) Amount deposited in Banks	(304,500)	-	(304,500)
6	Closing cash in hand as on 30.12.2016	-	1,375,450	1,375,450

41. Derivative Instrument and hedge accounting

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

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

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

P R PRASANNA VARMA
Partner
(Membership Number : 025854)

Place: Chennai
Date: May 17, 2017

L GANESH
Chairman

M A P SRIDHAR KUMAR
Chief Financial Officer

Signature to Notes 1 to 42

For and on behalf of the Board

VINAY LAKSHMAN
Managing Director

VENKATRAMAN
Secretary

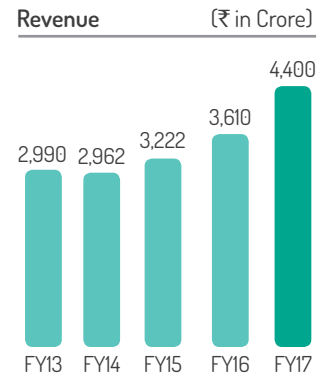
Our Parentage

Rane Holdings Limited

Established in 1929, Rane Holdings Limited (RHL), through its group companies, is engaged in the manufacturing and marketing of automotive components for the transportation industry. The Group is recognized as the preferred Original Equipment vendor for auto majors in India and overseas. It supplies to all sections of automobile industry including passenger car, light commercial vehicle, medium and heavy commercial vehicle, two-wheeler, three-wheeler, multi-utility vehicle and farm tractor.

Rane Holdings has a multi-location presence in India with 23 plants across the country. With the acquisition of US-based Precision Die Casting Inc., it has a presence in USA.

The Group companies play a key role in setting the vision for the group and its various companies and offering consultancy and other services to its subsidiaries. A sharp focus by the Group on operational excellence through Total Quality Management (TQM) has seen its various group companies been awarded three Deming Grand Prizes and four Deming Prizes.



Our Corporate Structure

Subsidiaries

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

Rane Engine Valve Limited

Rane Brake Lining Limited

Rane Holdings America Inc., USA

Rane Holdings Europe GmbH, Germany

Joint Ventures

Rane TRW Steering Systems Private Limited

Rane NSK Steering Systems Private Limited

JMA Rane Marketing Limited





Expanding Horizons

Rane Brake Lining Limited

CIN: L63011TN2004PLC054948

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