



Rane Brake Lining Limited

18th Annual Report 2022-23

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FINANCIAL HIGHLIGHTS

OPERATIONAL PERFORMANCE

(₹ in Crores)

FINANCIAL YEAR	FY 23	FY 22	FY 21	FY 20	FY 19	FY 18	FY 17	FY 16	FY 15	FY 14
Total Income (*)	607.07	518.19	434.81	481.43	520.97	487.21	470.58	451.64	418.49	386.51
Earnings Before Interest, Tax, Depreciation & Amortisation (EBITDA)	64.63	56.11	71.61	70.99	73.95	78.97	62.98	57.65	47.56	42.61
Profit Before Tax (PBT)	44.58	34.67	46.94	44.68	49.31	54.89	42.70	35.48	20.60	16.73
Profit After Tax (PAT)	33.46	27.07	31.80	34.34	36.53	35.75	34.93	25.76	16.11	17.21

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

KEY PERFORMANCE INDICATORS

FINANCIAL YEAR	FY 23	FY 22	FY 21	FY 20	FY 19	FY 18	FY 17	FY 16	FY 15	FY 14
Return on Capital Employed (ROCE) %	17.05	14.19	19.61	19.61	24.16	30.17	25.11	21.90	13.82	12.10
Return on Net Worth (RONW) %	13.32	11.32	13.64	15.66	18.36	20.14	22.93	19.84	13.77	16.07
Earnings Per Share (₹)	43.29	35.03	40.45	43.39	46.15	45.17	44.13	32.54	20.36	21.76
Dividend (%) ^(*)	250	200	250	170	155	155	150	100	70	75
Dividend Payout ratio ^(*)	58	57	61	42	40	41	41	37	41	40
Book Value Per Share (₹)	337.88	314.16	306.57	289.10	265.03	237.80	210.72	174.27	153.77	141.84

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

BALANCE SHEET**

(₹ in Crores)

FINANCIAL YEAR	FY 23	FY 22	FY 21	FY 20	FY 19	FY 18	FY 17	FY 16	FY 15	FY 14
Equity Share Capital	7.73	7.73	7.75	7.91	7.91	7.91	7.91	7.91	7.91	7.91
Shareholders' funds	261.18	242.84	237.66	228.82	209.77	188.22	166.78	137.93	121.71	112.27
Non current Liabilities	5.36	5.80	6.95	3.74	2.89	3.07	6.09	14.34	23.83	39.16
Current Liabilities	107.61	150.31	139.41	126.79	143.13	119.60	104.87	103.61	109.55	116.51
Non current assets	136.49	134.50	136.41	150.25	138.12	131.42	136.30	118.36	129.50	143.14
Current assets	237.66	264.45	247.61	209.10	217.67	179.47	141.44	137.52	125.60	124.81

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

Note :

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

CORPORATE INFORMATION

Board of Directors

L Ganesh, Chairman
Harish Lakshman
Ashok Malhotra
C N Srivatsan
Dr. Brinda Jagirdar
Yasuji Ishii
(Nominee of Nisshinbo Holdings Inc., Japan)

Audit Committee

C N Srivatsan, Chairman
L Ganesh
Ashok Malhotra
Dr. Brinda Jagirdar

Stakeholders Relationship Committee

Harish Lakshman, Chairman
L Ganesh
Ashok Malhotra

Nomination and Remuneration Committee

Ashok Malhotra, Chairman
Dr. Brinda Jagirdar
Harish Lakshman

Corporate Social Responsibility Committee

L Ganesh, Chairman
Harish Lakshman
Dr. Brinda Jagirdar

Risk Management Committee

L Ganesh, Chairman
Harish Lakshman
C N Srivatsan
R Balakrishnan, President & Manager

President & Manager

R Balakrishnan

Senior Vice President - Finance & Chief Financial Officer

J Ananth

Secretary

Venkatraman

Listing of Shares On

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

Statutory Auditors

M/s. BSR & Co. LLP,
Chartered Accountants,
KRM Tower, 1st & 2nd floor,
No.1, Harrington Road, Chetpet,
Chennai - 600 031

Secretarial Auditors

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

Bankers

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

Registered Office

Rane Brake Lining Limited

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

Plants

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

Solar Plant

Muthuramalingapuram Village,
Aruppukottai Taluk, Virudhunagar District,
Tamil Nadu.

Registrar and Transfer Agents

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

Rane Brake Lining Limited

CIN: L63011TN2004PLC054948

Registered office: "Maithri", No. 132, Cathedral Road, Chennai - 600 086 | Ph: 044-28112472/73

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

NOTICE TO MEMBERS

NOTICE is hereby given that the **Eighteenth (18th) Annual General Meeting of Rane Brake Lining Limited** will be held on **Monday, July 24, 2023 at 14:00 hrs (IST)** through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") to transact the following business:

ORDINARY BUSINESS:

- To consider and adopt the Audited Financial Statement of the Company for the year ended March 31, 2023, together with reports of the Board of Directors and the Auditor thereon**

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

"Resolved that the Audited Financial Statement of the Company for the year ended March 31, 2023 together with the reports of the Board of Directors and the Auditor thereon, as circulated to the members and presented to the meeting be and are hereby adopted."

- To declare dividend on equity shares**

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

"Resolved that a dividend of ₹25/- per equity share having face value of ₹10/- each fully paid up on 77,29,871 equity shares be and is hereby declared out of the profits of the Company for the year ended March 31, 2023 absorbing a sum of ₹19.32 Crores and that the dividend be paid, subject to deduction of applicable taxes at source, to those shareholders, whose names appear in the Company's Register of Members as on July 17, 2023."

- To appoint a Director in the place of Mr. Yasuji Ishii (DIN:08078748), who retires by rotation and being eligible, offers himself for re-appointment**

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

"Resolved that Mr. Yasuji Ishii (DIN:08078748) who retires by rotation under article 111 and 113 of the Articles of Association of the Company and being eligible has offered himself for re-appointment, be and is hereby re-appointed as a Director of the Company."

SPECIAL BUSINESS:

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

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

"Resolved that the annual approval in terms of the provisions of Regulation 17(6)(ca) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI LODR) (including any statutory modifications or re-enactment thereof) be and is hereby accorded for payment of commission upto 2% of the net profits or minimum remuneration as approved by the members at the 16th AGM, whichever is higher, to Mr. Ganesh Lakshminarayan, (DIN:00012583) Chairman, for the financial year ending March 31, 2024 exceeding 50% (fifty percent) of the total annual remuneration paid / payable to all the Non-Executive Directors of the Company for the financial year ending March 31, 2024."

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

Chennai
May 03, 2023

Venkatraman
Secretary

Registered Office:

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

NOTES:

1. The 18th AGM of the Company is being conducted through VC / OAVM Facility, in compliance with General Circular No. 10/2022 dated December 28, 2022, read with previous circulars in this regard issued by the Ministry of Corporate Affairs ('MCA Circulars') and the provisions of the Act which does not require physical presence of Members at a common venue. The deemed venue for the 18th AGM shall be the Registered Office of the Company. The Company has engaged Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means i.e., remote e-voting and voting at the AGM.
2. In terms of Section 102 of the Companies Act, 2013 and Secretarial Standard on General Meetings (SS-2), an explanatory statement setting out the material facts concerning business to be transacted at the AGM is annexed and forms part of this Notice.
3. Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his / her behalf and the proxy need not be a Member of the Company. **Since this AGM is being held pursuant to the MCA Circulars through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.**
4. Corporate members intending to send their authorised representatives to attend the AGM through VC / OAVM on its behalf and to vote through remote e-voting are requested to send to the Company a certified copy of the board resolution authorising their representative to the registered email address of the Company i.e., investorservices@ranegroup.com.
5. The record date for the purpose of dividend and the cut-off date for the purpose of determining eligibility of members for voting in connection with the 18th AGM is Monday, July 17, 2023.
6. Pursuant to the relevant provisions of the Companies Act, 2013, dividend, which remained unclaimed / unpaid for a period of seven years from the date they became due for payment are required to be transferred to the Investor Education and Protection Fund (IEPF). The shares in respect of such dividend are also liable to be transferred to the demat account of the IEPF Authority.
7. Members may also note that the notice of the Eighteenth AGM and the annual report 2023 will be available in the Investors page on the Company's website www.ranegroup.com.
8. Listed companies are required to use the Reserve Bank of India's approved electronic mode of payment such as National Automated Clearing House (NACH), National Electronic Fund Transfer (NEFT), Real Time Gross Settlement (RTGS) for making payments like dividend to the shareholders, in terms of Schedule I of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI LODR). Accordingly, shareholders holding securities in demat mode are requested to update their bank details with their depository participants. Shareholders holding securities in physical form may send a request updating their bank details to the Company's Registrar and Transfer Agent.
9. Members holding shares in dematerialized form are requested to notify any change in their addresses, bank details or e-mail address with their respective DP and those holding shares in physical form are requested to notify the RTA at the following address:

**M/s. Integrated Registry Management
Services Private Limited**
SEBI Registration No. INR000000544
2nd Floor, "Kences Towers", No.1, Ramakrishna Street,
North Usman Road, T Nagar,
Chennai - 600 017,
e-mail ID: corpserv@integratedindia.in
Phone: 044 2814 0801-803; Fax: 044 2814 2479
10. The Securities and Exchange Board of India (SEBI) mandated furnishing of PAN, KYC details (i.e., Postal Address with Pin Code, email address, mobile number, bank account details) and nomination details by holders of securities. Effective from January 01, 2022, any service requests or complaints received from the member, will not be processed by RTA till the aforesaid details/ documents are provided to RTA. On or after October 01, 2023, in case any of the above cited documents/ details are not available in the Folio(s), RTA shall be constrained to freeze such Folio(s). Relevant details and forms prescribed by SEBI in this regard are available in the investor information section on the website of the Company in the weblink: <https://ranegroup.com/investors/rane-brake-lining-limited/>.
11. Pursuant to Finance Act 2020, dividend income is taxable in the hands of shareholders w.e.f. April 01, 2020 and the Company is required to deduct tax at source from dividend paid to shareholders at the prescribed rates. The shareholders are requested to update their PAN with the Company / RTA (in case of shares held in physical mode) and depositories (in case of shares held in demat mode). Shareholders (Resident / Foreign) are required to update necessary documents for exemption / deduction at beneficial rates by uploading necessary documents in the investor information

section on the website of the Company in the weblink: <https://ranegroup.com/investors/rane-brake-lining-limited/>.

12. As per SEBI norms, with effect from January 25, 2022, all transmission/transfer requests including issuance of duplicate share certificates are mandatorily to be processed in dematerialised form only.
13. In compliance with the aforesaid MCA Circular dated December 28, 2022 and SEBI circular dated January 05, 2023 the Notice of the AGM along with the Annual Report 2023 is being sent only through electronic mode to those Members whose email addresses are registered with the Company / Depositories. Members may note that the Notice and Annual Report 2023 will also be available on the Company's website www.ranegroup.com, websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively, and on the website of CDSL www.evotingindia.com.
14. The Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
15. Information pursuant to regulations 36(3) of SEBI LODR and Secretarial Standard on General Meeting (SS-2) with respect to the Directors seeking appointment / re-appointment as the case may be, at the AGM are furnished in the Annexure to this Notice. The Directors have furnished the requisite consents / declarations for their appointment / re-appointment.
16. Members seeking any information with regard to the accounts or any matter to be placed at the AGM, are requested to write well in advance to the Company on investorservices@ranegroup.com.
17. Since the AGM will be held through VC / OAVM, the route map is not annexed in this notice.
18. In compliance with provisions of Section 108 of the Companies Act, 2013, read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (including amendments thereto) and SEBI LODR, the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the AGM by electronic means and the business may be transacted through e-voting services.
 - (i) The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by Central Depository Services (India) Limited (CDSL e-Voting System).
 - (ii) A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off

date only shall be entitled to avail the facility of "remote e-voting" or voting at the AGM.

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

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

- (i) The voting period begins on Friday, July 21, 2023 and ends on Sunday, July 23, 2023. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date Monday, July 17, 2023 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) Pursuant to SEBI Circular No. **SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 09, 2020** under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

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

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to **all the demat account holders, by way of a single login credential, through their demat accounts / websites of Depositories / Depository Participants**. Demat account holders would be able to cast their vote without having to register

again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

Step 1: Access through Depositories CDSL / NSDL e-Voting system in case of individual shareholders holding shares in demat mode.

(iv) Pursuant to abovesaid SEBI Circular, Login method for e-Voting and joining virtual **meetings for Individual shareholders holding securities in Demat mode CDSL / NSDL** is given below:

CDSL	NSDL
<p>1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are requested to visit www.cdslindia.com and click on Login icon and select New System Myeasi.</p>	<p>1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</p>
<p>2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the e-Voting is in progress as per the information provided by company. On clicking the e-Voting option, the user will be able to see e-Voting page of the e-Voting service provider for casting his vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there are also links provided to access the system of all e-Voting Service Providers i.e. CDSL / NSDL / KARVY / LINKINTIME, so that the user can visit the e-Voting service providers' website directly.</p>	<p>2) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS" Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</p>
<p>3) If the user is not registered for Easi / Easiest, option to register is available at CDSL website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option.</p>	<p>3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder / Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password / OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting</p>
<p>4) If the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page or click on https://evoting.cdslindia.com/Evoting/EvotingLogin The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and will also be able to directly access the system of all e-Voting Service Providers.</p>	

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

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

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

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

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

Step 2 : Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.

- (v) Login method for e-Voting and joining virtual meetings for Physical shareholders and shareholders other than individual holding in Demat form.
 - a. The shareholders should log on to the e-voting website www.evotingindia.com.
 - b. Click on "Shareholders" module.
 - c. Now enter your User ID
 - I. For CDSL: 16 digits beneficiary ID,
 - II. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - III. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
 - d. Next enter the Image Verification as displayed and Click on Login.

- e. If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.
- f. If you are a first-time user follow the steps given below:

	For Physical shareholders and other than individual shareholders holding shares in Demat
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> • Shareholders who have not updated their PAN with the Company / Depository Participant are requested to use the sequence number sent by Company / RTA or contact Company / RTA.
Dividend Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the Company records in order to login. <ul style="list-style-type: none"> • If both the details are not recorded with the depository or Company, please enter the member id / folio number in the Dividend Bank details field.

- (vi) After entering these details appropriately, click on "SUBMIT" tab.
- (vii) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other Company on which they are eligible to vote, provided that Company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (viii) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (ix) Click on the EVSN for the relevant Company on which you choose to vote.
- (x) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES / NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

- (xi) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xii) After selecting the resolution, you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xiii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xiv) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xv) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xvi) There is also an optional provision to upload BR / POA if any uploaded, which will be made available to scrutinizer for verification.

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

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the "Corporates" module.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login will be mapped automatically & can be delink in case of any wrong mapping.
- It is Mandatory that, a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- Alternatively, Non Individual shareholders are required mandatory to send the relevant Board Resolution / Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; investorservices@ranegroup.com (designated email address by Company), if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

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

- (i) The procedure for attending meeting & e-Voting on the day of the AGM is same as the instructions mentioned above for e-voting.
- (ii) The link for VC / OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for e-voting.
- (iii) Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM.
- (iv) Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
- (v) Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
- (vi) Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio / Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
- (vii) Shareholders who would like to express their views / ask questions during the meeting may register themselves as a speaker by sending their request in advance between from Wednesday, July 19, 2023 to Friday, July 21, 2023 mentioning their name, demat account number / folio number, email ID, mobile number at to investorservices@ranegroup.com. The shareholders who do not wish to speak during the AGM but have queries may too send their queries in advance in the above manner.
- (viii) Those shareholders who have registered themselves as a speaker will only be allowed to express their views / ask questions during the meeting.
- (ix) Only those shareholders, who are present in the AGM through VC / OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
- (x) If any Votes are cast by the shareholders through the e-voting available during the / AGM and if the same shareholders have not participated in the meeting through VC / OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

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

- (i) For Physical shareholders - please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self - attested scanned copy of PAN card), AADHAR (self - attested scanned copy of Aadhar Card) by email to Company / RTA Email ID.
- (ii) For Demat shareholders: - Please update your email id & mobile no. with your respective Depository Participant (DP).
- (iii) For Individual Demat shareholders - Please update your Email ID & mobile no. with your respective Depository

Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.

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

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call toll free no. 1800 22 55 33.

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

Venkatraman
Secretary

Chennai
May 03, 2023

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

EXPLANATORY STATEMENT

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

Item No.4

The members of the Company at the Sixteenth Annual General Meeting held on July 26, 2021, had approved payment of commission to Mr. L Ganesh, Chairman, upto a sum not exceeding 2% of the annual net profits of the Company or a minimum remuneration of ₹95,00,000/-, whichever is higher, for a period of 3 years with effect from April 01, 2021 to March 31, 2024. The resolution was approved by members with 99.99% of votes cast in favor of the resolution.

Approval of shareholders is being sought for the payment of annual remuneration to Mr. L Ganesh for the financial year ending March 31, 2024, being commission payable upto 2%

of the net profits or minimum remuneration approved by the members, whichever is higher, as it is likely to exceed 50% (fifty percent) of the total annual remuneration payable to all the Non-Executive Directors of the Company during the year.

Approval of the members is being sought by way of a special resolution, as set out in item no. 4 of this notice.

Mr. L Ganesh is concerned or interested in the resolution. None of the other Directors and Key Managerial Personnel (KMP) of the Company and their relatives is concerned or interested, financial or otherwise, in the above resolutions except to the extent of their shareholding, if any, in the Company. The Board recommends passing the resolution as set out at item no. 4 of this notice as a **special resolution**.

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

Venkatraman
Secretary

Chennai
May 03, 2023

Registered Office:
Rane Brake Lining Limited
"Maithri", No. 132, Cathedral Road,
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Annexure to the NOTICE dated May 03, 2023

Information about Directors seeking re-appointment / appointment at the 18th Annual General Meeting in compliance with Regulation 36(3) of SEBI LODR and Secretarial Standard on General Meeting (SS-2).

Name of the Director	Mr. Yasuji Ishii
I. Brief Resume	
Age (in years)	58
Director Identification Number (DIN)	08078748
Father's Name	Mr. Kiyoshi Ishii
Date of Birth	December 25, 1964
Educational Qualifications	Bachelor of Engineering, Saitama University, Japan
Experience	Mr. Yasuji Ishii has over 35 years of industrial experience. He presently holds leadership position in NISH Group viz., Director & Managing Officer of Nisshinbo Holdings Inc. Japan & President & Representative Director of Nisshinbo Brake Inc., Japan
Nature of expertise	Industrial, technical and operational expertise in automotive and driving business across geographies, governance practices and expertise in allied disciplines
II. Other details	
Date of appointment	April 13, 2018
Terms and Conditions of appointment	Re-appointed as a Non-Executive Nominee Director, liable to retire by rotation
Last drawn remuneration	Sitting fee paid for FY 22-23 - ₹1,20,000/- (paid to Nisshinbo Holdings Inc.)
Remuneration sought to be paid	No approval is being sought for payment of remuneration. Eligible for sitting fee for attending meetings of the Board and Committees of which he is a member. The sitting fees is paid to Nisshinbo Holdings Inc., Japan.
Relationship with other Directors / Manager / KMP	Nil
Other Directorships	Director: Nisshinbo Automotive Manufacturing Inc., USA TMD Friction Group S.A, Luxembourg Nisshinbo Brake Inc., Japan Nisshinbo Saeron Changshu Automotive Co.Ltd., China Nisshinbo Somboon Automotive Co. Ltd., Thailand Nisshinbo Holdings Inc., Japan Saeron Automotive Corporation, Korea
Committee Memberships in other Boards	Nil
Last three years directorship	-
Number of meetings of the Board attended during the year	3
Number of equity shares held (including joint holdings)	Nil
Number of equity shares held as beneficial owners in the Company	-

REPORT OF THE BOARD OF DIRECTORS

Your Board of Directors hereby present to you the Eighteenth Annual Report covering the operational and financial performance together with the accounts for the year ended March 31, 2023 and other prescribed particulars:

1. State of Company's affairs

The financial year 2022-23 saw a pick-up in the business at the backdrop of a robust growth of the Indian and global economy. The automotive and auto components industry faced supply chain challenges due to semiconductor shortage, shipping and logistics constraints.

The Company scaled up the production in line with the demand and worked on several cost optimization measures to mitigate the inflationary environment. The Company continued to enhance its customer relationship and increased the volume of business across several customers resulting in augmented customer base.

1.1. Financial Performance

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

Particulars	(₹ in Crores)	
	2022-23	2021-22
Revenue from Operations	598.80	505.55
Other Income	8.27	12.64
Profit / loss before Depreciation, Finance Costs, Exceptional items and Tax Expense	64.63	56.77
Less: Depreciation / Amortisation / Impairment	20.00	21.42
Profit / loss before Finance Costs, Exceptional items and Tax Expense	44.63	35.35
Less: Finance Costs	0.05	0.02
Profit / loss before Exceptional items and Tax Expense	44.58	35.33
Add / (less): Exceptional items	-	(0.66)
Profit / (loss) before Tax Expense	44.58	34.67
Less: Tax Expense (Current & Deferred)	11.12	7.60
Profit / (loss) for the year (1)	33.46	27.07
Total Comprehensive Income / (Loss) (2)	0.34	(0.33)
Total (1+2)	33.80	26.74
Balance of profit / (loss) for earlier years	70.57	63.56
Less: Transfer to Reserves	5.80	-
Less: Dividend paid on Equity Shares	(15.46)	(19.32)
Less: Tax on Buyback of Shares	-	(0.41)
Balance carried forward	83.11	70.57

The Key Performance Indicators, operational performance and summary on balance sheet are furnished in page no. 1 of this annual report.

The Sales and other Operating Revenue for the FY 2022-23 increased by 17.15% while the Profit Before Tax increased by 28.58% when compared to

previous year. The Earnings Per Share for the year 2022-23 was ₹43.29 as against ₹35.03 in the previous year.

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

1.2. Appropriation

The Board of Directors, taking into consideration, the operational performance and financial position of the Company, have recommended a dividend of 250% (i.e., ₹25/- per share of ₹10/- each, fully paid-up) for approval of shareholders at the ensuing 18th Annual General Meeting (AGM) scheduled to be held on July 24, 2023. The total dividend paid / payable on equity shares for FY 2022-23 would be ₹19.32 Crores.

On declaration of the dividend by the shareholders, it will be paid on August 03, 2023 to all the eligible shareholders, whose name appears in the register of members of the Company as on July 17, 2023, being the Record Date fixed for this purpose, subject to deduction of tax at source wherever applicable. The total of dividend paid / payable for the FY 2022-23 would be ₹25/- per equity share of a face value of ₹10/- each. This represents a payout ratio of 58%.

Considering the above, the Board has retained ₹83.11 Crores as surplus in the profit and loss account. A sum of ₹44.44 Crores has been proposed by the Board to transfer to reserves.

The dividend pay-out is in accordance with the Company's Dividend Distribution Policy. The policy is available in the policies section of the Company's website at: <https://ranegroup.com/investors/rane-brake-lining-limited/>.

1.3. Credit Rating

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

1.4. Share Capital

During the year under review, there was no change in capital structure of the Company and as at the year ended March 31, 2023, the paid-up capital of the Company stood at ₹7,72,98,710/- consisting of 77,29,871 shares of ₹10/- each.

1.5. Management Discussion & Analysis

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

1.6. Subsidiaries, Associate and Joint Venture Companies

The Company does not have any subsidiary, associate or joint venture. There was no Company which has become or ceased to be Company's subsidiary, Joint venture or associate during the financial year 2022-23.

2. Board of Directors, Committees and Management

2.1. Composition

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

The following were the changes in the composition of the Board of Directors and its Committees:

- a. Mr. S Sandilya (DIN:00037542), Independent Director & Mr. Anil Kumar V Epur (DIN:00202454), Independent Director ceased to be directors on completion of their second term as Independent Directors of the Company at the 17th AGM held on June 28, 2022.
- b. Mr. C N Srivatsan (DIN:00002194) was appointed as an Independent Director by the Shareholders of the Company at its 17th AGM held on June 28, 2022 for a term of 5 (five) consecutive years, with effect from June 28, 2022 upto the conclusion of the 22nd Annual General Meeting or June 27, 2027, whichever is earlier.
- c. Mr. Ashok Malhotra (DIN:00029017) was appointed as an Independent Director by the Shareholders of the Company at its 17th AGM held on June 28, 2022 to hold office with effect from June 28, 2022, upto October 08, 2024.

The Board of Directors are of the opinion that the Director(s) proposed for appointment / re-appointment at the ensuing 18th AGM of the Company possess integrity, necessary expertise, relevant experience and proficiency and the Corporate Governance Report annexed to this report contains necessary disclosures regarding the Director(s).

The terms and conditions of appointment of Independent Directors have been disclosed in the policies section of the website of the Company at: <https://ranegroup.com/investors/rane-brake-lining-limited/>.

All the Directors have affirmed compliance with the Code of Conduct of the Company. The Independent Directors have further affirmed that they satisfy the criteria laid down under section 149(6) of the Companies Act, 2013 (Act) and Regulation 25 and other applicable regulations of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI LODR), as amended from time to time. Further, in terms of Section 150 of the Companies Act, 2013 read with Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014, Independent Directors of the Company have confirmed that they have registered themselves with the databank maintained by the Indian Institute of Corporate Affairs (IICA) and have qualified the proficiency test, if applicable to them. The Board of Directors at its first meeting of the FY 2022-23 has taken on record the declarations and confirmations submitted by the Independent Directors. During the year, the Board had not appointed any person as an Alternate Director for an Independent Director on the Board. The Company has obtained a certificate from a Company Secretary in Practice that none of the Directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as Directors of companies by the SEBI / Ministry of Corporate Affairs or any such statutory authority.

2.2. Retirement by rotation

Mr. Yasuji Ishii (DIN:08078748) retires by rotation at the ensuing 18th AGM, being eligible, he offers himself for re-appointment. The proposal for re-appointment of Mr. Yasuji Ishii as a Director is included in the notice convening the 18th AGM.

2.3. Board and Committee Meetings

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

also accord approvals through resolutions passed by circulation, between two meetings.

2.4. Meeting of Independent Directors

A meeting of Independent Directors was held to assess the quality, quantity and timeliness of flow of information between the management and the Board. The Independent Directors expressed that the current flow of information was timely and of superior quality and enables them to effectively perform their duties.

2.5. Board Evaluation

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

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

Ensuring top-level policy framework, creating an open environment for exchange of views besides ensuring effective mechanism for implementing Board action points were the areas on which the Board of Directors evaluated the performance of the Chairman.

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

The Chairman after detailed consideration of all the feedback, comments and suggestions received from the directors, discussed with the Board a proposed action plan on matters requiring attention of the Board. The evaluation framework includes mechanism to share evaluation feedback on individual directors to the Nomination and Remuneration Committee, wherever required.

2.6. Familiarisation program for Independent Directors

The details of familiarisation program for Independent Directors have been disclosed in the policies section of the website of the Company and available at the

web-link: <https://ranegroup.com/investors/rane-brake-lining-limited/>

2.7. Key Managerial Personnel

During the year under review there are no changes in the Key Managerial Personnel of the Company.

As at the year ended March 31, 2023, Mr. R Balakrishnan, President & Manager, Mr. J Ananth, Senior Vice President - Finance & Chief Financial Officer (CFO) and Mr. Venkatraman, Secretary, hold the office of Key Managerial Personnel (KMP), respectively, within the meaning of Section 2(51) of the Companies Act, 2013.

2.8. Remuneration policy

The policy contains criteria for determining qualifications, positive attributes, independence of a Director and also covers aspects of remuneration which is reasonable and sufficient to attract, retain and motivate Directors / high potential employees to run the Company successfully.

The policy on appointment and remuneration of Directors, KMP and Senior Management Personnel (SMP) as laid down by the NRC of the Board has been disclosed in the policies section of the website of the Company and is available at the web-link at <https://ranegroup.com/investors/rane-brake-lining-limited/>. There has been no change in this policy during the financial year 2022-23.

In accordance with the said policy, approval was obtained from the shareholders in terms of Regulation 17(6)(ca) of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 (SEBI LODR) at the 17th AGM held on June 28, 2022, for payment of commission to Mr. L Ganesh, Chairman, for an amount exceeding 50% of total annual remuneration payable to other Non-Executive Director, for the FY 2022-23. The details of remuneration paid / payable to the Directors during the financial year 2022-23 is furnished in the Corporate Governance report annexed to this report of the Board.

3. Audit and allied matters

3.1. Audit Committee

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

3.2. Statutory Auditor

M/s BSR & Co., LLP, Chartered Accountants (BSR) (Firm Registration Number 101248W/W-100022), hold the office of Statutory Auditors of the Company, in terms

of Section 139 of the Companies Act, 2013 read with applicable rules thereunder and as per the members' approval accorded at the 17th Annual General Meeting, for a first term of five consecutive years i.e., from the conclusion of the 17th AGM (2022) till conclusion of 22nd AGM (2027).

The Statutory Auditor's report to the members for the year ended March 31, 2023 does not contain any qualification, reservation, adverse remark or disclaimer. Also there has been no instance of fraud reported by the statutory auditors for the period under review.

3.3. Cost Audit & Maintenance of cost records

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

3.4. Secretarial Auditor

M/s. S Krishnamurthy & Co., a firm of Company Secretaries in practice, have been appointed by the Board of Directors as Secretarial Auditors for the FY 2022-23. The Secretarial Audit report pursuant to Section 204 of the Companies Act, 2013 is annexed in 'Annexure B' and was taken on record by the Board of Directors at their meeting held on May 03, 2023. The report does not contain any qualification, reservation, adverse remark or disclaimer.

3.5. Internal Auditor

The Company had appointed M/s. Deloitte Touche Tohmatsu India LLP as Internal Auditors for a period of one year from January 01, 2022 till December 31, 2022. Based on the recommendation of Audit Committee and after considering the proposal from the management, the Board of Directors of the Company at their Meeting held on February 09, 2023 approved the re-appointment of M/s. Deloitte Touche Tohmatsu India LLP for a further period of 1 (one) year commencing from January 01, 2023 to December 31, 2023.

Their scope of work includes review of processes for safeguarding the assets of the Company, review of operational efficiency, effectiveness of systems and processes, review of statutory and legal compliances with applicable statutes / laws and assessing the internal control strengths in all these areas including financial reporting. Internal Auditor findings are discussed with the process owners and suitable corrective actions taken as per the directions of the Audit Committee on a regular basis to improve efficiency in operations. The Internal Auditor reports directly to the Audit Committee. The Committee, while reviewing their performance, scope, functioning, periodicity and

methodology for conducting the internal audit, has taken into consideration their confirmation to the effect that their infrastructure viz., internal audit structure, staffing and seniority of the officials proposed to be deployed etc., are adequate and commensurate to the scope, functioning, periodicity and methodology for conducting the internal audit.

4. Directors' responsibility statement

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

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

5. Related Party Transactions (RPT)

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

All RPT are placed before the Audit Committee and the Board, wherever required, for approval. Prior omnibus approval of the Audit Committee is obtained for the transactions which are entered into in the ordinary course of business and are repetitive in nature. The transactions entered into pursuant to the omnibus approval so granted are reviewed by the Audit Committee on a quarterly basis. All the RPT that

requires prior approval of the Audit Committee is being approved by the Independent Directors who are the members of the Committee.

The Company has put in place a proper system for identification and monitoring of such transactions. Save as disclosed in this report none of the Directors or Key Managerial Personnel has any pecuniary relationships or transactions with the Company. The policy on Related Party Transaction as approved by the Board has been disclosed in the policies section of the website of the Company and available at the web link: <https://ranegroup.com/investors/rane-brake-lining-limited/>.

None of the Directors or Key Managerial Personnel or Senior Management Personnel have any material financial and commercial transactions (except receipt of remuneration, as applicable), which may have potential conflict with interest of the Company at large.

6. Corporate Social Responsibility (CSR)

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

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

The CSR activities undertaken by the Company are in line with the CSR Policy and recommendations of the CSR Committee comprising Mr. L Ganesh, Committee Chairman, Mr. Harish Lakshman, Member of the Board and Dr. Brinda Jagirdar, Independent Director (effective June 30, 2022), as its members.

During the year, the Company has contributed a sum of ₹0.44 Crores on various CSR activities as per the CSR policy and recommendations of the CSR Committee. The **'Annexure C'** to this report contains the annual report on CSR activities of the Company for FY 2022-23. The CSR policy of the Company has been disclosed in the policies section of the website of the Company and available at the weblink: <https://ranegroup.com/investors/rane-brake-lining-limited/>.

Further, in terms of the CSR Rules, the Chief Financial Officer has issued a certificate to the CSR Committee that the funds disbursed for CSR have been used, for the purpose and in the manner approved by the Board for financial year 2022- 2023.

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

The **'Annexure D'** to this report contains the information on conservation of energy, technology absorption and

foreign exchange earnings and outgo as required under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014.

8. Corporate Governance Report

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

9. Particulars of Directors, Key Managerial Personnel and Employees

The statement in terms of Section 197(12) read with Rule 5 of the Companies (Appointment and remuneration of Managerial Personnel) Rules, 2014 is enclosed as an **'Annexure'** to this report.

Pursuant to Section 136(1) of the Companies Act, 2013, the report of the Board of Directors is being sent to the shareholders of the Company excluding the statement prescribed under Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. The statement is available for inspection by the shareholders at the Registered Office of the Company during business hours.

10. Risk Management

The Risk Management Committee of the Board periodically reviews the risk management policy and its procedures.

The Company has in place a Risk Management Policy covering internal and external risks including information security, cyber security, Environmental, Social and Governance (ESG) related etc., measures for risk mitigation including systems and processes for internal control to identify risks associated with the Company and measures to mitigate such risks. The details of composition, scope and the meetings held during the year are provided as part of the Corporate Governance report in **'Annexure E'** to this report.

11. Other disclosures

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

the Corporate Governance section of the website of the Company at the weblink: <https://ranegroup.com/investors/rane-brake-lining-limited/>.

- e. The copy of the Annual Return is available on the Corporate Governance section of the website of the Company at the weblink: <https://ranegroup.com/investors/rane-brake-lining-limited/>.
- f. The Company has complied with the applicable secretarial standards viz., SS-1 on meetings of Board of Directors and SS-2 on General Meetings issued by Institute of Company Secretaries of India as per section 118(10) of the Companies Act, 2013.
- g. The requirement for Business Responsibility and Sustainability Reporting is not applicable for the year under review to the Company since it does not fall under the top 1,000 listed companies based on market capitalisation.
- h. The details regarding unclaimed / unpaid shares and dividend transferred / proposed to be transferred to the Investor Education and Protection Fund (IEPF) and other relevant details in this regard, have been provided in the corporate governance section of this annual report.
- i. The Company does not accept any deposits falling under the provisions of section 73 of the Companies Act, 2013 and the rules framed thereunder.
- j. The Company has established a formal vigil mechanism named 'Rane Whistle Blower Policy' for reporting improper or unethical practices or actions which are violative of the code of conduct of the Company. The policy which is also available on the intranet portal of the Company provides adequate safeguard against victimisation and has provided direct access to the Chairman of the Audit Committee for the employees to state their complaints / grievances.
- k. The Company has always provided a congenial atmosphere for work that is free from discrimination and harassment and has provided equal opportunities of employment to all irrespective of their caste, religion, colour, marital status and gender. The Company believes that women should be able to do their work in a safe and respectful environment that encourages maximum productivity. The Company has a zero tolerance towards sexual harassment. The Company has adopted a policy on prevention of sexual harassment of women at work place and

put in place proper dissemination mechanism across the Company. The Company has carried out awareness programmes / sessions on the mechanism established under this policy, across its various locations. The Company has complied with the provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH) comprising of Presiding Officers and members with an appropriate mix of employees and external subject matter experts. During the period, the details of complaints received / resolved or pending are as under:

No. of complaints received during the financial year - Nil

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

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

- l. The Company has not printed physical copies of the Annual Report for distribution in view of the exemptions available vide General circular 10/2022 dated December 28, 2022, issued by the Ministry of Corporate Affairs ("MCA") read with previous circulars and SEBI Circular dated January 05, 2023. The full Annual Report will be made available on the website of the Company and will also be disseminated to the stock exchanges where shares of the Company are listed. The electronic copies of the annual report and the notice convening the 18th AGM would be sent to all the members whose e-mail addresses were registered with the Company or their respective Depository Participants (DP).

Annual General Meeting

- m. The 18th AGM would be conducted through video conferencing or other audio visual means on Monday, July 24, 2023 at 14:00 hrs (IST) as per the framework notified by the Ministry of Corporate Affairs. The notice convening the 18th AGM contains detailed instructions and notes in this regard.

Acknowledgement

We thank our Customers, Investors, Suppliers, Vendors, Bankers, Government and Regulatory Authorities and other Business Associates for their continued support in successful performance of the Company. We place on record our appreciation for the committed services of all our employees.

For and on behalf of the Board

Harish Lakshman

Director

DIN:00012602

Ganesh Lakshminarayan

Chairman

DIN:00012583

Chennai
May 03, 2023

Annexure A to the Report of the Board of Directors

MANAGEMENT DISCUSSION AND ANALYSIS

1. Company Overview

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

2. Economic Review

2.1. Global Economy

The global economy is estimated to have grown by 3.4% in 2022 on the back of slowdown in the US and European economy and lockdowns in China due to zero Covid policy adopted by the government. Global manufacturing and trade activity weakened amidst slowing demand due to aggressive global rate hiking cycle adopted by central banks to curb inflation. U.S. manufacturing activity grew at a slow pace as new orders contracted amid increase in interest rate by the Federal Reserve to tame inflation. Europe grappled with high energy prices resulting in slowdown in economic activity and led to decline in business and consumer confidence. Covid-19 outbreaks and subsequent lockdowns hurt consumer spending in China and disrupted global supply chains.

The global economic activity is witnessing downturn amidst high inflation and resulting tighter monetary policy, geopolitical tensions which have disrupted supply chain and led to unprecedented rise in prices. The global growth is estimated to slow to 2.8% in 2023. The growth in the US economy is expected to decelerate to 1.6% in 2023 on the back of declining real disposable income and subdued demand amid tighter policy environment. Growth in China is expected to revive to 5.2% in 2023 due to the easing of stringent pandemic related restrictions, favourable policy support from the government and benefit of a low base in 2022. While the historic global tightening could rein in inflation it could also restrict economic growth in US and Europe.

2.2. Indian Economy

Indian economy continued to be one of the fastest-growing major economies despite growing at an estimated 7.2% in FY23 and has shown higher resilience to global shocks on the back of strong government capital spending and private demand. The growth momentum was supported by recovery in

the labour market and increasing credit to the private sector. However, the growth was slightly impacted due to ongoing policy tightening to curb high inflation. Weakening of the rupee and high oil prices continued to exert upward pressures on inflation and along with geopolitical uncertainty, dampened growth momentum in the manufacturing and mining sectors. However, agriculture, electricity, construction, and services sector witnessed robust growth amid persistent global headwinds and business sentiment and consumer demand remained relatively strong.

According to International Monetary Fund (IMF), India's GDP growth is expected to moderate to 5.9% in FY24 on the back of weaker external demand and tighter financial conditions. The RBI is likely to shift its stance from policy tightening to growth considerations once inflation cools off. The growth dynamics remain strong and economic growth momentum is likely to be boosted by growth in services activity, uptick in government capital expenditure and pick up in manufacturing activity. India continues to remain a bright spot amidst global uncertainties and the domestic demand-led economy is less likely to be impacted by the global slowdown. Moreover, increased infrastructure spending along with various supportive measures by the government is likely to support private investment and increase in manufacturing activities. However, a sharp slowdown in global growth along with supply chain disruptions due to intensifying war in Ukraine could disrupt global food and energy prices and weigh on export and investment growth thereby impacting Indian economy.

3. Industry Review

3.1. Global Automobile Industry

The U.S. auto industry posted its worst sales in more than a decade with new-light vehicle sales declining by 8.2% YoY to 13.7 million units due to semiconductor shortage and other supply chain related issues which impacted production volumes. Electric-vehicle sales accounted for nearly 6% of the retail market in the U.S. in 2022, up from about 3% in the prior year. The National Automobile Dealers Association (NADA) expects the U.S. new-vehicle sales to increase by 6.6% to 14.6 million units in 2023 despite higher borrowing costs on the back of resolution of supply chain constraints and considerable pent-up demand in the market.

According to European Automobile Manufacturers' Association (ACEA), the European Union passenger car market contracted by 4.6% to 9.3 million units in 2022

on the back of ongoing supply chain pressures amidst geopolitical conflicts between Russia and Ukraine. Production constraint due to semiconductor shortage impacted supply side during the first half of the year while slowdown in the economy and rising interest rates impacted consumer confidence thereby slowing down demand. The auto volume is expected to pick up in 2023 on the back of easing of supply bottlenecks. However, the demand side could face headwinds in the form of slowdown in economic activity, high interest rate and fuel cost leading to decline in consumer confidence.

The global automotive industry faced headwinds in the form of weakening macroeconomic environment, supply chain disruptions, tighter monetary policy and diminishing consumer demand. Pressures due to elevated energy prices, high cost of production and slowing demand impacted the industry. Amidst these challenges, adoption of electric vehicles accelerated during the year on the back of various stimulus measures by policymakers globally to meet decarbonisation targets. The industry is at a crossroad and is witnessing disruptions across technology, vehicle connectivity and consumer preferences. Aggressive EU policy to cut emissions from cars and vans is likely to lead to quick transition to electric vehicles. Shift towards greener transportation medium and increasing adoption of technology such as integration of autonomous features across safety, driving and parking will play an increasingly important role in paving the way to the future for the industry.

3.2. Indian Automobile Industry

The Indian automobile industry witnessed robust growth during the financial year after having faced slight hiccups in the previous year due to pandemic induced supply chain disruption and higher commodity cost.

The Passenger Vehicles (PV) segment achieved a new peak volume due to the launch of new models, continuous supply improvement, and robust demand for UVs, resulting in healthy bookings. The PV segment registered a volume increase of 25%. Utility vehicles (UV) segment continued to witness strong demand led by new launches and better technologies resulting in volume growth of 33% whereas the Passenger Cars (PC) segment volume increased by 18%. Rising cost of ownership for entry segment cars has been a major deterrent for pick-up in demand despite higher discount levels.

Pick-up in economic activities and infra push by the government led to improved demand in the infrastructure and construction sectors resulting in improved freight availability, better fleet utilization, pick up in replacement demand and increasing demand

for e-commerce and last-mile delivery. As a result, Commercial Vehicle (CV) segment witnessed volume growth of 28%. In addition, opening of school and offices also supported the demand in the bus segment. The Medium and Heavy Commercial Vehicles (M&HCV) segment continued to experience positive momentum and registered an increase of 37% due to improving fleet operators' profitability and better fleet utilization levels on the back of pick up in infrastructure activities. Demand for M&HCVs also benefitted from the rise in construction activity, especially in the residential housing segment. The Light Commercial Vehicles (LCV) segment reported volume growth of 29% on the back of surge in e-commerce and better last mile connectivity. The Small Commercial Vehicles (SCV) segment reported volume growth of 11%.

Despite price hikes taken by OEMs and increase in interest rates, Tractors experienced 11% growth owing to better crop realization and reached all-time high volumes. Although weak exports along with elevated cost of ownership impacted off-take in volumes, the two-wheelers segment witnessed 10% growth on the low base supported by a good festive season and increasing consumer interest in EVs.

Industry Segment (Production figures)	Growth in % (YoY change)	
	FY23	FY22
Vehicle Segment		
Passenger Cars (PC)	18	4
Utility Vehicles (UV)	33	43
Multi-Purpose Vans (MPV)	23	7
Passenger Vehicles (PV)	25	19
Small Commercial Vehicles (SCV)	11	24
Light Commercial Vehicles (LCV)	29	18
Medium & Heavy Commercial Vehicles (M&HCV)	37	50
Commercial Vehicles (CV)	28	29
Farm Tractors (FT)	11	(3)
Two Wheelers (2W)	10	(0)

Source: Society of Indian Automobile Manufacturers (SIAM)

4. Business Review

4.1. Domestic Market

The Company reported a 19.20% increase in the domestic sales. The Company witnessed a sales growth across all product categories, 14.67% in Brake Linings, 21.16% in Disc Pads and 34.92% in other automotive parts. The break-up of the domestic sales by products is given below:

(₹ in Crores)

Products	2022-23	2021-22	Growth in %
Brake linings	221.64	193.29	14.67%
Disc Pads	317.74	262.24	21.16%
Other Automotive Parts	30.87	22.88	34.92%
Total	570.25	478.41	19.20%

The sales to Original Equipment Manufacturer (OEM) and Aftermarket (AM) improved by 21.03% and 16.39% respectively. In OEM segment, the sales growth was driven by increase in volumes across all major segments and entry into new models in Passenger Car and Two wheeler segments.

(₹ in Crores)

Market	2022-23	2021-22	Growth in %
OEM	350.68	289.75	21.03%
Aftermarket	219.57	188.66	16.39%
Total	570.25	478.41	19.20%

4.2. Exports

The export for the year was ₹26.68 Crores, an increase of 6.55% compared to the previous year. The conventional markets in the region, particularly Sri Lanka, had economic difficulties affecting the exports. The Company continues the initiatives taken to enhance the export turnover through the overseas distribution network and entering into new geographies in Africa and Middle East countries. The enhancement of the product range, development of new grades and the product certifications as stipulated by the respective regulatory bodies will sustain the growth momentum in the export market.

4.3. Operational and Financial Performance

4.3.1. Financial Review

The Company registered a turnover of ₹598.80 Crores which was 18.45% higher than the turnover reported for fiscal 2022. The new products accounted for 4.34% of the total revenues. The profit before tax was ₹44.58 Crores registering an increase of 28.58% over the previous year.

Sl. No.	Key Ratios	March 31, 2023	March 31, 2022	Reason for change in FY 23
1.	Operating profit Margin (%)	7.44%	6.99%	
2.	Net Profit Margin (%)	5.59%	5.35%	Not Applicable
3.	Return on Net worth (%)	13.32%	11.32%	

4.3.2. Operations and Manufacturing Review

The Company bagged new business worth ₹25.29 Crores during the financial year and the growth in two wheeler disc pad business was 22.85% against previous year.

The manufacturing operations being energy intensive, energy conservation continued to be a key focus area. The initiatives undertaken by all manufacturing plants to minimize the power consumption and the contractual arrangements with the third party service providers for utilizing wind energy under Captive Generation Plant (CGP) scheme yielded desired results. During the year, 1MW Solar Plant was installed at Hyderabad Plant. The Company created own generation of overall renewable energy of 4.2 MW. Further, it is proposed to add another 1 MW Solar capacity in-house at the Trichy plant during the next financial year.

Some of the key operations and manufacturing highlights include:

- Conveyorized grinding process for Passenger Car Brake Disc Pads.
- Automation of Mixing and Compaction process.
- Direct charging in Commercial Vehicle Brake Lining and Two Wheeler Brake Shoe.
- Direct charging and Dry vibro barreling for Two Wheeler Disc Pad.
- Capacity enhancement through various automation projects across all manufacturing locations.
- Implementation of various productivity improvement projects resulting in cost optimization and enhanced assets utilization.

4.4. Pursuit of business excellence

The 'Business Excellence Model' through enhanced practice of Total Quality Management (TQM) enabled the Company to win customer accolades. The following are the awards won during the year:

- Excellence in Manufacturing, New Product & Localization - Gold award from ACMA.
- Excellence in Health, Safety & Sustainability - Gold award from ACMA
- Energy Efficient Unit - Certification from CII for Puducherry Plant
- Various Platinum / Rhodium / Gold awards from QCFI, CII; ABK - AOTS in different categories.

4.5. Opportunities and Threats

The Indian automotive industry remains well poised to ride strong growth momentum as the industry focuses on reducing reliance on imported products and working towards developing a strong domestic supplier

ecosystem. In order to remain relevant and stay ahead of the curve and establish the country as a global auto component manufacturing hub, it is equally important to make investments in technology and work towards fully digitalising manufacturing and non-manufacturing operations.

Although, there are positive factors driving the demand environment, supply chain constraints leading to shortage of chips, high cost of raw material, increase in logistics cost and rising fuel prices could impact growth for the industry. Moreover, implementation of new regulations to meet the stringent second phase of BS VI emission norms has resulted in increase in the cost of the vehicles, and this coupled with global recessionary trend and elevated geopolitical tensions could impact growth of the industry.

4.6. Outlook

The Indian automotive industry is likely to witness sustained growth momentum going forward despite minor headwinds in the form of rising interest rates and cost increases due to new emission and safety norms. Introduction of vehicle scrapping policy for scrapping and replacing old vehicles is likely to aid growth of the industry. Adoption of Electric Vehicles (EVs) is expected to accelerate in the coming years as EV becomes more cost competitive backed by supportive government policies, enhanced charging infrastructure

and consumer willingness to move towards clean and sustainable mobility solution.

5. Risk Management

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

	Risk	Nature of Risk	Risk Mitigation Strategies
Strategic	Industry / Market risk	Around 90% of revenue is derived from Indian Automotive sector. Hence, any drop in vehicle production will have a significant impact on Company's business.	The Company constantly strives to: a) Improve its presence in Aftermarket segment which is sizeable portion of the revenue and presents opportunity to compensate for any drop in OE segment. b) Increase revenue from international markets (outside of India). c) Add new products to increase organic revenue and diversify customers across vehicle segments.
	Technology Obsolescence Risk	Auto Industry and customer preference undergoes changes resulting in technology obsolescence.	The Company has consistently delivered cutting edge technology products with: a) Technical collaboration with the global majors. b) Enhanced R&D capabilities, localization of testing and validation capabilities.
	Competition	Maintaining market share in Competitive markets and availability of unorganized players further pose challenges.	The Company's long standing relationship with OEMs, state-of-the-art facilities and best-in-class processes help deliver superior Value. The Company periodically conducts customer survey to understand customer feedback and work in furthering its relationship.

	Risk	Nature of Risk	Risk Mitigation Strategies
Operational	Quality / Processes	Quality and Delivery are sacrosanct for safety of critical products supplied by the Group.	Skilled workforce, imparting job skill enhancement training, enhancing supplier capabilities and robust manufacturing processes helps the Company to mitigate quality and delivery risk.
	People Risk	Attrition of key personnel could impact business operations and growth.	The Company's HR processes are constantly upgraded to attract, retain and develop talent. The policies are people-centric and industry accolades on HR practices help attract talent. The dedicated training center supports to build functional capabilities and develop strong leadership pipeline. The performance management system and other employee engagement initiatives help to develop and retain talent.
	Raw Material (Input) Price Risk	Material cost is a significant part of the cost and volatility in the price of raw material costs will erode margin.	The Company constantly strives to mitigate the input cost increase. a) Procurement function will work on cost reduction initiatives through alternate sourcing, localization, etc. b) Further, negotiating to pass through specific input cost increases suitably to the customers. c) Work on process improvements, yield improvements, etc.
Financial	Currency Risk	Exposed to foreign currency exchange risk as the Company exports its products to various countries and import raw materials.	The Company uses multi-pronged approach as suitable to the scenarios. a) Optimally balance the import and export to create natural hedge. b) Work with customer to index prices to mitigate currency fluctuations. c) Taking simple forwards on a rolling basis to protect its export realization.
	Interest Rate Risk	Use of borrowings to fund expansion exposes to interest rate risk	The Company manages interest rate risk on the following basis: a) Use of internal accruals to fund expansion b) Constantly optimize working capital to reduce interest costs

6. Human Resource Development and Industrial Relations

6.1. Talent Development Initiatives

In FY 2022-23, the Company focused on the following talent development initiatives:

Leadership Development

6.1.1. Young Leadership Development (YLD)

The objective of YLD is to facilitate the development of leadership competencies of first time managers and to provide young leaders relevant exposures and high quality learning experiences thereby strengthening the leadership bandwidth at middle management. The fifth and sixth batch with 5 participants underwent 5 days of classroom sessions across 3 modules facilitated by Shri Dharmasthala Manjunatheshwara Institute for Management Development (SDMIMD).

6.1.2. High Potential Leadership Development (HPLD)

The objective of HPLD is to build leadership competencies of high potential talent and strengthen

the leadership pipeline. Overall 5 employees were engaged in HPLD intervention. Employees from the seventh batch completed their one-year development journey and worked on Action Learning Projects (ALP) in teams to address critical organizational challenges. Participants worked on the projects under the guidance of Prof. Suresh Srinivasan from Great Lakes Institute of Management and made project presentations to business leaders for their inputs.

HiPos from the eighth and ninth batch began their leadership development journey through a Development Center. The developmental inputs focussed on Rane leadership competencies to facilitate career transitions to leadership roles.

6.1.3. Leader as Coach

The objective of "Leader as Coach" is to cultivate appreciation of behavioural change and encourage the culture of development. The leaders were provided with insights on the elements of individual development through the concept of breakdown, skill, practices &

reflection and four different dimensions of individual development as part of facilitator led sessions. Participants have periodic one-on-one conversations with coach on using these coaching techniques for team and self-development. 2 leaders underwent the third batch of "Leader as Coach" intervention.

6.1.4. Rane Manufacturing Systems Professionals (RMSP)

RMSP was introduced as a Professional Course in 2017 with the objective of 'Building Manufacturing Capability'. The Gemba based intervention is for junior and middle management employees in Manufacturing, Manufacturing Engineering, Quality Assurance and Plant Engineering functions.

Having seen five years of implementation a need was felt to link the initiative to plant level performance and focus on depth of coverage in addition to breadth of coverage. In August 2022, it was decided to conduct an in-depth study on repurposing RMSP to analyze the impact and make improvements as necessary by taking inputs of all stakeholders. The repurposed version RMSP 4.0 was designed with the objective to "Enhance Manufacturing Capability through Technical proficiency for Significant improvement in Plant Performance". RMSP 4.0 will be rolled out in April 2023 and region wise awareness sessions were organised for highlighting the importance and impact of RMSP 4.0 across the group.

6.2. Performance Assessment & Development System (PADS) Refresh

As a process, the Company looks at revamping its performance management system, PADS every 5 years understanding the value the present system brings to the organization. With an intention to discover on how it enables the employees to perform, the Company had multiple rounds of focus group discussions across various locations and assimilated points for its process enhancement. Along with points that came out of focus group discussions the Company also did a benchmark study of various practices across industry to design a refreshed process, PADS 7.0 with effect from April 2023, for FY 24.

PADS 7.0 is a transformation from an event based performance management to a continuous performance management. The intervals between the manager/employee conversations is shortened by adding of 5 conversations consisting of 2 performance conversations and 3 development conversations in a year which was earlier limited to only one conversation. This will enable frequent conversation on performance and development between manager / employees. Thus, the Company is transforming from managing performance to enabling performance of employees.

This also gave the Company an opportunity to look at how it can simplify the system which enables the performance management process. The Company has redesigned the forms and competencies such that it becomes easy for employees to access it and enter details. The system is also designed to track and measure completion of development milestones.

6.3. Great Place to Work (GPTW)

The Rane Group believes in continuous improvement in all aspects of its operations. Employee satisfaction and engagement are as key to its growth as business performance. Therefore, to give the employees a platform to express their views in a free and open manner, Rane has been conducting an Employee Opinion Survey for almost a decade. An external consultant would administer the survey, share the findings, and help in identifying the strengths and areas of opportunity. As the organisation grew, there was a need to find other models that accurately and efficiently captured employee views and helped to benchmark against the best in keeping the employees happy.

GPTW is a globally recognized body that helps businesses create a sustainable, high trust, high-performance culture. Since 2008-2009, Rane Group has been participating in the survey and using the findings to fine-tune the employee engagement and development programs. Subsequently, individual Rane companies have been participating in the survey. RBL was certified with GPTW for 6th year in a row.

6.4. Wellness at Rane

Rane Group is committed to promoting a healthy and positive work environment for its employees. The Company has partnered with The Wellness Corner which provides holistic wellness solutions to prioritize the health and well-being of the employees. With the launch of its wellness initiative, the Company is taking a proactive approach in improving the employee well-being and creating a supportive work environment. The employees are encouraged to participate in challenge circles to reinforce adoption of healthy habits such as regular exercise, mindful eating etc.

Rane Premier League is one such event to celebrate the togetherness and also craft a workplace wellness. Rane Premier League (RPL), a first of its kind cricket tournament was held among the group entities of Rane. They nominated their best cricketers who were enthusiastic to bring home the trophy. The Company had a total of 9 teams who fought for winner and runner up awards.

Chennai Marathon is yet another event which saw good participation from Rane Group as part of wellness initiative. The Chennai Marathon is the largest sporting

event in Chennai. This year, 146 employees from the Rane Group participated in the Chennai Marathon.

6.5. Industrial Relations

The industrial relations were generally cordial in all the plants. The group level industrial relations council works towards the objective of creating a healthy working environment by promoting peace and harmony amongst all segments of employees. The focus areas for the council includes interpretation and implementation of legislations, workforce mix planning for optimal deployment and sharing of best practices.

7. Corporate Social Responsibility (CSR)

Rane Foundation, a public charitable trust founded in the year 1967, is the lead for implementing Rane Group's CSR initiatives. The Company's CSR vision is **'to be a socially and environmentally responsible corporate citizen'**. The Company continues to focus on four thrust areas for its CSR activities - Education, Healthcare, Environment and Community Development. In FY 2022-23, the Group implemented several projects by primarily focusing on Education and Healthcare.

The Company contributed to Rane Foundation (RF), the CSR arm of Rane Group, which primarily focused on Education and Healthcare during the FY 2022-23.

7.1. Education:

The Rane Polytechnic, established at Trichy in the year 2011 under the aegis of Rane Foundation has stepped into its twelfth academic year. The institution is accredited by the National Board of Accreditation (NBA) for its Diploma in Mechanical Engineering program. So far 1694 students have completed their diploma program and 167 students have completed the program in the academic year 2022-23. Out of 167 students, 127 opted for placements and 100% placement was achieved for the FY 2022-23 batch.

Rane Vidyalaya, established at Trichy in the year 2018 under the aegis of Rane Foundation has stepped into its fifth academic year. Rane Vidyalaya was recognized by Directorate of School Education, Tamil Nadu in 2018 and is affiliated to the Central Board of Secondary Education, New Delhi. In 2022-23, it reached a student strength of 634 in its fifth year of operations, operating from LKG to VIII standard fulfilling the need for a quality school in rural area.

Rane Foundation in association with Maithree organized pre-vocational training to 10 special children between the age group of 14 to 18.

Rane Foundation made a contribution to TN Arya Samaj Educational Society towards DAV School project at Pallikaranai in the Chennai outskirts.

Rane Foundation extended support to the Gopalapuram Educational Society towards running & maintenance of Boys & Girls Schools.

7.2. Healthcare, Community Development and Environment

Other major CSR activities carried out by the Company during FY 2022-23 are as follows:

- Supporting education for children at SOS Children's Village of India.
- Sustainability and contribution to a Registered Trust which adopted 23 Government Middle Schools for infrastructure development and education of students.
- Continuing green initiatives such as greenery development, lake restoration, etc.
- High Mass Street Light at Sanyasikuppam Village Junction, Puducherry for the safety of local public.
- 5,000 Litres capacity RCC Water tank constructed at Kumbakurichi Village.
- Signal Lights installed in the junction nearer to the Company's Chennai Ambattur manufacturing facility.

8. Internal Control Systems

The Company has put in place a robust internal control system to prevent operational risks through a framework of internal controls and processes.

These controls ensure that the business transactions are recorded in a timely and complete manner in the financial records, the resources are utilised effectively and the assets are safeguarded.

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

9. Cautionary Statement

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

Annexure B to the Report of the Board of Directors

SECRETARIAL AUDIT REPORT

for the Financial Year ended March 31, 2023

Form No. MR-3

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, read with Regulation 24A(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To the Members of

Rane Brake Lining Limited

[CIN: L63011TN2004PLC054948]

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

We have conducted a Secretarial Audit of the compliance of applicable statutory provisions and adherence to good corporate practices by **RANE BRAKE LINING LIMITED** ('the Company') **during the financial year from April 01, 2022 to March 31, 2023** ('the year'/ 'audit period'/ 'period under review').

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

We are issuing this report based on:

- (i) Our examination / verification of the books, papers, Minute books and other records maintained by the Company and furnished to us in electronic mode through file sharing mechanism, forms and returns filed with statutory / regulatory authorities, and compliance related actions taken by the Company, during the year as well as after March 31, 2023, but before the issue of this report;
- (ii) Certificates confirming compliance with all laws applicable to the Company, given by the key managerial personnel of the Company, and noted by the Board of Directors;
- (iii) Report regarding compliance with certain factory related laws, given by the Internal Auditors and noted by the Audit Committee; and
- (iv) Representations made and information provided by the Company, its officers, agents and authorised representatives during our conduct of the Secretarial Audit.

We hereby report that, in our opinion, during the audit period covering the **financial year ended on March 31, 2023**, the Company has complied with the statutory provisions listed hereunder and has Board processes and compliance mechanism in place, to the extent, in the manner and subject to the reporting made hereinafter.

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

1. Compliance with specific statutory provisions

We further report that:

- 1.1 We have examined the books, papers, Minute books and other records maintained by the Company, the forms, returns, reports, disclosures and information filed, submitted or disseminated during the year, according to the applicable provisions / clauses of:
 - (i) The Companies Act, 2013, and the rules made thereunder.
 - (ii) The Securities Contracts (Regulation) Act, 1956, and the rules made thereunder.
 - (iii) The Depositories Act, 1996, and the regulations and bye-laws framed thereunder, to the extent applicable to an Issuer Company.
 - (iv) The Foreign Exchange Management Act, 1999, and the rules and regulations made thereunder, to the extent of Foreign Direct Investment ('FEMA').
 - (v) The following Regulations prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Regulations'):
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; and
 - (c) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI LODR').
 - (vi) The listing agreements entered into by the Company with the National Stock Exchange of India Limited (NSE) and BSE Limited (BSE), in relation to listing of Equity shares of the Company ('Listing Agreements').
 - (vii) Secretarial Standards issued by The Institute of Company Secretaries of India ('Secretarial Standards').
- 1.2 During the period under review, and also considering the compliance related action taken by the Company after March 31, 2023, but before the issue of this report, to the best of our knowledge and belief and based on the records, information, explanations and representations furnished to us:

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

1.3 We are informed that, on account of non-applicability / non-occurrence of any relevant event, during / in respect of the year:

- (i) The Company was not required to comply with the following laws / rules / regulations, and consequently was not required to maintain any books, papers, Minute books or other records or file any forms or returns under:
 - (a) Foreign Exchange Management Act, 1999, and the rules and regulations made thereunder, to the extent of Overseas Direct Investment and External Commercial Borrowings;
 - (b) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993, regarding the Companies Act, 2013, and dealing with clients;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
 - (d) The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018;
 - (e) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
 - (f) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2021.
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021;
 - (h) Secretarial Standards on 'Dividend' (SS-3) and Secretarial Standards - 4 (SS-4) on 'Report of the Board of Directors' (non-mandatory).
- (ii) There was no other law that was specifically applicable to the Company, considering the nature of its business. Hence, the requirement to report on compliance with specific laws under paragraphs 1.1 and 1.2 above did not arise.

2. Board processes

We further report that:

2.1 Board constitution and balance

- (i) The constitution of the Board of directors of the Company during the year was in compliance with the applicable provisions of the Companies Act, 2013, and SEBI LODR.
- (ii) As on March 31, 2023, the Board of Directors of the Company comprises of:
 - (a) 3 (three) Non-Executive Non-Independent Directors; and
 - (b) 3 (three) Independent Directors, including 1 (one) Independent Woman Director.
- (iii) The Company is not required to appoint an Executive Director, since it has appointed whole-time key managerial personnel in the position of Manager, under Section 203(1)(i) of the Companies Act, 2013 (the Act).
- (iv) The processes relating to the following changes in the Board of Directors during the year, were carried out in compliance with the applicable provisions of the Act and SEBI LODR:
 - (a) Re-appointment of Mr. Harish Lakshman (DIN:00012602) as a Director, upon retirement by rotation at the 17th Annual General Meeting held on June 28, 2022.
 - (b) Appointment of Mr. Srivatsan Coimbatore Natarajan (DIN:00002194), as an Independent Director, not liable to retire by rotation, at the 17th Annual General Meeting held on June 28, 2022, by way of a Special resolution, to hold office for a term of 5 (five) consecutive years, with effect from June 28, 2022 upto the conclusion of the 22nd Annual General Meeting or June 27, 2027, whichever is earlier.
 - (c) Appointment of Mr. Ashok Malhotra (DIN:00029017) as an Independent Director, not liable to retire by rotation, at the 17th Annual General Meeting held on June 28, 2022, by way of a Special resolution, to hold office with effect from June 28, 2022, upto October 08, 2024.
 - (d) Retirement of Mr. Srinivasan Sandilya (DIN:00037542) as an Independent Director, at the conclusion of the 17th Annual General Meeting held on June 28, 2022, on completion of second term as an Independent Director.

- (e) Retirement of Mr. Anil Kumar Venkat Epur (DIN:00202454) as an Independent Director, at the conclusion of the 17th Annual General Meeting held on June 28, 2022, on completion of second term as an Independent Director.

2.2 Board meetings

- (i) Adequate notice was given to all the directors to enable them to plan their schedule for the Board Meetings.
- (ii) Notice of Board meetings was sent to all the directors atleast 7 (seven) days in advance.
- (iii) Agenda and detailed notes on agenda were sent to the directors atleast 7 (seven) days before the Board meetings, with the exception of the following items, which were either circulated separately or at the Board meetings, with the requisite consent from the Board of directors as required under SS-1:
- (a) Supplementary agenda notes and annexures in respect of unpublished price sensitive information such as audited accounts / results, unaudited financial results and connected papers; and
- (b) Additional subjects / information / presentations and supplementary notes.

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

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

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

3. Compliance mechanism

We further report that:

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

4. Specific events / actions

We further report that:

During the audit period, the following specific events / actions having a major bearing on the Company's affairs, took place in pursuance of the above referred laws, rules, regulations and standards.

Change in Statutory Auditors of the Company

M/s. Varma & Varma, Chartered Accountants (Firm Registration Number: 004532S), who were re-appointed as the Statutory Auditors for a second term of 5 (five) consecutive years, at the 12th Annual General Meeting held on August 23, 2017, completed their second term of appointment, and ceased as the Statutory Auditors of the Company at the conclusion of the 17th Annual General Meeting held on June 28, 2022, in terms of Section 139(2) of the Companies Act, 2013 (the Act).

Based on the recommendation of the Audit Committee and the Board of Directors, the members of the Company, at the 17th Annual General Meeting held on June 28, 2022, appointed M/s. BSR & Co. LLP, Chartered Accountants (Firm Registration No. 101248W/W-100022), as the Statutory Auditors of the Company, in the place of M/s. Varma & Varma Chartered Accountants (Firm Registration Number: 004532S), to hold office for the first term of 5 (five) consecutive years, from the conclusion of the 17th AGM (2022) till the conclusion of the 22nd AGM (2027), in terms of Section 139(1), 141, 142 and other applicable provisions of the Act.

For S. Krishnamurthy & Co.

Company Secretaries

[Firm Unique Identification No. P1994TN045300]

[Peer Review Certificate No.739/2020]

Sharanya Sriram

Partner

Membership No.: **F10252**

Certificate of Practice No.: **12731**

Place : Chennai

Date : **May 03, 2023**

UDIN:**F010252E000246466**

Annexure - A to Secretarial Audit Report of Even Date

To the Members of

Rane Brake Lining Limited

[CIN: L63011TN2004PLC054948]

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

Our Secretarial Audit Report (Form MR-3) of even date for the financial year ended March 31, 2023, is to be read along with this letter.

1. Management's Responsibility:

The Company's management is responsible for maintenance of secretarial records, making the statutory / regulatory disclosures / filings and compliance with the provisions of corporate and other applicable laws, rules, regulations and standards.

2. Secretarial Auditors' Responsibility:

Our responsibility as a Secretarial Auditor is to express an opinion on the compliance with the applicable laws and maintenance of records based on our audit.

3. 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 and the audit was conducted in accordance with applicable Auditing Standards issued by the Institute of Company Secretaries of India. Those Standards require that the Auditor comply with statutory and regulatory requirements and plan and perform the audit to obtain reasonable assurance about compliance with applicable laws and maintenance of records.
4. We have verified the secretarial records furnished to us on a test basis to see whether the correct facts are reflected therein. We have also examined the compliance processes and procedures followed by the Company on a test basis. We believe that the processes and practices we followed provide a reasonable basis for our opinion.
5. While forming an opinion on compliance and issuing this report, we have taken an overall view, based on the compliance practices and procedures followed by the Company. We have considered:

- (a) Compliance related actions taken by the Company based on independent legal / professional opinion / certification obtained as being in compliance with law, wherever there was scope for multiple interpretations.
 - (b) Compliance related action taken by the Company after March 31, 2023, but before the issue of this report; and
 - (c) Notifications / Circulars issued by the Ministry of Corporate Affairs / the Securities and Exchange Board of India, in respect of various compliance related events as stated therein.
6. We have not verified the correctness and appropriateness of the financial statements, financial records and books of accounts of the Company, as they are subject to audit by the Auditors of the Company appointed under Section 139 of the Companies Act, 2013.
 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.
 9. Due to the inherent limitations of an audit including internal, financial and operating controls, there is an unavoidable risk that some misstatements or material non-compliances may not be detected, even though the audit is properly planned and performed in accordance with the Auditing Standards.

For S. Krishnamurthy & Co.

Company Secretaries

[Firm Unique Identification No. P1994TN045300]

[Peer Review Certificate No.739/2020]

Sharanya Sriram

Partner

Membership No.: **F10252**

Place : Chennai

Certificate of Practice No.: **12731**

Date : **May 03, 2023**

UDIN: **F010252E000246466**

Annexure C to the Report of the Board of Directors

ANNUAL REPORT ON CSR ACTIVITIES

for the Financial Year 2022-23

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

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

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

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

Overview of projects implemented during FY 2022-23**I. Education & Health care****A. Institutional Development**

The Company contributed to Rane Foundation (RF), the CSR arm of Rane Group, which primarily focused on Education. RF has established Rane Polytechnic and Rane Vidyalaya at Trichy, Tamil Nadu. Rane Polytechnic is accredited by the National Board of Accreditation (NBA) for its Diploma in Mechanical Engineering program. 100% placement was achieved for the FY 2022-23 batch.

Rane Vidyalaya is recognized by Directorate of School Education, Tamil Nadu and is affiliated to the Central Board of Secondary Education, New Delhi and operates classes from LKG to VIII standard. During the year, it reached a student strength of 634 in its fifth year of operations and proving the need for a quality school in rural area.

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

- (a) Education support to 5 children at SOS Children's Village of India, Chennai.
- (b) Sustainability and contribution to a Registered Trust which adopted 23 Government Middle Schools for infrastructure development and education of students.
- (c) Physical Fitness Education to Children - Erection of Bottle Climber, Ultra Slide & See Saw at Government Middle School, Moggapair, Chennai.

- (d) Provision of Public Address System and accessories for Auditorium and class rooms at Government Middle School, Mogappair East, Chennai.

- (e) Provision of various stationery items to Asha Jyothi Orphanage Institution children students at Pregnapur, Hyderabad.

B. Health Care & Awareness Programme

- (a) Special focus for supporting NGOs at different locations of Chennai, Hyderabad, Puducherry & Trichy like:

- Continue to focus on providing Safe Drinking Water facility including RO Plant along with AMC to various Government Schools of Hyderabad and Puducherry.
- 1,000 Litres Water Tank with accessories and Water Cooler at Government Primary School, Kothandarampally, Pregnapur, Hyderabad.
- Provision of 10 Nos. of New Doors fitted in Rest Rooms for Girl Students at Government Higher Secondary School, PS Palayam, Puducherry.

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

II. Community Development - Amenities and Sanitation

- (a) Signal Lights installed in the junction near to the Company's Chennai Ambattur manufacturing facility.
- (b) Reflective Jackets distributed to Traffic Police.
- (c) High Mass Street Light at Sanyasikuppam Village Junction, Puducherry.
- (d) 5,000 Litres capacity RCC Water tank constructed at Kumbakurichi Village, Trichy.

III. Environment - Plantation Drives

Continued to contribute for maintenance of Puducherry Keni (Lake) to protect the water resource for people, birds and animals.

2. The Composition of the CSR Committee

The Company has constituted a robust governance structure to oversee the implementation of the CSR projects, in compliance with the requirements of Section 135 of the Companies Act, 2013. The CSR governance structure is headed by the Board CSR Committee. The members of the CSR committee are:

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

Note:

- Mr. Anil Kumar Epur ceased to be member w.e.f. June 28, 2022. He attended one (1) CSR Committee meeting held on May 18, 2022.
- Dr. Brinda Jagirdar became member w.e.f. June 30, 2022.

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

Members	Designation
Mr. R Balakrishnan	President & Manager
Mr. J Ananth	Senior Vice President - Finance & CFO

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

- Composition of CSR Committee:** <https://ranegroup.com/investors/rane-brake-lining-limited/>
- CSR Policy and CSR projects approved by the Board:** <https://ranegroup.com/investors/rane-brake-lining-limited/?rbl-cor-5>

4. Provide executive summary along with web-link(s) of Impact Assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 - Not Applicable

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

Particulars	2019-20	2020-21	2021-22
Net profit for the year	34,34,50,095/-	31,80,18,623/-	27,07,33,955/-
Adjusted Net profit (as per Section 198)	44,77,88,534/-	47,34,14,407/-	34,86,75,700/-
Average Net profit	42,32,92,880/-		

(b) Two percent of average net profit of the Company as per sub-section (5) of section 135 - ₹84,65,858/-

(c) Surplus arising out of the CSR projects / programmes / activities of the previous financial years - Nil

(d) Amount required to be set-off for the financial year - ₹40,40,947/-

(e) Total CSR obligation for the financial year (5b+5c-5d) - ₹44,24,911/-

6. (a) Amount spent on CSR Projects (both Ongoing project and other than Ongoing Project): ₹44,24,911/-

(b) Amount spent in Administrative Overheads - Nil

(c) Amount spent on Impact Assessment - Not Applicable

(d) Total amount spent for the Financial Year (6a+6b+6c) - ₹44,24,911/-

(e) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year (in ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per sub-section (6) of section 135		Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of section 135		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
44,24,911/-		NIL		NIL	

(f) Excess amount for set-off:

Sl.No.	Particular	Amount (in ₹)
(i)	Two percent of average net profit of the Company as per sub-section (5) of section 135	84,65,858/-
(ii)	Total amount spent for the Financial Year*	84,65,858/-
(iii)	Excess amount spent for the financial year [(ii)-(i)]	-
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	-
(v)	Amount available for set-off in succeeding financial years [(iii)-(iv)]	-

*includes ₹40,40,947/- set-off from previous years (i.e. FY 2020-21 - ₹2,33,219/- and FY 2021-22 - ₹38,07,728/-).

7. Details of Unspent CSR amount for the preceding three financial years:

Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under sub-section (6) of section 135 (in ₹)	Balance Amount in Unspent CSR Account under sub-section (6) of section 135 (in ₹)	Amount spent in the reporting Financial Year (in ₹)	Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of section 135, if any		Amount remaining to be spent in succeeding financial years (in ₹)	Deficiency, if any
					Amount (in ₹)	Date of transfer		
NIL								

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year: No

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

For and on behalf of the Board

Chennai
May 03, 2023

Harish Lakshman
Director
DIN:00012602

Ganesh Lakshminarayan
Chairman of CSR Committee
DIN:00012583

Annexure D to the Report of the Board of Directors

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

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

A. Conservation of Energy

Steps taken or impact on conservation

- Introduced VFD on all Motors and implemented speed optimization measures as appropriate to reduce energy consumption.
- Implemented LED lights in shop floor across all plants.
- Thermography test completed at Puducherry Plant for reducing energy loss.
- Efficient hand wash system provided in rest rooms at Chennai Plant resulted into savings of 20KL water per month.
- Introduced pre-washing system of canteen food plates resulted into savings of 3KL water per month.
- Water leak point study conducted across all plants and action initiated to reduce water consumption.

Steps taken for utilising alternate sources of energy

- Continued to use alternate energy sources viz. Wind and Solar and constantly working to enhance alternate energy sources.
- Renewable energy contributes around 38% of overall energy consumption.

Capital Investment on Energy Conservation Equipment

- 1MW Solar Plant installed at Hyderabad Plant.

B. Technology Absorption

Efforts towards Technology Absorption

- Cost effective new grade developed for both front and rear for electric 2W.
- New Liner grade developed for bus application with improved NVH and high life.
- New grade developed for Metro brake block application and supply commenced.
- Copper free Pads developed for CV Disc brake for US Aftermarket.
- New grade Brake Lining as per Reduced Stopping Distance (RSD) requirements of US Aftermarket.

- Copper free Premium CV disc brake pads under development for North America.

Capacity addition / Infrastructure

- Test facility added to measure the specific surface area of the materials.
- Developed Field to lab simulation for Passenger car brake pad to simulate road condition in lab.

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

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

Details of Imported Technology (during the last 3 years reckoned from the beginning of the FY 2022-23)

Technology imported	Year of import	Has the technology been fully absorbed	Where technology not fully absorbed reason and future plan of action
Not Applicable			

Research and Development expenditure incurred

(₹ in Crores)

Sl. No.	Particulars	2022-23	2021-22
A	Capital expenditure	0.92	0.08
B	Recurring expenditure	17.55	17.02
C	Total	18.47	17.20
D	Total R & D expenses as a percentage of total turnover	3.04%	3.30%

C. Foreign Exchange Earnings And Outgo

(₹ in Crores)

Foreign Exchange	2022-23	2021-22
Earnings	24.94	17.51
Outgo	125.62	104.30

For and on behalf of the Board

Harish Lakshman
 Director
 DIN:00012602

Ganesh Lakshminarayan
 Chairman
 DIN:00012583

Chennai
 May 03, 2023

Annexure E to the Report of the Board of Directors

CORPORATE GOVERNANCE REPORT

1. Philosophy on Code of Governance

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

Rane Group, being a good corporate citizen, complies and fully abides by the laws and regulations of the land, both in letter and spirit. Our belief in good corporate citizenship enshrined in the Company's Code of Conduct, its policies, compliance with law and robust internal control systems, which are subjected to regular assessment drives its effectiveness, reinforces integrity of management and fairness in dealing with all the stakeholders. This meets with all statutory and regulatory compliance including those under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI LODR).

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

2. Board of Directors

Composition, Attendance and Meetings

As on March 31, 2023, the Board of Directors (Board) comprises of Six (6) Non-Executive Directors with 50% of them being Independent Directors. The Chairman of the Board is a Non-Executive Director. There are no Alternate Directors on the Board. The Woman Director of the Company is an Independent Director. The composition of the Board is aimed at maintaining an appropriate balance of skills, background, experience

and knowledge of the Board for guiding the Company in achieving its objectives in a sustainable manner. The composition of the Board, as at end of FY 2022-23, was in conformity with the Regulation 17 of SEBI LODR.

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

During the FY 2022-23, the Board met five (5) times on May 18, 2022, July 26, 2022, October 19, 2022, February 09, 2023 and March 15, 2023 with requisite quorum present throughout the meetings. Wherever required, the Company facilitates the participation of the Directors in Board / Committee meetings through video- conferencing or other audio visual means. The details of the Directors on the Board, their attendance at Board Meetings and Annual General Meeting held during the year, the number of Directorships and Committee membership / Chairman position(s) held by them in other public Companies as on March 31, 2023 are given below:

Name of the Director / (DIN)	Category	No. of Board meetings attended	Attendance at the last AGM (June 28, 2022)	Number of Directorship in other public companies #		Number of Committees Membership®	
				Chairperson	Member	Chairperson	Member
Mr. L Ganesh (00012583)	Chairman, Non-Executive & Promoter	5	Yes	3	4	1	5
Mr. Ashok Malhotra^ (00029017)	Non-Executive & Independent	4	NA	-	-	-	-
Mr. C N Srivatsan^ (00002194)	Non-Executive & Independent	4	NA	-	1	1	1
Mr. Harish Lakshman (00012602)	Non-Executive & Promoter	5	No	1	5	1	3

Name of the Director / (DIN)	Category	No. of Board meetings attended	Attendance at the last AGM (June 28, 2022)	Number of Directorship in other public companies #		Number of Committees Membership @	
				Chairperson	Member	Chairperson	Member
Mr. Yasuji Ishii (08078748)	Non-Executive & Nominee	3	No	-	-	-	-
Dr. Brinda Jagirdar (06979864)	Non-Executive & Independent	5	Yes	-	6	1	6

excludes Directorships held on the Boards of private Companies, Section 8 Companies, Debt-Listed Companies and Companies incorporated outside India and includes Chairpersonship & Directorship held in a Deemed Public Company.

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

Note:

1. Mr. S Sandilya (DIN:00037542) and Mr. Anil Kumar Epur (DIN:00202454), Directors, consequent to the completion of their second term ceased to be Directors of the Company at the conclusion of the 17th Annual General Meeting held on June 28, 2022. They attended the Board Meeting held on May 18, 2022 and the Annual General Meeting of the Company held on June 28, 2022.
2. ^ Mr. Ashok Malhotra and Mr. CN Srivatsan were inducted to the Board after conclusion of the 17th Annual General Meeting held on June 28, 2022.

The details of Directorship Board of Directors (Board) in other listed entities as on March 31, 2023 are as under:

Name of Director	Name of the listed entity	Category of Directorship
Mr. L Ganesh	Rane (Madras) Limited	Chairman & Non-Executive & Promoter
	Rane Engine Valve Limited	Chairman & Non-Executive & Promoter
	Rane Holdings Limited	Chairman & Managing Director & Promoter
	Sundaram Finance Limited	Non-Executive & Independent
Mr. Harish Lakshman	Rane (Madras) Limited	Vice-Chairman & Non-Executive & Promoter
	Rane Engine Valve Limited	Vice-Chairman & Non-Executive & Promoter
	Rane Holdings Limited	Vice-Chairman & Joint Managing Director & Promoter
	Oriental Hotels Limited	Non-Executive & Independent
Dr. Brinda Jagirdar	Rane Engine Valve Limited	Non-Executive & Independent
	IDFC First Bank Limited	Non-Executive & Independent
Mr. C N Srivatsan	Precot Limited	Non-Executive & Independent
Mr. Yasuji Ishii	-	-
Mr. Ashok Malhotra	-	-

There is no inter-se relationship among the other Directors of the Company. The matters specified pursuant to Regulation 17(7) of SEBI LODR under PART A of Schedule II and in particular the annual operating plans and budgets, quarterly results for the Company, minutes of meetings of Audit Committee and other Committees of the Board, quarterly details of foreign exchange exposures, risk management and mitigation measures etc. were discussed by the Board.

An annual calendar for the Board and its Committee meetings was circulated in advance to the Directors and they were provided with detailed agenda for the meetings along with necessary annexure to effectively participate in discussions. Post Board meeting reviews were held by the Chairman to monitor and follow up the effective execution of the decisions, directions and suggestions of the Board and its Committees, by the management.

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

The Company had issued formal letter of appointment to all the Independent Directors, whenever they are appointed / re-appointed and the terms and conditions of appointment of Independent Directors have also been disclosed in the website of the Company at www.ranegroup.com. In case of resignation of a Director before the expiry of his term, the Company obtains a formal resignation letter with reasons for resignation and the same is furnished to the stock exchanges. However, there was no instance of resignation during the year under review.

Presentations on business and performance updates of the Company, global business environment and business strategy are made to the Board and the Committee members. The details of familiarisation programme for the Independent Directors are disclosed in the policies section of the website of the Company at the web-link: <https://ranegroup.com/investors/rane-brake-lining-limited/>

Skills, expertise and competence of the Board

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

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

3. Audit Committee

Composition, Attendance and Meetings

The composition of the Audit Committee of the Board conforms to the requirements of Section 177 of the Companies Act, 2013 and Regulation 18 of SEBI LODR. The Committee met four (4) times during the year May 18, 2022; July 26, 2022; October 19, 2022 and February 09, 2023 with requisite quorum present throughout the meetings. The details of members and their attendance are as below:

Name of the Director	Category	No. of Meetings attended
Mr. C N Srivatsan	Chairman, Non-Executive & Independent	3
Mr. L Ganesh	Member, Non-Executive & Promoter	3
Mr. Ashok Malhotra	Member, Non-Executive & Independent	3
Dr. Brinda Jagirdar	Member, Non-Executive & Independent	4

Note:

- Mr. S Sandilya (DIN:00037542) and Mr. Anil Kumar Venkat Epur (DIN:00202454) ceased to be Chairman and member respectively with effect from June 28, 2022. During the year, they attended one (1) meeting of the committee held on May 18, 2022.
- Mr. C N Srivatsan (DIN:00002194) and Mr. Ashok Malhotra (DIN:00029017) were inducted as Chairman and member respectively with effect from June 30, 2022.

All the members of the Audit Committee are financially literate and possess accounting and related financial management expertise. The Company Secretary acts as the Secretary to the Committee.

The Statutory Auditor and the Internal Auditor were present as invitees in all the meetings. The Manager and Chief Financial Officer (CFO) of the Company attended the meetings by invitation. Based on the requirement, other Directors also attended the meetings by invitation. All the recommendations of the Audit Committee during the year, were considered, accepted and approved by the Board. The Chairman of the Audit Committee was present at the last AGM of the Company held on June 28, 2022.

Overall purpose and terms of reference

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

The terms of reference of the Audit Committee are as per the provisions of the SEBI LODR read with Section

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

The terms of reference and roles of the Audit Committee are in line with the provisions of SEBI LODR / Companies Act, 2013 which are mentioned hereunder:

- 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 and prohibition of insider trading.
- Evaluation of internal financial controls and risk management systems.
- Management discussion and analysis of financial condition, results of operation financial and risk management policies of the Company.
- Defaults, if any, in payments to depositors, shareholders / creditors and the status of the inter- corporate loans and investments for scrutiny in detail.
- Approve related party transactions, including any subsequent modifications thereto.
- Compliance with listing and other legal requirements relating to financial statements.
- Changes, if any, in accounting policies and practices and reasons for the same, major accounting entries involving estimates based on the exercise of judgment by management and significant adjustments made in the financial statements arising out of the audit findings.
- Valuation of undertakings or assets of the Company, as and when required.
- Financial statements, in particular, the investments made by any unlisted subsidiary of the Company.
- Utilization of loans and / or advances from / investment by the Company to its subsidiary exceeding ₹100 crore or 10% of the asset size of the subsidiary, whichever is lower, including existing loans / advances / investments.
- Recommends appointment of Auditor and their remuneration and approves the appointment of CFO.

- Discusses the scope of audit and post-audit area of concern and qualifications, if any, with Statutory Auditor / Internal Auditor.
- Consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders.

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

In accordance with the provisions of Companies Act, 2013, rules made thereunder and provisions of SEBI LODR, the Audit Committee accords prior approval for all Related party transactions (RPTs), including any modifications thereto, as per the policy on RPT. The Audit Committee annually grants omnibus approvals for transactions that are routine or repetitive in nature and which are proposed to be undertaken / entered in the ordinary course of business at arm's length basis. While according omnibus approvals, the Audit Committee takes into consideration the following factors viz., maximum value of the transactions, including value per transaction, extent and manner of disclosures made to the Audit Committee. On a quarterly basis, the Audit Committee reviews RPTs entered into by the Company pursuant to each of the omnibus approval. The Audit Committee reviews all mandatory information under Part C of Schedule II pursuant to Regulation 18 of SEBI LODR, including review of Internal Auditor observations, statutory compliances.

During the year, the Committee recommended:

- the appointment of M/s. BSR & Co., LLP as Statutory Auditors of the Company for the first term of five consecutive years from the conclusion of 17th AGM (2022) until the conclusion of 22nd AGM (2027).
- the re-appointment and fixing of remuneration of M/s. Deloitte Touche Tohmatsu India LLP as Internal Auditor for the period January 01, 2023 to December 31, 2023.

4. Nomination and Remuneration Committee (NRC)

Composition, Attendance and Meetings

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

LODR. The Company Secretary acts as the Secretary to the Committee. The Committee met three (3) times during the year May 18, 2022; July 26, 2022 and February 09, 2023 with requisite quorum present throughout the meetings. The details of members and their attendance are as below:

Name of the Director	Category	No. of meetings attended
Mr. Ashok Malhotra	Chairman, Non - Executive & Independent	2
Mr. Harish Lakshman	Member, Non - Executive, Promoter	3
Dr. Brinda Jagirdar	Member, Non-Executive & Independent	2

Note:

- Mr. Srinivasan Sandilya (DIN:00037542) and Mr. Anil Kumar Venkat Epur (DIN:00202454) ceased to be Chairman and member of the Committee respectively w.e.f June 28, 2022. During the year, they attended one (1) meeting of the committee held on May 18, 2022.
- Mr. Ashok Malhotra (DIN:00029017) and Dr. Brinda Jagirdar (DIN:06979864) were inducted as Chairman and member respectively w.e.f June 30, 2022.

Overall purpose and terms of reference

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

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

During the year, the NRC, inter alia:

- Recommended the appointment of Mr. Ashok Malhotra & Mr. C N Srivatsan as Independent Directors of the Company.
- Reviewed and recommended the process of Board evaluation, its Committees and Directors.
- Reviewed and approved the compensation benefits of Senior Management Personnel (SMP) and Key Managerial Personnel (KMP).

During the year under review, the Board amended the Nomination and Remuneration Committee Charter to include functional heads in the definition of Senior Management in accordance with SEBI (LODR) Amendment Regulations, 2023 dated January 17, 2023.

Remuneration Policy

The policy on appointment and remuneration of Directors, Key Managerial Personnel (KMP) and Senior Management Personnel (SMP) is available in the policies section of the website of the Company at the web-link <https://ranegroup.com/investors/rane-brake-lining-limited/>. This policy is designed to attract, motivate, and retain talented employees who drive the Company's success and aims at aligning compensation to goals of the Company, performance of the individual, internal equity, market trends and industry practices, legal requirements and appropriate governance standards.

Remuneration to Non-Executive Directors

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

Sitting Fees

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

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

The criteria for payment to Non-Executive Directors is available in the policies section on the webpage <https://ranegroup.com/investors/rane-brake-lining-limited/>.

In accordance with the said policy approval of the shareholders was obtained at the 16th AGM for payment of commission to Mr. L Ganesh, Chairman. Further, annual approval was also obtained at the 17th AGM in terms of Regulation 17(6)(ca) of SEBI LODR for payment of remuneration for FY 2022-23.

Details of Remuneration paid to Directors

The details of remuneration including sitting fees paid to the Directors during the year and their shareholding as at the year ended March 31, 2023 are as follows:

Name of the Director	Sitting Fees (₹)	Remuneration (₹)	Shares held as on March 31, 2023
Mr. L Ganesh	3,20,000	95,00,000	100
Mr. Harish Lakshman	2,45,000	-	100
Mr. Ashok Malhotra	2,90,000	-	-
Mr. C N Srivatsan	2,65,000	-	-
Mr. Yasuji Ishii	1,20,000	-	-
Dr. Brinda Jagirdar	3,60,000	-	-
Total	16,00,000	95,00,000	200

Note:

- Commission for FY 2022-23 being the minimum remuneration paid / payable to Mr. L Ganesh, Chairman under Schedule V of the Companies Act 2013 and in accordance with approval of the shareholders at the 16th AGM
- During the year, Mr. S Sandilya and Mr. Anil Kumar Epur were paid sitting fees of ₹85,000/- and ₹95,000/- respectively. They retired at the conclusion of the 17th Annual General Meeting held on June 28, 2022.
- No shares of the Company were pledged by the Directors and there is no stock option scheme prevailing in the Company.
- Sitting fee payable to Nominee Director is being remitted to Nisshinbo Holdings Inc. Japan.
- Shareholding includes joint holdings & HUF, if any.

5. Stakeholders Relationship Committee

Composition, Attendance and Meetings

The Stakeholders Relationship Committee looks into grievances of shareholders and redresses them expeditiously in accordance with Section 178 of the Companies Act, 2013 and as per the requirements under Regulation 20 of SEBI LODR. The Company Secretary is the compliance officer of the Company and acts as the Secretary to the Committee. The Committee met two (2) times during the year, i.e. May 18, 2022 and October 19, 2022 with requisite quorum present thought the meetings. The details of members and their attendance are stated below:

Name of the Director	Category	No. of meetings attended
Mr. Harish Lakshman	Chairman, Non-Executive & Promoter	2
Mr. L Ganesh	Member, Non-Executive & Promoter	2
Mr. Ashok Malhotra	Member, Non-Executive & Independent	1

- Mr. Anil Kumar Epur ceased to be a member w.e.f June 28, 2022. During he year the attended one (1) meeting held on May 18, 2022
- Mr. Ashok Malhotra was inducted as member of the Committee w.e.f June 30, 2022.

Overall purpose and terms of reference

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

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

During the year, 3 investor complaints were received which primarily related to non-receipt of dividend and Annual Report. No complaints remain unresolved at the end of the financial year 2022-23. The Chairman of SRC / Authorised Representative was present at the last AGM of the Company held on June 28, 2022.

The SRC during the year reviewed:

- Internal Audit Report for the FY 2021-22 dated June 30, 2022 issued to Integrated Registry Management Services Private Limited (RTA) in line with the SEBI Circular dated April 20, 2018.

6. Corporate Social Responsibility (CSR) Committee

Education, Healthcare, Community Development and Environment are the four focus areas under Corporate Social Responsibility (CSR) as per the CSR activities of the Company. The CSR projects and activities undertaken

by the Company are in line with the CSR Policy and recommendations of the CSR Committee which are in accordance with the areas or subjects specified under the Companies Act, 2013, as amended from time to time. The Committee met once during the year on May 18, 2022 with requisite quorum present throughout the meeting. The Company Secretary acts as the Secretary to the Committee. The details of members and their attendance are as stated below:

Name of the Director	Category	No. of meetings attended
Mr. L Ganesh	Chairman, Non-Executive & Promoter	1
Mr. Harish Lakshman	Member, Non-Executive & Promoter	1
Dr. Brinda Jagirdar	Member, Non-Executive & Independent	-

Note:

- Mr. Anil Kumar V Epur ceased to be member w.e.f June 28, 2022. During the year he attended one (1) meeting held on May 18, 2022.
- Dr. Brinda Jagirdar was inducted as member of the Committee w.e.f June 30, 2022.

Overall purpose and terms of reference

The terms of reference of the Committee are as follows:

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

The report on CSR projects undertaken during the year 2022-23 as approved by the CSR Committee in consultation with the Board is annexed to this report as 'Annexure C'.

7. Risk Management Committee

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

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

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

Note:

- Mr. S Sandilya ceased to be member w.e.f June 28, 2022.
- Mr. C N Srivatsan was inducted as member of the Committee w.e.f June 30, 2022.

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

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

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

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

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

- To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
- To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
- To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
- To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;
- The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee.

The Committee met two (2) times during the year September 20, 2022 and March 15, 2023, wherein the committee reviewed the revised Risk Review Plan and reviewed various risks including Environmental, Social and Governance (ESG) related risks.

8. Other Committees

Share Transfer Committee

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

Finance Committee

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

Executive Committee

An Executive Committee comprising of Mr. L Ganesh and Mr. Harish Lakshman (Non-Executive Directors) as its members, is authorized to carry out activities in connection with change in authorization to officials under various legislations, operation of bank accounts and other administrative matters between two consecutive meetings of the Board. The Company Secretary acts as Secretary of the Committee and no sitting fees is payable to the Committee members. During the year, one (1) meeting was held on January 19, 2023 for opening Suspense Escrow Demat Account as per SEBI Circular dated December 30, 2022.

9. Code of conduct

The Board of Directors have 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 policies section of the website of the Company at the weblink: <https://ranegroup.com/investors/rane-brake-lining-limited/>. The Board members and SMP have affirmed their compliance with the code of conduct. A declaration from the Manager of the Company to this effect forms part of this report in 'Annexure (i)'.

Prevention of Insider Trading

The Board of Directors have formulated "Rane Code to regulate, monitor and report trading by insiders" and "Rane Code of practices and procedures for fair disclosure of unpublished price sensitive information" in accordance with SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time, to prevent misuse of any unpublished price sensitive information and prohibit insider trading activity. The code of fair disclosure practices and procedures for unpublished price sensitive information is available in the policies section of the website of the Company at the weblink <https://ranegroup.com/investors/rane-brake-lining-limited/>. Further, the Company also maintains a Structured Digital Database as required under Regulation 3(5) of SEBI (Prohibition of Insider Trading) Regulations, 2015 with adequate internal controls, checks, time stamping and audit trails.

10. General Body Meetings

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

Date of AGM	Special resolutions passed	Time	Venue / Mode
June 28, 2022 (17 th AGM)	<ol style="list-style-type: none"> Approval under Regulation 17(6)(ca) of SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015, the remuneration payable to Mr. L Ganesh (DIN:00012583), Chairman (Non-Executive Director) exceeding fifty percent of the total annual remuneration payable to all the Non- Executive Directors. Appointment of Mr. C N Srivatsan (DIN:00002194) as an Independent Director Appointment of Mr. Ashok Malhotra (DIN:00029017) as an Independent Director 	14:00 hrs (IST)	
July 26, 2021 (16 th AGM)	<ol style="list-style-type: none"> Approval under Regulation 17(6)(ca) of SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015, the remuneration payable to Mr. L Ganesh (DIN:00012583), Chairman (Non-Executive Director) exceeding fifty percent of the total annual remuneration payable to all the Non- Executive Directors. Approval of payment of commission to Mr. L Ganesh (DIN:00012583), Chairman (Non-Executive Director) for a period of three years. 	15:00 hrs (IST)	Video Conferencing / Other Audio Visual Means (VC / OAVM)
August 05, 2020 (15 th AGM)	<ol style="list-style-type: none"> Approval of appointment and remuneration of Mr. R Balakrishnan as Manager. Approval under Regulation 17(6)(ca) of SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015, the remuneration payable to Mr. L Ganesh (DIN:00012583), Chairman (Non- Executive Director) exceeding fifty percent of the total annual remuneration payable to all the Non- Executive Directors. 	15:00 hrs (IST)	

No resolution was passed either through postal ballot or Extra-Ordinary General Meeting during the Financial Year 2022-23.

11. Other disclosures

- During the year, the Company has not entered into any transaction of material nature with any of the promoters, Directors, management or relatives etc. The transactions entered with related parties during the year were in the ordinary course of business and at arms' length and not in conflict with the interest of the Company. All routine and periodic transactions with related parties were covered in the omnibus approval of the Audit Committee. The details of the related party transactions including those with persons /entities belonging to promoter / promoter group as per Ind AS are stated in Note 40 of the financial statements. The policy on related party transaction is available in the policies section of the website of the Company at the weblink <https://ranegroup.com/investors/rane-brake-lining-limited/>.
- 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 the following non-mandatory requirements prescribed under Part - E of Schedule II, Chapter IV of the SEBI LODR
 - maintains an office for Mr. L Ganesh, Chairman (Non-Executive Director) at the registered office of the Company and allows re-imbursement of expenses incurred in performance of his duties.
 - adopted best practices to ensure a regime of financial results / statement with unmodified audit opinion.
 - internal auditor directly reports 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.

- vii. The Company does not have any material listed / unlisted subsidiary as defined in Regulation 24 of the SEBI LODR. Hence, the Company is not required to frame a policy for determining material subsidiary.
- viii. The Company has obtained a certificate from a Company Secretary in Practice that none of the Director(s) on the Board of the Company have been debarred or disqualified from being appointed or continuing as Director of the companies by the Board / Ministry of Corporate Affairs or any such statutory authority. The Certificate obtained is attached in '**Annexure (ii)**' to this report on Corporate Governance.
- ix. The Independent Directors have confirmed and declared that they meet the criteria of 'Independence' as stipulated under Section 149 including the compliance with the code of conduct as prescribed in Schedule - IV of the Companies Act, 2013 and Regulation 16 read with Regulation 25 of SEBI LODR and other provisions of the Act and SEBI LODR, as amended from time to time and that they are not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact his / her ability to discharge duties with an objective independent judgment and without any external influence.
- x. In terms of regulation 25 of SEBI LODR the Company has in place policy for Directors and Officers insurance ('D & O insurance') covering all the Independent Directors, of such quantum and for such risks which commensurate to the operations of the Company and in line with the industry standards.
- xi. The disclosure in relation to Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 is available in the Directors' Report.
- xii. The Manager and CFO of the Company have certified to the Board on the integrity of the financial results / statements, effectiveness of internal controls and significant changes in internal control / accounting policies during the year as required under Regulation 17(8) of the SEBI LODR and Companies Act, 2013.
- xiii. The Company has complied with all mandatory requirements specified in Regulation 17 to 27 and Regulation 46(2)(b) to (i) of SEBI LODR.

- xiv. The Board has accepted / considered all the recommendation(s) made by Committee(s) to the Board in the relevant financial year under review.
- xv. The total fees for all services paid by the Company to the Statutory Auditor are given as under:

(₹ in Crores)

Particulars	FY 2022-23	FY 2021-22
Varma & Varma, Chartered Accountants	-	0.21
BSR & Co., LLP, Chartered Accountants	0.21	-
Network entities and firms (if any)	-	-
Total	0.21	0.21

- xvi. During the year, the Company has not raised any funds through preferential allotment or qualified institutions placement and hence, the disclosure on utilization of funds is not applicable. There are no convertible instruments issued or outstanding.
- xvii. The Dividend Distribution Policy of the Company is available in the policies section of the website of the Company at the weblink: <https://ranegroup.com/investors/rane-brake-lining-limited/>.
- xviii. The Company on a periodical basis reviews various policies framed under the Companies Act, 2013 and SEBI LODR and such other statues, as applicable and amends them based on the requirement to ensure conformity with relevant regulatory changes and industry practices.
- xix. There were no loans / advances to firms / companies in which Directors are interested.

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

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

13. Whistle blower mechanism

The Company has a whistle blower policy, which provides the vigil mechanism for reporting with reliable information on any improper or unethical practices or actions which are violative (actual or potential) of the code of the Company by any employee or others dealing with the Company. The policy 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 have been appropriately communicated across all locations of the Company. No person has been denied access to the ombudsperson / Audit Committee. The whistle blower policy has also been posted in the policies section of the website of the Company at the weblink <https://ranegroup.com/investors/rane-brake-lining-limited/>.

14. Means of communication

The quarterly / annual financial results were published in "Business Standard" (English) and "Hindu Tamizh Thisai" (Tamil). The financial results, shareholding pattern and other requirements under Regulation 17 to 27 and 46(2)(b) to (i), of SEBI LODR, wherever applicable, were uploaded on the websites of the Stock Exchanges and the Company at www.ranegroup.com. During the year, press releases, presentations made to analysts / institutional investors were made available on the website of the Company.

The Company did not printed physical copies of the 17th annual report for the FY 2021-22 for distribution in view of exemption available vide circular no. 02/2022 dated May 05, 2022 issued by the Ministry of Corporate Affairs ("MCA") read with previous circulars and SEBI circular no. SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated May 13, 2022 in this regard. The full Annual Report was made available on the website of the Company and also disseminated to the stock exchanges where shares of the Company are listed. The electronic copies of the annual report and the notice convening the 17th AGM were sent to all the members whose e-mail addresses were registered with the Company or their respective Depository Participants (DP).

In compliance with SEBI Circular SEBI/HO/OIAE/2023/03394 dated January 27, 2023, the Company has created awareness regarding availability of Dispute Resolution Mechanism at Stock Exchanges by sending out on February 10, 2023 SMS and email communication to all physical shareholders who had registered their mobile number / email ID.

15. General Shareholder Information

i. Annual General Meeting

July 24, 2023 (Monday) at 14:00 hrs (IST) through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM").

ii. Financial Year: April 01, 2023 - March 31, 2024

Financial Calendar:

Board meeting for approval of	Tentative schedule
Audited Annual financial results and financial statements for the year ended March 31, 2023	May 03, 2023
Un-audited financial results for the 1 st quarter ending June 30, 2023	By fourth week of July 2023
Un-audited financial results for the 2 nd quarter ending September 30, 2023	By first week of November 2023
Un-audited financial results for the 3 rd quarter ending December 31, 2023	By fifth week of January 2024

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

iii. Dividend

The Board of Directors of the Company at their meeting held on May 03, 2023 have considered and recommended a dividend of 250% (₹25/- per share) on the equity share capital for approval of the shareholders at the ensuing 18th AGM to be held on July 24, 2023. The dividend, if declared, would be paid for those eligible shareholders whose name appeared in the register of members of the Company as on Monday, July 17, 2023 (being the Record Date) fixed for this purpose.

iv. Listing on Stock Exchanges

Stock Exchanges	Stock Code
National Stock Exchange of India Limited (NSE) Exchange Plaza, 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 duly paid the Annual Listing fee for the financial year 2023-24 to NSE & BSE, where the shares of the Company continue to be listed. The shares of the Company were not suspended from trading during the FY 2022-23.

v. Unpaid / Unclaimed Dividends

Pursuant to the provisions of Section 124 of the Companies Act, 2013, dividend for the financial year ended March 31, 2015 and thereafter which remain unclaimed for a period of seven years will be transferred to the Investor Education and Protection Fund (IEPF) of the Central Government.

During the year, the Company had transferred to IEPF unclaimed final dividend of ₹ 2,66,980/- for the financial year ended March 31, 2015 on September 13, 2022. 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 31.03.2023) ^	Last Date for claiming unpaid dividend	Due date for transfer to IEPF
31.03.2016*	10.03.2016	10.00	3,77,830.00	16.04.2023	16.05.2023
31.03.2017*	20.01.2017	6.00	2,86,032.00	26.02.2024	27.03.2024
31.03.2017	23.08.2017	9.00	3,68,343.00	28.09.2024	28.10.2024
31.03.2018*	29.01.2018	6.50	1,98,685.50	06.03.2025	04.04.2025
31.03.2018	24.07.2018	9.00	2,26,683.00	30.08.2025	29.09.2025
31.03.2019*	18.01.2019	6.50	1,52,217.00	05.03.2026	04.04.2026
31.03.2019	25.07.2019	9.00	3,01,680.00	30.08.2026	29.09.2026
31.03.2020*	23.01.2020	6.00	1,40,334.00	28.02.2027	30.03.2027
31.03.2020	05.08.2020	11.00	2,57,082.00	11.09.2027	10.10.2027
31.03.2021	04.08.2021	25.00	5,15,084.00	10.09.2028	09.10.2028
31.03.2022	07.07.2022	20.00	8,20,896.00	13.08.2029	11.09.2029

Share of paid-up value of ₹10 per share

* Interim dividend

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

During the year, the Company had filed with Registrar of Companies, the details of all unpaid and unclaimed amounts as on March 31, 2022 in accordance with The Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016. The above details are also available in the investor information section of the website of the Company at the weblink viz. www.ranegroup.com.

vi. Transfer of shares to IEPF Authority

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

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

Year from which dividend has remained unclaimed / unpaid for seven consecutive years	No. of shares
2014-15 (Final)	1,085

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

No claim shall lie against the Company in respect of any dividend or shares transferred to the IEPF Authority. However, the shareholders may claim their shares / dividend by filing the electronic request for the same by following the procedure prescribed on the website of IEPF at www.iepf.gov.in. The shares relating to unclaimed Dividend for FY 2015-16 (Interim) and FY 2016-17 (Interim) are liable to be transferred to IEPF Authority during the current FY 2023-24. In this regard, the Company shall intimate / publish notice in newspapers and requisite details would be made available on the Investors section of the Company's website at www.ranegroup.com. The concerned shareholders are requested to claim their shares before the due dates of transfer of shares to the IEPF, specified therein newspapers and Company website.

vii. Unclaimed share suspense

In accordance with Regulation 39 of SEBI LODR read with Schedule V of the SEBI LODR, the Company reports the movement of unclaimed shares in the unclaimed share suspense account. The voting rights of these shareholders shall remain frozen till the rightful owner of such shares claims the same. The movement of unclaimed shares in unclaimed share suspense account, during the year are as follows:

Details of Unclaimed Suspense account	Number of shareholders	Outstanding shares
Aggregate at the beginning of the year	20	2,069
Requests for transfer during the year	3	400

Details of Unclaimed Suspense account	Number of shareholders	Outstanding shares
Transfers during the year	3	400
Balance at the end of the year	17	1,669

In compliance with SEBI Circular No. SEBI/HO/MIRSD/PoD1/OW/P/2022/64923 dated December 30, 2022, the Company has opened "Rane Brake Lining Limited - Suspense Escrow Demat Account" with M/s. Integrated Enterprises (India) Private Limited, the Depository Participant to credit securities for which demat is pending beyond 120 days from the date of issuance of letter of confirmation.

viii. Share Price Data

The equity shares of the Company are listed and admitted to dealings on two nationwide stock exchanges viz. National Stock Exchange of India (NSE) Ltd. and BSE Ltd., The share price data as quoted on the NSE and BSE along with the movement in the respective stock index during the last financial year viz., April 1, 2022 - March 31, 2023 is given below:

Month	BSE		BSE Sensex		NSE		NSE Nifty	
	Share Prices (₹)				Share Prices (₹)			
	High	Low	High	Low	High	Low	High	Low
April 2022	675.00	602.7	60,845.10	56,009.07	669.00	605.55	18,114.65	16,824.70
May 2022	730.00	576.00	57,184.21	52,632.48	730.60	575.00	17,132.85	15,735.75
June 2022	748.80	610.65	56,432.65	50,921.22	750.00	610.10	16,793.85	15,183.40
July 2022	797.00	685.00	57,619.27	52,094.25	828.70	680.35	17,172.80	15,511.05
August 2022	788.00	684.05	60,411.20	57,367.47	747.30	687.70	17,992.20	17,154.80
September 2022	821.65	688.50	60,676.12	56,147.23	828.00	692.70	18,096.15	16,747.70
October 2022	755.95	704.10	60,786.70	56,683.40	774.00	702.65	18,022.80	16,855.55
November 2022	765.00	695.25	63,303.01	60,425.47	767.00	699.05	18,816.05	17,959.20
December 2022	793.00	656.95	63,583.07	59,754.10	793.00	662.55	18,887.60	17,774.25
January 2023	750.95	699.95	61,343.96	58,699.20	748.45	696.05	18,251.95	17,405.55
February 2023	773.95	663.85	61,682.25	58,795.97	773.00	662.00	18,134.75	17,255.20
March 2023	713.20	585.00	60,498.48	57,084.91	712.00	586.55	17,799.95	16,828.35

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

ix. Registrar and Transfer Agent

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

**Integrated Registry Management
Services Private Limited**

SEBI Registration No. INR000000544
 11 Floor, 'Kences Towers', No.1, Ramakrishna Street,
 North Usman Road, T. Nagar, Chennai - 600 017
 Phone: 28140801 - 03, Fax: 28142479, 28143378.
 e-mail ID: corpseiv@integratedindia.in

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

x. Share Transfer System & Share Capital Audit

The power to approve transfer of shares has been delegated by the Board to the Share Transfer Committee which approves the share transfers and demat / remat requests in co-ordination with the RTA.

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

xi. Distribution of shareholding as on March 31, 2023

No. of shares held	Shareholders		Shares	
	Number	% to total	Number	% to total
Upto 500	15,754	97.44	7,47,336	9.67
501 - 1000	205	1.27	1,56,150	2.02
1001 - 2000	92	0.57	1,35,985	1.76
2001 - 3000	38	0.24	95,827	1.24
3001 - 4000	20	0.12	71,568	0.92
4001 - 5000	12	0.07	54,167	0.70
5001 - 10000	21	0.13	1,62,209	2.10
10001 & above	26	0.16	63,06,629	81.59
Total	16,168	100	77,29,871	100

xii. Shares Dematerialization

The Company has entered into 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, 2023, about 99.14% of the shareholdings have been dematerialised. The promoter and promoter group hold their entire shareholding only in dematerialised form. A comparative chart of physical and demat holdings for the current and previous financial year is given below:

xiv. Plant locations

Refer corporate information section of the annual report

xv. Credit Rating

The details of credit ratings, including revisions, if any, assigned to the debt instruments / total bank loan facilities of the company during the year ended March 31, 2023 are as follows:

Rating Agency	Security - Type	₹ (in Crores)	Credit Rating	Outlook	Status (Assigned / Re-affirmed / Revised / Withdrawn)	Date of credit rating obtained
ICRA Limited	Long term	120.82	AA-	Stable	Re-affirmed	January 19, 2023
	Short term	44.50	A1+	-		

Particulars	Number of shares - As on		% to total capital - As on	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Physical	66,494	71,019	0.86	0.92
Demat	76,63,377	76,58,852	99.14	99.08
Total	77,29,871	77,29,871	100.00	100.00

The reconciliation of share capital, audited by Practicing Company Secretary (PCS) is submitted to the Stock Exchanges on a quarterly basis in terms of Regulation 76 of SEBI (Depositories and Participants) Regulations, 2018. The Company is taking initiatives to reach out to investors holding shares in physical form, to dematerialize their shareholding immediately to avoid any inconvenience and avail benefits of dematerialisation, which include easy liquidity / trading.

Demat ISIN: **INE244J01017**

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

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

In accordance with SEBI guidelines with effect from January 25, 2022, all transmission / transfer requests including issuance of duplicate share certificates are mandatorily processed in dematerialized form only.

xvi. Address for communication:

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

OR

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

For and on behalf of the Board

Chennai
May 03, 2023

Harish Lakshman
Director
DIN:00012602

Ganesh Lakshminarayan
Chairman
DIN:00012583

Annexure (i)

CERTIFICATE FROM MANAGING DIRECTOR / MANAGER

To
The Members,
Rane Brake Lining Limited

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

I, hereby declare that to the best of my knowledge and information, all the Board members and Senior Management Personnel have affirmed compliance with 'Ethical Standards of Behaviour - RANE COMPASS', the code of conduct, for the year ended March 31, 2023.

Chennai
May 03, 2023

R Balakrishnan
Manager

Annexure (ii)

CERTIFICATE ON NON-DISQUALIFICATION OF DIRECTORS

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

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

We hereby certify that, in our opinion, **none of the below named Directors** who are on the Board of Directors of **RANE BRAKE LINING LIMITED** ("the Company") as on **March 31, 2023, have been debarred or disqualified from being appointed or continuing as directors** of companies, by the Securities and Exchange Board of India (SEBI) or the Ministry of Corporate Affairs, Government of India (MCA):

Sl. No.	Name of the Director	Nature of Directorship	Director Identification Number (DIN)
1.	Ganesh Lakshminarayan	Chairman, Non-Executive, Promoter	00012583
2.	Harish Lakshman	Non-Executive, Promoter	00012602
3.	Srivatsan Coimbatore Natarajan	Non-Executive, Independent	00002194
4.	Ashok Malhotra	Non-Executive, Independent	00029017
5.	Brinda Jagirdar	Non-Executive, Independent	06979864
6.	Yasuji Ishii	Non-Executive, Non-Independent, Nominee	08078748

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

1. Information relating to the directors available in the official website of the Ministry of Corporate Affairs;
2. Disclosures / declarations / confirmations provided by the said directors to the Company;
3. Registers, records, forms and returns filed / maintained by the Company; and
4. Information, explanation and representations provided by the Company, its officers and agents.

Management's responsibility:

The management of the Company is responsible to ensure the eligibility of a person for appointment / continuation as a Director on the Board of Directors of the Company.

Our responsibility:

Our responsibility is to express an opinion on this, based on our verification.

This certificate is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness of the process followed by the management of the Company with regard to appointment / continuation of a person as a Director of the Company.

For S. Krishnamurthy & Co.

Company Secretaries,
 [Firm Unique Identification No. P1994TN045300]
 [Peer Review Certificate No. 739/2020]

Sharanya Sriram

Partner

Membership No: **F10252**

Certificate of Practice No: **12731**

UDIN: **F010252E000246499**

Chennai
 May 03, 2023

Annexure (iii)

CERTIFICATE OF COMPLIANCE WITH THE CORPORATE GOVERNANCE

INDEPENDENT AUDITORS CERTIFICATE ON COMPLIANCE WITH THE CORPORATE GOVERNANCE REQUIREMENTS UNDER SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

To
The Members

Rane Brake Lining Limited

1. This certificate is issued in accordance with the terms of our engagement letter dated April 19, 2023.
2. We have examined the compliance of conditions of Corporate Governance by Rane Brake Lining Limited ("the Company"), for the year ended March 31, 2023, as stipulated in regulations 17 to 27, clauses (b) to (i) of regulation 46(2) and paragraphs C, D and E of Schedule V of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time ("Listing Regulations") pursuant to the Listing Agreement of the Company with Stock Exchanges.

Management's Responsibility

3. The compliance of conditions of Corporate Governance as stipulated under the listing regulations is the responsibility of the Company's Management including the preparation and maintenance of all the relevant records and documents. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of Corporate Governance stipulated in the Listing Regulations.

Auditors' Responsibility

4. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
5. Pursuant to the requirements of the Listing Regulations, it is our responsibility to provide a reasonable assurance whether the Company has complied with the conditions of Corporate Governance as stipulated in Listing Regulations for the year ended March 31, 2023.
6. We conducted our examination of the above corporate governance compliance by the Company in accordance with the Guidance Note on Reports or Certificates for

Special Purposes (Revised 2016) and Guidance Note on Certification of Corporate Governance both issued by the Institute of the Chartered Accountants of India (the "ICAI"), in so far as applicable for the purpose of this certificate. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

8. 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 Regulations.
9. We 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.

Restriction on use

10. The certificate is addressed and provided to the Members of the Company solely for the purpose of enabling the Company to comply with the requirement of the Listing Regulations and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

For **B S R & Co. LLP**

Chartered Accountants

Firm's Registration No: 101248W/W-100022

S Sethuraman

Partner

Place: Chennai

Date: **May 03, 2023**

Membership No: 203491

UDIN:23203491BGYXW11045

INDEPENDENT AUDITORS' REPORT

To
The Members
Rane Brake Lining Limited

REPORT ON THE AUDIT OF STANDALONE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Rane Brake Lining Limited (the "Company") which comprise the balance sheet as at March 31, 2023 and the statement of profit and loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("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, 2023 and its profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

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

Revenue recognition

See Note 2(1) and 24 to the financial statements

The key audit matter

Revenue recognition involves identification of contracts with customers, identification of distinct performance obligations, determination of transaction price and the basis used to recognise revenue at a point in time.

Revenue is recognised when (or as) a performance obligation is satisfied i.e. when 'control' of the goods underlying the particular performance obligation is transferred to the customer.

Revenue recognition has been identified as a key audit matter because the Company and its external stakeholders focus on revenue as a key performance metric. Therefore, there may be a possibility for revenue to be overstated or recognised before control has been transferred.

How the matter was addressed in our audit

In view of the significance of the matter, the following key audit procedures were performed by us:

- Assessed the compliance of the Company's revenue recognition accounting policies with applicable accounting standards
- Evaluated the design and implementation of the key internal financial controls with respect to the timing of revenue recognition and tested the operating effectiveness of such controls on a sample basis.
- Performed substantive testing of revenue transactions recorded during the year on a sample basis by verifying the underlying documents including shipping document, customer acknowledgement, dispatch notes, etc.
- Performed testing for samples of revenue transactions recorded closer to the year-end by verifying underlying documents, to determine the accuracy of the period in which revenue was recognized.

Other Information

The Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the financial statements and auditor's report(s) thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's and Board of Directors' Responsibilities for the Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the state of affairs, profit/loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future

events or conditions may cause the Company to cease to continue as a going concern.

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

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

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

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

Other Matter

- a. The financial statements of the Company for the year ended March 31, 2022 were audited by the predecessor auditor who had expressed an unmodified opinion on May 18, 2022.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- 2.A. As required by Section 143(3) of the Act, we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

- c. The balance sheet, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows dealt with by this Report are in agreement with the books of account.
 - d. In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.
 - e. On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164(2) of the Act.
 - f. With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- B. 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:
 - a. The Company has disclosed the impact of pending litigations as at March 31, 2023 on its financial position in its financial statements - Refer Note 34.a to the financial statements.
 - b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - c. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
 - d.(i) The management has represented that, to the best of their knowledge and belief, as disclosed in the Note 31.3 to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

- (ii) The management has represented that, to the best of their knowledge and belief, as disclosed in the Note 31.3 to the financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (iii) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.
- e. The final dividend paid by the Company during the year, in respect of the same declared for the previous year, is in accordance with Section 123 of the Act to the extent it applies to payment of dividend.

As stated in Note 18(c) to the financial statements, the Board of Directors of the Company has proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with Section

123 of the Act to the extent it applies to declaration of dividend.

- f. As proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Company only with effect from April 01, 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 is not applicable.
- C. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.:101248W/W-100022

S Sethuraman
Partner

Place : Chennai
Date : **May 03, 2023** ICAI UDIN:23203491BGYXWH8035

Annexure A to the Independent Auditor's Report on the Financial Statements of Rane Brake Lining Limited for the year ended March 31, 2023

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
- (B) The Company has maintained proper records showing full particulars of intangible assets.
- (i) (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, Plant and Equipment by which all property, plant and equipment are verified once in two years. In accordance with this programme, no property, plant and equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties (other than immovable properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in the financial statements are held in the name of the Company. However, title deeds for a part of an immovable property in nature of land and building thereon situated at Telangana (measuring 11.2 acres), with aggregate gross carrying values of INR 2.98 Crores approximately, are disputed by The State of Telangana for which the Company has filed a writ petition with the Honourable High Court of Telangana and obtained an interim stay.
- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.
- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- (ii) (a) The inventory, except goods-in-transit and stocks lying with third parties, has been physically verified by the management during the year. For stocks lying with third parties at the year-end, written confirmations have been obtained and for goods-in-transit subsequent evidence of receipts has been linked with inventory records. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were more than 10% in the aggregate of each class of inventory
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets. In our opinion, the quarterly returns or statements filed by the Company with such banks or financial institutions are in agreement with the books of account of the Company.
- (iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured to companies, firms, limited liability partnership or any other parties during the year. The Company has made investments in other parties (mutual funds), in respect of which the requisite information is as below. The Company has not made any investments in companies, firms or limited liability partnership.
- (a) Based on the audit procedures carried on by us and as per the information and explanations given to us the Company has not provided loans or provided advances in the nature of loans, or stood guarantee, or provided security to any other entity.
- (b) According to the information and explanations given to us and based on the audit procedures conducted by us, in our opinion the investments made during the year are, prima facie, not prejudicial to the interest of the Company. There are no guarantees provided or security given by the Company during the year.
- (c) The Company has not given any loans and advances in the nature of loan to any party during the year. Accordingly, clause (iii)(c) of the Order is not applicable to the Company.

- (d) The Company has not given any loans and advances in the nature of loan to any party during the year. Accordingly, clause (iii)(d) of the Order is not applicable to the Company.
- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no loan or advance in the nature of loan granted falling due during the year, which has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to same parties.
- (f) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment.
- (iv) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not given any loans, or provided any guarantee or security as specified under Section 185 and 186 of the Companies Act, 2013 ("the Act"). In respect of the investments made by the Company, in our opinion the provisions of Section 186 of the Act have been complied with.
- (v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.
- (vi) We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under Section 148(1) of the Act in respect of its manufactured goods and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not carried out a detailed examination of the records with a view to determine whether these are accurate or complete.
- (vii) (a) The Company does not have liability in respect of Service tax, Duty of excise, Sales tax and Value added tax during the year since effective July 01, 2017, these statutory dues has been subsumed into GST.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues have been generally regularly deposited by the Company with the appropriate authorities.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues were in arrears as at March 31, 2023 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 on the basis of our examination of the records of the Company, statutory dues relating to Sales Tax, Service Tax, Provident Fund, Income-Tax which have not been deposited on account of any dispute is set out in Appendix I.
- (viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.
- (ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company did not have any loans or borrowings from any lender during the year. Accordingly, clause 3(ix)(a) of the Order is not applicable to the Company.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.
- (c) According to the information and explanations given to us by the management, the Company has not obtained any term loans during the year. Accordingly, clause 3(ix)(c) of the Order is not applicable.
- (d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.
- (e) The Company does not hold any investment in any subsidiaries, associates or joint ventures (as defined under the Act) during the year ended March 31, 2023. Accordingly, clause 3(ix)(e) is not applicable.
- (f) The Company does not hold any investment in any subsidiaries, associates or joint ventures (as defined under the Act) during the year ended March 31, 2023. Accordingly, clause 3(ix)(f) is not applicable.

- (x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, clause 3(x)(a) of the Order is not applicable.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.
- (xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the course of the audit.
- (b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.
- (xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Section 177 and 188 of the Act, where applicable, and the details of the related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered the internal audit reports of the Company issued till date for the period under audit.
- (xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Act are not applicable to the Company.
- (xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.
- (b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.
- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.
- (d) According to the information and explanations provided to us, the Group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016) does not have any CIC.
- (xvii) The Company has not incurred cash losses in the current and in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of Section 135 of the Act pursuant to any project. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

For **B S R & Co. LLP**
 Chartered Accountants
 Firm's Registration No.:101248W/W-100022

S Sethuraman
 Partner

Place : Chennai Membership No.: 203491
 Date : **May 03, 2023** ICAI UDIN:23203491BGYXWH8035

APPENDIX I

Nature of dues	Name of the statute	Forum where dispute is pending	Period to which the amount relates	Disputed amount (in INR Crores)	Amounts unpaid (in INR Crores) *
Income Tax	Income Tax Act, 1961	High Court of Judicature, Madras	2003-04	0.05	0.05
Income Tax	Income Tax Act, 1961	Deputy Commissioner of Income Tax	2005-06	0.05	-
Income Tax	Income Tax Act, 1961	Commissioner of Income Tax (Appeals)	2005-06 and 2010-21	11.43	4.85
Income tax	Income Tax Act, 1961	Income Tax Officer	2006-07	0.77	0.40
Sales tax	Central Sales Tax Act, 1956	Madras High Court, Chennai	April 2017 to June 2017	0.06	-
Service tax (including interest and penalty)	Finance Act, 1994	Customs, Excise And Service Tax Appellate Tribunal, Chennai	August 2012, April 2015 to March 2017	0.18	0.09
		Customs, Excise And Service Tax Appellate Tribunal, Hyderabad	February 2016 to June 2017	0.20	0.02
Provident fund	Provident Fund and Miscellaneous Provisions Act, 1952	Employees' Provident Fund Appellate Tribunal, New Delhi	April 2010 to September 2011	0.07	0.04

Annexure B to the Independent Auditor's Report on the Financial Statements of Rane Brake Lining Limited for the year ended March 31, 2023

Report on internal financial controls with reference to the aforesaid financial statements under Clause (i) of Sub-Section 3 of Section 134 of the Act

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

We have audited the internal financial controls with reference to financial statements of Rane Brake Lining Limited ("the Company") as of March 31, 2023 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at March 31, 2023 based on the internal financial controls with reference to financial statements 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 (the "Guidance Note").

Management's and Board of Directors' Responsibilities for Internal Financial

The Company's Management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. 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 Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. 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 with reference to financial statements were 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 with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, 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 with reference to financial statements.

Meaning of Internal Financial Controls with Reference to Financial Statements

A Company's internal financial controls with reference to financial statements 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 controls with reference to financial statements include 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 with Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, 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 with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.:101248W/W-100022

S Sethuraman
Partner

Place : Chennai

Date : **May 03, 2023**

Membership No.: 203491

ICAI UDIN:23203491BGYXWH8035

BALANCE SHEET

AS AT MARCH 31, 2023

(₹ in Crores)

Sl. No	Particulars	Note No.	As at March 31, 2023	As at March 31, 2022
A.	ASSETS			
	Non-Current Assets			
	(a) Property, plant and equipment	3	117.56	113.19
	(b) Capital Work in Progress	4	4.38	3.40
	(c) Right-of-Use assets	5	0.15	0.23
	(d) Other Intangible Assets	6	0.51	0.43
	(e) Financial Assets			
	(i) Investments	7	1.35	1.35
	(ii) Other financial assets	8	4.04	10.68
	(f) Income tax assets, net	9	4.95	3.75
	(g) Other Non Current Assets	10	3.55	1.47
	Total non-current assets		136.49	134.50
	Current Assets			
	(a) Inventories	11	90.78	100.74
	(b) Financial Assets			
	(i) Investments	13	22.72	-
	(ii) Trade receivables	14	109.80	137.28
	(iii) Cash and cash equivalents	15	6.75	21.01
	(iv) Bank balances other than cash and cash equivalents above	16	0.36	-
	(v) Other financial assets	8	0.75	1.39
	(c) Other Current Assets	10	6.50	4.03
	Total current assets		237.66	264.45
	TOTAL ASSETS		374.15	398.95
B.	EQUITY AND LIABILITIES			
	Equity			
	(a) Equity Share Capital	17	7.73	7.73
	(b) Other Equity	18	253.45	235.11
	Total equity		261.18	242.84
	Liabilities			
	Non-Current Liabilities			
	(a) Financial Liabilities			
	i. Lease Liabilities	19	0.08	0.11
	ii. Other financial Liabilities	20	0.59	0.56
	(b) Provisions	22	3.91	3.71
	(c) Deferred Tax Liabilities, net	12	0.34	1.30
	(d) Other non-current liabilities	23	0.44	0.12
	Total non-current liabilities		5.36	5.80
	Current Liabilities			
	(a) Financial Liabilities			
	i. Lease Liabilities	19	0.11	0.12
	ii. Trade Payables	21		
	Total outstanding dues of micro enterprises and small enterprises; and		15.13	24.19
	Total outstanding dues of creditors other than micro enterprises and		48.72	100.67
	small enterprises			
	iii. Other financial Liabilities	20	31.51	19.26
	(b) Other Current Liabilities	23	9.38	2.22
	(c) Provisions	22	2.76	3.85
	Total current liabilities		107.61	150.31
	TOTAL LIABILITIES		112.97	156.11
	TOTAL EQUITY AND LIABILITIES		374.15	398.95
	Significant Accounting Policies	2		
	See accompanying notes forming part of the financial statements	2 - 42		

As per our report of even date attached

For **B S R & Co. LLP**

Chartered Accountants

Firm's Registration No.: 101248W/W-100022

for and on behalf of the Board of Directors of
Rane Brake Lining Limited**S Sethuraman**

Partner

Membership No. 203491

Harish Lakshman

Director

DIN:00012602

Ganesh Lakshminarayan

Chairman

DIN:00012583

Place : Chennai

Date : **May 03, 2023****R Balakrishnan**

Manager

J Ananth

Chief Financial Officer

Venkatraman

Secretary

STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED MARCH 31, 2023

(₹ in Crores)

Sl. No.	Particulars	Note No.	Year ended March 31, 2023	Year ended March 31, 2022
I	Revenues from Operations	24	598.80	505.55
II	Other Income	25	8.27	12.64
III	Total Income (I+II)		607.07	518.19
IV	Expenses :			
	Cost of materials consumed	26	345.06	271.70
	Purchases of stock-in-trade		0.04	0.05
	Changes in inventories of finished goods and work-in-progress	27	(15.37)	(2.83)
	Employee benefits expense	28	83.50	78.77
	Finance costs	29	0.05	0.02
	Depreciation and amortisation expenses	30	20.00	21.42
	Other expenses	31	129.21	113.73
	Total Expenses (IV)		562.49	482.86
V	Profit before exceptional items and tax (III-IV)		44.58	35.33
VI	Exceptional items	35	-	(0.66)
VII	Profit before tax (V+VI)		44.58	34.67
VIII	Tax Expense :	33		
	(1) Current Tax		12.19	9.52
	(2) Deferred Tax		(1.07)	(1.92)
	Total tax expense (VIII)		11.12	7.60
IX	Profit for the year (VII - VIII)		33.46	27.07
X	Other Comprehensive Income			
	Items that will not be reclassified to profit or loss			
	Re-measurement gains / (losses) on defined benefit plans, net		0.45	(0.44)
	Income tax relating to items that will not be reclassified to profit or loss		(0.11)	0.11
	Other comprehensive income / (loss) for the year (net of tax) (X)		0.34	(0.33)
XI	Total Comprehensive Income for the period (IX+X)		33.80	26.74
XII	Earnings per equity share	36		
	(a) Basic (In ₹)		43.29	35.03
	(b) Diluted (In ₹)		43.29	35.03
	Significant Accounting Policies	2		
	See accompanying notes forming part of the financial statements	2 - 42		

As per our report of even date attached

For **B S R & Co. LLP**

Chartered Accountants

Firm's Registration No.: 101248W/W-100022

for and on behalf of the Board of Directors of
Rane Brake Lining Limited

S Sethuraman

Partner

Membership No. 203491

Harish Lakshman

Director

DIN:00012602

Ganesh Lakshminarayan

Chairman

DIN:00012583

Place : Chennai

Date : **May 03, 2023**

R Balakrishnan

Manager

J Ananth

Chief Financial Officer

Venkatraman

Secretary

CASH FLOW STATEMENT

FOR THE YEAR ENDED MARCH 31, 2023

(₹ in Crores)

Particulars	Note	Year ended March 31, 2023	Year ended March 31, 2022
A Cash flows from operating activities			
Profit before tax		44.58	34.67
Adjustments for:			
Depreciation and amortisation expenses	30	20.00	21.42
Finance costs	29	0.05	0.02
Mark to market gain on derivative instruments		(0.27)	-
Interest income	25	(0.68)	(0.86)
Gain on sale of property, plant and equipment		-	(0.05)
Unrealised foreign exchange loss		0.04	0.15
Loss allowance on trade receivables	31	1.24	1.69
Liabilities no longer required written back	25	(6.15)	-
Other non-cash items		-	(0.31)
Operating profit before working capital changes		58.81	56.73
Working capital adjustments:			
Decrease / (increase) in inventories		9.96	(35.46)
Decrease / (increase) in financial assets		33.23	(8.49)
Increase in other assets		(3.22)	(2.49)
(Decrease) / increase in financial liabilities		(43.09)	10.93
Increase / (decrease) in other liabilities and provisions		7.04	(0.23)
Cash generated from operating activities		62.73	20.99
Income tax paid, net		(13.39)	(9.64)
Net cash generated from operating activities (A)		49.34	11.35
B Cash flows from investing activities			
Acquisition of property, plant and equipment and intangible assets		(25.95)	(18.29)
Proceeds from disposal of property, plant and equipment		0.00	0.06
Acquisition of non-current investments		-	(0.75)
Acquisition of current investments		(22.72)	-
Interest received		0.71	0.86
Net cash used in investing activities (B)		(47.96)	(18.12)
C Cash flows from financing activities			
Buy-back of equity shares		-	(1.82)
Tax on buy-back of equity shares		-	(0.42)
Payment of lease liabilities		(0.13)	(0.14)
Payment of dividend		(15.46)	(19.32)
Interest paid		(0.05)	(0.02)
Net cash used in financing activities (C)		(15.64)	(21.72)
Net decrease in cash and cash equivalents (A+B+C)		(14.26)	(28.49)
Cash and cash equivalents at the beginning of the year	15	21.01	49.50
Cash and cash equivalents at the end of the year		6.75	21.01

Note:

(a) The above Cash Flow Statement has been prepared under the "indirect method" as set out in 'Indian Accounting Standard (Ind AS) 7 - Statement of Cash Flows'

CASH FLOW STATEMENT

FOR THE YEAR ENDED MARCH 31, 2023

Reconciliation between opening and closing balance sheet for liabilities arising from financing activities

Particulars	Lease liabilities
Total liabilities from financing activities	
As at April 01, 2021	0.36
Interest expense on lease liabilities	0.01
Payment of lease liabilities	(0.14)
As at March 31, 2022	0.23
Interest expense on lease liabilities	0.00
Payment of lease liabilities	(0.13)
New leases	0.09
As at March 31, 2023	0.19
Significant accounting policies	2
See accompanying notes forming part of the financial statements	2 - 42

As per our report of even date attached

For **B S R & Co. LLP**

Chartered Accountants

Firm's Registration No.: 101248W/W-100022

S Sethuraman

Partner

Membership No. 203491

Harish Lakshman

Director

DIN:00012602

Ganesh Lakshminarayan

Chairman

DIN:00012583

Place : Chennai

Date : **May 03, 2023**

R Balakrishnan

Manager

J Ananth

Chief Financial Officer

Venkatraman

Secretary

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED MARCH 31, 2023

A. Equity share capital		(₹ in Crores)		
Particulars	Note	Amount		
Balance as at April 01, 2022	17	7.73		
Changes in equity share capital due to prior period errors		-		
Restated balance as at April 01, 2022		7.73		
Changes in equity share capital during the year		-		
Balance as at March 31, 2023	17	7.73		
Balance as at April 01, 2021	17	7.75		
Changes in equity share capital due to prior period errors		-		
Restated balance as at April 01, 2021		7.75		
Changes in equity share capital during the year		(0.02)		
Balance as at March 31, 2022	17	7.73		
B. Other equity				
Particulars	Reserves and Surplus			Total Other Equity
	Capital Redemption Reserve	General Reserve	Retained Earnings	
Balance as at April 01, 2022	0.18	164.36	71.11	235.11
Changes in accounting policy or prior period errors	-	-	-	-
Restated balance as at April 01, 2022	0.18	164.36	71.11	235.11
Profit for the year	-	-	33.46	33.46
Other comprehensive income for the year, net of tax	-	-	-	0.34
Total comprehensive income for the year ended March 31, 2023	-	-	33.46	33.80
Transactions with owners of the Company				
Contributions and distributions				
Dividends (INR 20 per share)	-	-	(15.46)	(15.46)
Amount transferred within reserves	-	5.80	(5.80)	-
Balance as at March 31, 2023	0.18	170.16	83.31	253.45
Balance as at April 01, 2021	0.16	166.19	63.77	229.91
Changes in accounting policy or prior period errors	-	-	-	-

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED MARCH 31, 2023

Particulars	Reserves and Surplus				Total Other Equity
	Capital Redemption Reserve	General Reserve	Retained Earnings	Remeasurement of defined benefit obligations	
Restated balance as at April 01, 2021	0.16	166.19	63.77	(0.21)	229.91
Profit for the year	-	-	27.07	-	27.07
Other comprehensive income for the year, net of tax	-	-	-	(0.33)	(0.33)
Total comprehensive income for the year ended March 31, 2022	-	-	27.07	(0.33)	26.74
Transactions with owners of the Company					
Contributions and distributions					
Dividends (INR 25 per share)	-	-	(19.32)	-	(19.32)
Buy-back of equity shares	-	(1.81)	-	-	(1.81)
Tax on buy-back of equity shares	-	-	(0.41)	-	(0.41)
Amount transferred within reserves	0.02	(0.02)	-	-	-
Balance as at March 31, 2022	0.18	164.36	71.11	(0.54)	235.11

Significant accounting policies 2

See accompanying notes forming part of the financial statements..... 2 - 42

As per our report of even date attached

For **B S R & Co. LLP**

Chartered Accountants
Firm's Registration No.: 101248W/W-100022

S Sethuraman
Partner
Membership No. 203491

Place : Chennai
Date : **May 03, 2023**

R Balakrishnan
Manager

Harish Lakshman
Director
DIN:00012602

J Ananth
Chief Financial Officer

Ganesh Lakshminarayan
Chairman
DIN:00012583

Venkatraman
Secretary

for and on behalf of the Board of Directors of
Rane Brake Lining Limited

NOTES FORMING PART OF FINANCIAL STATEMENTS

1. Corporate information

Rane Brake Lining Limited ("the Company") is domiciled in India, with its registered office situated at 'Maithri', No. 132, Cathedral Road, Chennai 600 086. The Company has been incorporated under the provisions of the Companies Act, 1956 and its equity shares are listed on the National Stock Exchange ('NSE') and the Bombay Stock Exchange ('BSE') in India. The Company is engaged in manufacture of brake linings, disc pads, clutch facings, clutch buttons, brake shoes and railway brake blocks which have applications mainly in automobile industry.

Basis of preparation

1.1. Statement of compliance

These financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of Companies Act, 2013, (the 'Act') and other relevant provisions of the Act.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

Details of the Company's significant accounting policies are included in note 2.

1.2. Functional and presentation currency

These financial statements are presented in Indian Rupees which is also the Company's functional currency. All amounts have been rounded-off to the nearest Crores of Indian Rupees (INR), except share data and as otherwise stated.

1.3. Basis of measurement

The financial statements have been prepared on the historical cost basis except for the following items;

Items	Measurement basis
Certain financial assets and liabilities (including derivative instruments)	Fair value
Net defined benefit (asset) / liability	Fair value of plan assets less present value of defined benefit obligations

1.4. Use of estimates and judgments

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and

the reported amounts of assets, liabilities, income and expenses. These estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in the following notes:

- Note 2(6) and 39: Leases - whether an arrangement contains a lease;

Assumptions and estimation uncertainty

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amount of assets, liabilities, income and expenses. Actual results may be different from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

- Note 2(2) and 2(3): Useful lives of property, plant and equipment and intangible assets

- Note 2(8): Impairment test on financial and non-financial assets; key assumptions underlying recoverable amounts;

- Note 2(10), 2(11), 9, 22, 33 and 34: recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources including provision for income taxes and related contingencies

- Note 22: measurement of defined benefit obligation; key actuarial assumptions;

1.5. Measurement of fair values

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. The Company has an established control framework with respect to the measurement of fair values. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

NOTES FORMING PART OF FINANCIAL STATEMENTS

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in Note 41: financial instruments

1.6. Current and non-current classification

The Company classifies an asset as current asset when:

- it expects to realise the asset, or intends to sell or consume it, in its normal operating cycle;
- it holds the asset primarily for the purpose of trading;
- it expects to realise the asset within twelve months after the reporting period; or
- the asset is cash or a cash equivalent unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is classified as current when -

- it expects to settle the liability in its normal operating cycle;
- it holds the liability primarily for the purpose of trading;
- the liability is due to be settled within twelve months after the reporting period; or
- it does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification

All other liabilities are classified as non-current.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents. The Company's normal operating cycle is twelve months.

2. Summary of accounting policies

These financial statements have been prepared applying significant accounting policies and measurement bases summarized below.

1. Revenue recognition

The Company generates revenue primarily from manufacture and sale of automotive parts/ components.

Sale of products:

Revenue is recognised upon transfer of control of promised products to customer (i.e. when products are delivered to customers / carriers). Revenue is measured at the amount of transaction price of goods sold, net of variable consideration on account of various discounts and schemes offered by the Company.

2. Property, plant and equipment

2.1. Recognition and measurement

The cost of an item of property, plant and equipment shall be recognised as an asset if, and only if it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

Freehold land is carried at historical cost less accumulated impairment losses, if any. Items of property, plant and equipment are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and accumulated impairment losses, if any. Cost of an item of property, plant and equipment comprises:

- purchase price, including import duties and non-refundable taxes on purchase (goods and service tax, value added tax), after deducting trade discounts and rebates.
- any directly attributable cost of bringing the item to its working condition for its intended use, estimated costs of dismantling and removing the item and restoring the site on which it is located.
- The cost of a self-constructed item of property, plant and equipment comprises the cost of materials and direct labour, any other costs directly attributable to bringing the item to working condition for its intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located.

NOTES FORMING PART OF FINANCIAL STATEMENTS

Any gain / loss on disposal of an item of property, plant and equipment is recognised in statement of profit and loss.

2.2. Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company and the cost of the item can be measured reliably.

2.3. Transition to Ind AS

The cost of property, plant and equipment at April 01, 2016, the Company's date of transition to Ind AS, was determined with reference to its carrying value recognised as per the previous GAAP (deemed cost), as at the date of transition to Ind AS.

2.4. Depreciation:

- Depreciation on property, plant and equipment has been provided on the straight-line method on the basis of estimated useful life determined based on technical advice, taking into account the nature of asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc.,
- Depreciation on property, plant and equipment is charged over the estimated useful life of the asset or part of the asset (after considering double / triple shifts) as evaluated based on technical assessment and in accordance with Part A of Schedule II to the Companies Act, 2013.
- The estimated useful life of the property, plant and equipment are as follows:

Asset category	Management estimate of useful life (in years)	Useful life as per Schedule II (in years)
Buildings	30	30
Plant and machinery - Laboratory equipment	3	10
Plant and machinery - Others	15	15
Furniture and fixtures	5	10
Office equipment	3	5
Vehicles	5	10

- Freehold land is not depreciated.
- Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted, if appropriate.

- On property, plant and equipment added / disposed off during the year, depreciation is charged on pro-rata basis for the period for which the asset was purchased and used . Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit and loss.

3. Other Intangible assets

Other Intangible assets are initially measured at cost. Subsequently, such intangible assets are measured at cost less accumulated amortisation and any accumulated impairment losses.

3.1. Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, if any is recognised in statement of profit and loss as incurred.

3.2. Amortisation

Amortisation is calculated to write off the cost of Intangible assets less their estimated residual values over their estimated useful life of 3 years using the straight-line method and is included in depreciation and amortisation in Statement of Profit and Loss. Amortisation method, useful lives and residual values are reviewed at the end of each financial year and adjusted, if appropriate.

3.3. Research & development expenditure

Expenditure on research activities is recognised in profit or loss as incurred.

Development expenditure is capitalised as part of the cost of the resulting intangible asset only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable and the Company intends to and has sufficient resources to complete development and to use or sell the asset. Otherwise, it is recognised in profit or loss as incurred. Subsequent to initial recognition, development expenditure is measured at cost less accumulated amortisation and any accumulated impairment losses.

3.4. Transition to Ind AS

The cost of intangible assets at April 01, 2016, the Company's date of transition to Ind AS, was determined with reference to its carrying value recognised as per the previous GAAP (deemed cost), as at the date of transition to Ind AS.

NOTES FORMING PART OF FINANCIAL STATEMENTS

4. Borrowing costs

Borrowing costs are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalised as part of the cost of that asset. Other borrowing costs are recognised as an expense in the period in which they are incurred.

5. Inventories

Inventories are valued at the lower of cost and net realizable value. The cost of inventories is based on the weighted average formula, and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their present location and condition. In the case of manufactured inventories and work-in-progress, cost includes an appropriate share of fixed production overheads based on normal operating capacity.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

The net realisable value of work-in-progress is determined with reference to the selling prices of related finished products.

Raw materials, components and other supplies held for use in the production of finished products are not written down below cost except in cases where material prices have been declined and it is estimated that the cost of the finished products will exceed their net realisable value. The comparison of cost and net realisable value is made on an item-by-item basis.

6. Leases

At the inception of a contract, the Company assesses whether a contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

As a lessee

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the cost of the right-of-use asset reflects that the Company will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the Company's incremental borrowing rate.

The Company determines its incremental borrowing rate by obtaining interest rates from external financing sources that reflects the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, if the Company changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in the

NOTES FORMING PART OF FINANCIAL STATEMENTS

statement of profit and loss if the carrying amount of the right-of-use asset has been reduced to zero. The Company presents right-of-use assets and lease liabilities separately on the face of the balance sheet.

Short-term leases and leases of low-value assets

The Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases and leases of low-value assets. The Company recognises the lease payments associated with these leases as an expense in profit or loss on a straight-line basis over the lease term.

7. Financial instruments

7.1. Initial recognition:

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset (except trade receivables without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue. Trade receivables (without a significant financing component) are measured at transaction price as per Ind AS 115.

7.2. Classification and subsequent measurement

7.2.1. Financial assets:

On initial recognition, a financial asset is classified as measured at:

- Amortised cost.
- Fair value through other comprehensive Income (FVTOCI) - Debt investment
- Fair value through other comprehensive Income (FVTOCI) - Equity investment
- Fair value through profit and loss (FVTPL);

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

A financial asset is measured at amortised cost if it meets both the following condition and is not designated as FVTPL:

- The asset is held within a business model where objective is to hold financial assets to collect contractual cash flows; and

- The contractual terms gives rise on specified dates to cash flows that are solely payments of principal and interest on principal amount outstanding.

These assets are measured subsequently at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses, if any and impairment are recognised in the statement of profit and loss. Any gain or loss on de recognition is recognised in statement of profit and loss.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

These assets are subsequently measured at fair value. Interest income under the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI (designated as FVOCI - equity investment). This election is made on an investment-by-investment basis.

These assets are subsequently measured at fair value. Dividends are recognised as income in statement of profit and loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are not reclassified to statement of profit and loss.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

NOTES FORMING PART OF FINANCIAL STATEMENTS

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in statement of profit and loss.

Financial assets – Business model assessment

The Company makes an assessment of the objective of the business model in which a financial asset is held at portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Company's management
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed
- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Company's continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Financial assets – Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company

considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable-rate features;
- prepayment and extension features; and
- terms that limit the Company's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable compensation for early termination of the contract. Additionally, for a financial asset acquired at a discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

7.2.2. De-recognition of financial assets

The Company derecognises a financial asset only when;

- a. contractual rights to the cash flows from the financial asset expire or
- b. it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or
- c. in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognized.

Where the entity has neither transferred a financial asset nor retains substantially all risk and rewards of ownership of the financial asset, the financial asset is derecognised, if the Company has not retained control

NOTES FORMING PART OF FINANCIAL STATEMENTS

of the financial asset. Where the Company retains control of the financial asset, the same is continued to be recognised to the extent of continuing involvement in the financial asset.

7.3. Financial Liabilities

7.3.1. Classification and subsequent measurement of financial liabilities

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

7.3.2. De-recognition

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

The Company also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in the statement of profit and loss.

7.4. Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

7.5. Derivative financial instruments

The Company holds derivative instruments to hedge its foreign currency risk exposure. Derivatives are initially measured at fair value. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognised in the statement of profit and loss.

8. Impairment

8.1. Impairment of financial instruments

The Company recognises loss allowance for expected credit loss on financial assets measured at amortised cost.

At each reporting date, the Company assesses whether financial assets carried at amortised cost are credit impaired. A financial asset is 'credit impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit - impaired includes the following observable data:

- significant financial difficulty;
- a breach of contract such as a default or being past due;
- the restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

Loss allowances for trade receivables are measured at an amount equal to lifetime expected credit losses. Lifetime expected credit losses are credit losses that result from all possible default events over expected life of financial instrument. The Company follows the simplified approach permitted by Ind AS 109 Financial Instruments for recognition of impairment loss allowance. The application of simplified approach does not require the Company to track changes in credit risk. The Company calculates the expected credit losses on trade receivables using a provision matrix on the basis of its historical credit loss experience.

The maximum period considered when estimating expected credit losses is the maximum contractual period over which the Company is exposed to credit risk.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Company considers reasonable and supportable information that is relevant and available without

NOTES FORMING PART OF FINANCIAL STATEMENTS

undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward looking information.

The Company considers a financial asset to be in default when:

- the recipient is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realising security (if any is held); or
- the financial asset is more than 90 days past due.

8.1.1. Measurement of expected credit losses

Expected credit losses are a probability weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Company in accordance with the contract and the cash flows that the Company expects to receive). Expected credit losses are discounted at the effective interest rate of the financial asset.

8.1.2. Presentation of allowance for expected credit losses in the balance sheet

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

8.1.3. Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

8.2. Impairment of non-financial assets

The Company's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of a CGU (or an individual asset) is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the CGU (or the asset).

The Company's corporate assets (e.g., central office building for providing support to various CGUs) do not generate independent cash inflows. To determine impairment of a corporate asset, recoverable amount is determined for the CGUs to which the corporate asset belongs.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the statement of profit and loss. Impairment loss recognised in respect of a CGU is allocated first to reduce the carrying amount of any goodwill allocated to the CGU, if any and then to reduce the carrying amounts of the other assets of the CGU (or group of CGUs) on a pro rata basis.

In respect of assets (other than goodwill) for which impairment loss has been recognised in prior periods, the Company reviews at each reporting date whether there is any indication that loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in estimates used to determine recoverable amount. Such a reversal is made only to an extent that asset's carrying amount does not exceed carrying amount that would have been determined, net of depreciation/ amortisation, if no impairment loss was recognised.

9. Income taxes

Income tax comprises current and deferred tax. It is recognised in the statement of profit and loss except to the extent that it relates to a business combination or to an item recognised directly in equity or in other comprehensive income.

Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date. Current tax assets and current tax

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liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

Deferred tax

Deferred tax is recognised in respect of temporary difference between carrying amount of assets and liabilities for financial reporting purposes and corresponding amounts used for tax purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits. Deferred tax is not recognised for:

- temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction;

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax assets - unrecognised / recognised, are reviewed at each reporting date and are recognised / reduced to an extent that it is probable / no longer probable respectively that related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by same tax authority on same taxable entity, or on different tax entities, but they intend to settle such tax liabilities and assets on a net basis or its tax assets and liabilities will be realised simultaneously.

10. Employee benefits

10.1. Short term employee benefit obligations:

Short term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid e.g. under short-term cash bonus, if the Company has a present legal or constructive obligation to pay this amount as a result of

past service provided by the employee, and the amount of obligation can be estimated reliably.

10.2. Other long-term employee benefits:

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. Those that are expected to be encashed after 12 months from the end of the year are treated as other long-term employee benefits. The obligation towards the same is measured at the expected cost of accumulating compensated absences as the additional amount expected to be paid as a result of the unused entitlement as at the year end. The obligation is measured on the basis of an annual independent actuarial valuation using the projected unit credit method. Remeasurements gains or losses are recognised in profit or loss in the period in which they arise.

10.3. Defined benefit plan:

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Company, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan ('the asset ceiling'). In order to calculate the present value of economic benefits, consideration is given to any minimum funding requirements.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised in OCI. The Company determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to

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defined benefit plans are recognised in statement of profit and loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service ('past service cost' or 'past service gain') or the gain or loss on curtailment is recognised immediately in statement of profit and loss. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

10.4. Defined contribution plans:

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. The Company makes specified monthly contributions towards Government administered provident fund scheme. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in statement of profit and loss in the periods during which the related services are rendered by employees.

11. Provisions and contingent liabilities

11.1. Provisions:

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost. Expected future operating losses are not provided for.

11.1.1. Provision for warranties

A provision for warranties is recognised when the underlying products are sold. The provision is based on technical evaluation, historical warranty data and a weighing of all possible outcomes by their associated probabilities.

11.1.2. Onerous contract

A provision for onerous contracts is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract, which is determined based on the incremental costs of fulfilling the obligation under

the contract and an allocation of other costs directly related to fulfilling the contract. Before a provision is established, the Company recognises any impairment loss on the assets associated with that contract.

11.2. Contingent liabilities:

Whenever there is possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity or a present obligation that arises from past events but is not recognised because (a) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or (b) the amount of the obligation cannot be measured with sufficient reliability are considered as contingent liability.

The Company does not recognize a contingent liability but discloses its existence in the financial statements.

11.3. Contingent assets:

The Company does not recognise contingent assets. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and is recognized.

12. Earnings per share

Basic earnings per share is computed by dividing the profit after tax (including the post tax effect of exceptional items, if any) by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share is computed by dividing the profit after tax (including the post tax effect of exceptional items, if any) as adjusted for dividend, interest and other charges to expense or income relating to the additional dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented.

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13. Cash and cash equivalents and statement of cash flows

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

Cash flows from operating activities are reported using the indirect method, whereby profit / (loss) is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated.

14. Segment reporting

The Company is engaged in manufacture of brake linings, disc pads, clutch facings, clutch buttons, brake shoes and railway brake blocks which largely have applications primarily in automobile industry. The Chief Operating Decision Maker (Board of Directors) review the operating results of the Company as a whole for purposes of making decisions about resources to be allocated and assess its performance, the entire operations are to be classified as a single segment, namely components for transportation industry.

15. Government grants

Government grants related to assets, including non-monetary grants, are initially recognised as deferred income at fair value if there is reasonable assurance that they will be received, and the Company will comply with the conditions associated with the grant. Grants related to the acquisition of assets are recognised in profit or loss as other income on a systematic basis over the useful life of the asset.

Government grants that compensate the Company for expenses incurred are recognised in profit or loss as other operating income on a systematic basis in the periods in which the expenses are recognised, unless the conditions for receiving the grant are met after the related expenses have been recognised. In this case, the grant is recognised when it becomes receivable.

16. Interest income

Interest income or expense is recognised using the effective interest method. The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of financial instrument to:

- the gross carrying amount of the financial asset; or

- the amortised cost of the financial liability.

In calculating interest income, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired).

However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

17. Foreign currency transactions

Transactions in currencies other than Company's functional currency (i.e. foreign currencies) are recognised at rates of exchange prevailing on date of transactions or an average rate if average rate approximates actual rate at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into functional currency at exchange rate when fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at exchange rate at the date of the transaction. Exchange differences are recognised in statement of profit and loss.

18. Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is received.

19. Recent pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Rules, 2015 by issuing the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from April 01, 2023, which includes the following:

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Ind AS 1 - Presentation of Financial Statements

The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general purpose financial statements.

Ind AS 12 - Income Taxes

The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences.

Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors

The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty.

The Company does not expect these amendments to have any significant impact in its financial statements.

Note 3 : Property, Plant and Equipment

(₹ in Crores)

Gross carrying value	Freehold land	Buildings	Plant and machinery	Furniture and Fixtures	Office Equipments	Vehicles	Total
Gross carrying amount							
Balance as at April 01, 2021	4.47	43.04	172.12	0.70	7.42	0.99	228.74
Additions	-	0.74	15.11	0.10	0.85	0.30	17.10
Disposals	-	-	(0.05)	(0.00)	(0.05)	-	(0.10)
Balance as at March 31, 2022	4.47	43.78	187.18	0.80	8.22	1.29	245.74
Additions	-	3.54	18.00	0.07	2.31	-	23.92
Disposals	-	-	(0.29)	-	(0.06)	-	(0.35)
Balance as at March 31, 2023	4.47	47.32	204.89	0.87	10.47	1.29	269.31

(₹ in Crores)

Accumulated depreciation and impairment	Freehold land	Buildings	Plant and machinery	Furniture and Fixtures	Office Equipments	Vehicles	Total
Balance as at April 01, 2021	-	8.71	96.52	0.49	4.99	0.87	111.58
Depreciation expense	-	1.98	17.36	0.08	1.53	0.11	21.06
Disposals	-	-	(0.04)	(0.00)	(0.05)	-	(0.09)
Balance as at March 31, 2022	-	10.69	113.84	0.57	6.47	0.98	132.55
Depreciation expense	-	2.03	15.67	0.11	1.65	0.09	19.55
Disposals	-	-	(0.29)	-	(0.06)	-	(0.35)
Balance as at March 31, 2023	-	12.72	129.22	0.68	8.06	1.07	151.75

(₹ in Crores)

Net carrying amount	Freehold land	Buildings	Plant and machinery	Furniture and Fixtures	Office Equipments	Vehicles	Total
As at March 31, 2022	4.47	33.09	73.34	0.23	1.75	0.31	113.19
As at March 31, 2023	4.47	34.60	75.67	0.19	2.41	0.22	117.56

3.1. All title deeds of immovable properties are held in the name of the Company. Title deeds for a part of an immovable property in nature of land and building thereon situated at Telangana (measuring 11.2 acres), with aggregate gross carrying values of INR 2.98 Crores approximately, are disputed by The State of Telangana for which the Company has filed a writ petition with the Honourable High Court of Telangana and obtained an interim stay.

3.2. The Company has not revalued its property, plant and equipment.

3.3. Refer note 34.b for Capital commitments.

NOTES FORMING PART OF FINANCIAL STATEMENTS

Note 4 : Capital Work-In-Progress

(₹ in Crores)

Particulars	Amount
As at April 01, 2021	1.66
Additions	3.38
Capitalised	(1.64)
As at March 31, 2022	3.40
Additions	3.98
Capitalised	(3.00)
As at March 31, 2023	4.38

Ageing schedule of CWIP balances:

As at March 31, 2023

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	3.98	0.40	-	-	4.38
Projects temporarily suspended	-	-	-	-	-
As at March 31, 2022					
Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	3.38	0.02	-	-	3.40
Projects temporarily suspended	-	-	-	-	-

Note: The Company doesn't have any projects whose completion is overdue or has exceeded its cost compared to its original plan and hence CWIP completion schedule is not applicable.

Note 5 : Right-of-Use Assets

(₹ in Crores)

Particulars	Vehicles
Gross carrying amount	
Balance as at April 01, 2021	0.69
Additions	-
Disposals	(0.03)
Balance as at March 31, 2022	0.66
Additions	0.09
Disposals	(0.08)
Balance as at March 31, 2023	0.67
Accumulated depreciation	
Balance as at April 01, 2021	0.33
Depreciation expense	0.13
Disposals	(0.03)
Balance as at March 31, 2022	0.43
Depreciation expense	0.13
Disposals	(0.04)
Balance as at March 31, 2023	0.52
Net carrying amount	
As at March 31, 2022	0.23
As at March 31, 2023	0.15

5.1. Also refer note 39 - Leases

5.2. The Company has not revalued its right-of-use assets.

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Note 6 : Other Intangible Assets

(₹ in Crores)

Particulars	Technical knowhow	Software	Total
Gross carrying amount			
Balance as at April 01, 2021	4.07	0.95	5.02
Additions	-	0.28	0.28
Disposals	-	-	-
Balance as at March 31, 2022	4.07	1.23	5.30
Additions	-	0.40	0.40
Disposals	-	(0.00)	(0.00)
Balance as at March 31, 2023	4.07	1.63	5.70
Accumulated amortisation			
Balance as at April 01, 2021	4.07	0.57	4.64
Amortisation expense	-	0.23	0.23
Disposals	-	-	-
Balance as at March 31, 2022	4.07	0.80	4.87
Amortisation expense	-	0.32	0.32
Disposals	-	(0.00)	(0.00)
Balance as at March 31, 2023	4.07	1.12	5.19
Net carrying amount			
As at March 31, 2022	-	0.43	0.43
As at March 31, 2023	-	0.51	0.51

6.1. The Company has not revalued its other intangible assets.

Note 7 : Non-Current Investments

(₹ in Crores)

Particulars	Face value per share	As at March 31, 2023	Amount	As at March 31, 2022	Amount
		Number of shares		Number of shares	
Unquoted investments					
Investments in equity shares carried at amortised cost					
Capsol Energy Private Limited	₹ 10	6,00,000	0.60	6,00,000	0.60
Shree MTK Textiles Private Limited	₹ 100	2,340	0.75	2,340	0.75
CWRE Wind Power Private Limited	₹ 10	379	0.00	379	0.00
Total			1.35		1.35
Aggregate value of unquoted investments			1.35		1.35
Aggregate amount of impairment in value of investments (included in the above)			-		-

Note 8 : OTHER FINANCIAL ASSETS

(₹ in Crores)

(Unsecured and considered good, unless otherwise stated)

Particulars	Non-current		Current	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Security deposits	4.04	5.73	-	-
Interest receivable	-	-	0.22	0.25
Bank deposits with more than 12 months maturity	-	-	0.05	0.08
Deposits with statutory authorities	-	4.64	-	0.41
Earmarked balances for unclaimed dividend	-	0.31	-	-
Derivative assets	-	-	0.05	-
Others	-	-	0.43	0.65
Total	4.04	10.68	0.75	1.39

8.1. The Company's exposure to credit risk and market risk are disclosed in note 41

8.2. Bank deposits with more than 12 months maturity is towards Margin money with banks to the extent of INR 0.01 (March 31, 2022: INR 0.01)

NOTES FORMING PART OF FINANCIAL STATEMENTS

Note 9 : Income Tax Assets, Net

(₹ in Crores)

Particulars	As at	As at
	March 31, 2023	March 31, 2022
Advance income-tax, net (refer note 33)	4.95	3.75

Note 10 : Other Assets

(₹ in Crores)

(Unsecured and considered good, unless otherwise stated)

Particulars	Non-current		Current	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Capital advances	2.16	0.83	-	-
Balance with government authorities	0.17	-	0.21	-
Advances paid to suppliers	-	-	4.67	1.47
Prepaid expenses	1.22	0.64	0.83	1.38
Travel advances	-	-	0.79	0.77
Others (refer note 31.2)	-	-	-	0.41
Unsecured and considered doubtful:				
Capital advances	0.20	0.20	-	-
Balance with government authorities	0.68	-	-	-
	4.43	1.67	6.50	4.03
Provision for doubtful advances	(0.88)	(0.20)	-	-
Total	3.55	1.47	6.50	4.03

Note 11 : Inventories

(₹ in Crores)

(Valued at lower of cost and net realisable value)

Particulars	As at	As at
	March 31, 2023	March 31, 2022
Raw materials (includes goods-in-transit of INR 3.73 (March 31, 2022 : INR 16.79))	47.85	73.12
Work-in-progress	5.80	5.12
Finished goods	32.36	17.67
Stock-in-trade	0.40	0.34
Stores and spares	4.37	4.49
Total	90.78	100.74

The cost of inventories recognised as an expense during the year is disclosed in Note 26 and 27 .

The cost of inventories recognised as an expense is disclosed in Note 27 in respect of write-down of inventory to net realisable value amounting to INR 1.04 (March 31, 2022 : INR 0.74)

Note 12 : Deferred Tax Assets / (Liabilities)

(₹ in Crores)

Particulars	As at	As at
	March 31, 2023	March 31, 2022
Deferred tax assets	7.09	7.45
Deferred tax liabilities	(7.43)	(8.75)
Deferred tax liabilities, net	(0.34)	(1.30)

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Movement in temporary differences for the year ended March 31, 2023

(₹ in Crores)

Particulars	As at April 01, 2022	Recognised in profit and loss during the year	Recognised in OCI during the year	As at March 31, 2023
Deferred tax assets				
Provision for employee benefits	-	0.11	(0.11)	-
Loss allowance on trade receivables	1.04	0.07	-	1.11
Voluntary retirement scheme	0.17	(0.07)	-	0.10
Expenses allowable on payment basis	2.62	0.43	-	3.05
Others	3.62	(0.79)	-	2.83
	7.45	(0.25)	(0.11)	7.09
Deferred tax liabilities				
Property, plant and equipment and other intangible assets	(8.75)	1.32	-	(7.43)
	(8.75)	1.32	-	(7.43)
Net deferred tax liabilities	(1.30)	1.07	(0.11)	(0.34)

Movement in temporary differences for the year ended March 31, 2022

(₹ in Crores)

Particulars	As at April 01, 2021	Recognised in profit and loss during the year	Recognised in OCI during the year	As at March 31, 2022
Deferred tax assets				
Provision for employee benefits	-	(0.11)	0.11	-
Loss allowance on trade receivables	1.02	0.02	-	1.04
Voluntary retirement scheme	0.23	(0.06)	-	0.17
Expenses allowable on payment basis	3.79	(1.17)	-	2.62
Others	6.84	(3.22)	-	3.62
	11.88	(4.54)	0.11	7.45
Deferred tax liabilities				
Property, plant and equipment and other intangible assets	(15.22)	6.47	-	(8.75)
	(15.22)	6.47	-	(8.75)
Net deferred tax liabilities	(3.34)	1.93	0.11	(1.30)

Note 13 : Current Investments

(₹ in Crores)

Particulars	As at March 31, 2023			As at March 31, 2022		
	NAV per unit	Quantity (in numbers)	Amount	NAV per unit	Quantity (in numbers)	Amount
Unquoted investments						
Investment in mutual fund - mandatorily measured at FVTPL						
- Nippon India Mutual Fund - Growth plan	5,453	24,032	13.11	-	-	-
- HDFC Liquid Fund - Growth plan	4,384	21,928	9.61	-	-	-
Total			22.72			-
Aggregate value of unquoted investments			22.72			-
Aggregate amount of impairment in value of investments (included in the above)			-			-

NOTES FORMING PART OF FINANCIAL STATEMENTS

Note 14 : Trade Receivables

(₹ in Crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Trade receivables - considered good - secured	-	-
Trade receivables - considered good - unsecured	110.48	137.28
Trade receivables - which have significant increase in credit risk	-	-
Trade receivables - credit impaired	3.74	3.32
Loss allowance	(4.42)	(3.32)
Net trade receivables	109.80	137.28

Note 14.1 : Trade Receivables Ageing Schedule - March 31, 2023

(₹ in Crores)

Particulars	Outstanding for following periods from due date of payment						Total
	Not due	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed trade receivables – considered good	94.78	15.70	-	-	-	-	110.48
(ii) Undisputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed trade receivables – credit impaired	-	0.71	0.94	0.59	0.44	1.06	3.74
(iv) Disputed trade receivables – considered good	-	-	-	-	-	-	-
(v) Disputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed trade receivables – credit impaired	-	-	-	-	-	-	-
Total	94.78	16.41	0.94	0.59	0.44	1.06	114.22

Note 14.2 : Trade Receivables Ageing Schedule - March 31, 2022

(₹ in Crores)

Particulars	Outstanding for following periods from due date of payment						Total
	Not due	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed trade receivables – considered good	129.72	7.56	-	-	-	-	137.28
(ii) Undisputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed trade receivables – credit impaired	-	0.42	0.90	0.64	0.75	0.61	3.32
(iv) Disputed trade receivables – considered good	-	-	-	-	-	-	-
(v) Disputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed trade receivables – credit impaired	-	-	-	-	-	-	-
Total	129.72	7.98	0.90	0.64	0.75	0.61	140.60

Note 14.3 : Movement in Loss Allowance on Trade Receivables

(₹ in Crores)

Particulars	As at March 31, 2023	As at March 31, 2022
At the beginning of the year	3.32	2.34
Loss allowance for the year, net of reversals	1.24	1.69
Amount written off	(0.14)	(0.71)
At the end of the year	4.42	3.32

Note:

The Company's exposure to credit, currency risks and loss allowances related to trade receivables are disclosed in note 41.

NOTES FORMING PART OF FINANCIAL STATEMENTS

Note 15 : Cash And Cash Equivalents

(₹ in Crores)

Particulars	As at	
	March 31, 2023	March 31, 2022
Balances with banks -		
on current accounts	6.73	2.23
on deposit accounts	-	9.75
Others	-	9.01
Cash on hand	0.02	0.02
Total	6.75	21.01

Note 16 : Bank Balances other than Cash and Cash Equivalents above

(₹ in Crores)

Particulars	As at	
	March 31, 2023	March 31, 2022
Balances with banks in earmarked accounts - Unclaimed dividend	0.36	-
Total	0.36	-

Note 17 : Equity Share Capital

(₹ in Crores)

Particulars	As at	
	March 31, 2023	March 31, 2022
a. Authorised share capital:		
Equity shares:		
10,000,000 (March 31, 2022: 10,000,000) equity shares of ₹ 10 each	10.00	10.00
b. Issued, subscribed and paid-up share capital:		
7,729,871 (March 31, 2022: 7,729,871) equity shares of ₹ 10 each fully paid-up	7.73	7.73

17.1. Reconciliation of shares outstanding at the beginning and at the end of the year

Particulars	As at		As at	
	March 31, 2023		March 31, 2022	
	Number of shares	Amount (₹ in Crores)	Number of shares held	Amount
Equity shares of ₹ 10 each fully paid up				
At the commencement of the year	77,29,871	7.73	77,52,359	7.75
Buy-back of shares	-	-	(22,488)	(0.02)
At the end of the year	77,29,871	7.73	77,29,871	7.73

Rights, preferences and restrictions attached to equity shares

The Company has one class of equity share having a par value of ₹10 per share. Each holder of equity share is entitled to one vote per share. The dividend when 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 of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders. Repayment of capital on liquidation will be in proportion to the number of equity shares held.

17.2. Shares held by holding Company

(₹ in Crores)

Name of the Shareholder	As at March 31, 2023		As at April 1, 2022	
	Number of shares held	Amount	Number of shares held	Amount
Rane Holdings Limited	38,67,440	3.87	38,67,440	3.87

NOTES FORMING PART OF FINANCIAL STATEMENTS

17.3. Particulars of shareholders holding more than 5 percent of equity shares in the Company:

Name of the Shareholder	As at March 31, 2023		As at April 1, 2022	
	Number of shares held	% of holding in shares	Number of shares held	% of holding in shares
Rane Holdings Limited	38,67,440	50.03%	38,67,440	50.03%
Nisshinbo Holdings Inc.	15,95,249	20.64%	15,95,249	20.64%

17.4. Shares held by promoters at the end of the year

Promoter name	As at March 31, 2023		As at April 1, 2022		% change during the year
	Number of shares held	% of total shares	Number of shares held	% of total shares	
Pushpa Lakshman & Lakshman L	50	0.00%	50	0.00%	-
Lakshman L & Pushpa Lakshman	50	0.00%	50	0.00%	-
Ganesh L & Meenakshi Ganesh	50	0.00%	50	0.00%	-
Harish Lakshman	50	0.00%	50	0.00%	-
Vinay Lakshman	50	0.00%	50	0.00%	-
Meenakshi Ganesh & Ganesh L	50	0.00%	50	0.00%	-
Malavika Lakshman & Harish Lakshman	50	0.00%	50	0.00%	-
Aparna Ganesh	50	0.00%	50	0.00%	-
Aditya Ganesh	50	0.00%	50	0.00%	-
Rekha Sundar	19,400	0.25%	19,400	0.25%	-

Promoter name	As at March 31, 2022		As at April 1, 2021		% change during the year
	Number of shares held	% of total shares	Number of shares held	% of total shares	
Pushpa Lakshman & Lakshman L	50	0.00%	50	0.00%	-
Lakshman L & Pushpa Lakshman	50	0.00%	50	0.00%	-
Ganesh L & Meenakshi Ganesh	50	0.00%	50	0.00%	-
Harish Lakshman	50	0.00%	50	0.00%	-
Vinay Lakshman	50	0.00%	50	0.00%	-
Meenakshi Ganesh & Ganesh L	50	0.00%	50	0.00%	-
Malavika Lakshman & Harish Lakshman	50	0.00%	50	0.00%	-
Aparna Ganesh	50	0.00%	50	0.00%	-
Aditya Ganesh	50	0.00%	50	0.00%	-
Rekha Sundar	19,400	0.25%	19,400	0.25%	-

17.5. Information regarding issue of shares in the last five years

The Board of Directors at its meeting held on October 15, 2020, approved a proposal to buy-back upto 266,667 number of equity shares of the Company for an aggregate amount not exceeding INR 22 Crores, being less than 10% of total paid up equity share capital and free reserves as on March 31, 2020 at ₹825/- per equity share. The buy back was from the open market through the stock exchanges. The Company bought back 185,109 number of equity shares out of the shares that were tendered by eligible shareholders and extinguished during the immediately preceding five years. The Company has not issued any shares without payment being received in cash / any bonus shares during the immediately preceding five years.

17.6. Capital management

For the purpose of the Company's capital management, capital includes issued equity capital and equity reserves attributable to the equity holders of the Company. The Company manages its capital structure and makes adjustments in light of changes in economic conditions and its capital requirements. The primary objective of the Company when managing capital is to safeguard its ability to continue as a going concern and to maintain an optimal capital structure so as to maximise shareholder value. There are no externally imposed capital requirements. In order to maintain / achieve an optimal capital structure, the Company allocates its capital for distribution as dividend or re-investment into business based on its long term financial plans.

NOTES FORMING PART OF FINANCIAL STATEMENTS

Note 18 : Other Equity

a. General reserve

The general reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not be reclassified subsequently to profit or loss except to the extent permitted as per Companies Act 2013 and rules made thereunder.

b. Capital redemption reserve

The Companies Act 2013 requires that where a Company purchases its own shares out of free reserves or securities premium account, a sum equal to the nominal value of the shares so purchased shall be transferred to a capital redemption reserve account and details of such transfer shall be disclosed in the balance sheet. The capital redemption reserve account may be applied by the Company, in paying up unissued shares of the Company to be issued to shareholders of the Company as fully paid bonus shares. The Company established this reserve pursuant to buy-back of equity shares in FY 2020-21 and FY 2021-22.

c. Retained earnings

Retained earnings represents profits generated and retained by the Company post distribution of dividends to the equity shareholders in the respective years. The balance in retained earnings can be utilized for distribution of dividend by the Company considering the requirements of the Companies Act, 2013.

In respect of the year ended March 31, 2023, the directors proposed a dividend of INR 25 per share be paid to all holders of fully paid equity shares. This equity dividend is subject to approval by shareholders at the ensuing Annual General Meeting and has not been included as a liability in these financial statements. The total estimated equity dividend to be paid is INR 19.32.

d. Remeasurement of defined benefit obligations

Remeasurement of defined benefit obligations comprises of actuarial gain or losses and return on plan assets (excluding interest income).

Note 19 : Lease Liabilities

(₹ in Crores)

Particulars	Non-current		Current	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Lease liabilities (refer note 39)	0.08	0.11	0.11	0.12

Note 20 : Other Financial Liabilities

(₹ in Crores)

Particulars	Non-current		Current	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Employee benefits payable	-	-	15.69	16.39
Commission payable to chairman	-	-	0.95	0.95
Unclaimed dividend	-	-	0.36	0.31
Capital creditors	-	-	2.07	1.39
Security deposits	0.59	0.56	-	-
Derivative liabilities	-	-	-	0.22
Others	-	-	12.44	-
Total	0.59	0.56	31.51	19.26

Note 20.1 : The Company's exposure to credit and liquidity risk related to other financial liabilities are disclosed in note 41

NOTES FORMING PART OF FINANCIAL STATEMENTS

Note 21 : Trade Payables

(₹ in Crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Total outstanding dues of micro enterprises and small enterprises	15.13	24.19
Total outstanding dues of creditors other than micro enterprises and small enterprises	48.72	100.67
Total	63.85	124.86

* refer note 21.1 for details of dues to micro enterprises and small enterprises. These details have been provided based on the information available with the Company in respect of the registration status of its vendors/suppliers. All trades payables are 'current'. For related party trade payables refer note 40.

The Company's exposure to credit, currency and liquidity risk related to trade payables is disclosed in note 41

Ageing schedule - Outstanding for following periods from the due date of payment

(₹ in Crores)

Particulars	Disputed dues		Undisputed dues		Total
	MSME	Others	MSME	Others	
As at March 31, 2023					
Not due	-	-	15.13	24.15	39.28
Less than 1 year	-	-	-	2.64	2.64
1-2 years	-	-	-	-	-
2-3 years	-	-	-	0.03	0.03
More than 3 years	-	-	-	0.02	0.02
Sub-total	-	-	15.13	26.84	41.97
Add: Unbilled dues					21.88
Total					63.85

(₹ in Crores)

Particulars	Disputed dues		Undisputed dues		Total
	MSME	Others	MSME	Others	
As at March 31, 2022					
Not due	-	-	24.19	33.10	57.29
Less than 1 year	-	-	-	4.61	4.61
1-2 years	-	-	-	0.03	0.03
2-3 years	-	-	-	0.02	0.02
More than 3 years	-	-	-	-	-
Sub-total	-	-	24.19	37.76	61.95
Add: Unbilled dues					62.91
Total					124.86

21.1. Dues to micro enterprises and small enterprises :

The Ministry of Micro, Small and Medium Enterprises has issued an office memorandum dated August 28, 2008, which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum in accordance with the Micro, Small and Medium Enterprise Development Act, 2006 ('the MSMED Act'). In view of the Management, the impact of interest, if any, that may be payable in accordance with the provisions of the Act is not expected to be material. The Company has not received any claim for interest from any supplier as at the balance sheet dates.

NOTES FORMING PART OF FINANCIAL STATEMENTS

(₹ in Crores)

Particulars	As at March 31, 2023	As at March 31, 2022
(a) the principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year;	15.13	24.19
(b) the amount of interest paid by the buyer in terms of section 16 of the MSMED Act along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	-	-
(c) the amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act;	-	-
(d) the amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-
(e) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED Act.	-	-

Note 22 : Provisions

(₹ in Crores)

Particulars	Non-current		Current	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Provision for employee benefits				
Leave encashment	3.91	3.71	1.10	1.15
Gratuity (refer note 37)	-	-	0.76	1.43
Provision for others				
Warranty	-	-	0.90	0.50
Others	-	-	-	0.77
Total	3.91	3.71	2.76	3.85

Movement in provision for others

(₹ in Crores)

Particulars	As at March 31, 2023		As at March 31, 2022	
	Provision for warranty	Provision for others	Provision for warranty	Provision for others
Opening balance	0.50	0.77	2.21	1.80
Provision made during the year	0.40	-	0.28	-
Transfer during the year	-	(0.77)	-	-
Provision utilised / reversed during the year	-	-	(1.99)	(1.03)
Closing balance	0.90	-	0.50	0.77

Note: The Company provides for warranty on certain products sold by the Company.

Provision for others includes expected tax liability in respect of indirect taxes (ie) the differential sales tax liability on account of non-collection of declaration forms.

Provision for warranty and others are recognised net of reimbursements, the same is expected to be settled / adjusted within one year from the reporting date.

NOTES FORMING PART OF FINANCIAL STATEMENTS

Note 23 : Other Liabilities

(₹ in Crores)

Particulars	Non-current		Current	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Advances from customers	-	-	0.17	0.12
Deferred income	0.44	0.12	0.03	0.03
Statutory dues payable	-	-	3.99	2.07
Others	-	-	5.19	-
Total	0.44	0.12	9.38	2.22

Note 24 : Revenue From Operations

(₹ in Crores)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Revenue from contracts with customers		
Sale of products	596.93	503.47
Other operating revenues	1.87	2.08
Total	598.80	505.55

Notes:

1. Revenue from major products

(₹ in Crores)

Categories of products sold	Year ended March 31, 2023	Year ended March 31, 2022
Brake linings	243.00	209.17
Disc pads	323.99	268.82
Clutch facings	4.21	3.65
Railway brake blocks	6.60	1.40
Others	19.13	20.43
Total	596.93	503.47

2. Other operating revenues

(₹ in Crores)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Scrap sales	1.09	1.29
Export incentives	0.74	0.74
Others	0.04	0.05
Total	1.87	2.08

3. Contract balances

The following disclosure provides information about contract assets and liabilities from contracts with customer:

(₹ in Crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Contract asset	-	-
Contract liabilities (advances from customers)	0.17	0.12

The amount of INR 0.12 included in contract liabilities at March 31, 2022 has been recognised as revenue during the year ended March 31, 2023 (March 31, 2022: INR 0.08).

4. Reconciliation of revenue recognised with contract price

(₹ in Crores)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Revenue as per contracted price	622.07	524.94
Adjustments for:		
Rebates	(25.14)	(21.47)
Total revenue from contract with customers	596.93	503.47

NOTES FORMING PART OF FINANCIAL STATEMENTS

Note 25 : Other Income

(₹ in Crores)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Interest income earned		
- On bank deposits measured under effective interest method	0.46	0.02
- On financial assets measured at FVTPL	0.22	0.81
Liabilities no longer required written back	6.15	10.42
Other non-operating income	1.44	1.39
Total	8.27	12.64

Note 26 : Cost Of Materials Consumed

(₹ in Crores)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Opening stock of raw materials	73.46	42.12
Purchases made during the year	319.85	303.04
Closing stock of raw materials	(48.25)	(73.46)
Total	345.06	271.70

Note 27 : Changes in Inventories of Finished Goods and Work-In-Progress

(₹ in Crores)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Work-in-progress		
- Opening stock	5.12	4.52
- Closing stock	5.80	5.12
Sub-total (a)	(0.68)	(0.60)
Finished goods		
- Opening stock	17.67	15.44
- Closing stock	32.36	17.67
Sub-total (b)	(14.69)	(2.23)
Total (a + b)	(15.37)	(2.83)

Note 28 : Employee Benefit Expenses

(₹ in Crores)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Salaries and wages	66.67	63.20
Expenses relating to post-employment benefit plans - Gratuity (refer note 37)	1.25	1.14
Contribution to provident fund (refer note 37)	3.85	3.70
Contribution to other funds	0.29	0.22
Staff welfare expenses	11.44	10.51
Total	83.50	78.77

Note 29 : Finance Costs

(₹ in Crores)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Interest expense		
- On lease liabilities	0.00	0.01
- On others	0.05	0.01
Total	0.05	0.02

NOTES FORMING PART OF FINANCIAL STATEMENTS

Note 30 : Depreciation and Amortisation Expenses

(₹ in Crores)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Depreciation on property, plant and equipment (refer note 3)	19.55	21.06
Depreciation of right-of-use assets (refer note 5)	0.13	0.13
Amortisation of intangible assets (refer note 6)	0.32	0.23
Total depreciation, amortisation and impairment expense	20.00	21.42

Note 31 : Other Expenses

(₹ in Crores)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Power and fuel	26.35	22.53
Consumption of stores and spares	8.95	7.69
Rent expense (refer note 39)	0.09	0.18
Travelling and conveyance	5.57	3.56
Repairs and maintenance		
- Buildings	0.57	0.58
- Plant and machinery	13.74	10.82
- Others	7.62	7.01
Packing, despatching and freight	30.02	25.58
Chairman commission (refer note 40)	0.95	0.95
Insurance	1.10	1.12
Commission to selling agents	1.21	0.62
Rates and taxes	1.17	1.12
Payment to auditors (refer note 31.1)	0.23	0.21
Directors' sitting fees	0.18	0.19
Sales promotion and publicity	6.87	6.71
Professional charges	6.36	8.30
Information system expenses	2.62	2.21
Foreign exchange loss, net	0.74	0.34
Loss allowance on trade receivables	1.24	1.69
Printing and stationery	0.49	0.43
Royalty	6.56	5.88
Trade mark fees	2.99	2.51
Corporate social responsibility expenditure (refer note 31.2)	0.85	0.92
Miscellaneous expenses	2.74	2.58
Total	129.21	113.73

NOTES FORMING PART OF FINANCIAL STATEMENTS

31.1. Payment to auditors (excluding taxes) *

(₹ in Crores)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
For statutory audit and limited reviews	0.20	0.11
For tax audit	0.01	0.02
For other services	0.00	0.08
For reimbursement of expenses ^	0.02	0.00
Total	0.23	0.21

* includes amount of Nil (March 31, 2022 : INR 0.21) paid to a firm other than B S R & Co. LLP.

^ amount less than INR 0.01 for FY 2021-22.

31.2. Expenditure on corporate social responsibility

(₹ in Crores)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
(i) Amount required to be spent by the company during the year	0.85	0.95
(ii) Amount approved by the Board to be spent during the year	0.85	1.45
(iii) Amount spent during the year		
(a) Construction / acquisition of asset	-	-
(b) On purposes other than (a) above		
(i) Donation	0.32	1.19
(ii) Social welfare expenses	0.12	0.14
(iii) Amount required to be set-off	0.41	0.03
(iv) Shortfall / (excess) at the end of the year	0.00	(0.41)
(v) Total of previous years shortfall	-	-
(vi) Reason for shortfall	NA	NA
(vii) Nature of CSR activities	Education and Community development	Community development
(viii) Details of related party transactions	Refer note 40	Refer note 40
(ix) Where a provision is made with respect to a liability incurred by entering a contractual obligation	No	No

Disclosure in respect of excess amount spent by the Company - For the year ended March 31, 2022

(₹ in Crores)

Particulars	Amount
Opening balance	(0.03)
Amount required to be spent during the year	0.95
Amount spent during the year	(1.33)
Closing balance	(0.41)

31.3. Other statutory information

- The Company has not traded or invested in Crypto currency or virtual currency during the financial year.
- The Company does not have any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961)
- The Company does not have any transactions with struck off companies under section 248 of the Companies Act, 2013 or section 560 of the Companies Act, 1956 during the year.
- The Company has not advanced or loaned or invested funds to any persons or entities including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall:
 - directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or
 - provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries

NOTES FORMING PART OF FINANCIAL STATEMENTS

- e. The Company has not received any fund from any persons or entities, including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
 - provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- f. The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- g. The Company does not have any borrowings from banks or financial institutions. The Company has not been declared as a wilful defaulter by any bank or financial institution or other lenders.
- h. The Company does not have any subsidiaries. Hence, compliance with the number of layers prescribed under clause 87 of section 2 of the Companies Act, 2013 read with Companies (Restriction on number of Layers) Rules, 2017, is not applicable.
- i. The Company has not entered into any scheme of arrangement as per sections 230 to 237 of the Companies Act, 2013.
- j. The Company does not have any charges or satisfaction which is yet to be registered with Registrar of Companies beyond the statutory period.
- k. Quarterly returns or statements of current assets filed by the Company for the sanction of working capital loans with banks or financial institutions are in agreement with the books of accounts.

Note 32 : Ratios as per the Schedule III Requirements

a) Current ratio = Current assets divided by current liabilities

Particulars	March 31, 2023	March 31, 2022
Current assets	237.66	264.45
Current liabilities	107.61	150.31
Ratio	2.21	1.76
% Change from previous year	25.57%	

Reason for change more than 25% : Improved working capital management

b) Debt-equity ratio and Debt service coverage ratio are not applicable since the Company does not have any debt.

c) Return on equity ratio = Profit after tax divided by average shareholder's equity

Particulars	March 31, 2023	March 31, 2022
Profit after tax	33.46	27.07
Average shareholder's equity (Refer note below)	252.01	240.25
Ratio	13.28%	11.27%
% Change from previous year	17.83%	

Reason for change more than 25% : Not applicable

Note: Average shareholder's equity = (Total shareholder's equity as at beginning of respective year + total shareholder's equity as at end of respective year) divided by 2

d) Inventory turnover ratio = Revenue from sale of products divided by average inventory

Particulars	March 31, 2023	March 31, 2022
Revenue from sale of products	596.93	503.47
Average inventory (Refer note below)	95.76	83.01
Ratio	6.23	6.07
% Change from previous year	2.78%	

Reason for change more than 25% : Not applicable

Note: Average inventory = (Total inventory as at beginning of respective year + total inventory as at end of respective year) divided by 2

NOTES FORMING PART OF FINANCIAL STATEMENTS

e) Trade receivables turnover ratio = Revenue divided by average trade receivables

Particulars	March 31, 2023	March 31, 2022
Revenue (Refer note 1 below)	598.80	505.55
Average trade receivables (Refer note 2 below)	123.54	133.54
Ratio	4.85	3.79
% Change from previous year	27.97%	

Reason for change more than 25% : Change is on account of decrease in average collection period.

Note 1: Revenue for the purpose of the table above represents revenue from operations.

Note 2: Average trade receivables = (Total trade receivables as at the beginning of respective year + Total trade receivables as at the end of respective year) divided by 2

f) Trade payables turnover ratio = Expenses divided by average trade payables

Particulars	March 31, 2023	March 31, 2022
Expenses (Refer note 1 below)	358.82	336.31
Average trade payables (Refer note 2 below)	94.36	119.29
Ratio	3.80	2.82
% Change from previous year	34.75%	

Reason for change more than 25% : Change is on account of decrease in inventory purchased resulting in reduced trade payable balances.

Note 1: Purchases include purchases during the year, consumption of stores and spares and packing, despatch and freight.

Note 2: Average trade payables = (Total trade payables as at the beginning of respective year + Total trade payables as at the end of respective year) divided by 2.

g) Net capital turnover ratio = Revenue from operations divided by working capital

Particulars	March 31, 2023	March 31, 2022
Revenue from operations	598.80	505.55
Working capital	130.05	114.14
Ratio	4.60	4.43
% Change from previous year	3.84%	

Reason for change more than 25% : Not applicable

Note: Working capital = Current assets - Current liabilities

h) Net profit ratio = Net profit after tax divided by Revenue from operations

Particulars	March 31, 2023	March 31, 2022
Net profit after tax	33.46	27.07
Revenue from operations	598.80	505.55
Ratio	5.59%	5.35%
% Change from previous year	4.49%	

Reason for change more than 25% : Not applicable

i) Return on capital employed = Earnings before interest and taxes (EBIT) divided by Capital employed

Particulars	March 31, 2023	March 31, 2022
Earnings before interest and taxes (Refer note 1 below)	44.63	34.69
Capital employed (Refer note 2 below)	261.71	244.37
Ratio	17.05%	14.19%
% Change from previous year	20.16%	

Reason for change more than 25% : Not applicable

Note 1: EBIT = Profit before taxes + Finance costs

Note 2: Capital employed = Total equity + deferred tax liabilities + lease liabilities

NOTES FORMING PART OF FINANCIAL STATEMENTS

j) Return on investment = Income generated from invested funds divided by average invested funds in treasury investments

Particulars	March 31, 2023	March 31, 2022
Income generated from invested funds	0.68	0.83
Average invested funds in treasury investments (Refer note below)	20.74	32.98
Ratio	3.29%	2.53%
% Change from previous year	30.04%	

Reason for change more than 25% : Variance is on account of lower investments in treasury funds in the current year. Further, the rate of return on investment in treasury funds increased in the current year vis-à-vis the previous year.

Note: Invested funds in treasury investments = (Investment in treasury funds as at the beginning of respective year + Investment in treasury funds as at the end of respective year) divided by 2.

Note 33 : Tax Expense

(₹ in Crores)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Current tax expense :		
- Current year	12.19	9.52
Deferred tax expense - Attributable to :		
- Origination and reversal of temporary differences	(1.07)	(1.92)
Tax expense recognised in profit or loss	11.12	7.60

Reconciliation of effective tax rate

(₹ in Crores)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Profit before tax	44.58	34.67
Income tax expense calculated at applicable statutory rate of 25.17% (March 31, 2022: 25.17%)	11.22	8.73
Effect of:		
Non-deductible expense	0.21	0.23
Income chargeable at special rates	-	(0.94)
Others	(0.31)	(0.42)
Income tax expense recognised in profit or loss	11.12	7.60

Note 34.A : Contingent Liabilities

(₹ in Crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Claims against the company not acknowledged as debts		
- Income tax matters	9.80	7.27
- Sales tax matters	0.64	0.90
- Service tax matters	0.34	0.33
- Legal and other matters	0.13	-

In addition to the above, the Company from time to time is also engaged in proceedings pending with various authorities in the ordinary course of business. Judgement is required in assessing the range of possible outcomes for some of these matters, which could change substantially over time as each of the matters progresses depending on experience on actual assessment proceedings by the respective authorities and other judicial precedents. Based on its internal assessment supported by external legal counsel views, as considered necessary, the Company believes that it will be able to sustain its positions if challenged by the authorities and accordingly no additional provision / disclosures are required for these matters.

Management is of the view that above matters will not have any material adverse effect on the Company's financial position and results of operations.

NOTES FORMING PART OF FINANCIAL STATEMENTS

Note 34.B : Commitments

(₹ in Crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Estimated amount of contracts remaining to be executed on capital account, not provided for	12.72	29.65

Note 35 : Exceptional Item

Exceptional item represents the amount of INR 0.66 paid to 5 employees during the year ended March 31, 2022, who opted for early retirement in terms of a voluntary scheme introduced by the Company.

Note 36 : Earnings Per Share ('EPS')

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Profit attributable to the equity holders	33.46	27.07
Weighted average number of equity shares	77,29,871	77,29,871
a. Basic Earning per share (₹)	43.29	35.03
b. Diluted Earnings per share (₹)	43.29	35.03

Note 37 : Employee Benefit Plans

A. Defined contribution plans

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

(a) Provident fund

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

The contributions, as specified under the law, are made to the Government.

(b) Superannuation fund

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

The Company contributes up to 15% of the eligible employees' salary to LIC every year. Such contributions are recognised as an expense as and when incurred. The Company does not have any further obligation beyond this contribution.

The total expense recognised in profit or loss of INR 3.85 (for the year ended March 31, 2022 : INR 3.70) represents contributions payable to these plans by the Company at rates specified in the rules of the plans. As at March 31, 2023, contributions of INR 0.65 (as at March 31, 2022 : INR 0.59) had not been paid. The amounts were paid subsequent to the end of the respective reporting periods.

B. Defined benefit plans

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

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

Investment risk The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to government/high quality bond yields; if the return on plan asset is below this rate, it will create a plan deficit.

NOTES FORMING PART OF FINANCIAL STATEMENTS

Interest risk	A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan's debt investments
Salary risk	The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

(a) Gratuity

The following table summarises the position of assets and obligations relating to the plans: (₹ in Crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Present value of defined benefit obligation	20.47	19.64
Fair value of plan assets	19.71	18.21
Net liability recognised in the balance sheet	0.76	1.43

(i) Movement in present values of defined benefit obligations (₹ in Crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Opening defined benefit obligation	19.64	17.40
Current service cost	1.20	1.13
Interest cost	1.38	1.18
Actuarial (gain) / loss	(0.43)	0.50
Benefits paid	(1.32)	(0.57)
Closing defined benefit obligation	20.47	19.64

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

Particulars	As at March 31, 2023	As at March 31, 2022
Opening fair value of plan assets	18.21	16.94
Interest income	-	0.14
Actuarial gain / (loss)	0.02	0.06
Return on plan assets (excluding amounts included in net interest expense)	1.33	1.17
Contributions from the employer	1.47	0.47
Benefits paid	(1.32)	(0.57)
Closing fair value of plan assets	19.71	18.21

(iii) Amounts recognised in statement of profit and loss and other comprehensive income in respect of these defined benefit plans are as follows: (₹ in Crores)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Current service cost	1.20	1.13
Net interest expense	0.05	0.01
Components of defined benefit costs recognised in profit or loss	1.25	1.14
Remeasurement on the net defined benefit liability :		
Actuarial gains on plan assets	0.02	0.06
Actuarial gains / (losses) on plan obligations	0.43	(0.50)
Components of defined benefit costs recognised in other comprehensive income	0.45	(0.44)

The current service cost and the net interest expense for the year are included in the 'Employee benefits expense' line item in the statement of profit and loss.

The remeasurement of the net defined benefit liability is included in other comprehensive income.

NOTES FORMING PART OF FINANCIAL STATEMENTS

(iv) The principal assumptions used for the purposes of the actuarial valuations were as follows. (₹ in Crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Discount rate	7.19%	7.26%
Salary escalation	8.00%	8.00%
Attrition - Operators	1.00%	1.00%
Attrition - Executive and staffs	5.00%	5.00%

Notes:

- The discount rate is based on the prevailing market yields of Government of India securities as at the Balance Sheet date for the estimated term of the obligations.
- The estimate of future salary increases considered, takes into account the inflation, seniority, promotion, increments and other relevant factors.
- The entire plan assets are managed by Life Insurance Corporation of India (LIC).

Sensitivity analysis

Change in assumption	March 31, 2023	March 31, 2022
A. Discount rate + 50 BP	7.69%	7.76%
Defined Benefit Obligation	19.54	18.76
Current service cost	1.16	1.14
B. Discount rate - 50 BP	6.69%	6.76%
Defined Benefit Obligation	21.31	20.57
Current service cost	1.29	1.26
C. Salary escalation rate +50 BP	8.50%	8.50%
Defined Benefit Obligation	21.31	20.57
Current service cost	1.28	1.26
D. Salary escalation rate -50 BP	7.50%	7.50%
Defined Benefit Obligation	19.53	18.75
Current service cost	1.16	1.13

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate and expected salary increase. The sensitivity analysis have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

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

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

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

Defined benefit liability and employer contributions

The Company expects to contribute an amount of INR 0.76 towards defined benefit plan obligations funds for year ending March 31, 2024 in view of deficit in plan assets as at March 31, 2023. The weighted average duration of the defined benefit obligation is 9.4 years (March 31, 2022 - 10 years). The expected maturity analysis of undiscounted gratuity is as follows:

Particulars	March 31, 2023	March 31, 2022
Year 1	0.56	0.53
Year 2	1.82	1.29
Year 3	1.61	1.11
Year 4	1.07	1.61
Year 5	1.00	1.03
Next 5 years	12.89	11.09

NOTES FORMING PART OF FINANCIAL STATEMENTS

NOTE 38 SEGMENT REPORTING

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Company's other components, and for which discrete financial information is available. All operating segments' operating results are reviewed regularly by the Company's Board of Directors who are considered to be Chief Operating Decision Maker ('CODM') to make decisions about resources to be allocated to the segments and assess their performance.

The Company is engaged in manufacture of brake linings, discpads, clutch facings, clutch buttons, brake shoes and railway brake blocks for transportation industry and CODM reviews the operating results as a whole for the purpose of making decision about resources to be allocated and assess its performance. The entire business operations are classified as a single business segment, namely components for transportation industry.

Entity wide disclosures:

The Company's revenues are attributed to the Company's country of domicile and other countries from where the Company derives revenues. Revenues have been disclosed based on the geographical location of customers. The Company has only one geographical location based on location of assets and hence information relating to carrying amount of segment assets and cost to acquire property, plant and equipment and other intangible assets based on location of assets have not been disclosed.

(₹ in Crores)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Revenue from operations (excluding export incentive income)		
- India	572.49	481.21
- Rest of the world	25.57	23.60

Major customer:

Revenue from one customer constitutes 31 % of the total revenue amounting to INR 184.12 (March 31, 2022 : 30% amounting to INR 152.76)

Note 39 : Leases

A. Movement in lease liabilities

The following is the movement in lease liabilities:

(₹ in Crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Opening balance	0.23	0.36
Additions / (deletions / termination)	0.09	(0.02)
Interest expense on lease liabilities	0.00	0.01
Payment of lease liabilities	(0.13)	(0.12)
Closing balance	0.19	0.23

B. Maturity analysis - contractual undiscounted cash flows

(₹ in Crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Less than one year	0.11	0.12
One to five years	0.08	0.11
Total	0.19	0.23

C. Amounts recognized in profit or loss

(₹ in Crores)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Interest on lease liabilities	0.00	0.01
Expenses relating to short-term leases recognised in other expenses	0.09	0.18

D. Amounts recognised in statement of cash flows

(₹ in Crores)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Total cash outflows for leases	0.13	0.12

NOTES FORMING PART OF FINANCIAL STATEMENTS

Note 40 : Related Party Disclosures

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

- (i) **Holding Company** Rane Holdings Limited
 (ii) **Entity with significant influence** Nisshinbo Holdings Inc, Japan

Other related parties where transactions have taken place during the year

- (iii) **Key Management Personnel ('KMP')** Mr.R Balakrishnan, Manager & President
 Mr L Ganesh, Chairman (KMP of Holding company)
 Mr Harish Lakshman, Director (KMP of Holding Company)
- (iv) **Entities controlled by KMP** Rane Foundation
- (v) **Subsidiaries / Associates / Joint ventures of Holding Company / entity with significant influence** Rane (Madras) Limited
 Rane Engine Valve Limited
 Rane Holdings America Inc, USA
 Rane Holdings Europe GmbH, Germany
 Rane Light Metal Castings Inc; USA
 ZF Rane Automotive India Private Limited
 Nisshinbo Automotive Manufacturing Inc, USA
 Nisshinbo Brake Inc, Japan
 Nisshintoa Iwao Inc, Japan
 Saeron Automotive Corporation, Korea
 Shijiazhuang TMD Friction Ltd.Co. China
 TMD Friction Services GmbH, Germany
- (vi) **Post employment benefit plan of the Entity** Rane Brake Lining Limited Employees Gratuity Fund
 Rane Brake Lining Limited Senior Executives Pension Fund

(b) Related Party Transactions

(₹ in Crores)

Description	Holding Company		Entity with significant influence		Key Management Personnel		Entities controlled by Key Management Personnel		Subsidiaries / Associates / Joint ventures of Holding Company / entity with significant influence		Post employment benefit plan of the Entity	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Transactions during the year												
- Trade mark fee	2.99	2.51	-	-	-	-	-	-	-	-	-	-
- Professional charges	4.60	4.06	-	-	-	-	-	-	3.55	5.26	-	-
- Staff welfare expenses - Training	0.28	-	-	-	-	-	-	-	-	-	-	-
- Sales promotion and publicity	-	-	-	-	-	-	-	-	2.36	1.39	-	-
- SAP Hana licence fee	0.02	0.24	-	-	-	-	-	-	-	-	-	-
- Sale of laptop	0.01	-	-	-	-	-	-	-	-	-	-	-
- Reimbursement of expenses	0.13	0.20	-	-	-	-	-	-	0.24	0.16	-	-
- Sale of products	-	-	-	-	-	-	-	-	2.18	2.85	-	-

NOTES FORMING PART OF FINANCIAL STATEMENTS

(₹ in Crores)

Description	Holding Company		Entity with significant influence		Key Management Personnel		Entities controlled by Key Management Personnel		Subsidiaries / Associates / Joint ventures of Holding Company / entity with significant influence		Post employment benefit plan of the Entity	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
- Purchase of raw material	-	-	-	-	-	-	-	-	40.79	35.21	-	-
- Royalty	-	-	-	-	-	-	-	-	6.56	6.51	-	-
- Donation - CSR	-	-	-	-	-	-	0.26	0.76	-	-	-	-
- Post Employment benefit plan	-	-	-	-	-	-	-	-	-	-	1.02	1.69
Short-term employee benefits												
- Sitting fees paid	-	-	0.01	0.02	0.06	0.06	-	-	-	-	-	-
- Commission to Chairman	-	-	-	-	0.95	0.95	-	-	-	-	-	-
- Remuneration to KMP	-	-	-	-	1.22	0.93	-	-	-	-	-	-

(c) Related party balances

(₹ in Crores)

Description	Holding Company		Entity with significant influence		Key Management Personnel		Entities controlled by Key Management Personnel		Subsidiaries / Associates / Joint ventures of Holding Company / entity with significant influence		Post employment benefit plan of the Entity	
	31-Mar-2023	31-Mar-2022	31-Mar-2023	31-Mar-2022	31-Mar-2023	31-Mar-2022	31-Mar-2023	31-Mar-2022	31-Mar-2023	31-Mar-2022	31-Mar-2023	31-Mar-2022
Amount Payable												
Trade payables												
- Purchase of Raw Material	-	-	-	-	-	-	-	-	4.05	2.22	-	-
- Commission to Chairman	-	-	-	-	0.95	0.95	-	-	-	-	-	-
- Trade Mark Fee	0.32	0.31	-	-	-	-	-	-	-	-	-	-
- Royalty	-	-	-	-	-	-	-	-	1.71	3.58	-	-
- Professional Charges	-	-	-	-	-	-	-	-	0.41	0.01	-	-
Provisions												
- Post Employment Benefit	-	-	-	-	-	-	-	-	-	-	0.80	1.45

NOTES FORMING PART OF FINANCIAL STATEMENTS

(₹ in Crores)

Description	Holding Company		Entity with significant influence		Key Management Personnel		Entities controlled by Key Management Personnel		Subsidiaries / Associates / Joint ventures of Holding Company / entity with significant influence		Post employment benefit plan of the Entity	
	31-Mar-2023	31-Mar-2022	31-Mar-2023	31-Mar-2022	31-Mar-2023	31-Mar-2022	31-Mar-2023	31-Mar-2022	31-Mar-2023	31-Mar-2022	31-Mar-2023	31-Mar-2022
Amount Receivable												
Trade receivables												
- Sale of Products	-	-	-	-	-	-	-	-	0.75	0.79	-	-
- Professional Charges	-	0.18	-	-	-	-	-	-	-	-	-	-
- Sale of Assets (Laptops)	0.01	-	-	-	-	-	-	-	-	-	-	-
- Export Market Development Exp	-	-	-	-	-	-	-	-	-	0.01	-	-

Provision for gratuity and compensated absences are based on an actuarial valuation performed on an overall Company basis and hence not disclosed as part of KMP remuneration.

Note 41 : Financial Instruments - Fair Value and Risk Management

A. Accounting classification and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy.

(₹ in Crores)

Particulars	Carrying Amount				Fair value			
	Note	Measured at FVTPL	Measured at FVTOCI	Measured at amortised cost	Total	Level 1	Level 2	Level 3
As at March 31, 2023								
Financial assets								
Investments in equity shares carried at amortised cost	7	-	-	1.35	1.35	-	-	-
Investments in mutual funds (refer note 2 below)	13	22.72	-	-	22.72	-	22.72	-
Trade receivables	14	-	-	109.80	109.80	-	-	-
Cash and cash equivalents	15	-	-	6.75	6.75	-	-	-
Bank balances other than cash and cash equivalents	16	-	-	0.36	0.36	-	-	-
Derivative assets (refer note 3 below)	8	0.05	-	-	0.05	-	0.05	-
Other financial assets	8	-	-	4.74	4.74	-	-	-
Total financial assets		22.77	-	123.00	145.77	-	22.77	-
Financial liabilities								
Trade payables	21	-	-	63.85	63.85	-	-	-
Other financial liabilities	20	-	-	32.10	32.10	-	-	-
Total financial liabilities		-	-	95.95	95.95	-	-	-

NOTES FORMING PART OF FINANCIAL STATEMENTS

(₹ in Crores)

Particulars	Carrying Amount				Fair value			
	Note	Measured at FVTPL	Measured at FVTOCI	Measured at amortised cost	Total	Level 1	Level 2	Level 3
As at March 31, 2022								
Financial assets								
Investments in equity shares carried at amortised cost	7	-	-	1.35	1.35	-	-	-
Trade receivables	14	-	-	137.28	137.28	-	-	-
Cash and cash equivalents	15	-	-	21.01	21.01	-	-	-
Other financial assets	8	-	-	12.07	12.07	-	-	-
Total financial assets		-	-	171.71	171.71	-	-	-
Financial liabilities								
Trade payables	21	-	-	124.86	124.86	-	-	-
Derivative liabilities (refer note 3 below)	20	0.22	-	-	0.22	-	0.22	-
Other financial liabilities	20	-	-	19.60	19.60	-	-	-
Total financial liabilities		0.22	-	144.46	144.68	-	0.22	-

Note 1: The Company has not disclosed fair values of financial instruments such as investments in equity instruments, trade receivables, cash and cash equivalents, bank balances other than cash and cash equivalents, other financial assets, trade payables and other financial liabilities, since their carrying amounts are a reasonable approximation of their fair values.

Note 2: Fair value of investment in mutual fund is determined based on Net Assets Value published by respective funds (Level 2 - Fair value hierarchy).

Note 3: Fair value of derivative instruments (forward contracts) is determined using quoted forward exchange rates at the reporting date and present value calculations based on high credit quality yield curves in the respective currencies.

There has been no transfers between level 1, level 2 and level 3 for the year ended March 31, 2023 and March 31, 2022.

Fair value measurement hierarchy

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

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

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly

Level 3: techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data

B. Financial risk management

The Company has exposure to the following risks arising from financial instruments:

- Credit risk (see (ii) below);
- Liquidity risk (see (iii) below); and
- Market risk (see (iv) below).

i. Risk management framework

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The board of directors has established the risk management committee, which is responsible for developing and monitoring the Company's risk management policies. The committee reports regularly to the board of directors on its activities.

NOTES FORMING PART OF FINANCIAL STATEMENTS

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Company's audit committee oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company.

ii. Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities primarily from trade receivables, investments and other financial assets.

Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the credit worthiness of customers to which the Company grants credit terms in the normal course of business. The Company establishes an allowance for doubtful debts and impairment that represents its estimate of incurred losses in respect of the Company's trade receivables and other financial assets. The Company enters into long term contracts with its customers whereby it mitigates the risk exposure on high risk customers. Outstanding customer receivables are regularly monitored and reviewed by the Audit committee periodically.

The carrying amount of financial assets represent the maximum credit exposure. The maximum exposure to credit risk for investments, trade receivables, cash and cash equivalents, Bank balances other than cash and cash equivalents and other financial assets are as follows:

	(₹ in Crores)	
	Carrying amount	
	As at March 31, 2023	As at March 31, 2022
Investments	24.07	1.35
Trade receivables	109.80	137.28
Cash and cash equivalents	6.75	21.01
Bank balances other than cash and cash equivalents	0.36	-
Other financial assets	4.79	12.07
	145.77	171.71

(a) Trade receivables

The Company's exposure to credit risk for trade receivables by relationship is as follows:

	(₹ in Crores)	
	As at March 31, 2023	As at March 31, 2022
Third party customers	113.48	139.62
Related parties	0.74	0.98
Sub-total	114.22	140.60
Loss allowance	(4.42)	(3.32)
Total	109.80	137.28

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry and country in which customers operate. The Company's trade receivables consists of a large number of customers, across geographies, hence the Company is not exposed to concentration risk.

Exposures to customers outstanding at the end of each reporting period are reviewed by the Company to determine incurred and expected credit losses. Historical trends of impairment of trade receivables do not reflect any significant credit losses. The Company has adopted a practical measure of computing the expected credit loss allowance for trade receivable which comprise large number of small balances, based on a provision matrix. The provision matrix takes into account historical credit loss experience and adjusted for forward-looking information including consideration for increased likelihood of credit risk. Further, the Company also makes an allowance for doubtful debts on a case to case basis.

NOTES FORMING PART OF FINANCIAL STATEMENTS

(₹ in Crores)

Ageing of trade receivables	Credit impaired	Weighted average credit loss rate	Gross carrying amount	Impairment loss allowance
Less than 120 days (including not due)	No	0.22% - 23.88%	110.48	0.68
More than 120 days	Yes	100.00%	3.74	3.74

(b) Investments

Investments include investments in power generation companies and mutual funds. The company maintains its investment in mutual funds with reputed banks. The credit risk on these instruments is limited because the counterparties are banks with high credit ratings assigned by international credit rating agencies.

(c) Cash and cash equivalents and bank balances other than cash and cash equivalents

The Company holds cash and cash equivalents and bank balances other than cash and cash equivalents with credit worthy banks and financial institutions as at the reporting dates. The credit risk on these instruments is limited because the counterparties are banks and financial institutions with high credit ratings assigned by international credit rating agencies.

(d) Other financial assets

Other financial assets comprises of deposits with statutory authorities, interest receivables, long term deposits, advances recoverable in cash and security deposits. The credit risk on these instruments is limited because the counterparties are predominantly Government.

iii. Liquidity risks

Ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the Company's short-term, medium-term and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

Exposure to liquidity risk

The following are contractual maturities of financial liabilities on reporting dates. The amounts are gross and undiscounted:-

(₹ in Crores)

	Contractual cash flows					
	Carrying amount	Total	6 months or less	6-12 months	1-5 years	More than 5 years
As at March 31, 2023						
Trade payables	63.85	63.85	63.85	-	-	-
Other financial liabilities	32.10	32.10	31.51	-	0.59	-
	95.95	95.95	95.36	-	0.59	-
As at March 31, 2022						
Trade payables	124.86	124.86	124.86	-	-	-
Other financial liabilities	19.82	19.82	19.26	-	0.56	-
	144.68	144.68	144.12	-	0.56	-

iv. Market risks

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Such changes in the values of financial instruments may result from changes in the foreign currency exchange rates, interest rates, credit, liquidity, and other market changes. The Company's exposure to market risk is primarily on account of foreign currency risk.

NOTES FORMING PART OF FINANCIAL STATEMENTS

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily towards import payments and receipt of trade receivables.

Exposure to currency risk *

(₹ in Crores)

Particulars	As at March 31, 2023		As at March 31, 2022	
	Financial assets	Financial liabilities	Financial assets	Financial liabilities
EURO	-	1.06	0.00	4.98
CNH	-	-	-	0.54
GBP	0.18	-	0.31	-
JPY	-	4.62	-	16.78
USD	5.83	2.35	6.62	6.72
Foreign currency exposure	6.01	8.03	6.93	29.02
Less: Hedged through forward contracts	0.16	2.90	0.31	13.98
Unhedged exposure	5.85	5.13	6.62	15.04

* Net of derivative instruments.

Sensitivity analysis

A reasonably possible strengthening / weakening of the INR against EURO / CNH / GBP / JPY / USD as at the respective reporting period end would have affected the measurement of financial instruments denominated in a foreign currency and affected profit or loss and equity by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remains constant.

Impact on profit or (loss) Equity	FC movement (by 1%)	
	March 31, 2023	March 31, 2022
Strengthening	(0.01)	0.08
Weakening	0.01	(0.08)

Derivative instruments

The Company holds derivative financial instruments such as foreign currency forward to mitigate the risk of changes in exchange rates on foreign currency exposure arising on account of import payments. The counterparties of these contracts are generally banks. These derivative financial instruments are determined using quoted forward exchange rates at the reporting dates based on information obtained from respective bankers.

Particulars	As at March 31, 2023		As at March 31, 2022	
	> 180 days	<= 180 days	> 180 days	<= 180 days
Forward exchange contracts maturing				
Sell INR				
Net exposure	-	2.28	-	12.62
Average INR / JPY forward contract rate	-	0.61	-	0.64
Net exposure	-	0.62	-	1.36
Average INR / EURO forward contract rate	-	87.74	-	84.80
Buy INR				
Net exposure	-	0.16	-	0.31
Average INR / GBP forward contract rate	-	99.74	-	101.96

Interest rate risk

The Company has only fixed rate financial assets (refer note 15). There are no variable rate instruments held by the Company.

Offsetting financial assets and financial liabilities

The Company does not have any financial instruments that offset or are subject to enforceable master netting arrangements and other similar agreements.

NOTES FORMING PART OF FINANCIAL STATEMENTS

Note 42 : Approval of Financial Statements

The financial statements were approved for issue by the Board of Directors on May 03, 2023.

As per our report of even date attached

For **B S R & Co. LLP**

Chartered Accountants

Firm's Registration No.: 101248W/W-100022

S Sethuraman

Partner

Membership No. 203491

Place : Chennai

Date : **May 03,2023**

R Balakrishnan

Manager

Harish Lakshman

Director

DIN:00012602

J Ananth

Chief Financial Officer

**for and on behalf of the Board of Directors of
Rane Brake Lining Limited**

Ganesh Lakshminarayan

Chairman

DIN:00012583

Venkatraman

Secretary

Annexure to the Report of the Board of Directors

PARTICULARS OF DIRECTORS, KEY MANAGERIAL PERSONNEL AND EMPLOYEES

for the Financial Year 2022-23

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	% increase / (decrease) of remuneration FY 2022-23	Ratio of remuneration of each Director to median remuneration of employees
Director			
Mr. L Ganesh	Non - Executive Chairman	(1)%	14.8
Key Managerial Personnel			
Mr. R Balakrishnan	President & Manager	35%	Not Applicable
Mr. J Ananth	Chief Financial Officer	Not comparable (refer note iii)	
Mr. Venkatraman	Company Secretary (refer note iv)	34%	

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 (including variable pay) and designation as on date.
 - (iii) Not comparable since employed part of the FY 2021-22 (w.e.f. February 01, 2022).
 - (iv) Remuneration of Company Secretary is part of the secretarial services availed by the Company from Rane Holdings Limited.
2. Percentage increase in median remuneration of employees in Financial Year 2022-23: **(1)%**.
 3. Number of permanent employees on the rolls of the Company as on March 31, 2023: **597**
 4. Average percentile increase already made in salaries of employees other than the managerial personnel in the last financial year (FY 2022-23) was **10%**, as against a percentile increase in managerial remuneration of **35%** in the last financial year (FY 2022-23). The increase in managerial remuneration is in line with the performance of the Company & industry practice.
 5. It is hereby affirmed that the remuneration paid is in accordance with the remuneration policy of the Company.

For and on behalf of the Board

Chennai
 May 03, 2023

Harish Lakshman
 Director
 DIN:00012602

Ganesh Lakshminarayan
 Chairman
 DIN:00012583



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