



Rane Brake Lining Limited

16th Annual Report 2020-21

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FINANCIAL HIGHLIGHTS

OPERATIONAL PERFORMANCE

(₹ in Crores)

| FINANCIAL YEAR | FY 21 | FY 20 | FY 19 | FY 18 | FY 17 | FY 16 | FY 15 | FY 14 | FY 13 | FY 12 |
|---|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| Total Income (*) | 434.81 | 481.43 | 520.97 | 487.21 | 470.58 | 451.64 | 418.49 | 386.51 | 379.68 | 363.52 |
| Earnings Before Interest, Tax, Depreciation & Amortisation (EBITDA) | 71.61 | 70.99 | 73.95 | 78.76 | 62.98 | 57.65 | 47.56 | 42.61 | 36.08 | 43.76 |
| Profit Before Tax (PBT) | 46.94 | 44.68 | 49.31 | 54.89 | 42.70 | 35.48 | 20.60 | 16.73 | 10.92 | 21.90 |
| Profit After Tax (PAT) | 31.80 | 34.34 | 36.53 | 35.75 | 34.93 | 25.76 | 16.11 | 17.21 | 9.10 | 16.19 |

KEY PERFORMANCE INDICATORS

| FINANCIAL YEAR | FY 21 | FY 20 | FY 19 | FY 18 | FY 17 | FY 16 | FY 15 | FY 14 | FY 13 | FY 12 |
|-------------------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| Return on Capital Employed (ROCE) % | 20.07 | 20.35 | 24.96 | 30.30 | 25.11 | 21.90 | 13.82 | 12.10 | 9.31 | 16.41 |
| Return on Net Worth (RONW) % | 13.64 | 15.66 | 18.36 | 20.14 | 22.94 | 19.84 | 13.77 | 16.07 | 9.16 | 17.65 |
| Earnings Per Share (₹) | 41.02 | 43.39 | 46.15 | 45.17 | 44.13 | 32.54 | 20.36 | 21.76 | 11.50 | 20.45 |
| Dividend (%) (@) | 250 | 170 | 155 | 155 | 150 | 100 | 70 | 75 | 40 | 70 |
| Dividend Payout ratio (@) | 61 | 42 | 40 | 41 | 41 | 37 | 41 | 40 | 40 | 40 |
| Book Value Per Share (₹) | 306.57 | 289.10 | 265.03 | 237.80 | 210.72 | 174.27 | 153.77 | 141.84 | 128.88 | 122.03 |

BALANCE SHEET HIGHLIGHTS**

(₹ in Crores)

| FINANCIAL YEAR | FY 21 | FY 20 | FY 19 | FY 18 | FY 17 | FY 16 | FY 15 | FY 14 | FY 13 | FY 12 |
|-------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| Equity Share Capital | 7.75 | 7.91 | 7.91 | 7.91 | 7.91 | 7.91 | 7.91 | 7.91 | 7.91 | 7.91 |
| Shareholders' Funds | 237.66 | 228.82 | 209.77 | 188.22 | 166.78 | 137.93 | 121.71 | 112.27 | 102.01 | 96.59 |
| Non current Liabilities | 6.95 | 3.74 | 2.89 | 3.07 | 6.09 | 14.34 | 23.83 | 39.16 | 56.63 | 59.55 |
| Current Liabilities | 139.41 | 126.79 | 143.13 | 119.60 | 104.87 | 103.61 | 109.55 | 116.51 | 102.87 | 95.60 |
| Non current Assets | 136.41 | 150.25 | 138.12 | 131.42 | 136.30 | 118.36 | 129.50 | 143.14 | 148.44 | 132.28 |
| Current Assets | 247.61 | 209.10 | 217.67 | 179.47 | 141.44 | 137.52 | 125.60 | 124.81 | 113.07 | 119.46 |

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

(*) Total Income are net of excise duty.

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

Note :

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

CORPORATE INFORMATION

Board of Directors

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

Audit Committee

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

Stakeholders Relationship Committee

Harish Lakshman - Chairman
Anil Kumar Venkat Epur
L Ganesh

Nomination and Remuneration Committee

S Sandilya - Chairman
Anil Kumar Venkat Epur
L Ganesh

Corporate Social Responsibility Committee

L Lakshman - Chairman
Anil Kumar Venkat Epur
L Ganesh

Risk Management Committee

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

President & Manager

R Balakrishnan

Senior Vice President - Finance & Chief Financial Officer

M A P Sridhar Kumar

Company Secretary

Venkatraman

Listing of Shares on

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

Statutory Auditors

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

Secretarial Auditors

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

Bankers

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

Registered Office

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

Plants

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

Solar Plant

Muthuramalingapuram Village,
Aruppukottai Taluk,
Virudhunagar District - 626 105,
Tamil Nadu

Registrar and Transfer Agent

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

"MAITHRI", 132, Cathedral Road Chennai 600 086

Phone : +91 44 28112472

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

NOTICE TO MEMBERS

NOTICE is hereby given that the Sixteenth (16th) Annual General Meeting of Rane Brake Lining Limited will be held on, Monday, July 26, 2021 at 15:00 hrs (IST) through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") to transact the following business:

ORDINARY BUSINESS:

1. To consider and adopt the Audited Financial Statement of the Company for the year ended March 31, 2021, 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, 2021 together with the reports of the Board of Directors and the Auditor thereon, as circulated to the members and presented to the meeting be and are hereby adopted."

2. To declare dividend on equity shares

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

"Resolved that a dividend of ₹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, 2021 absorbing a sum of ₹19,32,46,775/- and that the dividend be paid, subject to deduction of applicable taxes at source, to those shareholders, whose name appear in the Company's Register of Members as on July 19, 2021."

3. 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:

4. 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 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 remuneration payable by way of Commission not exceeding 2% of the net profits to Mr. Ganesh Lakshminarayan (DIN: 00012583), Chairman, for the financial year ended March 31, 2021, exceeding 50% (fifty percent) of the total annual remuneration paid / payable to all the Non-Executive Directors of the Company for the said financial year ended March 31, 2021.

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

5. To appoint Dr. (Mrs.) Brinda Jagirdar (DIN: 06979864) as an Independent Director

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

"Resolved that pursuant to Section 149, 150, 152 read with Schedule IV and such other applicable provisions

of the Companies Act, 2013 (the "Act") and rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) Dr. (Mrs.) Brinda Jagirdar (DIN: 06979864), who was appointed as an Additional Director, of the Company in the category of Independent Director by the Board of Directors with effect from October 15, 2020, pursuant to Section 161 of the Act and the Articles of Association of the Company, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a consecutive period of five years i.e. with effect from October 15, 2020 up to October 14, 2025."

6. To approve payment of commission to Mr. Ganesh Lakshminarayan (DIN:00012583), Chairman (Non Executive Director) for a period of three years

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

"Resolved that pursuant to the provisions of Section 197, 198 and other applicable provisions of the Companies Act, 2013 (the Act), the rules made thereunder read with Schedule V to the Act and such other approvals, permissions and sanctions, as may be required, approval of the Company be and is hereby accorded for payment of remuneration by way of commission to Mr. Ganesh Lakshminarayan (DIN:00012583), Chairman, not exceeding two percent (2%) of the net profits of the Company calculated in accordance with the provisions of Section 198 of the Act for a period of three financial years from April 1, 2021 to March 31, 2024.

Resolved further that in the event of there being inadequacy or absence of profits in any financial years, he will be paid ₹95,00,000/- in terms of PART II of Schedule V to the Companies Act, 2013 including any

re-enactments thereof or such other limit as may be prescribed by the Government from time to time as minimum remuneration.

Resolved further that annual approval in terms of the provisions of Regulation 17(6)(ca) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI LODR) (including any statutory modifications or re-enactment thereof) be and is hereby accorded for payment of remuneration by way of Commission not exceeding 2% of the net profits to Mr. Ganesh Lakshminarayan, Chairman, for the financial year ending March 31, 2022, exceeding 50% (fifty percent) of the total annual remuneration payable to all the Non-Executive Directors of the Company for the said financial year ending on March 31, 2022.

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

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

Chennai
May 17, 2021

Venkatraman
Secretary

Registered Office:

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

NOTES:

- In view of the COVID-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its circular dated January 13, 2021 (read with previous circulars) in this regard and Securities and Exchange Board of India ("SEBI") vide circular dated January 15, 2021 (read with previous circulars) in this regard permitted the holding of the Annual General Meeting ("AGM") through VC / OAVM, without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 ("Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and MCA Circulars, the AGM of the Company is being held through VC / OAVM, without the physical presence of the members at a common venue. The deemed venue for the 16th 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.
- 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.
- 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.
- 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 final dividend and the cut-off date for the purpose of determining eligibility of members for voting in connection with the Sixteenth AGM is **Monday, July 19, 2021**.
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 Sixteenth AGM and the annual report 2021 will be available in the Investors Section on the Company's website www.ranegroup.com.
8. Listed companies are required to use the Reserve Bank of India's approved electronic mode of payment such as National Automated Clearing House (NACH), National Electronic Fund Transfer (NEFT), Real Time Gross Settlement (RTGS) for making payments like dividend to the shareholders, in terms of Schedule I of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI LODR). Accordingly, shareholders holding securities in demat mode are requested to update their bank details with their depository participants. Shareholders holding securities in physical form may send a request updating their bank details to the Company's Registrar and Transfer Agent.
9. Members holding shares in dematerialized form are requested to notify any change in their addresses, bank details or e-mail address with their respective DP and those holding shares in physical form are requested to notify the RTA at the following address:

**M/s. Integrated Registry Management Services
Private Limited**
SEBI Registration No. INR000000544
2nd Floor, "Kences Towers", No.1, Ramakrishna Street,
North Usman Road, T Nagar, Chennai - 600 017, e-mail
ID: corpserv@integratedindia.in
Phone: 044 2814 0801-803; Fax: 044 2814 2479
10. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their respective DP. Further, in terms of SEBI circular dated April 20, 2018, the Company has sent reminder letters to individual shareholders for updating the details of PAN and Bank account details of persons holding shares in physical form with the Company's RTA.
11. Pursuant to Finance Act 2020, dividend income is taxable in the hands of shareholders w.e.f. April 01, 2020 and the Company is required to deduct tax at source from dividend paid to shareholders at the prescribed rates. The shareholders are requested to update their PAN with the Company / RTA (in case of shares held in physical mode) and depositories (in case of shares held in demat mode). Shareholders (Resident / Foreign) are required to update necessary documents for exemption / deduction at beneficial rates by uploading necessary documents on the Company website link: https://ranegroup.com/rane-brake-lining-ltd-investors/#document_upload_contact_details_updatation or email to investorservices@ranegroup.com.
12. Effective April 01, 2019, SEBI has disallowed listed companies from accepting requests for transfer of securities held in physical form, by amending the SEBI LODR. Members will need to convert shares held in physical form to demat for effecting any transfer. Only requests for transmission and transposition will be accepted by the Company / RTA.
13. Members who hold shares in physical form in multiple folios in identical names or joint holding in the same order of names are requested to send the share certificates to the RTA, for consolidation into a single folio. The share certificate(s) will be returned to the members after necessary endorsements.
14. Members holding shares in single name and physical form are advised to make nomination or change nomination in respect of their shareholding in the Company in the prescribed form to the RTA. The nomination form(s) can also be downloaded from the Company's website www.ranegroup.com.
15. In compliance with the aforementioned MCA & SEBI Circulars, the Notice of the AGM along with the Annual Report 2021 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 2021 will also be available on the Company's website www.ranegroup.com, websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively, and on the website of CDSL www.evotingindia.com.
16. The Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
17. Information pursuant to regulations 36(3) of SEBI LODR and Secretarial Standard on General Meeting (SS-2) with respect of the Directors seeking appointment / re-appointment, as the case may be, at the AGM are furnished in the Annexure to this Notice. The Directors have furnished the requisite consents / declarations for their appointment / re-appointment.

18. Members seeking any information with regard to the accounts or any matter to be placed at the AGM, are requested to write well in advance to the Company on investorservices@ranegroup.com.
19. Since the AGM will be held through VC / OAVM, the route map is not annexed in this notice.
20. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 (including amendments thereto) and SEBI LODR, the Company is pleased to provide members 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. The 'remote e-voting' period commences on **Friday, July 23, 2021 (09:00 hrs)** and ends on **Sunday, July 25, 2021 (17:00 hrs)**. During this period, members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of **Monday, July 19, 2021**, may cast their vote by 'remote e-voting'. The "remote e-voting" module shall be disabled by July 25, 2021 for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.
- (iii) Pursuant to abovesaid SEBI Circular, Login method for e-Voting and joining virtual meetings for **Individual shareholders holding securities in Demat mode with either CDSL / NSDL**, is given below:

- iv. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date, i.e., **Monday, July 19, 2021**.
Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice electronically and holding shares as of the cut-off date i.e. **Monday, July 19, 2021**, may obtain the login ID and password by sending a request to the Company / RTA.
- v. Mr. Balu Sridhar, Practicing Company Secretary (ICSI Membership no. FCS 5869), Partner, M/s. A.K. Jain & Associates, Company Secretaries, has been appointed as the Scrutinizer to scrutinize the "remote e-voting" process and voting at the AGM, in a fair and transparent manner.
- vi. The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company www.ranegroup.com and on the website of CDSL www.evotingindia.com immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the stock exchanges where the Company's shares are listed.

The instructions of shareholders for remote e-voting are as under:

- (i) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (ii) In order to encourage public / non-institutional / retail shareholders SEBI has vide Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 09, 2020 on e-voting facility provided by listed companies, enabled Individual shareholders holding securities in demat mode to vote through their demat account maintained with their respective Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

| CDSL | NSDL |
|---|--|
| <p>1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or visit www.cdslindia.com and click on Login icon and select New System Myeasi.</p> | <p>1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsd.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> |

| CDSL | NSDL |
|---|---|
| <p>2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL / NSDL / KARVY / LINKINTIME, so that the user can visit the e-Voting service providers' website directly.</p> | <p>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 https://web.cdslindia.com/myeasi/Registration/EasiRegistration.</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 'Shareholders / 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) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page or click on https://evoting.cdslindia.com/Evoting/EvotingLogin. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.</p> | |

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 above mentioned 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. |

- (iii) Login method for e-Voting and joining virtual meeting for physical 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 Form |
|--|--|
| PAN | <p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders).</p> <ul style="list-style-type: none"> • Shareholders who have not updated their PAN with the Company / Depository Participant are requested to use the sequence number sent by Company / RTA or contact Company / RTA. |
| Dividend Bank Details OR Date of Birth (DOB) | <p>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.</p> <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 as mentioned in instruction (v). |

- (iv) After entering these details appropriately, click on "SUBMIT" tab.
- (v) 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.
- (vi) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

- (vii) Click on 'EVSN' for Rane Brake Lining Limited.
- (viii) 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.
- (ix) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (x) 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.
- (xi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xii) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xiii) 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.
- (xiv) Additional facility for Non - Individual Shareholders and Custodians - For Remote Voting only.
- a. 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.
 - b. A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - c. 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.
 - d. The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - e. 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.
 - f. Alternatively Non Individual shareholders are required to send the relevant Board Resolution / Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz: investorservices@ranegroup.com (designated email address by company), if they have voted from individual tab &

not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

Instructions for shareholders attending the AGM through VC / OAVM & e-voting during meeting are as under:

1. The procedure for attending meeting & e-Voting on the day of the AGM is same as the instructions mentioned above for e-voting.
2. 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.
3. 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.
4. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
5. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
6. Please note that Participants connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio / Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
7. Shareholders who would like to express their views / ask questions during the meeting may register themselves as a speaker may send their request mentioning their name, demat account number / folio number, email id, mobile number at investorservices@ranegroup.com. From July 18, 2021 (09:00 hrs IST) to July 22, 2021 (17:00 hrs IST). The shareholders who do not wish to speak during the AGM but have queries may send their queries in abovementioned time period mentioning their name, demat account number/folio number, email id, mobile number at investorservices@ranegroup.com. These queries will be replied to by the Company suitably by email.
8. Those shareholders who have registered themselves as a speaker will only be allowed to express their views / ask questions during the meeting.
9. Only those shareholders, who are present in the AGM/ through VC / OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.

10. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC / OVAM 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 E-mail / mobile no. are not registered with the Company / depositories

1. For Physical Shareholders - please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to **Company's Email ID** investorservices@ranegroup.com or to **RTA Email ID** srirams@integratedindia.in.
2. For Demat shareholders - Please update your Email ID & mobile no. with your respective Depository Participant (DP).
3. For Individual Demat shareholders - Please update your Email ID & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.

If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to helpdesk.evoting@cdslindia.com or contact at 022-23058738 and 022-23058542/43.

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

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

Chennai
May 17, 2021

Venkatraman
Secretary

Registered Office:

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

EXPLANATORY STATEMENT

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

Item No.4

The members of the Company at the Thirteenth Annual General Meeting held on July 24, 2018, had approved payment of commission to Mr. L Ganesh, Chairman, a sum not exceeding 2% of the annual net profits of the Company, for a period of 3 years with effect from April 01, 2018 to March 31, 2021. The ordinary resolution was approved by members with 99.99% of votes cast in favour of the resolution.

In terms of Regulation 17(6)(ca) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI LODR) as amended by SEBI LODR (Amendment) Regulations, 2018, effective from April 01, 2019, approval of shareholders by way of special resolution is required to be obtained every year when the annual remuneration payable to a single non-executive director exceeds fifty per cent of the total annual remuneration paid / payable to all Non-Executive Directors.

For the financial year ended March 31, 2021, Mr. L Ganesh is entitled to receive a commission of ₹93,01,377/- being 2% (approx.) of the net profits calculated in accordance with Section 198 of the Companies Act, 2013. The said commission, together with sitting fees exceeds 50% (fifty percent) of the total annual remuneration paid to all the Non-Executive Directors of the Company for the said financial year.

In order to comply with the requirement under Regulation 17(6)(ca) of SEBI LODR, approval of the members is being sought by way of a special resolution, as set out in item no.3 of this notice.

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

Item No. 5

The Board of Directors had based on recommendations of the Nomination and Remuneration Committee (NRC) appointed Dr. (Mrs.) Brinda Jagirdar (DIN: 06979864) as an Additional Director (Independent category) pursuant to Sections 149, 150, 152 and 161 read with other relevant provisions of the Companies Act, 2013 (the 'Act'), effective from the conclusion of Board meeting held on October 15, 2020, upto the date of the ensuing Sixteenth Annual General Meeting.

Dr. (Mrs.) Brinda Jagirdar holds a Ph.D. Economics - University of Mumbai, M.S. (Economics) - University of California at Davis, U.S.A., M.A.(Economics) - Gokhale Institute, Pune. She was associated with the Raghuram Rajan Committee on Financial Sector Reforms in India, was a member of the

Planning Commission's Sub Group on Household Sector Savings for the 12th Five Year Plan and member of the Ministry of Finance Group on Deepening India's Household Financial Savings. She was member Banking, Finance & Economics Committee of the Bombay Chamber of Commerce, member of the Monetary Policy Group of Indian Banks' Association and editorial committee member of the journal of the Indian Banks' Association. She has participated and presented papers at several seminars and conferences in India and abroad. She is regularly invited to make presentations and speak on topics relating to economy and banking. She is frequently invited to be a panellist on TV business channels (Bloomberg TV, CNBC, NDTV, BBC India Business Report, Zee Business, Rajya Sabha TV), and contributes columns in business newspapers (Economic Times, Business Standard, Business Line) and business journals. Dr. (Mrs.) Brinda Jagirdar also currently serves as an Independent Director of Rane Engine Valve Limited.

Considering her rich knowledge, experience and fulfilment of the various criteria for appointment as an Independent Director as specified in the Act, SEBI LODR, policies of the Company and based on the recommendations of the NRC, the Board of Directors recommends to the members that the appointment of Dr. (Mrs.) Brinda Jagirdar would be beneficial to the Company. It is proposed to appoint Dr. (Mrs.) Brinda Jagirdar as an Independent Director for a period of five consecutive years, with effect from October 15, 2020 till October 14, 2025.

Dr. (Mrs.) Brinda Jagirdar is not disqualified from being appointed as a Director in terms of section 164 of the Act and has given her consent to act as a Director. The Company has received a declaration from her that she meets with the criteria of independence as prescribed both under Section 149(6) of the Act and regulations of SEBI LODR, has registered with the Independent Director databank maintained by Indian Institute of Corporate Affairs (IICA) and is exempted from the requisite proficiency test.

In the opinion of Board, Dr. (Mrs.) Brinda Jagirdar fulfils the conditions for appointment as an Independent Director as specified in the relevant provisions of the Act and SEBI LODR and she is independent of management of the Company.

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

The terms and conditions of appointment as an Independent Director is available for inspection by members at the registered office of the Company during the working hours up to the date of AGM and also on the investor section of website of the Company www.ranegroup.com.

Dr. (Mrs.) Brinda Jagirdar is interested in the resolution as it relates to her own appointment. None of the other Directors and KMP of the Company and their relatives

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

The Board recommends passing the resolution as set out at item no.5 of this notice as an **ordinary resolution**.

Item No. 6

At the 13th Annual General Meeting of the Company held on July 24, 2018, the shareholders had approved payment of commission to Mr. L Ganesh, Chairman, not exceeding 2% of the net profits of the Company for a period of 3 years with effect from April 01, 2018 to March 31, 2021.

Mr. L Ganesh is a Chartered Accountant and also holds an MBA from the Pennsylvania State University, USA. He has over 45 years of industrial experience in and overall management of the companies. He has held several positions of high responsibilities with various industry forums and had been the President of Automotive Component Manufacturers Association of India and Chairman of Confederation of Indian Industry, Southern Region.

He is an Honorary Consul for New Zealand in South India. Mr. L Ganesh, apart from being Chairman of your Company, also serves as Chairman of other group Companies Viz., Rane (Madras) Limited, Rane TRW Steering Systems Private Limited, Rane NSK Steering Systems Private Limited, Rane Engine Valve Limited and serves as Chairman and Managing Director of Rane Holdings Limited.

He also serves on the Board of EIH Limited, EIH Associated Hotels Limited & Sundaram Finance Limited as Independent Director.

Mr. L Ganesh is the Chairman of the Company since April 2008 and devotes substantial time and attention towards formulating new strategies to improve the performance and develop the business of the Company. The cost reduction and profit improvement measures formulated by him have benefited the Company. He has played a key role in

establishing strong footprint in global markets and winning the coveted Deming Grand Prize. The Board of Directors after considering his qualification, experience, expertise and taking into consideration the recommendations of Nomination and Remuneration Committee, has approved payment of commission to L Ganesh for a period of 3 years with effect from April 01, 2021 to March 31, 2024.

Approval of the shareholders is also being sought under Regulation 17(6)(ca) of SEBI LODR as the annual remuneration payable to Mr. L Ganesh, together with sitting fees is likely to exceed 50% (fifty percent) of the total annual remuneration payable to all the Non-Executive Directors of the Company during the financial year ending March 31, 2022.

Details as required under the Schedule V to the Companies Act, 2013:

I. General information:

The Company is a subsidiary of Rane Holdings Limited under Section 2(87) of the Companies Act, 2013. The Company is into manufacturing of Friction material products such as brake linings, Disc Pads, Clutch facings, Clutch buttons, Brake Shoes and Railway brake blocks. The Company is the market leader in India and global player in friction material. The financial performance of the Company for the year ended March 31, 2021 is given below:

| Particulars for FY 2020-21 | ₹ In lakhs |
|-------------------------------------|------------|
| Sales & Operating Revenue | 42,339.01 |
| Profit Before Tax | 4,697.47 |
| Provision for Tax (net tax expense) | 1,513.34 |
| Profit After Tax | 3,184.12 |

Nisshinbo Holdings Inc., Japan holds 20.89% of the equity share capital of the Company. The Company also has a technical collaboration with its group companies for providing the formulation technology.

(ii) Information about the appointee:

| | |
|-----------------------------------|--|
| Name of the Director | Mr. Ganesh Lakshminarayan |
| DIN | 00012583 |
| Father's Name | Mr. L L Narayan |
| Date of Birth | March 18, 1954 |
| Educational Qualifications | B.Com., ACA, MBA |
| Date of Appointment | June 18, 2007 |
| Experience | Mr. L Ganesh is a Chartered Accountant and also holds an MBA from the Pennsylvania State University, USA. He has over 45 years of industrial experience in and overall management of the companies. He has held several positions of high responsibilities with various industry forums and had been the President of Automotive Component Manufacturers Association of India and Chairman of Confederation of Indian Industry, Southern Region. He continues to be an Honorary Consul for New Zealand in South India. |
| Past Remuneration | Remuneration for FY 2019-20 was ₹92,95,470/-. Remuneration of ₹93,01,377/- for FY 2020-21 is subject to approval of the members shareholders at this 16 th AGM vide item no. 4 of this notice. |

| | |
|--|---|
| Name of the Director | Mr. Ganesh Lakshminarayan |
| Recognition / Awards | Mr. L Ganesh, has served as President of Automotive Components Manufacturers Association, Madras Management Association and Southern Regional Chairman of Confederation of Indian Industries (CII). |
| Job Profile and his suitability | Overall management of Rane Group. Given his qualification and experience, Mr. L Ganesh is considered well suited for the position. |
| Remuneration Proposed | Commission not exceeding 2% of the net profits of the Company subject to a minimum remuneration of ₹95,00,000/- in the event of loss or inadequacy of profits in any financial years. The proposed remuneration is commensurate with the responsibilities and is in line with the remuneration practices in the auto component industry. |
| Comparative remuneration profile with respect to the industry | The proposed remuneration package is in line with the prevailing remuneration package in the industry, size of the Company and profile of the position. |
| Pecuniary Relationship and relationship with the managerial personnel | Apart from receiving remuneration including sitting fees and corporate benefits as a shareholder of the Company, he has no other pecuniary relationship. |
| Other Directorships | Mr. L Ganesh is not related to any other managerial personnel of the Company. Chairman Rane (Madras) Limited Rane Engine Valve Limited Rane Holdings Limited (MD) Rane TRW Steering Systems Private Limited Rane NSK Steering Systems Private Limited Chennai Willingdon Corporate Foundation Chennai Heritage Foundation Director EIH Limited EIH Associated Hotels Limited Sundaram Finance Limited |
| Committee Memberships | Member - Audit Committee Rane Holdings Limited EIH Associated Hotels Limited EIH Limited Chairman- Audit Committee Rane TRW Steering Systems Private Limited Rane NSK Steering Systems Private Limited Member - Stakeholders Relationship Committee Rane Engine Valve Limited Rane Holdings Limited Member - Nomination and Remuneration Committee Rane (Madras) Limited Chairman- Nomination and Remuneration Committee EIH Limited Member -Corporate Social Responsibility Committee Rane Holdings Limited Rane Engine Valve Limited Rane (Madras) Limited Rane TRW Steering Systems Private Limited Rane NSK Steering Systems Private Limited Member - Risk Management Committee EIH Limited |

(iii) Other Information:

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

Pursuant to Companies (Amendment) Act, 2020 effective from March 18, 2021, the minimum remuneration proposed to be paid to Mr. L Ganesh, in the event of there being loss or inadequacy of profits, under Schedule V has been fixed on the basis of the average commission paid to him during the last three financial years.

(iv) Other Disclosures:

The Company has not made any default in repayment of its debt or interest payable thereon during the preceding financial year 2020-21. Mr. L Ganesh satisfies the conditions laid down in Schedule V to the Companies Act, 2013. He holds 100 equity shares of the Company (including joint holdings).

Mr. L Ganesh is interested in the resolution as it relates to his own remuneration Mr. L Lakshman being his relative, is deemed to be interested in the resolution. None of the other Directors and Key Managerial Personnel (KMP) of the Company and their relatives are concerned or interested, financial or otherwise in this resolution, except to the extent of their shareholding, if any, in the Company.

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

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

Chennai
May 17, 2021

Venkatraman
Secretary

Registered Office:

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

Annexure to the NOTICE dated May 17, 2021

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

| Name of the Director | Dr. (Mrs.) Brinda Jagirdar | Mr. Yasuji Ishii |
|---|--|---|
| Age (in years) | 68 | 56 |
| Director Identification Number (DIN) | 06979864 | 08078748 |
| Father's Name | Mr. Subramanian Ramachandran | Mr. Kiyoshi Ishii |
| Date of Birth | March 01, 1953 | December 25, 1964 |
| Educational Qualifications | Ph.D. Economics - University of Mumbai, M.S (Economics) - University of California at Davis, U.S.A., M.A.(Economics) - Gokhale Institute, Pune. | Bachelor of Engineering, Saitama University, Japan |
| Experience | An Independent Consulting Economist with specialization in areas relating to Indian Economy and Financial Intermediation. Currently consults with Financial Institutions Banks and Corporates interested in India and is visiting faculty at many prominent Institutions. Retired as General Manager and Chief Economist, State Bank of India. | Mr. Yasuji Ishii has over 33 years of industrial experience. He presently holds various leadership positions in NISH Group viz., President of Nisshinbo Brake Inc. and Chairman of TMD Friction Group S.A. |
| Date of first appointment on the board | October 15, 2020 | April 13, 2018 |
| Terms and Conditions of appointment | Appointment as an Independent Director. | Re-appointment as a Non-Executive Nominee Director, liable to retire by rotation. |
| Last drawn remuneration | Sitting fee for FY 2020-21 - ₹40,000/- | Sitting fee for FY 2020-21 - ₹40,000/- |
| 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 she is a member. | No approval sought for remuneration. Continues to be entitled to sitting fee for attending meetings of the Board and Committees of which he is a member. |
| Relationship with other Directors / Manager / KMP | NA | NA |
| Other Directorships | Director: IDFC First Bank Limited Rane Engine Valve Limited SBI DFHI Limited Multi Commodity Exchange Clearance Corporation Limited Safex Chemicals (India) Limited | 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 |

| Name of the Director | Dr. (Mrs.) Brinda Jagirdar | Mr. Yasuji Ishii |
|--|---|------------------|
| Committee Memberships in other Boards | <p>Member: Audit: Rane Engine Valve Limited Multi Commodity Exchange Clearing Corporation Limited SBI DFHI Limited</p> <p>Stakeholders Relationship (SRC): IDFC First Bank Limited</p> <p>Nomination & Remuneration (NRC): IDFC First Bank Limited</p> <p>Corporate Social Responsibility (CSR): IDFC First Bank Limited</p> <p>Risk Management: IDFC First Bank Limited SBI DFHI Limited</p> <p>Chairperson: NRC - Multi Commodity Exchange Clearing Corporation Limited CSR - Multi Commodity Exchange Clearing Corporation Limited</p> | Nil |
| Number of meetings of the Board attended during the year | 2 | 3 |
| Number of equity shares held (including joint holdings)* | Nil | Nil |

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

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

Venkatraman
 Secretary

Chennai
 May 17, 2021

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

REPORT OF THE BOARD OF DIRECTORS

Your Board of Directors hereby present to you the Sixteenth Annual Report covering the operational and financial performance together with the accounts for the year ended March 31, 2021 and other prescribed particulars:

1. State of Company's affairs

The impact of COVID-19 was felt throughout the Automotive sector of which the Company is part, in the Financial Year 2020-21. By the end of the first half of the fiscal, the economy and industry had restarted with the new normal in place. Post lifting of lockdown restrictions, the auto industry witnessed demand recovery led by pent-up demand coupled with other factors. The Company resumed operations across its facilities, in compliance with the guidelines issued by the Government. Adequate steps for safety and precautionary measures were taken across all its facilities and locations.

The Company deftly navigated the post lockdown challenges in the recovery phase through several cost optimisation measures and capacity management. The Company was strongly positioned to make up for the weak H1 performance with a quick ramp up and increase in business share across customers. The Company is likely to benefit from the growth opportunities in the automotive industry and aided by the Government's Production Linked Incentive (PLI) and other stimulus programmes. However, the second wave of COVID-19 and resultant lockdowns has negatively impacted the economic activities and the auto industry. Going forward, rollout of vaccines should lead to increased economic activity and increased mobility which should help in gradual and sustainable economic revival during Financial Year 2021-22.

1.1. Financial Performance

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

| Particulars | ₹ in Crores | |
|---|--------------|--------------|
| | 2020-21 | 2019-20 |
| Revenue from Operations | 423.39 | 470.98 |
| Other Income | 11.42 | 10.45 |
| Profit / loss before Depreciation, Finance Costs, Exceptional items and Tax Expense | 71.61 | 70.99 |
| Less: Depreciation / Amortisation / Impairment | 24.42 | 26.29 |
| Profit / loss before Finance Costs, Exceptional items and Tax Expense | 47.19 | 44.70 |
| Less: Finance Costs | 0.25 | 0.02 |
| Profit / loss before Exceptional items and Tax Expense | 46.94 | 44.68 |
| Add / (less): Exceptional items | - | - |
| Profit / (loss) before Tax Expense | 46.94 | 44.68 |
| Less: Tax Expense (Current & Deferred) | 15.14 | 10.34 |
| Profit / (loss) for the year (1) | 31.80 | 34.34 |
| Total Comprehensive Income / loss (2) | 0.68 | (0.98) |
| Total (1+2) | 32.48 | 33.36 |
| Balance of profit / loss for earlier years | 42.34 | 45.39 |
| Less: Transfer to Reserves | - | (22.10) |
| Less: Dividend paid on Equity Shares | (8.71) | (11.87) |
| Less: Dividend Distribution Tax | - | (2.44) |
| Less: Tax on Buyback of Shares | (2.55) | - |
| Balance carried forward | 63.56 | 42.34 |

Operation Performance, Key Performance Indicators and Summary on Balance Sheet are furnished in page no.1 of this Annual Report.

The Sales and other Operating Revenue for the FY 2020-21 dropped by 10.10% while the Profit Before Tax (PBT) increased by 5.06% compared to previous year. The Earnings Per Share (EPS) for the year 2020-21 was ₹40.45 as against ₹43.39 in the previous year.

The Company continues to be a subsidiary of Rane Holdings Limited (RHL / Holding Company). There were no material change or commitments, affecting the financial position of the Company between the end of the financial year and the 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 the 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 16th Annual General Meeting (AGM) scheduled to be held on July 26, 2021. The total dividend paid / payable on equity shares for FY 2020-21 would be ₹19.32 crores. On declaration of the dividend by the shareholders, it will be paid on August 04, 2021 to all the eligible shareholders, whose name appears in the register of members of the Company as on July 19, 2021, being the Record Date fixed for this purpose, subject to deduction of tax at source where applicable. The total of dividend paid / payable for the FY 2020-21 would be ₹25/- per equity share of a face value of ₹10/- each.

Considering the above, the Board has retained ₹63.56 crores as surplus in the profit and loss account and not transferred any amount to the General Reserves for FY 2021-22.

1.3. Credit Rating

The Company's financial management and its ability to service financial obligations in a timely manner, has been re-affirmed by ICRA AA- stable, 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. Changes in Share Capital - Buyback

The Board of Directors of the Company had at their meeting held on October 15, 2020 approved a Buyback of equity shares for an amount not exceeding ₹22,00,00,000/- (Rupees Twenty Two Crore only) (the "Maximum Buyback Size"), and at a price not exceeding ₹825/- (Rupees Eight Hundred Twenty Five only) per Equity Share ("Maximum Buyback Price") from the open market through stock exchanges ("Buyback") in accordance with the Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018, as amended ("Buyback Regulations"). The Maximum Buyback Size represents 9.61% of the aggregate of the Company's paid-up Equity Share capital and free reserves based on the audited financial statements of the Company as at March 31, 2020 (being the latest available audited financial statements of the Company).

As on March 31, 2021 the Company had bought back 1,62,621 Equity Shares at an average price of ₹730.76 per Equity Share and extinguished 1,54,865 equity shares. Accordingly, the paid up capital in the books of account of the Company stands reduced from ₹7,91,49,800/- to ₹7,76,01,150/- (i.e 77,60,115 equity shares of ₹10/- each fully paid up).

Subsequently on April 26, 2021, the Buyback offer closed upon the completion of the 6 months period

from the date of opening. The Company bought back 185,109 equity shares since the opening of buyback on October 27, 2020. The paid-up capital stands reduced to ₹7,72,98,710/- post the completion of buy back.

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 and risk management processes 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 the Company's subsidiary, Joint venture or associate during the financial year 2020-21.

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' to this report contains the composition of the Board of Directors of the Company and its Committees.

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

- Ms. Ranjana Kumar (DIN:02930881), Independent Director retired as per the retirement policy of the Company, with effect from the conclusion of the Board Meeting held on October 15, 2020. The Board places on record its appreciation for the services rendered during her tenure as an Independent Director.
- Dr.(Mrs.) Brinda Jagirdar (DIN: 06979864) joined the Board of Directors as an Additional Director (Independent Category) with effect from the conclusion of the Board Meeting held on October 15, 2020. Her appointment as an Independent Director of the Company is subject to the approval of the shareholders of the Company at the ensuing Annual General Meeting.

- Mr. S Krishna Kumar (DIN: 00062582), Independent Director, retired as per the retirement policy of the Company, effective from May 01, 2021. Consequent to his retirement, he ceased to be a member of the Audit Committee. The Board places on record its appreciation for the valuable advice and guidance rendered by him during his tenure especially on various strategic matters.

The Board of Directors are of the opinion that the Director(s) proposed for appointment / re-appointment at the ensuing 16th AGM of the Company possess integrity, necessary expertise, relevant experience and proficiency and the Corporate Governance Report annexed to this report contains necessary disclosures regarding the Director(s).

The terms and conditions of appointment of Independent Directors have been disclosed on the website of the Company and available at weblink: http://ranegroup.com/rbl_investors/terms-of-appointment-of-independent-directors.

All the Directors have affirmed compliance with the Code of Conduct of the Company. The Independent Directors have further affirmed that they satisfy the criteria laid down under section 149(6) of the Companies Act, 2013 (Act) and Regulation 25 and other applicable regulations of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI LODR), as amended from time to time. Further, in terms of Section 150 of the Companies Act, 2013 read with Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014, all Independent Directors of the Company have confirmed that they have registered themselves with the databank maintained by the Indian Institute of Corporate Affairs (IICA) and have qualified the proficiency test, if applicable to them. The Board of Directors at its first meeting of the FY 2020-21 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 the Company 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 16th AGM and 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 16th AGM.

2.3. Board and Committee Meetings

The schedule of meetings of the Board of Directors and Committees of the Board is circulated to the Directors in advance. During the year, five (5) Board Meetings were

convened and held, the details of which are given in the Corporate Governance Report. The gap between any two consecutive meetings of the Board of Directors was less than 120 days. The details of Committee meetings are provided in the Corporate Governance Report annexed to this report of the Board.

2.4. Meeting of Independent Directors

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

2.5. Board Evaluation

The Board carried out an annual evaluation of its performance, its committees and individual directors, including the Chairman of the Board. This exercise was implemented through a structured questionnaire seeking qualitative inputs and comments on the Board and its committees including the Chairman and individual Directors. The performance evaluation of Chairman and Non-Independent Directors were also reviewed by Independent Directors at a separate meeting. The parameters considered various aspects of the Board's functioning such as skill set and diversity of the board to review strategy, risk management dimensions and processes, information flow on the state of affairs of the company, talent management, human capital challenges, effectiveness of presentations, priorities accorded by the board particularly to cyber security and the effectiveness of the Board's processes of reviewing annual operating and strategic business plans.

Peer assessments of directors based on parameters such as contribution to the Board decisions and discussions, staying updated on recent trends, awareness on macro level developments and networking engagements was reviewed by the Board for individual feedback. The performance evaluation criteria for Independent Directors is determined by the Nomination and Remuneration Committee. An indicative list of factors on which evaluation was carried out includes commitment, competency, sector knowledge, networking and engagement.

The Company acted on the feedback from the Board evaluation process. Agenda was reorganised to allow longer time for discussion on strategy and business matters, streamlining of content for board's deliberation on matters of relevance like Information Security Management System in the wake of remote working scenario due to the COVID-19 pandemic.

2.6. Familiarisation program for Independent Directors

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

2.7. Key Managerial Personnel

As at the year ended March 31, 2021, Mr. R Balakrishnan, President & Manager, Mr. M A P Sridhar Kumar, Senior Vice President - Finance & Chief Financial Officer (CFO) and Mr. Venkatraman, Company Secretary, hold the office of Key Managerial Personnel (KMP), respectively, within the meaning of Section 2(51) of the Companies Act, 2013.

2.8. Remuneration policy

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

The policy on appointment and remuneration of Directors, KMP and Senior Management Personnel (SMP) as laid down by the NRC of the Board is available at the web-link at https://ranegroup.com/rbl_investors/policy-on-appointment-remuneration-of-directors-kmp-smp/. There has been no change in this policy during the financial year 2020-21.

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 15th AGM held on August 05, 2020, for payment of commission to Mr. L Ganesh, Chairman, an amount exceeding 50% of total annual remuneration payable to other Non-Executive Directors, for the FY 2019-20. The details of remuneration paid / payable to the Directors during the financial year 2020-21 is furnished in the Corporate Governance report annexed to this report of the Board.

Pursuant to approval accorded by the shareholders at the 13th AGM held on July 24, 2018, Mr. L Ganesh has been receiving commission upto 2% of the net profits of the Company for a 3 year period commencing from April 01, 2018 till March 31, 2021. Based on the recommendations of the NRC, the Board of Directors propose payment of commission of upto 2% of net profits for a further period of three years commencing from April 01, 2021, subject to the approval of the shareholders at the ensuing 16th AGM 2021 under Section 197, 198 and other applicable provisions of the Companies Act 2013. The Notice convening the 16th AGM includes the proposal for payment of commission for a period of 3 years.

3. Audit and allied matters

3.1. Audit Committee

The terms of reference and meetings of the Audit Committee are disclosed in the Corporate Governance report section of the Annual Report. The Audit

Committee of the Board acts in accordance with the terms of reference, which is in compliance with the provisions of Section 177 of the Companies Act, 2013 (Act) and Regulation 18 of SEBI LODR and other applicable provisions of SEBI LODR, as amended from time to time.

3.2. Statutory Auditor

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

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

Varma & Varma has not reported any matter under Section 143(12) of the Companies Act, 2013 requiring disclosure under Section 134(3)(ca) of the Companies Act, 2013. The Statutory Auditor report to the members for the year ended March 31, 2021 does not contain any qualification, reservation, adverse remark or disclaimer.

3.3. Cost Audit & Maintenance of cost records

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

3.4. Secretarial Auditor

M/s. S Krishnamurthy & Co., a firm of Company Secretaries in Practice, have been appointed by the Board of Directors in terms of Section 204 of the Companies Act, 2013, as Secretarial Auditors for the FY 2020-21. The Secretarial Audit report given in 'Annexure B' was taken on record by the Board of Directors at its meeting held on May 17, 2021. The report does not contain any qualification, reservation, adverse remark or disclaimer.

The Annual Secretarial Compliance report, (hereinafter referred to as 'compliance report'), for the FY 2020-21 issued by M/s. S Krishnamurthy & Co., confirms compliance with securities laws applicable to the Company and the same has been taken on record by the Board of Directors at their meeting held on May 17, 2021. The compliance report does not contain any qualification, reservation, adverse remark or disclaimer and the Board has approved filing of the same with the stock exchanges.

3.5. Internal Auditor

M/s. Capri Assurance and Advisory Services, a firm of independent assurance service professionals, were the Internal Auditor of the Company during the year under review. Their scope of work includes review of processes for safeguarding the assets of the Company,

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

For FY 2020-21, the Audit Committee has inter-alia taken on record the certification by the internal auditors, viz., M/s. Capri Assurance and Advisory Services to the effect that:

- a. They have evaluated the internal control and risk management systems and reviewed the risk management systems and the management's process of identification and mitigation of risks and controls;
- b. There were no significant findings requiring follow-up there on and there were no matters of suspected fraud or irregularity or a failure of internal control systems of material nature requiring investigation or reporting to the Audit Committee / Board;
- c. Internal control systems of the Company for financial reporting are adequate and are operating effectively throughout the year;
- d. There were no deficiencies in the design or operation of internal controls;
- e. There were no significant changes in the internal control over financial reporting during the year under review;
- f. There were no instances of fraud or involvement therein of management or an employee having a significant role in the entity's internal control system over financial reporting; and
- g. The Company has a proper system for ensuring / monitoring compliance with all applicable laws and the same is adequate and working effectively.

4. Directors' responsibility statement

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

- a. in the preparation of the annual accounts, the applicable accounting standards had been followed and there were no material departures;

- b. they had selected such accounting policies and applied them consistently and made judgements and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for the year under review;
- c. they had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company, preventing and detecting fraud and other irregularities;
- d. they had prepared the financial statements for the financial year on a 'going concern' basis;
- e. they had laid down internal financial controls to be followed by the Company and such internal financial controls were adequate and were operating effectively; and
- f. they had devised proper systems to ensure compliance with the provisions of all applicable laws and such systems were adequate and operating effectively.

5. Related Party Transactions (RPT)

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

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

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

None of the Directors or Key Managerial Personnel or Senior Management Personnel has any material financial and commercial transactions (except payment receipt of their 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. During the year, the board amended the policy on CSR in line with the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021, notified by Ministry of Corporate Affairs on January 22, 2021.

The CSR Committee monitors and reviews the implementation of CSR activities periodically.

The CSR activities undertaken by the Company are in line with the CSR Policy and recommendations of the CSR Committee comprising Mr. L Lakshman, Committee Chairman, Mr. L Ganesh, Chairman of the Board and Mr. Anil Kumar Venkat Epur, Independent Director, as its members.

During the year, the Company has contributed a sum of ₹1.02 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 2020-21. The CSR policy of the Company is posted on our website at the web-link http://ranegroup.com/rbl_investors/corporate-social-responsibility-policy/.

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

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

8. Corporate Governance Report

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

9. Business Responsibility Report

The Business Responsibility Report as applicable to the Company in terms of Regulation 34(2) of SEBI LODR for the FY 2020-21 is provided in 'Annexure F' to this report. The Company practices various business responsibility initiatives as per the Business Responsibility framework of the Rane Group. This framework is developed and steered at Rane group under the able leadership and guidance of Mr. L Ganesh, Chairman of Rane Group who is also responsible for the implementation of the Business Responsibility initiatives.

10. Particulars of Directors, Key Managerial Personnel and Employees

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

11. Risk Management

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

In accordance with the amended SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 effective from May 05, 2021, the Company falls in the top 1000 companies based on market capitalization as on March 31, 2021. The Board has constituted a Risk Management Committee effective from June 01, 2021 and has also framed a Risk Management Committee Charter. The details of composition of the committee are provided in 'Annexure E' to this report.

12. Other disclosures

- a. Details of loan, guarantees and investments under the provisions of Section 186 of the Companies Act, 2013, if any, are given in the notes to the financial statements.
- b. The Internal control systems and adequacy are discussed in detail in the Management Discussion and Analysis annexed to the Annual Report.
- c. There was no significant material order passed by the Regulators / Courts which would impact the going concern status of the Company and its future operations.
- d. The policies approved and adopted by the Board have been made available on the corporate governance section of the Investor page on the website of the Company viz. www.ranegroup.com.
- e. The Company has complied with the applicable secretarial standards viz., SS-1 on meetings of board of directors and SS-2 on general meetings issued by The Institute of Company Secretaries of India as per section 118(10) of the Companies Act, 2013.
- f. The details regarding shares and dividend transferred / proposed to be transferred to the Investor Education and Protection Fund (IEPF) and other relevant details in this regard, have been provided in the corporate governance section of this Annual Report.

- g. The copy of the Annual Return is available on the website of the Company at www.ranegroup.com.
- h. The Company does not accept any deposits falling under the provisions of section 73 of the Companies Act, 2013 and the rules framed thereunder.
- i. The Company has established a formal vigil mechanism named 'Rane Whistle Blower Policy' for reporting improper or unethical practices or actions which are violative of the code of conduct of the Company. The policy which is also available on the intranet portal of the Company and provides adequate safeguard against victimisation and has provided direct access to the Chairman of the Audit Committee for the employees and state their complaints / grievances.
- j. The Company has always provided a congenial atmosphere for work that is free from discrimination and harassment and has provided equal opportunities of employment to all irrespective of their caste, religion, colour, marital status and gender. The Company believes that women should be able to do their work in a safe and respectful environment that encourages maximum productivity. The Company has a zero tolerance towards sexual harassment. The Company has adopted a policy on prevention of sexual harassment of women at work place and put in place proper dissemination mechanism across the Company. The Company has complied with the provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH). During the period, the details of complaints received / resolved or pending are as under:
- | | |
|---|--|
| No. of complaints received during the financial year - Nil | |
| No. of complaints disposed during the financial year - Nil | |
| No. of complaints pending as of end of the financial year - Nil | |
- k. The Company has not printed physical copies of the Annual Report for distribution in view of the exemptions available vide General circular 02/2021 dated January 13, 2021 issued by the Ministry of Corporate Affairs ("MCA") read with circular no. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021 issued by the Securities Exchange Board of India ("SEBI"). 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 16th AGM would be sent to all the members whose e-mail addresses were registered with the Company or their respective Depository Participants (DP).
- l. **Annual General Meeting**
- In view of the COVID-19 pandemic and in the interest of all stakeholders, the 16th AGM would be conducted through video conferencing or other audio visual means on July 26, 2021 at 15:00 hrs (IST), as per the framework notified by Ministry of Corporate Affairs. The notice convening the 16th AGM shall contain detailed instructions and notes in this regard.

Acknowledgement

We thank our Customers, Investors, Suppliers, Vendors, Bankers, Government, 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 | Ganesh Lakshminarayan |
| | Director | Chairman |
| Chennai May 17, 2021 | DIN: 00012602 | DIN: 00012583 |

Annexure A to the Report of the Board of Directors

MANAGEMENT DISCUSSION AND ANALYSIS

1. Company Overview

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

2. Economic Review

2.1. Global Economy

The global economy which was already facing a slowdown received yet another setback due to the COVID-19 outbreak which caused major economic disruptions leading to a contraction of global growth by 3.5% in FY21. Industrial production and global trade declined substantially due to the enforced lockdown and travel restrictions. However, the economy recovered in the second half due to easing of lockdowns and the rapid deployment of policy support at an unprecedented scale by Central banks and Governments around the world. The fiscal support by Governments, extensive rate cuts, liquidity injections, and asset purchases by Central banks helped in restoring confidence and aided demand recovery preventing a full-blown recession.

According to the International Monetary Fund (IMF), the global economy is expected to move towards recovery and is predicted to increase by 5.5% in 2021 on the back of policy support and roll out of vaccines which are expected to lift economic activity across the world and lead to pick up in trade and investment. Growth is likely to be boosted by the strong economic rebound in China, and across advanced and emerging economies across the world as the impact of the pandemic begins to fade. Growth is likely to vary across economies and will be driven by the success and speedy deployment of vaccines along with continued accommodative fiscal and monetary policies.

2.2. Indian Economy

India's economy is estimated to have contracted by 7.5% in FY21, as lockdowns and other containment efforts to control the COVID-19 pandemic, reduced domestic consumption despite substantial fiscal and monetary stimulus. However, there was a sharper recovery in the second half of the fiscal in terms of consumption and investment. The manufacturing sector indicated notable traction as industrial units were able to function with greater capacity. The infrastructure and construction sector also saw resurgence owing to the Government's Capex push, easing of movement restrictions, and repressed and festive demand.

According to the IMF, the economy is expected to grow 12.5% in FY22 led by favourable policy support and recovery in economic activity. However, the second wave of coronavirus and resultant lockdown has impacted the economic activities in FY22. In order to attract more investments, generate employment and boost exports, the Government introduced production-linked incentive (PLI) scheme to boost cost competitiveness in various manufacturing sectors. The recently announced budget has increased allocation to sectors like infrastructure to revive economic growth. Going forward, rollout of vaccines should lead to increased economic activity and increased mobility which should help in gradual and sustainable economic revival.

3. Indian Automobile Industry

The Indian automobile industry which had been struggling for growth even before COVID-19 led by cyclical downturns and BS-VI disruption faced a severe blow due to the onset of the pandemic which weakened consumer sentiment due to the risk of wage reduction, bleak job prospects and reduced financing availability. Longer than expected lockdown disrupted supply chain leading to lower plant utilization and resulting in higher inventory with dealers, while eroding purchasing power of consumers. However, since the lifting of lockdown restrictions, the auto industry witnessed a demand recovery led by suppressed demand, low interest rates, improved finance availability, gradual pick-up of business and economic activity, an increasing predilection for personal mobility and high disposable income in the rural market. Recovery in demand environment, inventory refilling and normalcy in supply-chain bottlenecks led to higher volume in the second half of the fiscal year.

The Passenger Vehicle (PV) segment experienced a decline of 11% amidst weak consumer sentiment. However, rollout of new products / variants, launch of innovative schemes along with an improved preference for personal mobility due to safety precaution helped in arresting major decline. The consumer's growing preference for modern, spacious, and safer Utility vehicle (UV) segment resulted in a growth of 4% while the Passenger Car (PC) segment volume declined by 18%.

Domestic Commercial Vehicle (CV) segment was the worst impacted with volumes declining by 17% as it faced multiple headwinds in the form of surplus capacity with the fleet operators, a weak freight demand on the back of a slowdown in economic activity, higher BS-VI price and stringent financing norms. The medium and heavy commercial vehicles (M&HCV) segment was the hardest hit due to the unprecedented lockdown which resulted in slowdown in economic activities.

Recovery in the M&HCV was marginal due to poor freight availability, surplus capacity, and slowdown in execution of infrastructure projects. However, announcement of multiple infrastructure projects as well as mining activities by Central and various State Governments helped in the segment's recovery towards the end of the fiscal year. Despite nascent recovery in terms of utilization levels of fleet operators and CV financing picking pace towards the second half of the fiscal year, FY21 was a washout year for M&HCV which recorded a sharp decline of 21% in volume. The Light Commercial Vehicles (LCV) segment reported slight decline of 12% in volume due to a strong momentum in e-Commerce, Pharma, FMCG, Consumer durables and Agri movement. The Small Commercial Vehicles (SCV) segment reported a decline of 21% in volume.

Farm tractors volumes experienced a sharp increase of 24% led by positive farm sentiments primarily due to a robust crop production, higher procurement, good price realizations and a favourable monsoon. Two-wheelers witnessed a decline of 13% driven by COVID-19 outbreak, however there was stable recovery in the second half of the fiscal.

| Industry Segment (Production figures) | Growth in % (YoY change) | |
|--|-----------------------------|------|
| | FY21 | FY20 |
| Vehicles | | |
| Passenger Cars (PC) | (18) | (20) |
| Utility Vehicles (UV) | 4 | 3 |
| Multi-Purpose Vans (MPV) | (18) | (40) |
| Passenger Vehicles (PV) | (11) | (15) |
| Small Commercial Vehicles (SCV) | (21) | (26) |
| Light Commercial Vehicles (LCV) | (12) | (19) |
| Medium & Heavy Commercial Vehicles (M&HCV) | (21) | (48) |
| Commercial Vehicles (CV) | (17) | (32) |
| Farm Tractors (FT) | 24 | (12) |
| Two Wheelers (2W) | (13) | (14) |

Source: Society of Indian Automobile Manufacturers (SIAM)

4. Business Review

The fiscal year 2020-21 was unprecedented and challenges of the Coronavirus pandemic impacted the business performance of the Company.

4.1 Domestic Market

The Company reported a 11% decrease in domestic sales. The overall demand environment remained challenging in FY 21 and the COVID-19 pandemic and the resultant lockdown adversely affected the sales of the Company. The Company reported a drop in all product categories, vis-a-vis, 7.3% in Brake Linings, 9.5% in Disc pad and 40.2% in other automotive parts. The break-up of the domestic sales by products is given below:

| (₹ in Crores) | | | |
|------------------------|---------------|---------------|---------------|
| Products | 2020-21 | 2019-20 | Growth in % |
| Brake linings | 171.38 | 184.85 | (7.3) |
| Disc Pads | 208.71 | 230.59 | (9.5) |
| Other Automotive Parts | 20.55 | 34.35 | (40.2) |
| Total | 400.64 | 449.79 | (10.9) |

The sales to Original Equipment Manufacturer (OEM) and Aftermarket (AM) declined by 15.1% and 5% respectively. In OEM segment, the market drop was partially mitigated through volume enhancement in the Two Wheeler segment and volume growth in PCL. Despite, adverse market condition, the Company was able to partially mitigate the sales drop in the aftermarket segment through new product launches, new business and range expansion across Brake Linings, Disc pads including Two Wheeler products.

| (₹ in Crores) | | | |
|---------------|---------------|---------------|---------------|
| Market | 2020-21 | 2019-20 | Growth in % |
| OEM | 224.39 | 264.31 | (15.1) |
| Aftermarket | 176.25 | 185.48 | (5.0) |
| Total | 400.64 | 449.79 | (10.9) |

4.2 Exports

The export for the year was ₹22.31 crores, an increase of 10% compared to the previous year. The Company took various initiatives to revive the export turnover by focusing on PCP for the Sri Lankan markets and CV products for Middle East and African markets. To sustain the growth momentum in the export market, the Company is devising overall exports strategy by evaluating opportunities for its various products across geographies.

4.3 Operational and Financial Performance

4.3.1 Financial Review

The Company registered a turnover (Net Sales) of ₹423.39 Crores which was 9.7% lower than the sales reported for the fiscal year 2020. The new products accounted for 2.7% of the total revenues. The profit before tax was ₹46.94 Crores an increase of 5.1% over the previous year. Enhanced profitability was attributable to stable commodity prices and various cost control measures implemented by the Company. White collar productivity enhancement measures coupled with executive salary reductions of up to 35% for a partial period and a reduction in fixed costs such as travel and administrative expenses, helped reduce costs. Additionally, the Company had a provision reversal on account of a dispute resolution Sabka Vishwas scheme.

The return on networth declined to 13.64% for FY 2020-21 as against 15.66% for FY 2019-20 due to drop in revenue on account of nationwide lockdown to contain COVID-19 pandemic during major part of first quarter of the financial year.

4.3.2 Operations and Manufacturing Review

The challenging demand environment in the Indian automotive sector due to the pandemic led to a drop in the overall business of the Company. The Company was able to partially mitigate the sales decline by focusing on new businesses and innovative product segments. The company registered new business worth ₹11.62 Crores during this financial year and the growth in two wheeler disc pad business grew by 10.6% compared to the previous year.

Energy conservation continued to be a key focus area. Our Company created its own generation of renewable energy of 3.2 MW. Further, it is planning to add another 0.8 MW Solar capacity in-house at our Puducherry Plant during the next financial year. Special emphasis made on horizontal deployment of best practices across the Group level to preserve energy. The wind energy mix is going to be improved with an additional 17 lakh units deliverables by April, 2021.

Considering the potential demand for disc pad segments covering both 2 Wheeler and 4 wheeler segments, our Company has proactively created capacities with a special focus on quality enhancement through cutting-edge technologies at our Plants at Puducherry and Trichy. R&D continues to be a key focus area.

People development initiatives continued to have a specific attention and yielded positive benefits. During this period, long Term Settlements (LTS) with our team members at Trichy Plant and Chennai Plant were concluded peacefully. Successfully completed key customer audits across all locations of the Company while our Company continues to have process audits by our technical collaborator Nisshinbo Brakes Inc., Japan (NISB). Some of the other key operations and manufacturing highlights include:

- i. Quality enhanced capacity creation and simple automation projects at the Puducherry and Trichy Plants.
- ii. Continued focus on enhancing formulation library to cope up with present and future vehicle technologies.
- iii. Special focus on AM with improved coverage on vehicle parc and new launches.
- iv. 'Great Place to Work Certified' organization - for a consecutive period of five years.
- v. Total revamp of R&D testing facilities.

4.4. Pursuit of business excellence

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

- Excellence in manufacturing under Large Category - Gold award from ACMA.
- Excellence in New Product Design and Development under Large category - Silver award from ACMA.
- Various Outstanding / Platinum / Gold awards from QCFI; ABK - AOTS in different categories.

4.5 Opportunities and Threats

India is poised to grow faster than most of the large economies over the next decade giving rise to tremendous opportunities. The industry is staring at immense growth prospects in terms of exports, enhancing import substitution, expanding aftermarket offerings, developing data-enabled services and solutions, and offering new or modified features in line with constantly shifting market dynamics and changing OEM needs. The automotive value chain is likely to see significant shift to non-traditional sub-segments such as EVs, advanced driver assistance systems (ADAS), data-enabled services, etc. in the coming future. Adapting to the required changes to seize these upcoming opportunities, the auto component manufacturers will be in a strategic position to leapfrog into the global arena.

As uncertainties prevail in the global economy, the industry continues to face a range of business risks related to supply chain and changing customer preferences. Delay in economic recovery, increase in commodity prices and forex volatility are some of the headwinds being confronted. Moreover, evolving regulatory and trade environment, technological changes and environmental regulation continue to pose challenges to the sector.

4.6 Outlook

The industry which is seeing a meaningful upturn after a long period of sluggish growth is likely to witness a positive momentum on the back of revival in overall economy, improving rural cash flows, and an increasing need for personal mobility. Introduction of schemes like production-linked incentive and vehicle scrappage policy is likely to increase the competitiveness of the Indian automotive industry globally. Furthermore, help is required to attract investments and boost exports. However, an increase in cases of Coronavirus infection and the consequent restrictive measures imposed by the Government could derail growth prospects. On the other hand, widespread vaccination campaigns being run by the Government is likely to control the pandemic resulting in expanded economic activity.

5. Risk Management

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

probability of occurrence, probability of non-detection and its impact on business. The top management reviews the strategic risks, the risks with high probability and high impact every quarter and presents its report along with a risk mitigation plan to the Board of Directors on a half-yearly basis. The strategic risks are taken into consideration in the annual planning process with their mitigation plan. Other risks are covered as part of the internal audit

process and presented to the Audit Committee every quarter. The business processes risks and the related controls are subjected to internal audit and reviewed on a quarterly basis. The risk ratings are revalidated with the top management as part of the internal audit process every quarter. The overall re-assessment of risks at the Company level is carried out and presented to the Board of Directors once in two years for their review.

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

6. Human Resource Development and Industrial Relations

6.1. Talent Development Initiatives

In FY 2020-21, the Company focused on the following talent development initiatives:

Leadership Development

- Young Leadership Development (YLD) Batch 4 was rolled out for first time managers and experienced individual contributors. Four participants underwent 4 days of facilitator led workshop delivered in two modules.
- As part of High Potential Leadership Development (HPLD) Batch-6, six participants underwent a curated 12-day self-development plan consisting of online courses, videos and podcasts to help them further in their leadership development journey.
- As part of an Executive Leadership Development, in the "Leader as Coach" program, two participants in Batch 2 have completed their module 1 and are progressing on their leadership journey. An interactive session was organized for them with the resource person and Group HR Head to exchange experiences on how 2020 had impacted them and also to prepare them for the upcoming modules.

Rane Manufacturing Systems Professional Programme (RMSP)

12 participants from batch 4 completed their 18-month learning journey, 48 projects have been carried out by the participants in PQCDMS in line with their RMSP learning.

48 participants from batch 6 & 8 are undergoing their RMSP journey.

Managerial & Technical Competency Development Programs

58 programs focusing on Manufacturing Systems, General Management, Soft Skills and Business Specific were organized during the year. Design for Manufacturing, QC Story Methodology and customized SAP programs were organized as part of business specific programs. Manufacturing Systems programs such as Low-Cost Automation, Noise, Vibration & Harshness, and Value Engineering were also organized. This year 62% of the programs (Behavioural, Technical, Functional and General management) were delivered through virtual instructor led programs and 38% through massive open online courses.

6.2 Employee Engagement and Well-being

The company believes in enhancing employees' everyday experiences and in building meaningful workplace relationships. Employee feedback surveys and discussions help us in providing insights on what

is important to employees. A follow up mechanism ensures that change and progress occur. In recognition for our efforts, four of Rane Group companies including this Company have been certified as "Great Place to Work" Companies.

With an objective to promote a culture of well-being and improving health outcomes, the Company organized wellness events, rendered wellness services and provided supplementary resources.

Mental Health and Well-Being

Workshop on mental health and well-being was organized with the objective to raise awareness on mental health and recognize it as an integral and essential aspect of one's well-being. The session focused on common myths and misconceptions about the widespread mental health challenges and to learn habits to keep one's mind healthy and understand responsibilities towards nurturing the collective mental health of the organization. Around 233 participants went through the workshop where tips on self-regulating one's thoughts, feelings and emotions during pandemic were shared.

Values Workshop

A workshop on Values was organized to develop an understanding of organizational values, expectations (of the team, people, and customer), taking ownership and preparing oneself towards contributing meaningfully towards the goals of team / function. 28 participants at Assistant Manager to Deputy Manager Level at group level were benefitted from the workshop.

Response to COVID

As part of Rane Group's initiatives to tackle COVID-19, a 'Return to Work' SOP was developed and circulated to all employees. Strict guidelines on social distancing norms were implemented and an awareness of good hygiene practices was emphasized. "Quarantine leave" (QL) of 14 days was given to Employees in case they or their immediate family members were affected by COVID or were coming from hotspots. Policies on flexible work timings were instituted with an increase in medical insurance corporate buffer limits for expenses (employee and dependents) incurred due to COVID was introduced.

6.3. Digital Initiatives

Learning Management System (LMS) - To transform the learning experience of employees and to fast track the competency enhancement, Rane Institute for Employee Development (RIED) rolled out LMS in 2019. The first year of implementation overlapped with the pandemic and we kept the employees engaged by rolling out 47 personalized learning courses that were a mix of online learning courses, virtual instructor-led sessions, and eLearning modules. This was supplemented by virtual

resources such as videos, presentations, articles, books and podcasts. To ensure employees have adequate knowledge of the policies that are part of the governance & vigil mechanism, we developed and rolled out e-learning modules on Rane Compass - Rane's Policy on Ethical Standards of Behaviour, including policies on gifts and vendor relationship, Whistle Blower policy and policy on Prevention of Sexual Harassment of Women at Workplace.

These e-learning policies while acting as a refresher for our existing employees, provide learning to our new joiners so as to be able to quickly adapt to our culture.

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

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

6.4. Industrial Relations

Industrial relations were generally cordial in all the plants.

During the financial year, long-term wage settlements with the employee union were signed in Trichy and Ambattur. 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)

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

RBL contributed to Rane Foundation (RF), the CSR arm of Rane Group, which primarily focuses on Education and Healthcare in 2020-21.

Education

The Rane Polytechnic, established at Trichy in the year 2011, under the aegis of Rane Foundation has stepped into its tenth academic year. The institution was accredited by the National Board of Accreditation (NBA) for its Diploma in Mechanical Engineering program in 2017 and re-accredited for 3 years till 2022 in 2019-20. Over the last few batches, 1283 students have completed their diploma program, and 242 students

will complete the program in the academic year 2020-21. About 93% of the students received placement through campus interviews.

"The Finishing School Programme" offered by the College during the three years which is beyond the prescribed curriculum makes a huge difference to the students for their industry readiness. Teachers at the college had incorporated rigorous mock interview sessions both online and offline. Continuous interaction with corporate leaders and effective mentoring by the faculty members ensured desired placements thereby reinforcing the faith in the quality of talent by opening more of their desired roles during such challenging times.

Rane Foundation embarked on its next major project, opening of a school named 'Rane Vidyalaya' in Trichy. In June 2018, Rane Vidyalaya was recognized by The Directorate of School Education, Tamil Nadu and is affiliated to the Central Board of Secondary Education, New Delhi. In 2020-21, it reached a student strength of 380 in its third year of operations, functioning from LKG to VI standard proving the need for a quality school in rural area. The school was quick on its feet to start online classes from April 2020, through various means such as Zoom, Google Classrooms and Meet, Apps for Mathematics and English and dedicated YouTube channels etc. This was well received by the parents and the students, who were quick to adapt to the new modes of teaching.

Healthcare

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

Other major CSR activities carried out by the Company during FY21 are as follows:

- Special focus on Government primary schools infrastructure development for a girl's school at Srigiripally near our Hyderabad Plant and other initiatives at Nolambur Chennai, Puducherry and Trichy Plants.
- Supporting education for children at SOS Children's Village of India and conducting motivational talks, career guidance and annual sports meets at schools.
- Continuing green initiatives such as greenery development, lake restoration, etc.

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 countermeasures 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, 2021

Form No. MR-3

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

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

We have conducted a Secretarial Audit of the compliance of applicable statutory provisions and adherence to good corporate practices by **RANE BRAKE LINING LIMITED** (*the Company*) during the Financial Year from April 01, 2020 to March 31, 2021 (*the year* / *audit period* / *period under review*).

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

We are issuing this report based on:

- (i) Our examination / verification of the books, papers, Minute books and other records maintained by the Company and furnished to us, forms and returns filed and compliance related actions taken by the Company, during the year as well as after March 31, 2021, 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, 2021**, the Company has complied with the statutory provisions listed hereunder and has Board processes and compliance mechanism in place, to the extent, in the manner and subject to the reporting made hereinafter.

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

1. Compliance with specific statutory provisions

We further report that:

1.1 We have examined the books, papers, Minute books and other records maintained by the Company, the

forms, returns, reports, disclosures and information filed, submitted or disseminated during the year, according to the applicable provisions / clauses of:

- (i) The Companies Act, 2013, and the rules made thereunder.
- (ii) The Securities Contracts (Regulation) Act, 1956, and the rules made thereunder.
- (iii) The Depositories Act, 1996, and the regulations and bye-laws framed thereunder.
- (iv) Foreign Exchange Management Act, 1999, and the rules and regulations made thereunder, to the extent of Foreign Direct Investment ('FEMA').
- (v) The following Regulations prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Regulations'):
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI LODR'); and
 - (d) The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018.
- (vi) The listing agreements entered into by the Company with the National Stock Exchange of India Limited (NSE) and BSE Limited (BSE) ('Agreements').
- (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, 2021, but before the issue of this report, to the best of our knowledge and belief and based on the records, information, explanations and representations furnished to us:

- (i) The Company has complied with the applicable provisions of the Act, Rules and Regulations mentioned in paragraph 1.1 (i) to (iv) above.

- (ii) The Company has complied with the applicable provisions of the SEBI Regulations and Agreements mentioned in paragraph 1.1 (v) and (vi) above.
- (iii) The Company has complied with the Secretarial Standards on 'Meetings of the Board of Directors' (SS-1) and 'General Meetings' (SS-2) mentioned in paragraph 1.1 (vii) above, to the extent applicable to Board meetings and General meetings. Secretarial Standards on 'Dividend' (SS-3) and Secretarial Standards - 4 (SS-4) on 'Report of the Board of Directors', being non-mandatory, have not been adopted by the Company.

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

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

2. Board processes

We further report that:

2.1 Board constitution and balance

- (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, 2021, the Board of Directors of the Company comprises of:

- (a) 4 (four) Non-Executive Non-Independent Directors; and
- (b) 4 (four) Independent Directors, including 1 (one) Independent Woman Director.
- (iii) The Company is not required to appoint an Executive Director, since it has appointed whole-time key managerial personnel in position of Manager under Section 203(1)(i) of the Companies Act, 2013.
- (iv) The processes relating to the following changes in the composition of the Board of Directors during the year, were carried out in compliance with the applicable provisions of the Companies Act, 2013, and SEBI LODR:
 - (a) Re-appointment of Mr. Lakshman Lakshminarayan (DIN: 00012554) as a Director, upon retirement by rotation at the 15th Annual General Meeting held on August 05, 2020.
 - (b) Resignation of Mrs. Ranjana Kumar (DIN: 02930881), Independent Director, as per the retirement policy of the Company, with effect from conclusion of the meeting of the Board of directors held on October 15, 2020.
 - (c) Appointment of Dr. (Mrs.) Brinda Jagirdar (DIN: 06979864) as an Additional Director (Independent), with effect from conclusion of the Board meeting held on October 15, 2020, to hold office upto the next Annual General Meeting of the Company.

2.2 Board meetings

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

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

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

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

3. Compliance mechanism

We further report that:

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

4. Specific events / actions

We further report that, the following events / actions having a major bearing on the Company's affairs, took place during the year in pursuance of the above referred laws, rules, regulations and standards:

On October 16, 2020, the Company issued a public announcement for buyback of its fully paid-up Equity shares of ₹10/- each, from its shareholders / beneficial owners, other than those who are promoters or the persons in control of the Company and promoter group, from the open market through stock exchange mechanism, using the electronic trading facilities of BSE Limited and National Stock Exchange of India Limited, for a total amount not exceeding ₹22 Crores ('Maximum Buyback Size') at a price not exceeding ₹825/- per Equity share ('Maximum buyback price'), payable in cash, pursuant to approval accorded by its Board of directors at their meeting held on October 15, 2020.

The Maximum buyback size represents 9.61% of the aggregate of the Company's paid-up Equity share

capital and free reserves, based on the audited financial statements of the Company as at March 31, 2020. At the Maximum buyback price and for the maximum buyback size, the indicative maximum number of Equity shares bought back would be 2,66,666 ('Maximum Buyback Shares'), being 3.37% of the pre-buyback paid-up capital.

The Buyback commenced on October 27, 2020 and closed on April 26, 2021, upon expiry of 6 months from opening of the buyback.

During the period from October 27, 2020 to March 31, 2021, the Company has bought-back 1,62,621 Equity shares, out of which 1,54,865 Equity shares were extinguished as on March 31, 2021, resulting in reduction in the paid-up share capital from 79,14,980 Equity shares, to 77,60,115 Equity shares of ₹10/- each, as on March 31, 2021.

As on April 26, 2021 (after closure of market hours), the Company has bought-back 1,85,109 Equity shares, at an average price of ₹740.66 per Equity share, deploying approximately ₹13.71 Crores (excluding transaction costs), which represents 62.32% of the Maximum Buyback Size.

As on April 28, 2021, the paid-up share capital of the Company stands reduced from 79,14,980 Equity shares of ₹10/- each, to 77,29,871 Equity shares of ₹10/- each, post extinguishment of all the shares bought-back.

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

Sharanya Sriram
Partner

Membership No.: F10252
Certificate of Practice No.: 12731
UDIN: F010252C000336701

Place: Chennai
Date : May 17, 2021

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, 2021, is to be read along with this letter.

1. The Company's management is responsible for maintenance of secretarial records and compliance with the provisions of corporate and other applicable laws, rules, regulations and standards. Our responsibility is to express an opinion on the secretarial records produced for our audit.
2. We have followed such audit practices and processes as we considered appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records.
3. We have verified the secretarial records furnished to us on a test basis to see whether the correct facts are reflected therein. We also examined the compliance procedures followed by the Company on a test basis. We believe that the processes and practices we followed provide a reasonable basis for our opinion.
4. While forming an opinion on compliance and issuing this report, we have taken an overall view, based on the compliance practices and procedures followed by the Company. We have considered:
 - (a) Compliance related actions taken by the Company based on independent legal / professional opinion / certification obtained as being in compliance with law, wherever there was scope for multiple interpretations.
 - (b) Compliance related action taken by the Company after March 31, 2021, but before the issue of this report; and
 - (c) Notifications / Circulars / Guidelines issued by the Ministry of Corporate Affairs / the Securities and Exchange Board of India / Reserve Bank of India, and Guidelines issued by the Institute of Company Secretaries of India, in respect of various compliance related events as stated therein.
5. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company, as they are subject to audit by the Auditors of the Company appointed under Section 139 of the Companies Act, 2013.
6. We have obtained the Management's representation about compliance of laws, rules and regulations and happening of events, wherever required.
7. Our Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

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

Sharanya Sriram
 Partner
 Membership No.: F10252
 Certificate of Practice No.: 12731
 UDIN: F010252C000336701

Place: Chennai
 Date : May 17, 2021

Annexure C to the Report of the Board of Directors

ANNUAL REPORT ON CSR ACTIVITIES

for the Financial Year 2020-21

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

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

Our CSR vision is 'To be a socially and environmentally responsible corporate citizen'. We believe that being a responsible corporate citizen is central to our purpose and values, allowing ourselves to inspire trust amongst our Business partners and motivate people to make the right choices for the business, communities and the 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 2020-21**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. Rane Vidyalaya is recognized by The Directorate of School Education, Tamil Nadu and is affiliated to the Central Board of Secondary Education, New Delhi and operates classes from LKG to VI standard.

The Company also contributed to several programmes with a focus on promoting education including imparting knowledge to enhance vocational skills. Special focus on the children of Government Primary schools and specific institutions considering skill sets of students at different locations of Chennai, Hyderabad, Puducherry and Trichy like:

- a) Infrastructure development - construction of smart class rooms at Nolambur & Mogappair Government Middle Schools, Chennai.
- b) Education support to 5 children at SOS Children's Village of India, Chennai.
- c) Construction of kitchen room towards mid-day meal preparation at ZP Primary School, Thimmakpally, Telangana.
- d) Other amenities like provision of computer & printer facility, sponsoring of sports equipment's, donation of books to The Primary School, Sethurapatti, Trichy and Sanyasikuppam, Puducherry.
- e) Construction of Borewell and Motor with pipeline for Government School, Inam Mathur, Trichy and Sanyasikuppam, Puducherry Schools.

B. Health Care & Awareness Programme

- a) Significant contribution towards COVID relief measures to various relief funds and NGOs both directly and through Rane Foundation.
- 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

- Continue to focus on providing Safe Drinking Water facility including RO Plant, AMC.
- Bore well construction in government primary schools, Trichy.
- Mini concrete drinking water tank constructed for Sethurapatti panchayat school, Trichy.

III. Environment - Plantation Drives

- Enhanced Greenery within the vicinity of our plants.

2. The Composition of the CSR Committee

The Company has constituted a robust governance structure to oversee the implementation of the CSR projects, in compliance with the requirements of Section 135 of the Companies Act, 2013. The CSR governance structure headed by the Board CSR Committee. The 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 Lakshman, Committee Chairman | Non-Executive and Promoter Director | | |
| 2. | Mr. L Ganesh, Committee Member | Non-Executive Chairman and Promoter Director | One (1) | One (1) |
| 3. | Mr. Anil Kumar Venkat Epur, Committee Member | Non-Executive and Independent Director | | |

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

| Members | Designation |
|-------------------------|---|
| Mr. R Balakrishnan | President & Manager |
| Mr. M A P Sridhar Kumar | Senior Vice President - Finance & CFO |
| Mr. Govardhanan R | Associate Vice President - Human Resource |

- The web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the Board are disclosed on the website of the company: https://ranegroup.com/rbl_investors/corporate-social-responsibility-policy/.
- Details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 - Not Applicable.
- Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year

| Sl. No. | Financial Year | Amount available for set-off from preceding financial years (₹ in Lakhs) | Amount required to be set-off for the financial year, if any (₹ in Lakhs) |
|---------|----------------|--|---|
| 1. | 2017-2018 | Nil | Nil |
| 2. | 2018-2019 | Nil | Nil |
| 3. | 2019-2020 | Nil | Nil |

- Average net profit of the company as per section 135(5)

| Particulars | (₹ in Crores) | | |
|--|---------------|--------------|-----------|
| | 2017-2018 | 2018-2019 | 2019-2020 |
| Net profit for the year | 35.75 | 36.53 | 34.35 |
| Adjusted Net profit (as per Section 198) | 55.23 | 49.71 | 44.78 |
| Average Net profit | | 49.91 | |

- Two percent of average net profit of the company as per section 135(5) - ₹99.81 lakhs
 - Surplus arising out of the CSR projects / programmes / activities of the previous financial years - Nil
 - Amount required to be set off for the financial year - Nil
 - Total CSR obligation for the financial year (7a+7b- 7c) - ₹99.81 lakhs

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

| Total Amount Spent for the Financial Year (in ₹) | Amount Unspent (in ₹) | | | | |
|--|---|------------------|---|--------|------------------|
| | Total Amount transferred to Unspent CSR Account as per section 135(6) | | Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5) | | |
| | Amount | Date of transfer | Name of the Fund | Amount | Date of transfer |
| 1,02,14,268 | | NIL | | NIL | |

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

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

NIL

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

| (1) | (2) | (3) | (4) | (5) | | (6) | (7) | (8) | |
|---------|---|--|---------------------|------------------------------------|---|-------------------------------------|--|---|----|
| Sl. No. | Name of the Project | Item from the list of activities in schedule VII to the Act | Local area (Yes/No) | Location of the project | | Amount spent for the project (in ₹) | Mode of implementation - Direct (Yes/No) | Mode of implementation - Through implementing agency. | |
| | | | | State | District | | | Name CSR registration number** | |
| 1. | Education - Institutional Development | Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects | Yes | Tamil Nadu | Trichy | 49,86,000/- | No | Rane Foundation (Registered Trust) CSR00004387 | |
| 2. | Education - Institutional Development | Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects | Yes | Tamil Nadu, Telangana & Puducherry | Thiruvallur, Selayiur (Tamil Nadu), Pregnapur (Telangana); Thirubuvanai (Puducherry), Trichy (Tamil Nadu) | 11,91,598/- | Yes | An amount of ₹1,10,000/- spent through an NGO- SOS Children's Village of India, Chennai & "Govardhan" an NGO at Chennai | NA |
| 3. | Education - Vocational training and Skill Development | Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects. | Yes | Tamil Nadu | Thiruvallur (Tamil Nadu) | 35,000/- | Yes | | NA |

| (1) Sl. No. | (2) Name of the Project | (3) Item from the list of activities in schedule VII to the Act | (4) Local area (Yes/No) | (5) Location of the project | | (6) Amount spent for the project (in ₹) | (7) Mode of implementation - Direct (Yes / No) | (8) Mode of implementation - Through implementing agency. | |
|----------------|---|--|----------------------------|------------------------------------|--|--|---|--|---------------------------|
| | | | | State | District | | | Name | CSR registration number** |
| 4. | Community Development - Amenities and Sanitation | Eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water. | Yes | Tamil Nadu, Telangana & Puducherry | Thiruvallur (Tamil Nadu), Pongalur (Telangana); Thirubuvanai (Puducherry), Trichy (Tamil Nadu) | 9,54,670/- | Yes | NA | NA |
| 5. | Environment - Plantation Drives | Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining air and water. | Yes | Tamil Nadu | Nolambur, Chennai (Tamil Nadu) and Sanyasikuppam (Puducherry) | 47,000/- | Yes | NA | NA |
| 6. | Health Care, Sanitization and Disaster Management | Disaster management, including relief, rehabilitation and reconstruction activities. | Yes | Tamil Nadu, Telangana & Puducherry | Tamil Nadu, Telangana & Puducherry | 30,00,000/- | No - Chief Minister Relief Fund | NA | NA |
| Total | | | | | | 1,02,14,268/- | | | |

** The requirement for CSR Registration number is mandatory post April 01, 2021. The projects reported were approved prior to April 01, 2021.

(d) Amount spent in Administrative Overheads - Nil

(e) Amount spent on Impact Assessment - Not Applicable

(f) Total amount spent for the Financial Year (8b+8c+8d+8e) - ₹102 lakhs

(g) Excess amount for set off - ₹2.33 lakhs

| Sl. No. | Particular | Amount (in ₹) |
|---------|---|---------------|
| (i) | Two percent of average net profit of the company as per section 135(5) | 99,81,049/- |
| (ii) | Total amount spent for the Financial Year | 1,02,14,268/- |
| (iii) | Excess amount spent for the financial year [(i)-(ii)] | 2,33,219/- |
| (iv) | Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any | Nil |
| (v) | Amount available for set off in succeeding financial years [(iii)-(iv)] | 2,33,219/- |

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

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

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

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

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

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

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

For and on behalf of the Board

Chennai
May 17, 2021Lakshman Lakshminarayan
Chairman of CSR Committee
DIN:00012554Ganesh Lakshminarayan
Chairman
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, minimising Power Consumption

- Horizontal deployment of conversion of air-conditioned environment from water-based cooling system to direct cooling system was implemented to improve efficiency of the refrigeration system.
- Introduction of variable frequency drive for motors higher than 5Hp - taken as a group initiative and implementation work started.
- Innovative product concept of converting standard centrifugal fans with customized Axial fans to improve the efficiency of Air Handling Units (AHU).
- Switching over to LED taken as a theme and all lighting applications were converted to LED based lighting.
- Use of preheated water for auto cleaning process by using heat recovery principle - used heat source from boilers.
- Introduction of idle time concept for TWDP grinding process.
- Replacement of low efficient air conditioners with 5 star rated air conditioners.
- Demand vs generation study conducted and the gap reduced by addressing air leak points.
- Continuing specific initiatives like Thyristor controllers in place of contactors for baking ovens and Motor elimination projects in Hydraulic power pack.

Steps taken for utilising alternate sources of energy

- Continue to use alternate sources viz. Wind and Solar and constantly work to enhance alternate energy sources.
- Overall, Renewable energy contributes to around 43% of total energy consumption.

Capital Investment in Energy Conservation Equipment

- Working towards additional 0.8 MW Solar Energy Plant at the Puducherry Plant.

B. Technology Absorption

Efforts towards Technology Absorption

Specific initiatives

- New NVH free low steel grade developed for SUV application.
- New grade development which are in pipeline includes Low cost NAO grade, NVH free grade for 'B' segment.
- Successfully upgraded existing CV brake lining product to a high performance product with a New Product & Process technology indigenously developed for manufacture of CV brake lining.
- New process technology successfully developed for enhanced profitability in CV brake lining products adopting the 3R concept.
- Introduced 4 new raw materials towards high performance in CV brake lining formulations.
- CV disc brake pad was certified by NSF-USA meeting regulatory requirements of North America.
- 2 new grades in CV brake lining are in pipeline for IAM applications.
- Two new organic grades developed for high performance applications in two wheelers.
- Zonal railways - new disc pad grade developed for LHB having performance at par with benchmark & completed registration process.
- Mumbai Metro - new disc pad grade developed having performance at par with benchmark.
- Developed a new grade of brake block for the Sri Lankan Railways.

Capacity addition / Infrastructure

- FFT analyser added to R&D. This is for NVH related data measurement like natural frequency, damping ratio & Vibration Analysis, Real-time Octave Analysis & Noise Analysis of brake pad, brake lining, brake components like disc, drum etc., towards NVH solution.

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 2020-21)

| 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 | 2020-21 | 2019-20 |
|---------|--|---------|---------|
| A | Capital expenditure | 1.60 | 23.60 |
| B | Recurring expenditure | 15.02 | 16.22 |
| C | Total | 16.62 | 39.82 |
| D | Total R & D expenses as a percentage of total turnover | 3.82% | 8.27% |

C. Foreign Exchange Earnings and Outgo

(₹ in Crores)

| Foreign Exchange | 2020-21 | 2019-20 |
|------------------|---------|---------|
| Earnings | 23.01 | 23.61 |
| Outgo | 86.01 | 111.82 |

For and on behalf of the Board

Chennai
May 17, 2021

Harish Lakshman
Director
DIN: 00012602

Ganesh Lakshminarayan
Chairman
DIN: 00012583

Annexure E to the Report of the Board of Directors

CORPORATE GOVERNANCE REPORT

1. Philosophy on Code of Governance

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

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

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

2. Board of Directors

Composition, Attendance & Meetings

As on March 31, 2021 the Board consists of eight (8) 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 2020-21, was in conformity the Regulation 17 of SEBI LODR.

To the best of our knowledge and information furnished to the Board, total Directorships held by the Directors are within the limits prescribed under Section 165 of the Companies Act, 2013 (Act) read with Regulation 17A of SEBI LODR. None of the Independent 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 is 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 periodically notify the Company about change in their Directorship(s) / Committee position(s) as and when they take place.

During the FY 2020-21, the Board met five (5) times on June 17, 2020, August 05, 2020, October 15, 2020, February 01, 2021 and March 19, 2021 with requisite quorum present throughout the meetings. The Company facilitates the participation of the Directors in Board / Committee meetings through video conferencing or other audio-visual mode, on matters others than those restricted as per applicable laws in force. The names and categories of the Directors on the Board, their attendance at Board Meetings and Annual General Meeting held during the year, the number of Directorships and Committee member / Chairman position(s) held by them in other public Companies as on March 31, 2021 are given below:

| Name of the Director / (DIN) | Category | No. of Board Meetings attended | Attendance at the last AGM (August 05, 2020) | Number of Directorship in other public companies # | | Number of Committees Membership @ | |
|---------------------------------------|------------------------------------|--------------------------------|--|--|--------|-----------------------------------|--------|
| | | | | Chairperson | Member | Chairperson | Member |
| Mr. Ganesh Lakshminarayan (00012583) | Chairman, Non-Executive & Promoter | 5 | Yes | 3 | 6 | - | 5 |
| Mr. Anil Kumar Venkat Epur (00202454) | Non-Executive & Independent | 5 | Yes | - | - | - | - |
| Mr. Harish Lakshman (00012602) | Non-Executive & Promoter | 5 | Yes | 1 | 5 | - | 1 |

| Name of the Director / (DIN) | Category | No. of Board Meetings attended | Attendance at the last AGM (August 05, 2020) | Number of Directorship in other public companies # | | Number of Committees Membership @ | |
|--|-----------------------------|--------------------------------|--|--|--------|-----------------------------------|--------|
| | | | | Chairperson | Member | Chairperson | Member |
| Mr. Krishna Kumar Seshadri (00062582) | Non-Executive & Independent | 4 | Yes | - | 1 | - | 1 |
| Mr. Lakshman Lakshminarayan (00012554) | Non-Executive & Promoter | 5 | Yes | - | 4 | 3 | 5 |
| Mr. S Sandilya (00037542) | Non-Executive & Independent | 5 | Yes | 2 | 3 | 3 | 4 |
| Mr. Yasuji Ishii (08078748) | Non-Executive & Nominee | 3 | No | - | - | - | - |
| Dr. (Mrs.) Brinda Jagirdar (06979864) | Non-Executive & Independent | 2 | NA | - | 5 | - | 4 |

excludes Directorships held on the Boards of private Companies, Section 8 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. During the year, on attaining the age of retirement as per policy of the Company, Ms. Ranjana Kumar ceased to be Independent Director with effect from the conclusion of Board meeting held on October 15, 2020. Her attendance in Board / General meeting(s) held during the year are as follows:

| Name of the Director / (DIN) | Category | No. of Board meetings attended | Attendance at the last AGM (August 05, 2020) |
|------------------------------|-----------------------------|--------------------------------|--|
| Ms. Ranjana Kumar (02930881) | Non-Executive & Independent | 2 | No |

2. Dr. (Mrs.) Brinda Jagirdar was appointed as an Independent Director of the Company with effect from the conclusion of the Board Meeting held on October 15, 2020.
3. Mr. S Krishna Kumar on attaining the age of retirement as per policy of the Company ceased to be Independent Director with effect from May 01, 2021.

The details of other Directorship held by the Directors of this Company as on March 31, 2021 in other listed entities 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 |
| | EIH Limited | Non-Executive & Independent |
| | EIH Associated Hotels Limited | Non-Executive & Independent |
| | 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 |
| Mr. S Krishna Kumar* | Rane Engine Valve Limited | Non-Executive & Independent |

| | | |
|----------------------------|----------------------------|--|
| Mr. L Lakshman | Rane (Madras) Limited | Non-Executive & Promoter |
| | Rane Engine Valve Limited | Non-Executive & Promoter |
| | Rane Holdings Limited | Chairman Emeritus & Non-Executive & Promoter |
| | SRF Limited | Non-Executive & Independent |
| Dr. (Mrs.) Brinda Jagirdar | Rane Engine Valve Limited | Non-Executive & Independent |
| | IDFC First Bank Limited | Non-Executive & Independent |
| Mr. S Sandilya | Eicher Motors Limited | Chairman, Non-Executive & Independent |
| | Mastek Limited | Chairman, Non-Executive & Independent |
| | GMR Infrastructure Limited | Non-Executive & Independent |
| Mr. Yasuji Ishii | - | - |
| Mr. Anil Kumar Venkat Epur | - | - |

* retired as per the retirement policy of the Company with effect from May 01, 2021.

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

An annual calendar for the Board and its Committee meetings was circulated in advance to the Directors and they were provided with 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 BI 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.

Presentations on business and performance updates of the Company, global business environment and business strategy are made to the Board and the committee members. The details of familiarisation programme for the Independent Directors are disclosed in the website of the Company at the web-link at http://ranegroup.com/rbl_investors/familiarisation-programme-for-independent-directors/.

Skills, 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:

| Skills / Competence / Expertise | Remarks | Name of the Director |
|---------------------------------|--|---|
| Industry and Technology | Possessing industrial, technical and operational expertise and experience in automotive, ancillary and emerging technologies and associations with industrial bodies and professional network. | Mr. L Ganesh Mr. Anil Kumar Venkat Epur Mr. Harish Lakshman Mr. S Krishna Kumar* Mr. S Sandilya Mr. L Lakshman Mr. Yasuji Ishii |
| Business development | Experience in driving business success across various geographies, diverse business environment, economic conditions and its cultures and global market opportunities. | Mr. L Ganesh Mr. Anil Kumar Venkat Epur Mr. Harish Lakshman Mr. S Sandilya Mr. L Lakshman Mr. Yasuji Ishii |

| Skills / Competence / Expertise | Remarks | Name of the Director |
|---------------------------------|--|---|
| Governance | Having insight into maintaining effective Board and management relationship, protecting stakeholders' interest and observing appropriate governance practices. | Mr. L Ganesh Mr. Anil Kumar Venkat Epur Mr. Harish Lakshman Mr. S Sandilya Mr. S Krishna Kumar* Mr. L Lakshman Dr. (Mrs.) Brinda Jagirdar |
| Allied disciplines | Expertise or leadership experience in allied disciplines like finance, law, management, sales, marketing, administration, research, corporate governance, technical operations and human resource. | Mr. L Ganesh Mr. Anil Kumar Venkat Epur Mr. Harish Lakshman Mr. S Sandilya Mr. S Krishna Kumar* Mr. L Lakshman Dr. (Mrs.) Brinda Jagirdar |

* retired as per the retirement policy of the Company with effect from May 01, 2021.

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 June 17, 2020; August 5, 2020; October 15, 2020 and February 01, 2021 with requisite quorum was present throughout the meetings. The details of members and their attendance are as below:

| Name of the Director | Category | No. of meetings attended |
|----------------------------|---------------------------------------|--------------------------|
| Mr. S Sandilya | Chairman, Non-Executive & Independent | 4 |
| Mr. L Ganesh | Member, Non-Executive & Promoter | 4 |
| Mr. Anil Kumar Venkat Epur | Member, Non-Executive & Independent | 4 |
| Mr. S Krishna Kumar | Member, Non-Executive & Independent | 4 |
| Dr. (Mrs.) Brinda Jagirdar | Member, Non-Executive & Independent | NA |

Note:

- Dr. (Mrs.) Brinda Jagirdar was inducted as a member with effect from the conclusion of the Board Meeting held on March 19, 2021.
- Mr. S Krishna Kumar ceased to be a member of the Committee with effect from May 01, 2021.

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 Senior Vice President - Finance & Chief Financial Officer (CFO) of the Company attended the meetings by invitation. Based on the requirement, other Directors also attended the meetings by invitation. All the recommendations of the Audit Committee during the year, were considered, accepted and approved by the Board. The Chairman of the Audit Committee was present at the last AGM of the Company held on August 05, 2020.

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.

A brief of terms of reference of the Audit Committee inter-alia include the review of the following matters:

- Quarterly / Annual financial statements with statutory auditors and management before submission to the Board.
- Internal control systems, findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.

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

The Audit Committee reviews the quarterly unaudited / annual audited financial results of the Company. The unaudited results are subjected to limited review by the statutory auditors of the Company. The statutory auditors are eligible to issue limited review report as the audit firm has been subjected to peer review process of 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 listing agreement / SEBI LODR, the Audit Committee accords prior approval for all Related party transactions (RPTs), including any modifications thereto, as per the policy on Related Party Transactions. The audit committee annually grants omnibus approvals for transactions that are routine or repetitive in nature and which are proposed to be undertaken / entered in the ordinary course of business at arm's length basis. While according omnibus approvals, the Audit Committee takes into consideration the following factors viz., maximum value of the transactions, including value per transaction, extent and manner of disclosures made to the Audit Committee.

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

4. Nomination and Remuneration Committee (NRC)

Composition, Attendance and Meetings

The NRC is constituted in terms of Section 178 of the Companies Act, 2013 read with Regulation 19 of SEBI LODR. The Company Secretary acts as the Secretary to the Committee. The Committee met three (3) times during the year June 17, 2020; October 15, 2020 and February 01, 2021 with requisite quorum present throughout the meetings. The details of members and their attendance are as below:

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

Overall purpose and terms of reference

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

- To formulate criteria for determining qualifications, positive attributes and independence of director

for evaluation of performance of Independent Directors and the Board;

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

During the year, the NRC, inter alia:

- reviewed and recommended the revision in sitting fees payable to the Non-Executive Directors for the FY 2020-21.
- reviewed the compensation benefits of SMP and KMP of the Company.
- considered and recommended the appointment of Dr. (Mrs.) Brinda Jagirdar, as Independent Director.
- reviewed and recommended the process of Board evaluation, its committees and Directors.
- reviewed and recommended re-instating the sitting fees payable to the Non-Executive Directors for meetings after March 01, 2021.

Remuneration to Non-Executive Directors

In accordance with the said policy and approval accorded by the shareholders by way of a special resolution in terms of Section 197 of the Companies Act, 2013 and the Rules made thereunder at the 13th AGM held on July 24, 2018, Mr. L Ganesh, Chairman is entitled to receive commission not exceeding 2% of the net profits of the Company for a period of three financial years from April 01, 2018 to March 31, 2021, apart from receiving sitting fees.

In terms of Regulation 17(6)(ca) of SEBI LODR at the 15th AGM held on August 05, 2020, additional approval of shareholders was obtained for payment of annual remuneration in the nature of commission apart from sitting

fees to Mr. L Ganesh, Non-Executive Chairman, whose total annual remuneration exceeded fifty per cent (50%) of the total annual remuneration payable to all other Non-Executive Directors for the FY ended March 31, 2020. The approval under said regulations is being sought again at the ensuing 16th AGM in order to pay commission to him for FY 2020-21, exceeding fifty per cent of the total annual remuneration payable to all Non-Executive Directors.

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

Remuneration Policy

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

Sitting Fees

The Company has paid sitting fees to all Directors, apart from reimbursement of their actual travel and out-of-pocket expenses incurred by them, where applicable, for attending the meetings of the Board / Committee. The Company has not paid any other remuneration to Directors. The sitting fees payable per meeting of Board and its Committees are as hereunder:

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

In view of the general economic slowdown coupled with the uncertainties due to the COVID- 19 pandemic situation, the Board of Directors had initially decided to reduce sitting fees and subsequently decided not to pay sitting fees to all Non- Executive Directors. After considering the revival of industry and business prospects and restoration of full compensation of employees, the sitting fees was re-instated by the Board with effect from the month of March 2021.

Details of Remuneration paid to Directors

The details of remuneration including sitting fees paid to the Directors and their shareholding for the year ended March 31, 2021 are as follows:

| Name of the Director | Sitting Fees (in ₹) | Remuneration (in ₹) | Shares held as on March 31, 2021 |
|----------------------------|---------------------|---------------------|----------------------------------|
| Mr. L Ganesh | 85,000 | 93,01,377 | 100 |
| Mr. L Lakshman | 62,500 | - | 100 |
| Mr. Harish Lakshman | 60,000 | - | 100 |
| Mr. S Sandilya | 82,500 | - | - |
| Mr. Anil Kumar Venkat Epur | 85,000 | - | - |
| Ms. Ranjana Kumar | 20,000 | - | - |
| Mr. S Krishna Kumar | 77,500 | - | - |
| Mr. Yasuji Ishii | 40,000 | - | - |
| Dr. (Mrs.) Brinda Jagirdar | 40,000 | - | - |
| Total | 5,52,500 | 93,01,377 | 300 |

Note:

- Commission for the year 2020-21 payable to Mr. L Ganesh, Chairman is pursuant to the approval accorded by shareholders at their 13th AGM held on July 24, 2018 and is subject to additional annual approval in terms of Regulation 17(6)(ca) of SEBI LODR, explained in previous paragraphs of this report, proposed at the ensuing 16th AGM.
- Ms. Ranjana Kumar and Mr. S Krishna Kumar ceased to be Independent Directors with effect from the conclusion of the Board Meeting held on October 15, 2020 and May 01, 2021 respectively.
- No shares of the Company were pledged by the Directors and there is no stock option scheme prevailing in the Company.
- In view of the business uncertainties due to COVID-19 pandemic only 50% sitting fees was paid to directors for attending the Board and Committee meetings held in June 2020 and thereafter no sitting fee was paid. After the business resuming to near normalcy during the second half of FY 2020-21, from March 2021 meeting onwards, the full sitting fee was reinstated.
- 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 (SRC)

Composition & Attendance of 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 three (3) times during the year, i.e., August 05, 2020, October 15, 2020 and February 01, 2021 with requisite quorum present throughout 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 | 3 |
| Mr. L Ganesh | Member, Non-Executive & Promoter | 3 |
| Mr. Anil Kumar Venkat Epur | Member, Non-Executive & Independent | 3 |

Overall purpose and terms of reference

The terms of reference and roles of the SRC are 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.

The Chairman of the SRC was present at the last AGM of the Company held on August 05, 2020 to answer queries of the security holders. During the year there were no Investor complaints received / pending / unresolved at the end of the financial year 2020-21. The SRC at its meeting held on May 17, 2021 also reviewed

the Internal Audit report for the FY 2019-20 issued to RTA, in line with the SEBI's 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 are guided by 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 June 17, 2020 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 Lakshman | Chairman, Non-Executive & Promoter | 1 |
| Mr. L Ganesh | Member, Non-Executive & Promoter | 1 |
| Mr. Anil Kumar Venkat Epur | Member, Non-Executive & Independent | 1 |

Overall purpose and terms of reference

The Committee approves the annual CSR report, recommends the annual CSR expenditure budget and CSR activities undertaken for the financial year to the Board. The overall terms of reference of the Committee are as follows:

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

The report on CSR projects undertaken during the FY 2020-21 as approved by the CSR Committee in consultation with the Board is annexed to this report as 'Annexure C'.

7. Risk Management Committee (RMC)

SEBI vide its circular dated May 05, 2021 has amended Regulation 21 of SEBI LODR revising the threshold limit for constituting a Risk Management Committee, to top 1000 listed companies based on market capitalization as at the end of the immediate previous year. The Company falls in the top 1000 companies based on Market Capitalization as on March 31, 2021. The Board at its meeting held on May 17, 2021 has constituted Risk Management Committee and also approved the Risk Management Committee Charter which covers the roles and responsibilities of the Committee with effect from June 01, 2021. The Committee comprises of Mr. L Ganesh (Chairman), Mr. Harish Lakshman, Mr. S Sandilya and Mr. R Balakrishnan, Manager & President as its members.

Overall purpose and terms of reference

The purpose of the Risk Management Committee is to assist the Board in identifying the internal and external risk associated with the business.

The terms of reference of the Risk Management Committee are as per the regulation 21 of SEBI LODR. In line with these regulations, the Board has approved an Committee Charter. The roles and responsibilities of the Committee are described hereunder:

- To formulate a detailed risk management policy and review the policy once in two years.
- 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 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 RMC shall coordinate its activities with other committees, in instances where there is any overlap with activities of such committees, as per the framework laid down by the Board of Directors.
- Power to seek information from any employee, obtain outside legal or other professional advice and secure attendance of outsiders with relevant expertise, if it considers necessary.

8. Other Committees

Share Transfer Committee

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

In compliance with the directions of SEBI, vide notification dated November 30, 2018, towards prohibition of transfer of shares in physical form effective from April 01, 2019 the Company has taken initiatives to reach out to investors holding shares in physical form. There was no transfer of securities in physical form processed during the year except in cases of transmission (i.e. transfer of title of shares by way of inheritance / succession) and transposition (i.e. re arrangement / interchanging of the order of name of shareholders), if any.

Finance Committee

A Finance Committee comprising of three Non-Executive Directors Mr. L Ganesh, Mr. Harish Lakshman and Mr. L Lakshman as its members is authorised to approve borrowings as per the delegations made by the Board. The Company Secretary acts as Secretary of the Committee and no sitting fees is payable to the Committee members. During the year, no meeting was held.

Executive Committee

An Executive Committee comprising of Mr. L Lakshman, Mr. L Ganesh and Mr. Harish Lakshman as its members is authorized to carry out activities in connection with change in authorization to officials under various legislations, operation of bank accounts and other administrative matters between two consecutive

meetings of the Board. The Company Secretary acts as Secretary of the Committee and no sitting fees is payable to the Committee members. During the year, no meeting was held.

Buyback Committee

In order to carry out the Buyback procedural and operational requirements, the Committee comprising of three Non-Executive Promoter Directors viz., Mr. L Ganesh, Mr. L Lakshman and Mr. Harish Lakshman as its members is authorised to do all activities relating to Buyback as per the delegations made by the Board. The Company Secretary acts as Secretary of the Committee and no sitting fees is payable to the Committee members. During the year, six (6) meetings were held viz., October 16, 2020, November 04, 2020, December 04, 2020, January 05, 2021, February 03, 2021 and March 01, 2021.

9. Code of conduct

The Board of Directors has laid down a code of conduct, i.e. "Ethical Standards of Behaviour - RANE COMPASS" for all Board members and employees of the Company in furtherance of its emphasis towards good Corporate Governance practices. The same has been posted on the website of the Company, viz., https://ranegroup.com/rbl_investors/code-of-conduct/. The Board members and SMP have affirmed their compliance with the code of conduct. Declaration from the Manager of the Company to this effect forms part of this report.

Prevention of Insider Trading

The Board of Directors have formulated "Rane Code to regulate, monitor and report trading by insiders" and "Rane Code of practices and procedures for fair disclosure of unpublished price sensitive information" in accordance with SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time, to prevent misuse of any unpublished price sensitive information and prohibit insider trading activity. The code of fair disclosure practices and procedures for unpublished price sensitive information is available at http://ranegroup.com/rbl_investors/code-of-fair-disclosure/.

10. General Body Meetings

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

| Date of AGM | Special resolutions passed | Time | Venue / Mode |
|---|--|-----------|---|
| August 05, 2020 (15 th AGM) | 1. Approval of appointment and remuneration of Mr. R Balakrishnan as Manager 2. Approval under Regulation 17(6)(ca) of SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015, the remuneration payable to Mr. L Ganesh (DIN:00012583), Chairman (Non- Executive Director) exceeding fifty percent of the total annual remuneration payable to all the Non- Executive Directors | 15:00 hrs | Video Conferencing / Other Audio Visual Means (VC / OAVM) |
| July 25, 2019 (14 th AGM) | 1. Approval under Regulation 17(6)(ca) of SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015, the remuneration payable to Mr. L Ganesh (DIN:00012583), Chairman (Non- Executive Director) exceeding fifty percent of the total annual remuneration payable to all the Non- Executive Directors | 10:15 hrs | The Music Academy (Mini Hall), New No. 168, TTK Road, Royapettah, Chennai - 600 014 |
| July 24, 2018 (13 th AGM) | 1. Re-appointment of Ms. Ranjana Kumar (DIN: 02930881) as an Independent Director for a second term. 2. Re-appointment of Mr. Vinay Lakshman (DIN:07295820) as Managing Director and fix his remuneration thereof. | 10:30 hrs | |

No resolution was passed either through postal ballot or Extra-Ordinary General Meeting during the financial year 2020-21.

11. Other disclosures

- i. During the year, the Company had not entered into any transaction of material nature with any of the promoters, Directors, management or relatives etc. The transactions entered with related parties during the year were in the ordinary course at arms' length and not in conflict with the interest of the Company. All routine and periodic transactions with related parties were covered in the omnibus approval of the Audit Committee. The details of the related party transactions including those with persons / entities belonging to promoter / promoter group as per Ind AS are stated in Note 32 of the financial statements. The policy on related party transaction is available on the website of the Company at http://ranegroup.com/rbl_investors/policy-on-related-party-transactions/.
- ii. There was no instance of non-compliance by the Company on any matters relating to the capital markets; nor was there any penalty / strictures imposed by the stock exchanges or SEBI or any other statutory authority on such matters during the last three years.
- iii. There are no pecuniary relationships or transactions of Non-Executive Directors vis-à-vis the Company which has potential conflict with the interests of the Company.
- iv. The Company has in place a mechanism to inform the Board members about the Risk assessment and mitigation plans and periodical reviews to ensure that the critical risks are controlled by the executive management.
- v. The Company has complied with the following non-mandatory requirements prescribed under Part - E of Schedule II, Chapter IV of the SEBI LODR.
 - a. maintains an office for Mr. L Ganesh, Chairman (Non-Executive Director) at the Registered Office of the Company and allows re-imbursment of expenses incurred in performance of his duties.
 - b. dissemination to the stakeholders financial performance and summary of significant events through earnings / conference calls with investors on quarterly basis.
 - c. adopted best practices to ensure a regime of financial results / statement with unmodified audit opinion.
 - d. internal auditor directly reporting to the Audit Committee.
- vi. In order to comply with all laws governing the operations and conduct of affairs of the Company in accordance with

the highest ethical and legal standards, the Company has adopted a Statutory Compliance Kit (STACK). STACK is a structured process providing comprehensive reference framework to facilitate education to dealing personnel, execution, escalation and regular reviews to strengthen compliance management. The STACK is electronically integrated through an online platform (e-STACK) to improve the compliance management system and its efficiency. The master lists of statutory requirements are effectively complied through practice of Daily Routine Management (DRM) and Vital Activity Monitoring (VAM) charts. Reports relating to the compliance with various laws applicable to the Company are regularly reviewed and the vital issues are presented to the Audit Committee and the Board.

- vii. The Company does not have any material listed / unlisted subsidiary Companies as defined in Regulation 24 of the SEBI LODR. Hence, the Company is not required to frame a policy for determining material subsidiary.
- viii. The Company has obtained a certificate from a Company Secretary in Practice that none of the 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 (i)' 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 Regulations 16 and 25 of SEBI LODR and other provisions of the Act and SEBI LODR, as amended from time to time and that they are not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact his / her ability to discharge duties with an objective independent judgment and without any external influence.
- x. In terms of regulation 25 of SEBI LODR the Company has in place policy for Directors and Officers insurance ('D & O insurance') covering all the Independent Directors, of such quantum and for such risks which commensurate to the operations of the Company and in line with the industry standards.
- xi. The disclosure in relation to Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 is available in the Directors' Report.
- xii. The Manager and CFO of the Company have certified to the Board on the integrity of the financial results / statements, effectiveness of internal controls and significant changes in internal control / accounting policies during the year as required under Regulation 17(8) of the SEBI LODR and Companies Act, 2013.

- xiii. The Company has complied with all mandatory requirements specified in Regulation 17 to 27 and Regulation 46(2)(b) to (i) of SEBI LODR.
- xiv. The Board has accepted / considered all the recommendation(s) made by Committee(s) to the Board in the relevant financial year under review.
- xv. The total fees for all services paid by the listed entity, to the Statutory Auditor are given as under:

| Particulars | ₹ in Crores | |
|---|-------------|-------------|
| | FY 2020-21 | FY 2019-20 |
| Varma & Varma, Chartered Accountants | 0.19 | 0.19 |
| Net Work entities and firms of Varma & Varma (if any) | - | - |
| Total | 0.19 | 0.19 |

- xvi. During the year, the Company has not raised any funds through preferential allotment or qualified institutions placement and hence, the disclosure on utilization of funds is not applicable.
- xvii. The Board of Directors at their meeting held on May 17, 2021 has formulated a Dividend Distribution Policy and the same is available on the website of the Company weblink: https://ranegroup.com/rbl_investors/dividend-distribution-policy/.
- xviii. The Company on a periodical basis reviews various policies framed under the Companies Act, 2013 and SEBI LODR and such other statutes, as applicable and amends them based on the requirement to ensure conformity with relevant regulatory changes and industry practices.

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

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

13. Whistle blower mechanism

The Company has a whistle blower policy, which provides the vigil mechanism for reporting with reliable information on any improper or unethical practices or actions which are violative (actual or potential) of the code of the Company by any employee or others dealing with the Company. During the year under review, the working of the policy was reviewed and approval of the board was secured to amend certain provisions to strengthen and align the internal mechanism for dealing with any reliable information under this policy. It also addresses the protection to 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. During the year under review the Board of Directors amended certain provisions to strengthen the policy on procedural matters especially those governing the anonymous disclosures, committees, ombudsperson and timelines for detailed enquiry. No person has been denied access to the ombudsperson / Audit Committee. During the year under review, there were no complaints received or pending for resolution through mechanism. The whistle blower policy has also been posted in the Company's website at http://ranegroup.com/rbl_investors/whistle-blower-policy/.

14. Means of communication

The quarterly / annual financial results were published in "Business Standard" (English) and "Dinamani" (Tamil). The financial results, shareholding pattern and other requirements under Regulation 17 to 27 and 46(2)(b) to (i), of SEBI LODR, wherever applicable, were uploaded in the websites of the Stock Exchanges and the Company at

www.ranegroup.com. During the year, press release and presentations that were made to analysts / institutional investors and they were made available in the website of the Company.

The Company has not printed physical copies of annual report for distribution in view of exemption available vide circular(s) dated September 28, 2020, May 05, 2020, April 13, 2020 and April 08, 2020 issued by the Ministry of Corporate Affairs ("MCA") (collectively referred to as "MCA Circulars") and read with circular no. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 issued by Securities Exchange Board of India ("SEBI") (collectively referred to as "SEBI Circulars"). 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 15th AGM were sent to all the members whose e-mail addresses were registered with the Company or their respective Depository Participants (DP).

15. General Shareholder Information

i. Information about Directors seeking appointment / re-appointment in this ensuing 16th Annual General Meeting in compliance with Regulation 36(3) of SEBI LODR and Secretarial Standard on General Meetings (SS-2)

| | | |
|--|---|---|
| Name of the Director | Mr. Yasuji Ishii | Dr. (Mrs.) Brinda Jagirdar |
| Father's Name | Mr. Kiyoshi Ishii | Mr. Subramanian Ramachandran |
| Director Identification Number (DIN) | 08078748 | 06979864 |
| Age (in years) | 56 | 68 |
| Date of Birth | December 25, 1964 | March 01, 1953 |
| Educational Qualifications | Bachelor of Engineering, Saitama University, Japan | Ph.D. Economics - University of Mumbai, M.S(Economics)- University of California at Davis, U.S.A., M.A. (Economics) - Gokhale Institute, Pune. |
| Experience | Mr. Yasuji Ishii has over 33 years of industrial experience. He presently holds various leadership positions in NISH Group viz., President of Nisshinbho Brake Inc. and Chairman of TMD Friction Group S.A. | An Independent Consulting Economist with specialization in areas relating to Indian Economy and Financial Intermediation. Currently consults with Financial Institutions, Banks and Corporates interested in India and is visiting faculty at many prominent Institutions. Retired as General Manager and Chief Economist, State Bank of India. |
| Date of first appointment on the Board | April 13, 2018 | October 15, 2020 |
| Terms and Conditions of appointment | Re-appointment as a Non - Executive Director, liable to retire by rotation. | Appointment as Independent Director. |
| Last drawn remuneration | Sitting fee for FY 2020-21 - ₹40,000/- | Sitting fee for FY 2020-21 - ₹40,000/- |

| Name of the Director | Mr. Yasuji Ishii | Dr. (Mrs.) Brinda Jagirdar |
|--|---|---|
| Remuneration sought to be paid | No approval sought for remuneration. Continues to be entitled to sitting fee for attending meetings of the Board and Committees of which he is a member. | No approval is being sought for payment of remuneration. Eligible for sitting fee for attending meetings of the Board and Committees of which she is a member. |
| Relationship with other Directors / Manager / KMP | NA | NA |
| Other Directorships | Director Nisshinbo Automotive Manufacturing Inc., USA TMD Friction Group S.A, Luxembourg Nisshinbo Brake Inc., Japan Nisshinbo Saeron Changshu Automotive Co. Limited., China Nisshinbo Somboon Automotive Co. Limited., Thailand Nisshinbo Holdings Inc., Japan Saeron Automotive Corporation, Korea | Director: IDFC First Bank Limited Rane Engine Valve Limited SBI DFHI Limited Multi Commodity Exchange Clearance Corporation Limited Safex Chemicals (India) Limited |
| Committee Memberships in other Boards | Nil | Member: Audit : Rane Engine Valve Limited Multi Commodity Exchange Clearing Corporation Limited SBI DFHI Limited Stakeholders Relationship (SRC): IDFC First Bank Limited Nomination & Remuneration (NRC): IDFC First Bank Limited Corporate Social Responsibility (CSR): IDFC First Bank Limited Risk Management: IDFC First Bank Limited SBI DFHI Limited Chairperson: NRC - Multi Commodity Exchange Clearing Corporation Limited CSR - Multi Commodity Exchange Clearing Corporation Limited |
| Number of meetings of the Board attended during the year | 3 | 2 |
| Number of equity shares held (including joint holdings)* | Nil | Nil |

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

ii. Annual General Meeting

(Monday), July 26, 2021 at 15:00 hrs (IST) through Video Conferencing ("VC")/ Other Audio Visual Means ("OAVM")

iii. Financial Year: April 01, 2021 - March 31, 2022

Financial Calendar:

| Board meeting for approval of | Tentative schedule |
|---|--------------------------------|
| Audited Annual financial results and financial statements for the year ended March 31, 2021 | May 17, 2021 |
| Un-audited financial results for the 1 st quarter ending June 30, 2021 | By fourth week of July 2021 |
| Un-audited financial results for the 2 nd quarter ending September 30, 2021 | By fourth week of October 2021 |
| Un-audited financial results for the 3 rd quarter ending December 31, 2021 | By fourth week of January 2022 |

iv. Dividend

The Board of Directors of the Company at their meeting held on May 17, 2021 have considered and recommended a dividend of 250% (₹25/- per share) on the equity share capital for approval of the shareholders at the ensuing 16th AGM to be held on July 26, 2021. The dividend, if declared, would be paid for those eligible shareholders whose name appeared in the register of members of the Company as on July 19, 2021 (being the Record Date) fixed for this purpose.

v. Listing on Stock Exchanges

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

Listing Fee

The shares of the Company are listed on NSE & BSE, which provide nationwide access to trade and deal in Company's equity shares across the country. The Company has duly paid the Annual Listing fee for the financial year 2021-22 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 2020-21.

vi. Unpaid / Unclaimed Dividends

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

During the year, the Company had transferred to IEPF unclaimed final dividend of ₹80,836/- for the financial year ended March 31, 2013 on September 04, 2020. 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 [#] (in ₹) | Amount outstanding in Unclaimed Dividend Account (as on 31.03.2021) (in ₹) [^] | Last Date for claiming unpaid dividend | Due date for transfer to IEPF |
|-------------|---------------------|--|---|--|-------------------------------|
| 31.03.2014 | 22.07.2014 | 7.50 | 2,99,197.50 | 27.08.2021 | 26.09.2021 |
| 31.03.2015 | 20.07.2015 | 7.00 | 2,67,330.00 | 26.08.2022 | 25.09.2022 |
| 31.03.2016* | 10.03.2016 | 10.00 | 3,79,330.00 | 16.04.2023 | 16.05.2023 |
| 31.03.2017* | 20.01.2017 | 6.00 | 2,91,132.00 | 26.02.2024 | 27.03.2024 |
| 31.03.2017 | 23.08.2017 | 9.00 | 3,76,173.00 | 28.09.2024 | 28.10.2024 |
| 31.03.2018* | 29.01.2018 | 6.50 | 2,03,040.50 | 06.03.2025 | 04.04.2025 |
| 31.03.2018 | 24.07.2018 | 9.00 | 2,32,533.00 | 30.08.2025 | 29.09.2025 |
| 31.03.2019* | 18.01.2019 | 6.50 | 1,57,092.00 | 05.03.2026 | 04.04.2026 |
| 31.03.2019 | 25.07.2019 | 9.00 | 3,08,430.00 | 30.08.2026 | 29.09.2026 |
| 31.03.2020* | 23.01.2020 | 6.00 | 1,47,714.00 | 28.02.2027 | 30.03.2027 |
| 31.03.2020 | 05.08.2020 | 11.00 | 2,63,858.00 | 11.09.2027 | 10.10.2027 |

[#] share of paid-up value of ₹10/- per share

* interim dividend

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

During the year, the Company had filed with Registrar of Companies, the details of all unpaid and unclaimed amounts as on March 31, 2020 in accordance with The Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016. The above details were also uploaded on the website of the Company at www.ranegroup.com.

vii. **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 financial year the Company has transferred to IEPF the following:

| Year from which dividend has remained unclaimed / unpaid for seven consecutive years | No. of shares |
|--|---------------|
| 2012-13 (Final) | 1,114 |
| 2012-13 (Interim) | 661 |

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

No claim shall lie against the Company in respect of any dividend or shares transferred to the IEPF Authority. However, the shareholders may claim their shares / dividend by filing the electronic request for the same by following the procedure prescribed on the website of IEPF at www.iepf.gov.in. The shares relating to unclaimed

Dividend for FY 2013-14(Final) are liable to be transferred to IEPF Authority during the current FY 2021-22. In this regard, the Company shall intimate / publish notice in newspapers and requisite details would be made available on the Investors section of the Company's website at www.ranegroup.com. The concerned shareholders are requested to claim their shares before the due dates of transfer of shares to the IEPF, specified therein newspapers and Company website.

viii. **Unclaimed share suspense**

In accordance with Regulation 39 of SEBI LODR read with Schedule F of Listing Regulations, 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 | 23 | 2,769 |
| Requests for transfer during the year | 2 | 600 |
| Transfers during the year | 2 | 600 |
| Balance at the end of the year | 21 | 2,169 |

ix. **Share Price Data**

The equity shares of the Company are listed and admitted to dealings on two nationwide stock exchanges viz. National Stock Exchange of India (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 01, 2020 - March 31, 2021 is given below:

| Month | BSE | | BSE Sensex | | NSE | | NSE Nifty | |
|----------------|---------------------|--------|------------|-----------|---------------------|--------|-----------|-----------|
| | Share Prices (in ₹) | | | | Share Prices (in ₹) | | | |
| | High | Low | High | Low | High | Low | High | Low |
| April 2020 | 534.35 | 331.00 | 33,887.25 | 27,500.79 | 479.90 | 345.00 | 9,889.05 | 8,055.80 |
| May 2020 | 467.90 | 402.25 | 32,845.48 | 29,968.45 | 465.00 | 400.30 | 9,598.85 | 8,806.75 |
| June 2020 | 635.00 | 440.60 | 35,706.55 | 32,348.10 | 634.30 | 443.35 | 10,553.15 | 9,544.35 |
| July 2020 | 605.00 | 514.35 | 38,617.03 | 34,927.20 | 604.80 | 517.00 | 11,341.40 | 10,299.60 |
| August 2020 | 669.70 | 514.00 | 40,010.17 | 36,911.23 | 669.70 | 512.25 | 11,794.25 | 10,882.25 |
| September 2020 | 624.35 | 522.90 | 39,359.51 | 36,495.98 | 625.00 | 521.05 | 11,618.10 | 10,790.20 |
| October 2020 | 715.45 | 527.60 | 41,048.05 | 38,410.20 | 714.00 | 541.00 | 12,025.45 | 11,347.05 |
| November 2020 | 711.00 | 623.00 | 44,825.37 | 39,334.92 | 710.00 | 650.00 | 13,145.85 | 11,557.40 |
| December 2020 | 805.55 | 681.10 | 47,896.97 | 44,118.10 | 805.00 | 681.35 | 14,024.85 | 12,962.80 |
| January 2021 | 820.10 | 768.00 | 50,184.01 | 46,160.46 | 820.00 | 772.05 | 14,753.55 | 13,596.75 |
| February 2021 | 905.30 | 752.85 | 52,516.76 | 46,433.65 | 909.00 | 752.00 | 15,431.75 | 13,661.75 |
| March 2021 | 956.50 | 752.00 | 51,821.84 | 48,236.35 | 954.80 | 763.65 | 15,336.30 | 14,264.40 |

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

x. Registrar and Transfer Agent

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

Integrated Registry Management Services Private Limited

SEBI Registration No. INR000000544
 II Floor, 'Kences Towers', No.1, Ramakrishna Street,
 North Usman Road, T. Nagar, Chennai - 600 017
 Phone: 28140801 - 03, Fax: 28142479, 28143378.
 e-mail ID: corpserv@integratedindia.in
 Website: www.integratedindia.in
 Name of the contact person: Mr. K. Suresh Babu,
 Director

xi. Share Transfer System & Share Capital Audit

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

A reconciliation of share capital audit in terms of regulation 76 of SEBI (Depositories and Participants) Regulations, 2018 is taken up on a quarterly basis and the report of the PCS is filed with the stock exchanges. The report of the PCS covers whether the total listed capital of the Company is in agreement with the total number of shares in physical and dematerialized form and differences if any, between the issued and the listed capital of the Company.

xii. Distribution of shareholding as on March 31, 2021

| No. of shares held | Shareholders | | Shares | |
|--------------------|---------------|---------------|------------------|---------------|
| | Number | % to total | Number | % to total |
| Upto 500 | 12,561 | 97.11 | 6,31,463 | 8.14 |
| 501 - 1000 | 177 | 1.37 | 1,33,828 | 1.72 |
| 1001 - 2000 | 83 | 0.64 | 1,24,981 | 1.61 |
| 2001 - 3000 | 37 | 0.29 | 92,380 | 1.19 |
| 3001 - 4000 | 19 | 0.15 | 68,797 | 0.89 |
| 4001 - 5000 | 12 | 0.09 | 55,500 | 0.72 |
| 5001 - 10000 | 21 | 0.16 | 1,50,396 | 1.94 |
| 10001 & above | 25 | 0.19 | 65,02,770 | 83.80 |
| Total | 12,935 | 100.00 | 77,60,115 | 100.00 |

xiii. Shares**Dematerialization**

The Company has entered into the necessary agreements with National Securities Depository Limited and Central Depositories Services (India) Limited for dematerialisation of the shares held by investors. As of March 31, 2021, about 98.87% of the shareholdings have been dematerialised. The promoter and promoter group hold their entire shareholding only in dematerialised form. A comparative chart of physical and demat holdings for the current and previous financial year is given below:

| Particulars | Number of shares - As on | | % to total capital - As on | |
|--------------|--------------------------|------------------|----------------------------|----------------|
| | March 31, 2021 | March 31, 2020 | March 31, 2021 | March 31, 2020 |
| Demat | 76,72,257 | 78,11,513 | 98.87 | 98.69 |
| Physical | 87,858 | 1,03,467 | 1.13 | 1.31 |
| Total | 77,60,115 | 79,14,980 | 100.00 | 100.00 |

A reconciliation of share capital audited by Practising Company Secretary is furnished every quarter to the stock exchanges, where the shares of the Company are listed.

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

Demat ISIN: INE244J01017

During the year, the Company has not issued any equity share with differential voting rights or granted stock options or sweat equity shares or any convertible instruments.

As on March 31, 2021 the Company had bought back 1,62,621 Equity Shares through stock exchange mechanism and extinguished 1,54,865 shares. Accordingly, the paid up capital in the books of account of the Company stands reduced from ₹7,91,49,800/- to ₹7,76,01,150/- (i.e 77,60,115 equity shares of ₹10/- each fully paid up). Subsequently, on April 26, 2021 the Buyback was closed upon completion of 6 months period from the date of opening. The Company brought back 185,109 equity shares since opening of buyback on October 27, 2020. The paid up capital stands reduced to ₹7,72,98,710/- post completion of buy back.

Transfer of shares in demat mode only

As per SEBI norms, with effect from April 01, 2019, only transmission or transposition requests for transfer of securities shall be processed in physical form. All other transfers shall be processed in dematerialised form only.

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

xv. Credit Rating

The details of credit ratings, including revisions, if any, assigned to the debt instruments / total bank loan facilities of the company during the year ended March 31, 2021 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 | 22-02-2021 |
| | Short term | 44.50 | A1+ | - | | |

xvi. Address for communication:

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

OR

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

Annexure (i)

CERTIFICATE FROM COMPANY SECRETARY IN PRACTICE

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

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

We hereby certify that, in our opinion, none of the Directors on the Board of **Rane Brake Lining Limited** ("the Company") as on **March 31, 2021**, as listed below, have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India (SEBI) or the Ministry of Corporate Affairs, Government of India (MCA):

| Sl. No. | Name of the Director | Nature of Directorship | Director Identification Number (DIN) |
|---------|-------------------------|-----------------------------------|--------------------------------------|
| 1. | Lakshman Lakshminarayan | Non-Executive, Promoter | 00012554 |
| 2. | Ganesh Lakshminarayan | Chairman, Non-Executive, Promoter | 00012583 |
| 3. | Harish Lakshman | Non-Executive, Promoter | 00012602 |
| 4. | Srinivasan Sandilya | Non-Executive, Independent | 00037542 |
| 5. | Krishna Kumar Seshadri | Non-Executive, Independent | 00062582 |
| 6. | Anil Kumar Venkat Epur | Non-Executive, Independent | 00202454 |
| 7. | Yasuji Ishii | Non-Executive, Non-Independent | 08078748 |
| 8. | Brinda Jagirdar | Non-Executive, Independent | 06979864 |

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

- Our verification of the information relating to the Directors available in the official website of Ministry of Corporate Affairs; and
- Our verification of the disclosures / declarations / confirmations provided by the Directors to the Company and other relevant information, explanation and representations provided by the Company, its officers and agents.

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

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

Sharanya Sriram
Partner

Place: Chennai
Date: May 17, 2021

Membership No.: F10252
Certificate of Practice No.: 12731
UDIN: F010252C000336732

Annexure (ii)

To
The Members,
Rane Brake Lining Limited

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

I, hereby declare that to the best of my knowledge and information, all the Board members and Senior Management Personnel have affirmed compliance with 'Ethical Standards of Behaviour - RANE COMPASS', the code of conduct, for the year ended March 31, 2021.

Chennai
May 17, 2021

R Balakrishnan
Manager

Annexure (iii)

INDEPENDENT AUDITOR'S CERTIFICATE

To
The Members
Rane Brake Lining Limited

1. We, Varma and Varma, Chartered Accountants, the Statutory Auditors of Rane Brake Lining Limited ('the Company'), have examined the compliance of the conditions of Corporate Governance by the Company for the year ended March 31, 2021 as stipulated in Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') as referred in Regulation 15(2) of the Listing Regulations.

Management's Responsibility

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

Auditor's Responsibility

3. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the company for ensuring the compliance with the conditions of the corporate governance. It is neither an audit nor an expression of opinion on the financial statements of the company.
4. We have examined the books of account and other relevant records and documents maintained by the company for the purpose of providing reasonable assurance on the compliance with the corporate governance requirements by the company.
5. We conducted our examination of the relevant records of the company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of Chartered Accountants of India (the ICAI), the standards on auditing specified under section 143(10) of the Companies Act, 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

7. Based on our examination of relevant records and according to the explanations given to us and based on our reliance upon the representations made by the Directors and the Management, we certify that the Company has complied in all material respects with the conditions of Corporate Governance as stipulated in the above mentioned Listing Regulations during the year ended March 31, 2021.
8. We further state that such compliance is neither an assurance as to future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For Varma & Varma
Chartered Accountants
FRN. 004532S

Georgy Mathew
Partner

M No.: 209645

UDIN: 21209645AAAAFC7290

Place: Bengaluru
Date: May 17, 2021

Annexure F to the Report of the Board of Directors

BUSINESS RESPONSIBILITY REPORT

Pursuant to Regulation 34 of SEBI LODR, 2015

Section A: General information about the Company

| | |
|---|---|
| 1. Corporate Identity Number (CIN) of the Company: | L63011TN2004PLC054948 |
| 2. Name of the Company: | Rane Brake Lining Limited (RBL) |
| 3. Registered address: | "Maithri", No.132, Cathedral Road, Chennai - 600 086 Phone: 044 - 2811 2472 |
| 4. Website: | www.ranegroup.com |
| 5. E-mail ID: | investorservices@ranegroup.com |
| 6. Financial Year reported: | FY 2020-21 |
| 7. Sector(s) that the Company is engaged in (industrial activity code-wise): | Components for the Transportation Industry Friction Materials NIC Code : C-29-301 |
| 8. List three key products / services that the Company manufactures / provides (as in balance sheet): | 1) Brake Lining 2) Disc Pad 3) Other Automotive Parts |
| 9. Total number of locations where business activity is undertaken by the Company: | The total number of locations where business activities undertaken by the Company - 11 nos |
| a) Number of International Locations (Provide details of major 5) | a) International locations - NIL nos. |
| b) Number of National Locations | b) National locations - 11 nos. Plants: Chennai / Hyderabad / Puducherry / Trichy Depots: Secunderabad, Delhi, Jalandhar, Jaipur, Pune, Howrah & Coimbatore |
| 10. Markets served by the Company - Local / State / National / International | All |

Section B: Financial details of the Company

- Paid-up Capital: ₹7,76,01,150/-
- Total Turnover: ₹423,39,00,506/-
- Total profit after taxes: ₹31,80,18,623/-
- Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%): 3.21%
- List of activities in which expenditure in 4 above has been incurred:

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

Section C: Other details

- Does the Company have any Subsidiary Company / Companies?

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

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

Not applicable

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

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

Section D: BR information

- Details of Director / Directors responsible for BR

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

| DIN | Name | Designation |
|----------|---------------------------|-------------|
| 00012583 | Mr. Ganesh Lakshminarayan | Chairman |

b) Details of the BR head:

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

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

a) Details of compliance (Y/N)

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

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

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

3. Governance related to BR

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

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

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

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

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

During the FY 2020-21, the Company has received NIL complaints from investors. The Stakeholders Relationship Committee (SRC) oversees the complaints and their resolution. There are no investor complaints pending unresolved at the end of the FY 2020-21.

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

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

The Company incorporates innovative designs for its products with an imperative to protect the environment, conserve natural resources for achieving sustainable economic growth. These high value designs are developed to enable environmentally friendly material.

Elimination of hazardous raw material use

- 5% Cu pads for CV disc brake application & certified by NSF- USA meeting regulatory requirements of North America.
- Introduced 4 new raw materials towards high performance in CV brake lining formulations.

Section E: Principle wise performance

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

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

Yes. The Code of Conduct (Rane Compass) covers all employees of RBL and other Rane Group Companies. Every Company within the Rane Group, viz., all subsidiaries and joint ventures at all locations, every employee of the Company including its Directors come within the scope of the COMPASS.

- Copper free NAO grades under development for PV & SUV segment.
- Eco friendly material ECOMET introduced in Two wheeler Disc pad Grade.
- Less than 5% copper related grades under development towards Low steel for PC segment and NAO pad development.
- New grades under development considering more focus on 4R principle.
- Specific initiatives like ground dust being shared to Cement industries for their input material.

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

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

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

| Sl. No. | Resource type | No. of Projects completed | | Savings (Kwh / KL/ Tons) | |
|---------|---------------|---------------------------|---------|--------------------------|----------|
| | | 2020-21 | 2019-20 | 2020-21 | 2019-20 |
| 1 | Energy (Kwh) | 71 | 71 | 5,85,708 | 7,05,441 |
| 2 | Water (KL) | 6 | 4 | 508 | 379 |

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

Resource conservation & environment friendly products:

- New process technology successfully developed for enhanced profitability in both PV & CV segments adopting the 3R concept.
- New NVH free low steel grade developed for SUV application.
- Successfully upgraded existing CV brake lining product for enhanced durability.
- New high life PV grade introduced for AM after extensive trials and validation.
- Two new organic grades developed for high performance applications in two wheelers.
- New grades developed for Metro Rail applications having performance at par with benchmark.

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

The Company's supplier selection, assessment and evaluation process includes elements of sustainability. This includes initial supplier surveys, continuous risk

- Strategic initiatives towards Raw Material Localisation.
- Enhanced renewable energy utilisation.
- In-house Solar plant.
- Reusable packing material.
- 3PL initiatives towards reduced carbon footprints.
- Digital reviews / Work from Home / Sharing of digital documents - reduced travel, paper consumption etc resultant preserving scarce resources and elimination of carbon footprints.
- Biodegradable covers for bag moulding process.

Cycle Time Reduction Projects

Developed new grades adopting new process technology - internal evaluations completed, validation under actual field conditions are in progress.

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

Summary report as per sustainability report given below:

assessments and audits. Also, there is communication to suppliers on the Company's sustainability requirements. The Company has an environment policy and safety policy in place. The Company encourages the vendors to ensure compliance with these policies. It covers various issues like health of workers and safety measures.

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

The Company being Tier-2, has a major base of vendors who seek support in such matters. The steps taken to improve the capability and capacity of local vendors include:

- Continued the concept of imparting training and supporting the suppliers through RaSE (Rane Supplier Excellence Program) for developing Quality Management Systems, improving the product quality, reduction of wastages and sustainable development.
- Taken up specific projects at Supplier end to enhance their capability and productivity.
- Specific initiatives during COVID-19 pandemic - how to protect the health of employees, preserve scarce resources and ensuring supplies by complying MHA norms.

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

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

- Enhancing usage of reusable environmental friendly plastic crates in place of wooden pallets.
- Recycled paper usage.
- STP / ETP - Zero discharge by using the water for gardening.
- 4R norms - Process waste being shared with other Cement industries where the same is used as an input material.

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

1. Total number of employees: **1,868**
2. Total number of employees hired on temporary / contractual / casual basis: **1,050**
3. Number of permanent women employees: **32**
4. Number of permanent employees with disabilities: **NIL**
5. Do you have an employee association that is recognized by management: **Yes**
6. What percentage of your permanent employees is members of this recognized employee association? - **Not applicable**
7. Please indicate the number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.

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

8. What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?
 - a) Permanent Employees - **100%**
 - b) Permanent Women Employees - **100%**

- c) Casual / Temporary / Contractual Employees - **100%**
- d) Employees with Disabilities - **NA**

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

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

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

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

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

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

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

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

During the FY 2020-21, the Company has not received any complaints under the vigil mechanisms of the Company reporting with reliable information on any improper or unethical practices or actions which are violative (actual or potential) of the code of the Company by any employee or others dealing with the Company. The Company has no instances / complaints of reporting under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

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

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

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

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

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

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

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

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

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

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

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

- Enhanced usage of renewable energy - 1.2 MW in-house solar plant operational for full year.
- Additional sources for renewable energy in pipeline.

- Continued to have energy saving initiatives like extensive usage of VFDs in machineries and LED lamps helped in reduction of energy consumption significantly.
- Horizontal deployment of conversion of air-conditioned environment from water based cooling system to direct cooling system implemented to improve efficiency of refrigeration system.
- Thyristor controllers in place of contactors for baking ovens.
- Carton box as packing material has been replaced with Returnable plastic crates. Reduces use of carton boxes significantly.
- Innovative product concept of converting standard centrifugal fans with customized Axial fans to improve the efficiency of Air Handling Units (AHU).

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

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

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

The Company has not received any show cause / legal notices from CPCB / SPCB as at the end of the Financial Year.

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

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

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

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

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

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

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

Yes. The Company primarily channelizes its CSR initiatives through Rane Foundation. The Company has contributed to the establishment of Rane Polytechnic at Trichy through the Rane Foundation. The institution offers quality technical education and sustainable development to the rural youth. Rane Foundation has also established a school, Rane Vidyalaya at Trichy. The school aims to provide a conducive learning environment to children and will develop qualified teachers and staff. For further details, please refer to the annual report on CSR activities forming part of this annual report.

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

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

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

No formal impact assessment was carried out. However, the Company has financially supported various CSR initiatives of Rane Foundation including establishment of Rane Vidyalaya (School project). The Rane Polytechnic, established at Trichy in the year 2011 under the aegis of Rane Foundation has stepped into its eighth academic year. The institution was accredited by the National Board of Accreditation (NBA) for the Diploma in Mechanical Engineering program in 2017. The impact of the initiative is visible as over the last four batches, 1,283 students have completed their diploma program. In the current year, 242 students completed their diploma program. Over 93% of the students were campus placed. The institution endeavours to offer quality technical education and sustainable development to the rural youth.

Rane Foundation has embarked on its next major project, a school 'Rane Vidyalaya' in Trichy. The school provides quality education to children in rural neighbourhood. The institution aims to provide a conducive learning

environment to children, develop well-qualified teachers and support staff, for continuous improvement, and recognize the diversity of talent amongst children by promoting extra-curricular activities. The school is located in Theerampalayam, Manachanallur Taluk, Trichy, will offer nursery and primary education to start with, and shall gradually scale to offer up to higher secondary education in due course of time. The school began functioning from the academic year 2018-19 with classes from Nursery to Class II and follows CBSE curriculum. Rane Vidyalaya is recognised by the Directorate of School Education, Tamil Nadu and has applied for affiliation with the Central Board of Secondary Education (CBSE). In 2020-21, it reached a student strength of 380 in its third year of operations, operating from LKG to VI standard proving the need for a quality school in rural areas. The school was quick on its feet to start online classes from April 2020, through various means such as Zoom, Google Classrooms and Meet, Apps for Mathematics and English, dedicated YouTube channels etc. This was well received by the parents and students who were swift to adapt to the new modes of teaching.

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

Please refer the section on CSR activities of the Annual Report for further details.

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

Please refer to CSR report for further details.

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

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

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

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

The Company's products are predominantly supplied to Tier-1 customers as per their requirements. The Company displays product requirements on packaging as per the requirements of OEM and consistent with applicable laws. For the aftermarket segment, the product details are mentioned as per rules made under Legal Metrology Act, 2009.

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

No, such case was pending at the end of the FY20-21.

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

Customer response and customer satisfaction are one of the most important factors of any business. The Company engages with its customers at various platforms to understand their expectations. The

Company obtains customer feedback by engaging a third party agency to conduct surveys with key stakeholders in the customer organisation. The third-party survey was done in the FY20-21 and improvement actions are identified which will be carried out in a phased manner in the subsequent years and the trends be monitored at a defined frequency. The Company constantly communicates with customers and uses the data posted on the customer portal on a monthly / quarterly basis to evaluate the performance and take remedial actions. Customer Satisfaction trends are compiled, monitored and reviewed by top management on a periodic basis and action plans are discussed with customers.

INDEPENDENT AUDITOR'S REPORT

To

**The Members
Rane Brake Lining Limited**

REPORT ON THE AUDIT OF STANDALONE FINANCIAL STATEMENTS

Opinion

We have audited the accompanying standalone financial statements of Rane Brake Lining Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2021, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and Cash Flows Statement for the year then ended, and notes to the financial statements including a summary of significant accounting policies and other explanatory information (hereinafter referred to as Standalone Financial Statements).

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, and its profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Emphasis of Matter

We draw attention to Note 1.3.5 to the financial Statement, which describes the impact due to the COVID-19 pandemic situation on the Company's financial results as assessed by the management and the uncertainties associated with it considering the nature and duration of the pandemic.

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

Key Audit Matters

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143(3) of the Act, we report that:
- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c. The Balance Sheet, the Statement of Profit and Loss, including other comprehensive income, the Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d. In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - e. On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164(2) of the Act;
 - f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting;
 - g. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended;

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

- h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - (i) the Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note 36 to the financial statements.
 - (ii) the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - (iii) there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For Varma & Varma
Chartered Accountants
FRN004532S

Georgy Mathew
Partner

Place: Bengaluru
Date : May 17, 2021

M No. 209645
UDIN: 21209645AAAAFA5679

ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT

REFERRED TO IN PARAGRAPH UNDER THE HEADING REPORT ON "OTHER LEGAL AND REGULATORY REQUIREMENTS" OF OUR INDEPENDENT AUDIT REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF RANE BRAKE LINING LIMITED FOR THE YEAR ENDED MARCH 31, 2021

- (i) a. The company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
- b. We are informed that fixed assets have been physically verified by the Management at reasonable intervals and that no material discrepancies were noticed on such verification.
- c. According to the information and explanations given to us and based on the examination of the records of the company including confirmation received from banks in respect of title deeds deposited with them, wherever applicable, and also having regard to legal opinions received in one case, we report that the title deeds of immovable properties are held in the name of the company.
- (ii) We are informed that the physical verification of inventory has been conducted by the management at reasonable intervals and no material discrepancies were noticed on such verification.
- (iii) The Company has not granted any loans, secured or unsecured, to companies / firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly reporting under Clause 3(iii) of the Order is not applicable to the Company.
- (iv) According to the information and explanations given to us and based on the records of the company examined by us, the company has not made any investments, granted any loans or given any security or guarantee for which the provisions of section 185 and 186 of the Act are applicable.
- (v) The company has not accepted any deposit from the public during the year. Accordingly reporting under Clause 3(iii) of the Order is not applicable to the company.
- (vi) The Central Government has prescribed maintenance of cost records under section 148(1) of the Act in respect of certain products manufactured by the company. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) a. As per the information and explanations furnished to us, and according to our examination of the records of the Company, the Company has been regular in depositing the undisputed statutory dues including provident fund, employees state insurance, income tax, goods and service tax, duty of customs, cess and other material statutory dues, as applicable to the Company with the appropriate authorities during the year and no undisputed amounts in respect of material statutory dues were in arrears as at March 31, 2021 for a period of more than six months from the date they became payable.
- b. According to the information and explanations given to us and based on the records of the Company examined by us, the particulars of dues of income tax, sales tax, service tax, duty of customs, duty of excise and value added tax that have not been deposited on account of any dispute as at March 31, 2021 are as follows:

| Statute | Nature of dues | Amount (₹ in Cr) | Period to which the amount relates | Forum where the dispute is pending |
|-----------------------------|--|------------------|---|---|
| Income Tax Act, 1961 | Income Tax | 0.48 | April 2000 to March 2002, April 2003 to March 2004 | High Court of Judicature, Madras |
| Income Tax Act, 1961 | Income Tax | 3.46 | April 2006 to March 2007, April 2010 to March 2013, April 2014 to March 2016 | Commissioner of income tax (Appeals), Chennai |
| Income Tax Act, 1961 | Income Tax | 3.44 | April 2017 to March 2018 | Commissioner of Income tax (Faceless Appeals) |
| Central Sales Tax Act, 1956 | Sales Tax | 0.12 | April 2004 to March 2005, April 2008 to March 2010 and April 2011 to March 2012 | The Telangana Value Added Tax Appellate Tribunal, Hyderabad |
| Central Sales Tax Act, 1956 | Sales Tax | 0.04 | April 2015 to June 2017 | The Commercial Tax Officer, Special Circle-III, Jaipur |
| Central Sales Tax Act, 1956 | Sales Tax | 0.01 | April 2010 to March 2011 | The Joint Commissioner of Sales Tax (Appeals), Pune |
| Central Sales Tax Act, 1956 | Sales Tax | 0.07 | April 2013 to March 2014 | Maharashtra Sales Tax Tribunal, Pune |
| Finance Act, 1994 | Service Tax (including interest and penalty) | 0.10 | August 2012, April 2015 to June 2017 | Customs, Excise And Service Tax Appellate Tribunal, Chennai |

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

examined by us, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and the details thereof have been duly disclosed in Note 32 to the standalone financial statements as required by the applicable accounting standard.

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

For **Varma & Varma**
Chartered Accountants
FRN004532S

Georgy Mathew
Partner

Place: Bengaluru
Date : May 17, 2021

M No. 209645
UDIN: 21209645AAAAFA5679

ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT

REFERRED TO IN PARAGRAPH UNDER THE HEADING "REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS" OF OUR INDEPENDENT AUDIT REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF RANE BRAKE LINING LIMITED FOR THE YEAR ENDED MARCH 31, 2021

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Rane Brake Lining Limited ("the Company") as of March 31, 2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Varma & Varma
Chartered Accountants
FRN0045325

Georgy Mathew
Partner

M No. 209645

UDIN: 21209645AAAFA5679

Place: Bengaluru
Date : May 17, 2021

BALANCE SHEET

FOR THE YEAR ENDED MARCH 31, 2021

(₹ in Crores)

| Sl. No. | Particulars | Note No. | As at March 31, 2021 | As at March 31, 2020 |
|-----------|---|----------|----------------------|----------------------|
| A. | ASSETS | | | |
| | Non-Current Assets | | | |
| (a) | Property, Plant and Equipment | 2 | 117.16 | 130.70 |
| (b) | Capital Work in Progress | 2 | 1.66 | 0.49 |
| (c) | Right-of-Use Assets | 3A | 0.36 | 0.58 |
| (d) | Intangible Assets | 3B | 0.38 | 1.39 |
| (e) | Financial Assets | | | |
| (i) | Investments | 4 | 0.60 | 0.60 |
| (ii) | Other Financial Assets | 5 | 10.93 | 12.85 |
| (f) | Tax Assets (Net) | 13 | 3.61 | 3.43 |
| (g) | Other Non Current Assets | 6 | 1.71 | 0.21 |
| | Total Non-Current Assets | | 136.41 | 150.25 |
| | Current Assets | | | |
| (a) | Inventories | 7 | 65.28 | 63.02 |
| (b) | Financial Assets | | | |
| (i) | Trade Receivables | 9 | 129.79 | 97.45 |
| (ii) | Cash and Cash Equivalents | 8A | 48.38 | 37.54 |
| (iii) | Bank Balances other than (ii) above | 8B | 1.12 | 0.00 |
| (iv) | Other Financial Assets | 5 | 0.59 | 0.97 |
| (c) | Other Current Assets | 6 | 2.45 | 10.12 |
| | Total Current Assets | | 247.61 | 209.10 |
| | TOTAL ASSETS | | 384.02 | 359.35 |
| B. | EQUITY AND LIABILITIES | | | |
| | Equity | | | |
| (a) | Equity Share Capital | 10 | 7.75 | 7.91 |
| (b) | Other Equity | 11 | 229.91 | 220.91 |
| | Total Equity | | 237.66 | 228.82 |
| | Liabilities | | | |
| | Non-Current Liabilities | | | |
| (a) | Financial Liabilities | | | |
| (i) | Borrowings | | - | - |
| (ii) | Other Financial Liabilities | 15 | 0.25 | 0.27 |
| (b) | Provisions | 16 | 3.36 | 2.95 |
| (c) | Deferred Tax Liability (Net) | 12 | 3.34 | 0.52 |
| | Total Non-Current Liabilities | | 6.95 | 3.74 |
| | Current Liabilities | | | |
| (a) | Financial Liabilities | | | |
| (i) | Borrowings | | | |
| (ii) | Trade Payables | | | |
| a) | Micro and small enterprises | 14 | 21.31 | 9.91 |
| b) | Others | 14 | 92.38 | 83.20 |
| (iii) | Other Financial Liabilities | 15 | 16.16 | 17.15 |
| (b) | Other Current Liabilities | 17 | 4.09 | 4.26 |
| (c) | Provisions | 16 | 5.47 | 12.27 |
| | Total Current Liabilities | | 139.41 | 126.79 |
| | TOTAL LIABILITIES | | 146.36 | 130.53 |
| | TOTAL EQUITY AND LIABILITIES | | 384.02 | 359.35 |
| | Significant Accounting Policies and key accounting estimates and judgements | 1 | | |
| | See accompanying notes to financial statements | 2 - 39 | | |

As per our report of even date

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

For and on behalf of the Board

Georgy Mathew
Partner
Membership No. 209645
Place : Bengaluru

Ganesh Lakshminarayan
Chairman
DIN : 00012583

Harish Lakshman
Director
DIN : 00012602

R Balakrishnan
Manager

M A P Sridhar Kumar
Chief Financial Officer

Venkatraman
Secretary

Place : Chennai
Date : May 17, 2021

STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED MARCH 31, 2021

(₹ in Crores)

| Sl. No. | Particulars | Note No. | Year ended March 31, 2021 | Year ended March 31, 2020 |
|---------|---|----------|------------------------------|------------------------------|
| I | Revenues from Operations | 18 | 423.39 | 470.98 |
| II | Other Income | 19 | 11.42 | 10.45 |
| III | Total Income (I+II) | | 434.81 | 481.43 |
| IV | Expenses: | | | |
| | Cost of raw materials consumed | 20 | 194.46 | 230.54 |
| | Purchases of Stock-in-Trade | | 0.04 | 0.01 |
| | Changes in Inventories of finished goods, work-in-progress and stock in trade | 21 | 7.60 | (5.93) |
| | Employee benefits expense | 22 | 65.73 | 76.63 |
| | Finance costs | 23 | 0.25 | 0.02 |
| | Depreciation, amortisation and impairment | 24 | 24.42 | 26.29 |
| | Other expenses | 25 | 95.37 | 109.19 |
| | Total Expenses | | 387.87 | 436.75 |
| V | Profit before tax (Before Exceptional items) (III-IV) | | 46.94 | 44.68 |
| VI | Exceptional items | | - | - |
| VII | Profit before tax (After Exceptional items) (V-VI) | | 46.94 | 44.68 |
| VIII | Tax Expense: | | | |
| | (1) Current Tax | | 16.44 | 7.86 |
| | (2) Deferred Tax | | (1.30) | 2.48 |
| | | | 15.14 | 10.34 |
| IX | Profit/(Loss) for the year (VII-VIII) | | 31.80 | 34.34 |
| | Other comprehensive income | | | |
| | A. i) Items that will not be reclassified to profit or loss | | | |
| | a) Remeasurements of the defined benefit plans | 30 | 1.04 | (1.51) |
| | ii) Income tax expense on remeasurement benefit / (loss) of defined benefit plans | 26.1 | (0.36) | 0.53 |
| X | Total other comprehensive income / (loss) A (i+ii) | | 0.68 | (0.98) |
| XI | Total comprehensive income / (loss) for the year (IX+X) | | 32.48 | 33.36 |
| XII | Earnings per equity share (Nominal value per share ₹10) | | | |
| | (a) Basic (In ₹) | 28 | 40.45 | 43.39 |
| | (b) Diluted (In ₹) | 28 | 40.45 | 43.39 |
| | Significant Accounting Policies and key accounting estimates and judgements | 1 | | |
| | See accompanying notes to financial statements | 2 - 39 | | |

As per our report of even date

For **Varma & Varma**

Chartered Accountants

Firm Registration Number : 004532S

For and on behalf of the Board

Georgy Mathew

Partner

Membership No. 209645

Place : Bengaluru

Ganesh Lakshminarayan

Chairman

DIN : 00012583

Harish Lakshman

Director

DIN : 00012602

R Balakrishnan

Manager

M A P Sridhar Kumar

Chief Financial Officer

Venkatraman

Secretary

Place : Chennai

Date : May 17, 2021

CASH FLOW STATEMENT

FOR THE YEAR ENDED MARCH 31, 2021

(₹ in Crores)

| Particulars | Year ended March 31, 2021 | Year ended March 31, 2020 |
|---|------------------------------|------------------------------|
| A. Cash flow from operating activities | | |
| Profit for the year | 46.94 | 44.68 |
| Adjustments for : | | |
| Finance costs recognised in profit or loss | 0.25 | 0.02 |
| Interest Income recognised in profit or loss | (1.75) | (2.81) |
| Dividend Income recognised in profit or loss | - | (0.11) |
| (Gain) / Loss on disposal of property, plant and equipment | (0.04) | (0.02) |
| Deferred revenue recognised on account of Government grant | - | (0.23) |
| Impairment loss recognised on trade receivables | (2.41) | 0.75 |
| Depreciation and Amortisation of non-current assets | 24.42 | 26.29 |
| Other Non Cash items | 0.00 | - |
| Net foreign exchange (gain) / loss - Unrealised | 0.04 | (0.15) |
| | 67.45 | 68.42 |
| Movements in working capital : | | |
| (Increase) / decrease in trade and other receivables | (29.93) | 42.52 |
| (Increase) / decrease in inventories | (2.26) | (12.12) |
| (Increase) / decrease in other assets | 10.09 | 1.35 |
| Increase / (decrease) in trade payables | 20.60 | (18.54) |
| Increase / (decrease) in provisions | (5.35) | 1.30 |
| Increase / (decrease) in other liabilities | (1.15) | (0.72) |
| Cash generated from operations | 59.45 | 82.21 |
| Income Tax paid | (12.86) | (8.82) |
| Net cash generated by operating activities | 46.59 | 73.39 |
| B. Cash flow from investing activities | | |
| Proceeds on sale of property, plant and equipment | 0.05 | 0.10 |
| Interest received | 1.75 | 2.81 |
| Dividend income - Short term Mutual Fund investments | - | 0.11 |
| Payments for property, plant and equipment | (12.04) | (38.05) |
| Payments for intangible assets | (0.29) | (0.23) |
| Net cash used in investing activities | (10.53) | (35.26) |
| C. Cash flow from financing activities | | |
| Repayment of borrowings | - | (0.07) |
| Repayment of Lease liability | (0.22) | (0.16) |
| Dividends and Dividend tax paid | (8.71) | (14.28) |
| Equity Shares Buyback | (12.39) | - |
| Tax on Equity shares Buyback | (2.55) | - |
| Interest paid | (0.25) | (0.02) |
| Net cash used in financing activities | (24.12) | (14.53) |
| Net increase in cash and cash equivalents | 11.94 | 23.60 |
| Cash and cash equivalents at the beginning of the year | 37.54 | 13.87 |
| Effects of exchange rate changes on the balance of cash and cash equivalents held in foreign currencies | 0.02 | 0.07 |
| Cash and Cash equivalents at the end of the year | 49.50 | 37.54 |

CASH FLOW STATEMENT

FOR THE YEAR ENDED MARCH 31, 2021

Notes:

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

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|-------------------------|-------------------------|
| (i) Cash and Cash Equivalents | | |
| (a) Balance with banks in Current accounts | 1.16 | 5.11 |
| (b) Balance with banks in deposit accounts | 27.00 | 32.40 |
| (c) Cash on hand | 0.02 | 0.03 |
| (d) Mutual Fund investments | 20.20 | 0.00 |
| Sub-Total | 48.38 | 37.54 |
| (ii) Other Bank Balances | | |
| (a) Balances with banks in earmarked accounts | 1.12 | 0.00 |
| Sub-Total | 1.12 | 0.00 |
| Total | 49.50 | 37.54 |

The accompanying notes are an integral part of the financial statements

As per our report of even date

For **Varma & Varma**

Chartered Accountants

Firm Registration Number : 004532S

For and on behalf of the Board

Georgy Mathew

Partner

Membership No. 209645

Place : Bengaluru

Ganesh Lakshminarayan

Chairman

DIN : 00012583

Harish Lakshman

Director

DIN : 00012602

R Balakrishnan

Manager

M A P Sridhar Kumar

Chief Financial Officer

Venkatraman

Secretary

Place : Chennai

Date : May 17, 2021

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED MARCH 31, 2021

(₹ in Crores)

| Particulars | Other Equity | | | | | Total (A)+(G) | |
|--|----------------------|----------------------|------------------------|--------------------------------------|--------------------------|------------------|--|
| | Share Capital (A) | Share premium (B) | General reserve (C) | Capital Redemption reserve (D) | Retained earnings (E) | | Remeasurement Gain /(Loss) on defined benefit obligation (F) |
| Balance as at April 01, 2019 | 7.91 | 2.80 | 153.67 | - | 45.30 | 0.09 | 201.86 |
| 2019-20 | | | | | | | |
| Profit for the year | | | | | 34.34 | | 34.34 |
| Other comprehensive income for the year, net of income tax | | | | | | (0.98) | (0.98) |
| Amount transferred within Reserves | | | 22.10 | | (22.10) | | - |
| Payment of dividends on equity shares | | | | | (14.31) | | (14.31) |
| Balance as at March 31, 2020 | 7.91 | 2.80 | 175.77 | - | 43.23 | (0.89) | 228.82 |
| 2020-21 | | | | | | | |
| Profit for the year | | | | | 31.80 | | 31.80 |
| Other comprehensive income for the year, net of income tax | | | | | | 0.68 | 0.68 |
| Buy-back of equity shares | (0.16) | (2.80) | (9.10) | | | | (11.90) |
| Share Buy-back cost, net of income tax | | | (0.32) | | | | (0.32) |
| Tax on Buy-back of equity shares | | | | | (2.55) | | (2.55) |
| Amount transferred within Reserves | | | (0.16) | 0.16 | | | - |
| Payment of dividends on equity shares | | | | | (8.71) | | (8.71) |
| Balance as at March 31, 2021 | 7.75 | - | 166.19 | 0.16 | 63.77 | (0.21) | 229.91 |

The accompanying notes are an integral part of these financial statements

As per our report of even date

For Varma & Varma

Chartered Accountants

Firm Registration Number : 004532S

For and on behalf of the Board

Georgy Mathew

Partner

Membership No. 209645

Place : Bengaluru

Ganesh Lakshminarayan

Chairman

DIN : 00012583

R Balakrishnan

Manager

Harish Lakshman

Director

DIN : 00012602

Venkatraman

Secretary

M A P Sridhar Kumar

Chief Financial Officer

Place : Chennai

Date : May 17, 2021

NOTES FORMING PART OF FINANCIAL STATEMENTS

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

1. General Information

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

2. Summary of Significant accounting policies

2.1 Basis of Preparation

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

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

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

2.2 Use of Estimates

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

Although these estimates are based on the management's best knowledge of current events

and actions, uncertainty about the assumptions and estimates may result in outcomes requiring a material adjustment to the carrying amount of assets or liabilities in future periods.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

2.3 Property, Plant and Equipment

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

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

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

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

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

Depreciation

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

NOTES FORMING PART OF FINANCIAL STATEMENTS

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

| Assets | Life (in years) |
|--|-----------------|
| Buildings (Other than factory buildings) | 30 |
| Vehicles | 5 |
| Furniture and Fixtures | 5 |
| Office Equipment (other than computers) | 3 |
| Laboratory Equipment | 3 |

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

2.4 Intangible Assets

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

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

Amortisation method and useful lives are reviewed annually.

2.5 Leases

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

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

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

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

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

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

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

2.6 Impairment

Assessment is done annually as to whether there is any indication that an asset (tangible and intangible) may be impaired. For the purpose of assessing impairment, the smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets, is considered as a cash generating unit. If any such indication exists, an estimate of the recoverable amount of the asset / cash generating unit is made. Assets whose carrying value exceeds their recoverable amount are written down to the recoverable amount. Recoverable amount is higher of an asset's or cash generating unit's fair value less cost

NOTES FORMING PART OF FINANCIAL STATEMENTS

to sell and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. Assessment is also done at each Balance Sheet date as to whether there is any indication that an impairment loss recognised for an asset in prior accounting periods may no longer exist or may have decreased. In such cases, impairment losses are reversed to the extent the assets carrying amount does not exceed, the carrying amount that would have been determined if no impairment loss had previously been recognised.

2.7 Borrowing Cost

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

2.8 Inventories

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

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 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.

2.9 Foreign Currency Transaction

Initial Recognition

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

Subsequent Recognition

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

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

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

Derivative Financial instruments and Hedge Accounting

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

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income and accumulated under the heading of cash flow hedging reserve. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss.

Amounts previously recognised in other comprehensive income and accumulated in equity relating to effective portion as described above, are reclassified to profit or loss in the periods when the hedged item affects profit or loss, in the same line as the recognised hedged item.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting.

2.10 Revenue Recognition

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

Revenue is recognized upon transfer of control of promised products or services to customers in an amount that reflects the probable consideration expected to be received in exchange for those products

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or services. Revenue is reduced for estimated customer returns, rebates and other similar allowances.

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

2.11 Employee Benefits

1. Short - Term employee benefits

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits and recognised in the period in which the employee renders the related service.

2. Defined Contribution Plans

Provident Fund

Contribution towards Provident Fund for employees is made to the regulatory authorities, where the Company has no further obligations. Such benefits are classified as Defined Contribution Schemes as the Company does not carry any further obligations, apart from the contributions made on a monthly basis.

Superannuation Fund

This is a defined contribution Plan. The Company contributes sum equivalent to certain specified percentages of the eligible annual salaries based on the options exercised by the eligible employees to Superannuation Fund administered by Life Insurance Corporation of India (LIC). The Company has no further obligations for future superannuation benefits other than its annual contribution and recognises such contribution as expense as and when due.

3. Defined Benefit Plan

Gratuity

The Company provides for gratuity, a defined benefit plan (the "Gratuity Plan") administered by

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

4. Other Long term employee benefits

Compensated Absence

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

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

2.12 Taxes on Income

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

Deferred tax is recognised for all the temporary differences between the carrying amounts of assets and liabilities in the financial statements and corresponding tax bases used in computation of taxable profit. Deferred tax assets are recognised and carried forward only to the extent that it is probable that taxable profit will be available against which those deductible temporary differences can be utilised. Deferred tax assets and liabilities are measured using the tax rates and tax laws

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that have been enacted or substantively enacted by the Balance Sheet date. At each Balance Sheet date, the Company re-assesses unrecognised deferred tax assets, if any and the same is recognised to the extent it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

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

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

2.13 Financial instruments

Initial recognition

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

Subsequent measurement

i. Financial assets carried at amortized cost

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

ii. Financial assets at fair value through profit or loss

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

iii. Financial liabilities

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

Derecognition of financial instruments

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

Impairment

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

2.14 Fair Value

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

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

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

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

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

2.15 Government Grants

Grants from the Government are recognized at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply

NOTES FORMING PART OF FINANCIAL STATEMENTS

with all attached conditions. All Government grants are initially recognized by way of setting up as deferred income. Government grants relating to income are subsequently recognized in the profit or loss over the period necessary to match them with the costs that they are intended to compensate. Government grants relating to the purchase of property, plant and equipment are subsequently recognised in profit or loss on a systematic basis over the expected life of the related depreciable assets. Grants recognized in Profit and Loss as above are presented within other income.

2.16 Research & Development Expenditure

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

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

2.17 Provisions and Contingent Liabilities

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

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

2.18 Earnings Per Share

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

2.19 Provision for Warranty

The Company's product warranty obligations and estimations thereof are determined using historical information on the type of product, nature, frequency and average cost of warranty claims and the estimates regarding possible future incidences of product failures. Changes in estimated frequency and amount of future warranty claims, which are inherently uncertain, can materially affect warranty expense.

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

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

3.1 Useful lives of property, plant and equipment

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

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obsolescence arising from changes or improvements in production or from a change in market demand of the product or service output of the asset.

3.2 Employee Benefits

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

3.3 Taxation

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

3.4 Provisions and contingencies

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

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

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

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

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

(₹ in Crores)

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|-----------------------------|-------------------------|-------------------------|
| Carrying amounts of: | | |
| Freehold Land | 4.47 | 4.47 |
| Buildings | 34.33 | 33.65 |
| Plant and Equipment | 75.60 | 89.32 |
| Furniture and Fixtures | 0.21 | 0.20 |
| Office Equipments | 2.43 | 2.76 |
| Vehicles | 0.12 | 0.30 |
| Sub-Total | 117.16 | 130.70 |
| Capital Work-in-progress | 1.66 | 0.49 |
| Total | 118.82 | 131.19 |

(₹ in Crores)

| Gross carrying value | Freehold land | Buildings | Plant and Equipment | Furniture and Fixtures | Office Equipments | Vehicles | Total |
|-------------------------------------|---------------|--------------|---------------------|------------------------|-------------------|-------------|---------------|
| Balance as at April 01, 2019 | 4.47 | 36.64 | 134.12 | 0.39 | 3.59 | 0.96 | 180.17 |
| Additions | - | 3.89 | 32.80 | 0.26 | 2.73 | 0.03 | 39.71 |
| Disposals | - | (0.09) | (0.09) | (0.03) | (0.00) | - | (0.21) |
| Balance as at March 31, 2020 | 4.47 | 40.44 | 166.83 | 0.62 | 6.32 | 0.99 | 219.67 |
| Additions | - | 2.60 | 5.63 | 0.08 | 1.11 | - | 9.42 |
| Disposals | - | (0.00) | (0.34) | (0.00) | (0.01) | - | (0.35) |
| Balance as at March 31, 2021 | 4.47 | 43.04 | 172.12 | 0.70 | 7.42 | 0.99 | 228.74 |

(₹ in Crores)

| Accumulated depreciation and impairment | Freehold land | Buildings | Plant and Equipment | Furniture and Fixtures | Office Equipments | Vehicles | Total |
|---|---------------|-------------|---------------------|------------------------|-------------------|-------------|---------------|
| Balance as at April 01, 2019 | - | 4.88 | 56.54 | 0.32 | 2.21 | 0.50 | 64.45 |
| Eliminated on disposals | - | (0.01) | (0.08) | (0.02) | (0.01) | - | (0.12) |
| Depreciation / impairment expense | - | 1.92 | 21.05 | 0.12 | 1.36 | 0.19 | 24.64 |
| Balance as at March 31, 2020 | - | 6.79 | 77.51 | 0.42 | 3.56 | 0.69 | 88.97 |
| Eliminated on disposals | - | (0.00) | (0.33) | (0.00) | (0.01) | - | (0.34) |
| Depreciation / impairment expense | - | 1.92 | 19.34 | 0.07 | 1.44 | 0.18 | 22.95 |
| Balance as at March 31, 2021 | - | 8.71 | 96.52 | 0.49 | 4.99 | 0.87 | 111.58 |

(₹ in Crores)

| Particulars | Freehold land | Buildings | Plant and equipment | Furniture and Fixtures | Office Equipments | Vehicles | Total |
|--------------------------------------|---------------|-----------|---------------------|------------------------|-------------------|----------|--------|
| Carrying amount as on March 31, 2020 | 4.47 | 33.65 | 89.32 | 0.20 | 2.76 | 0.30 | 130.70 |
| Carrying amount as on March 31, 2021 | 4.47 | 34.33 | 75.60 | 0.21 | 2.43 | 0.12 | 117.16 |

(₹ in Crores)

| Capital Work-in-progress | As at March 31, 2021 | As at March 31, 2020 |
|--------------------------|-------------------------|-------------------------|
| Plant and equipment | 1.66 | 0.49 |
| Total | 1.66 | 0.49 |

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NOTE 3A LEASES

a) Right-of-Use Assets

(₹ in Crores)

| Gross carrying value | Vehicles | Total |
|-------------------------------------|-------------|-------------|
| Balance as at April 01, 2019 | - | - |
| Additions | 0.74 | 0.74 |
| Disposals | - | - |
| Balance as at March 31, 2020 | 0.74 | 0.74 |
| Additions | - | - |
| Disposals | (0.05) | (0.05) |
| Balance as at March 31, 2021 | 0.69 | 0.69 |

| Accumulated depreciation and impairment | Vehicles | Total |
|---|-------------|-------------|
| Balance as at April 01, 2019 | - | - |
| Eliminated on disposals | - | - |
| Depreciation / impairment expense | 0.16 | 0.16 |
| Balance as at March 31, 2020 | 0.16 | 0.16 |
| Eliminated on disposals | - | - |
| Depreciation / impairment expense | 0.17 | 0.17 |
| Balance as at March 31, 2021 | 0.33 | 0.33 |

| Particulars | Vehicles | Total |
|--------------------------------------|----------|-------|
| Carrying amount as on March 31, 2020 | 0.58 | 0.58 |
| Carrying amount as on March 31, 2021 | 0.36 | 0.36 |

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

The following is the break-up of current and non-current lease liabilities as at March 31, 2021:

(₹ in Crores)

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|-------------------------------|-------------------------|-------------------------|
| Current lease liabilities | 0.13 | 0.33 |
| Non-current lease liabilities | 0.23 | 0.25 |
| Total | 0.36 | 0.58 |

c) Movement in Lease liabilities :

The following is the movement in lease liabilities during the year ended March 31, 2021:

(₹ in Crores)

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|-------------------------|-------------------------|
| Balance as on April 01, 2020 | 0.58 | - |
| Reclassified on account of adoption of IND AS 116 | - | 0.74 |
| Additions | - | - |
| Finance costs accrued during the period | 0.01 | 0.01 |
| Deletions | - | - |
| Payment of Lease liabilities | (0.23) | (0.17) |
| Balance As at March 31, 2021 | 0.36 | 0.58 |

d) The table below provides details regarding the contractual maturities of lease liabilities as at March 31, 2021 on an undiscounted basis:

(₹ in Crores)

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|----------------------|-------------------------|-------------------------|
| Less than one year | 0.13 | 0.33 |
| One to five years | 0.23 | 0.25 |
| More than five years | - | - |
| Total | 0.36 | 0.58 |

NOTES FORMING PART OF FINANCIAL STATEMENTS

e) Others

(₹ in Crores)

| Particulars | As at | |
|--|----------------|----------------|
| | March 31, 2021 | March 31, 2020 |
| Interest on lease liabilities | 0.01 | 0.01 |
| Expenses relating to short-term leases | 0.02 | 0.11 |
| Cash outflow for leases | 0.23 | 0.17 |

NOTE 3B INTANGIBLE ASSETS

(₹ in Crores)

| Gross carrying amount | As at | |
|-----------------------|----------------|----------------|
| | March 31, 2021 | March 31, 2020 |
| Carrying amounts of: | | |
| Technical Knowhow | - | 1.12 |
| Software Licence | 0.38 | 0.27 |
| Total | 0.38 | 1.39 |

(₹ in Crores)

| Gross carrying amount | Technical Knowhow | Software Licence | Total |
|--------------------------------|-------------------|------------------|-------|
| Balance as at April 01, 2019 | 4.07 | 0.43 | 4.50 |
| Additions made during the year | - | 0.23 | 0.23 |
| Balance as at March 31, 2020 | 4.07 | 0.66 | 4.73 |
| Additions made during the year | - | 0.29 | 0.29 |
| Disposals | - | - | - |
| Balance as at March 31, 2021 | 4.07 | 0.95 | 5.02 |

(₹ in Crores)

| Accumulated Amortisation | Technical Knowhow | Software Licence | Total |
|--------------------------------------|-------------------|------------------|-------|
| Balance as at April 01, 2019 | 1.59 | 0.26 | 1.85 |
| Amortisation expense for the year | 1.36 | 0.13 | 1.49 |
| Balance as at March 31, 2020 | 2.95 | 0.39 | 3.34 |
| Amortisation expense for the year | 1.12 | 0.18 | 1.30 |
| Balance as at March 31, 2021 | 4.07 | 0.57 | 4.64 |
| Carrying amount as on March 31, 2020 | 1.12 | 0.27 | 1.39 |
| Carrying amount as on March 31, 2021 | - | 0.38 | 0.38 |

NOTE 4 NON-CURRENT INVESTMENTS

(₹ in Crores)

| Particulars | As at March 31, 2021 | | As at March 31, 2020 | |
|--|----------------------|--------|----------------------|--------|
| | Number | Amount | Number | Amount |
| Investments in Equity Instruments at FVTPL - Unquoted: | | | | |
| Capsol Energy Private Limited of ₹10/- each | 600,000 | 0.60 | 600,000 | 0.60 |
| CWRE Wind Power Private Limited of ₹10/- each | 379 | 0.00 | 379 | 0.00 |
| | 600,379 | 0.60 | 600,379 | 0.60 |

NOTES FORMING PART OF FINANCIAL STATEMENTS

NOTE 5 OTHER FINANCIAL ASSETS

(₹ in Crores)

| Particulars | Non-current as at | | Current as at | |
|--|-------------------|----------------|----------------|----------------|
| | March 31, 2021 | March 31, 2020 | March 31, 2021 | March 31, 2020 |
| Unsecured and considered good unless otherwise stated : | | | | |
| (a) Security Deposits | 5.44 | 7.42 | 0.10 | 0.10 |
| (b) Interest receivable | - | - | 0.27 | 0.64 |
| (c) Advance recoverable in cash | - | - | 0.22 | 0.23 |
| (d) Long term deposits more than one year (Refer note (i)) | 0.15 | 0.11 | - | - |
| (e) Earmarked balances for Unclaimed dividend | 0.29 | 0.27 | - | - |
| (f) Deposits with Statutory authorities | 5.05 | 5.05 | - | - |
| Total | 10.93 | 12.85 | 0.59 | 0.97 |

Non-current financial assets - Notes:

(i) Margin money with banks.

NOTE 6 OTHER ASSETS

(₹ in Crores)

| Particulars | Non-current as at | | Current as at | |
|---|-------------------|----------------|----------------|----------------|
| | March 31, 2021 | March 31, 2020 | March 31, 2021 | March 31, 2020 |
| Unsecured and considered good unless otherwise stated : | | | | |
| Capital Advances | 1.71 | 0.21 | - | - |
| Advances paid to suppliers | - | - | 0.43 | 1.55 |
| Balance with Customs and Central Excise Authorities | - | - | - | 6.39 |
| Prepaid Expenses | - | - | 1.31 | 1.29 |
| Travel advance | - | - | 0.71 | 0.89 |
| Unsecured and considered doubtful: | | | | |
| (a) Capital Advances | 0.20 | 0.20 | - | - |
| Less: Provision for doubtful advances | (0.20) | (0.20) | - | - |
| Total | 1.71 | 0.21 | 2.45 | 10.12 |

NOTE 7 INVENTORIES

(₹ in Crores)

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|-------------------------|-------------------------|
| (At lower of cost and net realisable value) | | |
| (a) Raw materials | 32.92 | 26.50 |
| (b) Work-in-process | 4.52 | 5.45 |
| (c) Finished goods | 15.44 | 22.11 |
| (d) Stores and spares | 3.20 | 2.69 |
| (e) Raw materials - Goods in transit | 9.20 | 6.27 |
| Total | 65.28 | 63.02 |

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

The cost of inventories recognised as an expense includes ₹0.74 Crores (during 2019-20 : ₹0.54 Cr) in respect of write-downs of inventory to net realisable value.

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

NOTES FORMING PART OF FINANCIAL STATEMENTS

NOTE 8 CASH AND BANK BALANCES

NOTE 8A CASH AND CASH EQUIVALENTS

(₹ in Crores)

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|--|-------------------------|-------------------------|
| (a) Balance with banks in current accounts | 1.16 | 5.11 |
| (b) Balance with banks in deposit accounts | 27.00 | 32.40 |
| (c) Cash on hand | 0.02 | 0.03 |
| (d) Mutual Fund investments | 20.20 | 0.00 |
| Total | 48.38 | 37.54 |

NOTE 8B OTHER BANK BALANCES

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|-------------------------|-------------------------|
| (a) Balances with banks in earmarked accounts | | |
| - In Margin Money accounts | 1.12 | 0.00 |
| Total | 1.12 | 0.00 |

NOTE 9 TRADE RECEIVABLES

(₹ in Crores)

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|--|-------------------------|-------------------------|
| Secured, considered good | - | - |
| Trade receivables considered good - Unsecured | 129.79 | 97.45 |
| Trade receivables - Credit impaired | 2.34 | 4.76 |
| Sub -Total | 132.13 | 102.21 |
| Allowance for credit impaired (expected credit loss allowance) | (2.34) | (4.76) |
| Total | 129.79 | 97.45 |
| Current | 129.79 | 97.45 |
| Non-current | - | - |

9.1 Trade Receivables

The Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix.

The provision matrix takes into account historical credit loss experience based on :

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

The expected credit loss allowance is based on the ageing of the days the receivables are due and the rates as given in the provision matrix. The range of provision created as a percentage of outstanding under various age groups below 120 days past due ranges between 0.29% and 24.26%.

(₹ in Crores)

| Movement in expected credit loss allowance | As at March 31, 2021 | As at March 31, 2020 |
|---|-------------------------|-------------------------|
| Balance at beginning of the year | 4.76 | 4.11 |
| Movement in expected credit loss allowance on trade receivables | (2.41) | 0.75 |
| Amount written off during the year | (0.01) | (0.10) |
| Balance at end of the year | 2.34 | 4.76 |

NOTES FORMING PART OF FINANCIAL STATEMENTS

NOTE 10 EQUITY SHARE CAPITAL

(₹ in Crores)

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|--|-------------------------|-------------------------|
| AUTHORISED : | | |
| Equity Shares: | | |
| 1,00,00,000 Equity Shares of ₹10/- each | 10.00 | 10.00 |
| ISSUED, SUBSCRIBED AND FULLY PAID UP | | |
| 77,52,359 (March 31, 2020 : 79,14,980) Equity Shares of ₹10/- each fully paid-up | 7.75 | 7.91 |
| Total | 7.75 | 7.91 |

10.1 Reconciliation of number of shares

| Particulars | 2020-21 | | 2019-20 | |
|--|--------------------------|-------------------------|--------------------------|-------------------------|
| | No of Shares (in Nos) | Amount (₹ in Crores) | No of Shares (in Nos) | Amount (₹ in Crores) |
| Equity Shares of ₹10/- each fully paid up | | | | |
| At the beginning of the period | 7,914,980 | 7.91 | 7,914,980 | 7.91 |
| At the end of the period | 7,752,359 | 7.75 | 7,914,980 | 7.91 |

The Board of Directors at its meeting held on October 15, 2020, approved a proposal to buy-back upto 2,66,667 nos of equity shares of the Company for an aggregate amount not exceeding ₹22.00 crore, being less than 10% of total paid up equity share capital and free reserves as on March 31, 2020 at ₹825/- per equity share. The buy back was from the open market through the stock exchanges. The Company bought back 1,62,621 equity shares out of the shares that were tendered by eligible shareholders and extinguished. However shares to the extent of 7,756 nos were extinguished subsequent to the end of the reporting period. Capital redemption reserve was created to the extent of share capital extinguished ₹0.16 crore. The excess cost of buy-back of ₹9.42 crore (including ₹0.32 crore towards transaction cost of buy-back net of income tax) over par value of shares and corresponding tax on buy-back of ₹2.55 crore were offset from reserves.

10.2 Rights, preferences and restrictions attached to shares

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

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

10.3 Shares held by holding company

| Particulars | 2020-21 | | 2019-20 | |
|--|--------------------------|-------------------------|--------------------------|-------------------------|
| | No of Shares (in Nos) | Amount (₹ in Crores) | No of Shares (in Nos) | Amount (₹ in Crores) |
| 36,87,440 shares (March 31, 2020 : 36,87,440 shares) of ₹10/- each, fully paid up held by Rane Holdings Limited, the Holding Company | 3,687,440 | 3.69 | 3,687,440 | 3.69 |

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

| Name of the Share holder | No of shares held as at | | | |
|------------------------------------|-------------------------|--------|----------------|--------|
| | March 31, 2021 | | March 31, 2020 | |
| | Nos. | % | Nos. | % |
| Rane Holdings Limited | 3,687,440 | 47.57% | 3,687,440 | 46.59% |
| Nisshinbo Holdings Inc. | 1,595,249 | 20.58% | 1,595,249 | 20.15% |
| United India Insurance Company Ltd | 479,030 | 6.18% | 479,030 | 6.05% |

NOTES FORMING PART OF FINANCIAL STATEMENTS

NOTE 11 OTHER EQUITY

(₹ in Crores)

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|--------------------------------|-------------------------|-------------------------|
| (a) General Reserve | 166.19 | 175.77 |
| (b) Securities Premium reserve | - | 2.80 |
| (c) Capital Redemption reserve | 0.16 | - |
| (d) Retained Earnings | 63.56 | 42.34 |
| Total | 229.91 | 220.91 |

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

(₹ in Crores)

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|--|-------------------------|-------------------------|
| (a) General Reserve | | |
| Opening balance | 175.77 | 153.67 |
| Add : Addition during the year | - | 22.10 |
| Less : Buy-back of equity shares | (9.10) | - |
| Less : Share Buy-back cost, net of income tax | (0.32) | - |
| Less : Amount transferred within Reserves | (0.16) | - |
| Closing balance | 166.19 | 175.77 |
| General reserve is created from time to time by transferring profits from retained earnings and can be utilised for purposes such as dividend payout, bonus issue, etc. | | |
| (b) Securities Premium Reserve | | |
| Opening balance | 2.80 | 2.80 |
| Add : Addition during the period | - | - |
| Less : Buy-back of equity shares | (2.80) | - |
| Closing balance | - | 2.80 |
| Securities premium reserve represents premium received on equity shares issued, which can be utilised only in accordance with the provisions of the Companies Act, 2013 (the Act) for specified purposes. | | |
| (c) Capital Redemption Reserve | | |
| Opening balance | - | - |
| Add : Addition during the period | 0.16 | - |
| Closing balance | 0.16 | - |
| Capital redemption reserve was created for buyback of equity shares in the financial year 2020-21. | | |
| (d) Retained Earnings | | |
| Balance at the beginning of the year | 42.34 | 45.39 |
| Profit for the year | 31.80 | 34.34 |
| Other comprehensive income for the year, net of income tax | 0.68 | (0.98) |
| Payment of dividends on equity shares | (8.71) | (14.31) |
| Tax on Buy-back of equity shares | (2.55) | - |
| Amount transferred within Reserves | - | (22.10) |
| Balance at the end of the year | 63.56 | 42.34 |
| In respect of the year ended March 31, 2021, the directors proposed that a dividend of ₹25/- per share be paid on fully paid equity shares. This equity dividend is subject to approval by shareholders at the Annual General Meeting and has not been included as a liability in these financial statements. The proposed equity dividend is payable to all holders of fully paid equity shares. The total estimated equity dividend to be paid is ₹19.32 Crores. | | |
| All adjustments arising on account of transition to Ind AS are recorded under this reserve. | | |
| Total Other Equity | 229.91 | 220.91 |

NOTES FORMING PART OF FINANCIAL STATEMENTS

NOTE 12 DEFERRED TAX ASSETS AND LIABILITIES

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

(₹ in Crores)

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|-------------------------|-------------------------|
| Deferred tax assets | 11.88 | 17.47 |
| Deferred tax liabilities | (15.22) | (17.99) |
| Net Deferred tax Asset / (Liability) | (3.34) | (0.52) |

(₹ in Crores)

| 2020-21 | Opening balance | Recognised in profit or loss | Recognised in Other comprehensive income | Others | Closing balance |
|---|--------------------|---------------------------------|---|---------------|--------------------|
| Deferred tax Assets / (Liabilities) in relation to | | | | | |
| Property plant and equipment | (17.99) | 2.77 | - | - | (15.22) |
| Expenses allowable under tax on actual payment basis | 5.32 | (1.53) | - | - | 3.79 |
| Provision on doubtful debts | 1.86 | (0.84) | - | - | 1.02 |
| Defined benefit obligation - Gratuity | (0.07) | 0.43 | (0.36) | - | - |
| Timing difference on account of VRS | 1.44 | (1.21) | - | - | 0.23 |
| Other Temporary Timing Differences | 5.16 | 1.68 | - | - | 6.84 |
| Sub-Total | (4.28) | 1.30 | (0.36) | - | (3.34) |
| MAT Credit entitlement | 3.76 | - | - | (3.76) | - |
| Net Deferred tax Asset / (Liability) | (0.52) | 1.30 | (0.36) | (3.76) | (3.34) |

NOTE 13 CURRENT TAX ASSETS AND LIABILITIES

(₹ in Crores)

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|-------------------------|-------------------------|
| Current Tax Assets | | |
| Advance payment of Tax and Tax Deducted at Source | 150.83 | 138.15 |
| Advance Fringe benefits tax | 0.05 | 0.05 |
| Total | 150.88 | 138.20 |
| Current Tax Liabilities | | |
| Income Tax payable | (147.27) | (134.77) |
| Total | (147.27) | (134.77) |
| Tax Assets | 3.61 | 3.43 |

NOTE 14 TRADE PAYABLES

(₹ in Crores)

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|-------------------------|-------------------------|
| Dues to Micro Small and Medium Enterprise Vendors (Refer Note 35) | 21.31 | 9.91 |
| Related parties (Refer Note 32(c)) | 5.61 | 9.20 |
| Others | 86.77 | 74.00 |
| Total | 113.69 | 93.11 |

NOTES FORMING PART OF FINANCIAL STATEMENTS

NOTE 15 OTHER FINANCIAL LIABILITIES

(₹ in Crores)

| Particulars | Non-current as at | | Current as at | |
|------------------------------|-------------------|----------------|----------------|----------------|
| | March 31, 2021 | March 31, 2020 | March 31, 2021 | March 31, 2020 |
| Employee Related dues | - | - | 15.65 | 16.54 |
| Unclaimed dividends | - | - | 0.29 | 0.27 |
| Deposits from C&F Agents | 0.02 | 0.02 | - | - |
| Lease obligations | 0.23 | 0.25 | 0.13 | 0.33 |
| Derivative Liabilities (Net) | - | - | 0.09 | 0.01 |
| Total | 0.25 | 0.27 | 16.16 | 17.15 |

NOTE 16 PROVISIONS

(₹ in Crores)

| Particulars | Non-current as at | | Current as at | |
|--|-------------------|----------------|----------------|----------------|
| | March 31, 2021 | March 31, 2020 | March 31, 2021 | March 31, 2020 |
| Provision for Warranty (Refer note 16(a) below) | | | | |
| Balance at the beginning of the year | - | - | 1.99 | 1.57 |
| Additions / Transfers | - | - | 0.22 | 0.42 |
| Amounts used / Transfers | - | - | - | - |
| Unused amounts reversed | - | - | - | - |
| Balance as at the end of the year | - | - | 2.21 | 1.99 |
| Provision for Employee benefits | | | | |
| Provision for defined benefit plan | - | - | 0.45 | 2.63 |
| Provision for compensated absences | 3.36 | 2.95 | 1.01 | 2.13 |
| Sub - Total | 3.36 | 2.95 | 1.46 | 4.76 |
| Others | | | | |
| Balance at the beginning of the year | - | - | 5.52 | 5.52 |
| Additions / Transfers | - | - | - | - |
| Amounts used / Transfers | - | - | (3.72) | - |
| Balance as at the end of the year | - | - | 1.80 | 5.52 |
| Total | 3.36 | 2.95 | 5.47 | 12.27 |

Note 16(a): Provision for warranty and other probable tax demands are recognised net of reimbursements, the same is expected to be settled / adjusted within one year from the reporting date.

NOTE 17 OTHER LIABILITIES

(₹ in Crores)

| Particulars | Non-current as at | | Current as at | |
|--|-------------------|----------------|----------------|----------------|
| | March 31, 2021 | March 31, 2020 | March 31, 2021 | March 31, 2020 |
| Advances and Deposits from Customers / Others | - | - | 0.08 | 0.13 |
| Payable for capital purchases | - | - | 0.79 | 3.37 |
| Statutory remittances (Contributions to PF and ESIC, Withholding Taxes, GST, etc.) | - | - | 3.20 | 0.72 |
| Others | - | - | 0.02 | 0.04 |
| Total | - | - | 4.09 | 4.26 |

NOTE 18 REVENUE FROM OPERATIONS

(₹ in Crores)

| Particulars | Year ended | Year ended |
|---|----------------|----------------|
| | March 31, 2021 | March 31, 2020 |
| (a) Sales of Products (Refer Note 18.1) | 444.00 | 488.31 |
| (b) Rebates | (21.06) | (18.24) |
| Sub-Total | 422.94 | 470.07 |
| (c) Other operating revenues | | |
| - Scrap sales | 0.41 | 0.90 |
| - Material sales | 0.04 | 0.01 |
| Total | 423.39 | 470.98 |

NOTES FORMING PART OF FINANCIAL STATEMENTS

18.1 Revenue from major products and services

The following is the Company's revenue from the continuing operations from its major products and services.

(₹ in Crores)

| Categories of products sold | Year ended March 31, 2021 | Year ended March 31, 2020 |
|-----------------------------|------------------------------|------------------------------|
| Brake Linings | 189.62 | 202.45 |
| Disc Pads | 212.67 | 233.22 |
| Clutch Facings | 4.69 | 4.64 |
| Railway Brake Blocks | 2.67 | 12.43 |
| Others | 13.29 | 17.33 |
| Total | 422.94 | 470.07 |

NOTE 19 OTHER INCOME

(₹ in Crores)

| Particulars | Year ended March 31, 2021 | Year ended March 31, 2020 |
|---|------------------------------|------------------------------|
| (a) Interest income earned | | |
| - On Financial assets (at amortised cost) | 1.75 | 2.81 |
| (b) Dividend Income - on financial assets (FVTPL) | - | 0.11 |
| (c) Other non-operating income (net of expenses directly attributable to such income) | | |
| - Liabilities / Provisions no longer required written back | 8.75 | 5.56 |
| - Others (aggregate of items) | 0.92 | 1.97 |
| Total | 11.42 | 10.45 |

NOTE 20 COST OF RAW MATERIAL CONSUMED

(₹ in Crores)

| Particulars | Year ended March 31, 2021 | Year ended March 31, 2020 |
|---|------------------------------|------------------------------|
| Raw material and components consumed | | |
| Opening inventory | 32.77 | 27.02 |
| Add : Purchases | 195.52 | 227.53 |
| Less : Inventory at the end of the year | 42.12 | 32.77 |
| Sub-Total | 186.17 | 221.78 |
| Freight inward | 3.25 | 3.47 |
| Job work expenses | 5.04 | 5.29 |
| Total | 194.46 | 230.54 |

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

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

(₹ in Crores)

| Particulars | Year ended March 31, 2021 | Year ended March 31, 2020 |
|--|------------------------------|------------------------------|
| Opening Stock: | | |
| Work-in-progress | 5.45 | 4.86 |
| Finished goods | 22.11 | 16.77 |
| Closing Stock: | | |
| Work-in-progress | 4.52 | 5.45 |
| Finished goods | 15.44 | 22.11 |
| (Increase) / Decrease in Stocks | 7.60 | (5.93) |

NOTES FORMING PART OF FINANCIAL STATEMENTS

NOTE 22 EMPLOYEE BENEFIT EXPENSES

(₹ in Crores)

| Particulars | Year ended March 31, 2021 | Year ended March 31, 2020 |
|---|------------------------------|------------------------------|
| (a) Salaries, Wages and Bonus | 52.22 | 61.74 |
| (b) Contribution to Provident and Other Funds (Refer Note 30) | 3.66 | 3.75 |
| (c) Gratuity (Refer Note 30) | 1.28 | 1.02 |
| (d) Staff Welfare Expenses | 8.57 | 10.12 |
| Total | 65.73 | 76.63 |

NOTE 23 FINANCE COSTS

(₹ in Crores)

| Particulars | Year ended March 31, 2021 | Year ended March 31, 2020 |
|---|------------------------------|------------------------------|
| Interest Expense of | | |
| Working capital Loans (at amortised cost) | 0.00 | 0.00 |
| Obligations under finance lease | 0.01 | 0.01 |
| Other borrowing cost | 0.24 | 0.01 |
| Total | 0.25 | 0.02 |

NOTE 24 DEPRECIATION, AMORTISATION AND IMPAIRMENT EXPENSE

(₹ in Crores)

| Particulars | Year ended March 31, 2021 | Year ended March 31, 2020 |
|--|------------------------------|------------------------------|
| Depreciation on Property, Plant and Equipment pertaining to continuing operations (Refer Note 2) | 22.95 | 24.64 |
| Depreciation on Right-of-Use assets (Refer Note 3A) | 0.17 | 0.16 |
| Amortisation of Intangible assets (Refer Note 3B) | 1.30 | 1.49 |
| Total depreciation, amortisation and impairment expense | 24.42 | 26.29 |

NOTE 25 OTHER EXPENSES

(₹ in Crores)

| Particulars | Year ended March 31, 2021 | Year ended March 31, 2020 |
|--|------------------------------|------------------------------|
| Power and Fuel | 19.22 | 22.86 |
| Consumption of stores and spares | 6.47 | 6.84 |
| Travelling and Conveyance | 3.12 | 6.06 |
| Repairs and Maintenance | | |
| - Buildings | 1.03 | 1.23 |
| - Plant and Equipment | 10.76 | 11.42 |
| - Others | 8.34 | 6.44 |
| Packing, Despatching and Freight | 21.28 | 20.75 |
| Insurance | 0.91 | 0.76 |
| Rates and Taxes, excluding taxes on income | 0.84 | 1.41 |
| Rent expense | 0.02 | 0.11 |
| Commission to Selling Agents | 0.39 | 1.38 |
| Auditors' Remuneration (Refer Note 25 (a)) | 0.19 | 0.19 |
| Directors' Sitting fee | 0.06 | 0.22 |
| Sales Promotion and Publicity | 5.48 | 4.09 |
| Plant and equipment scrapped | 0.01 | 0.08 |
| Professional Charges | 5.89 | 7.73 |
| Information System Expenses | 1.83 | 2.47 |
| Foreign Exchange Loss (Net) | 0.89 | 0.01 |
| Provision for Bad Debts | (2.41) | 0.75 |
| Printing and Stationery | 0.38 | 0.48 |
| Royalty | 5.08 | 6.07 |
| Trade mark fees | 2.10 | 2.44 |
| Contribution towards Corporate Social Responsibility (Refer Note 34.1) | 1.02 | 1.09 |
| Miscellaneous Expenses | 2.47 | 4.31 |
| Total | 95.37 | 109.19 |

NOTES FORMING PART OF FINANCIAL STATEMENTS

NOTE 25 (a) AUDITORS' REMUNERATION

(₹ in Crores)

| Particulars | Year ended March 31, 2021 | Year ended March 31, 2020 |
|--------------------|------------------------------|------------------------------|
| (a) Audit Fee | 0.10 | 0.10 |
| (b) Tax audit fee | 0.02 | 0.02 |
| (c) Other Services | 0.07 | 0.07 |
| Total | 0.19 | 0.19 |

NOTE 26 INCOME TAX EXPENSE

(₹ in Crores)

| Particulars | Year ended March 31, 2021 | Year ended March 31, 2020 |
|--|------------------------------|------------------------------|
| Current tax | | |
| In respect of current year | 16.44 | 7.86 |
| In respect of prior years | - | - |
| Total | 16.44 | 7.86 |
| Deferred tax | | |
| In respect of current year | (1.30) | 6.24 |
| Minimum Alternate Tax (MAT) | - | (3.76) |
| Deferred tax recognised in profit or loss | (1.30) | 2.48 |
| Total income tax expense | 15.14 | 10.34 |

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

(₹ in Crores)

| Particulars | Year ended March 31, 2021 | Year ended March 31, 2020 |
|---|------------------------------|------------------------------|
| Profit before tax | 46.94 | 44.68 |
| Income Tax expense calculated @ 34.944% | 16.40 | 15.61 |
| Effect of income that is exempt from taxation | (0.41) | (0.09) |
| Effect of expenses that are not deductible in determining taxable profit | 0.25 | - |
| Effect of concessions (Research and Development and other allowances) | - | (6.82) |
| Effect of tax payable in future in respect of taxable temporary differences | (1.10) | 5.40 |
| Other MAT adjustments | - | (3.76) |
| Income Tax expense recognised in profit or loss | 15.14 | 10.34 |

26.1 Income tax recognised in other comprehensive income

(₹ in Crores)

| Particulars | Year ended March 31, 2021 | Year ended March 31, 2020 |
|--|------------------------------|------------------------------|
| Deferred tax | | |
| Arising on income and expenses recognised in other comprehensive income: | | |
| Remeasurement of defined benefit obligation | (0.36) | 0.53 |
| Total income tax recognised in other comprehensive income | (0.36) | 0.53 |

NOTE 27 RESEARCH AND DEVELOPMENT EXPENDITURE

(₹ in Crores)

| Particulars | Year ended March 31, 2021 | Year ended March 31, 2020 |
|-------------------------|------------------------------|------------------------------|
| (i) Capital Expenditure | 1.60 | 23.60 |
| (ii) Revenue Expenses | 15.02 | 16.20 |

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

NOTES FORMING PART OF FINANCIAL STATEMENTS

NOTE 28 EARNINGS PER SHARE

(₹ in Crores)

| Particulars | Year ended March 31, 2021 | Year ended March 31, 2020 |
|---|------------------------------|------------------------------|
| A) Basic Earnings per share | | |
| Profit for the year (A) | 31.80 | 34.34 |
| Weighted average no of shares outstanding (B) | 0.79 | 0.79 |
| Total basic earnings per share (A/B) | 40.45 | 43.39 |
| B) Diluted Earnings per share | | |
| Profit for the year (A) | 31.80 | 34.34 |
| Weighted average no of shares outstanding (B) | 0.79 | 0.79 |
| Total diluted earnings per share (A/B) | 40.45 | 43.39 |

NOTE 29 SEGMENT REPORTING

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

29.1 Product wise break up - Please refer Note 18.1

29.2 Geographical Information

(₹ in Crores)

| Particulars | Revenue from external customers | | Non-current assets** | |
|---------------|---------------------------------|------------------------------|------------------------------|------------------------------|
| | Year ended March 31, 2021 | Year ended March 31, 2020 | Year ended March 31, 2021 | Year ended March 31, 2020 |
| India | 399.14 | 448.96 | 119.55 | 133.16 |
| Rest of World | 24.25 | 22.02 | - | - |
| Total | 423.39 | 470.98 | 119.55 | 133.16 |

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

29.3 Information about major customers

Revenue from sale of Products to largest customers (greater than 10% of total sales) is ₹167.67 Crores (March 31, 2020 : ₹144.78 Crores).

NOTE 30 EMPLOYEE BENEFIT PLANS

A. Defined contribution plans

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

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

(a) Provident fund and pension

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

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

(b) Superannuation fund

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

NOTES FORMING PART OF FINANCIAL STATEMENTS

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

The total expense recognised in profit or loss of ₹3.36 Crores (for the year ended March 31, 2020 : ₹3.43 Crores) represents contributions payable to these plans by the company at rates specified in the rules of the plans. As at March 31, 2021, contributions of ₹0.56 Crores (as at March 31, 2020 : ₹0.58 Crores) due in respect to 2020-21 (2019-20) reporting period had not been paid over to the plans. The amounts were paid subsequent to the end of the respective reporting periods.

B. Defined benefit plans

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

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

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

| | |
|-----------------|---|
| Investment risk | The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to government / high quality bond yields; if the return on plan asset is below this rate, it will create a plan deficit. |
| Interest risk | A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan's debt investments. |
| Longevity risk | The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability. |
| Salary risk | The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability. |

C. Details of defined benefit obligation and plan assets:

Leave obligations

The leave obligations cover the Company's liability for earned leave.

The amount of provision of ₹1.01 Crores (March 31, 2020 : ₹2.13 Crores) is presented as current, since the Company does not have an unconditional right to defer settlement for any of these obligations. However based on past experience, the Company does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months.

The key assumptions used for the calculation of provision for long term compensated absences are as under:

| Principal Actuarial Assumptions at Balance Sheet date | 2020-21 | 2019-20 |
|---|---------|---------|
| Discount rate | 6.91% | 6.63% |
| Expected rate of salary increase | | |
| - Executives and Staff | 8.00% | 8.00% |
| - Operators | 8.00% | 8.00% |
| Attrition rate | | |
| - Executives and Staff | 4.00% | 4.00% |
| - Operators | 1.00% | 1.00% |

NOTES FORMING PART OF FINANCIAL STATEMENTS

Gratuity

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

| Particulars | Year ended March 31, 2021 | Year ended March 31, 2020 |
|--|------------------------------|------------------------------|
| Opening defined benefit obligation | 16.96 | 13.93 |
| Current Service Cost | 1.17 | 0.98 |
| Interest cost | 1.11 | 1.05 |
| Remeasurement (gains) / losses : | | |
| Actuarial gains and losses arising from changes in demographic assumptions | - | - |
| Actuarial gains and losses arising from changes in financial assumptions | (1.16) | 1.49 |
| Actuarial gains and losses arising from experience adjustments | - | - |
| Past service cost including losses / (gains) on curtailments | - | - |
| Benefits paid | (0.69) | (0.49) |
| Closing defined benefit obligation | 17.39 | 16.96 |

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

| Particulars | Year ended March 31, 2021 | Year ended March 31, 2020 |
|--|------------------------------|------------------------------|
| Opening fair value of plan assets | 14.32 | 13.26 |
| Interest income | (0.23) | (0.24) |
| Remeasurement gain / (loss) : | | |
| Return on plan assets (excluding amounts included in net interest expense) | 0.88 | 0.99 |
| Contributions from the Employer | 2.63 | 0.80 |
| Benefits paid | (0.66) | (0.49) |
| Closing fair value of plan assets | 16.94 | 14.32 |

(iii) The amount included in the balance sheet arising from the entity's obligation in respect of its defined benefit plans is as follows :

(₹ in Crores)

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|--|-------------------------|-------------------------|
| Present value of funded defined benefit obligation | 17.39 | 16.96 |
| Fair value of plan assets | 16.94 | 14.32 |
| Funded status | 0.45 | 2.64 |
| Restrictions on asset recognised | - | - |
| Others | - | - |
| Net liability arising from defined benefit obligation | 0.45 | 2.64 |

(iv) Amounts recognised in statement of profit and loss in respect of these defined benefit plans are as follows:

(₹ in Crores)

| Particulars | Year ended March 31, 2021 | Year ended March 31, 2020 |
|---|------------------------------|------------------------------|
| Service Cost : | | |
| Current Service cost | 1.17 | 0.98 |
| Past service cost and (gain) / loss from settlements | - | - |
| Net interest Expense | 0.10 | 0.04 |
| Components of defined benefit costs recognised in profit or loss | 1.27 | 1.02 |

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

(v) Risk Exposure

The Company has invested the plan assets with the insurer managed funds. The insurance company has invested the plan assets in Government Securities, Debt Funds, Equity shares, Mutual Funds, Money Market Instruments and Time Deposits. The expected rate of return on plan asset is based on expectation of the average long term rate of return expected on investments of the fund during the estimated term of the obligation.

The estimates of future salary increases, considered in actuarial valuation, taking into account inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market. The expected rate of return on plan assets is based on the composition of plan assets held (through LIC), historical results of the return on plan assets, the company's policy for plan asset management and other relevant factors.

(vi) The principal assumptions used for the purposes of the actuarial valuations were as follows.

| Particulars | Valuation as at | |
|-------------------------------------|-----------------|----------------|
| | March 31, 2021 | March 31, 2020 |
| Discount Rate(s) | 6.91% | 6.63% |
| Expected Rate(s) of salary increase | | |
| - Executives and Staff | 8.00% | 8.00% |
| - Operators | 8.00% | 8.00% |
| Attrition Rate | | |
| - Executives and Staff | 4.00% | 4.00% |
| - Operators | 1.00% | 1.00% |

Significant actuarial assumptions for the determination of the defined obligation are discount rate, expected salary increase and mortality. The sensitivity analysis below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

Sensitivity Analysis

(₹ in Crores)

| Change in assumption | March 31, 2021 | March 31, 2020 |
|----------------------------------|----------------|----------------|
| A. Discount Rate +50 BP | 7.41% | 7.13% |
| Defined Benefit Obligation [PVO] | 16.54 | 16.10 |
| Current Service Cost | 1.07 | 1.11 |
| B. Discount Rate -50 BP | 6.41% | 6.13% |
| Defined Benefit Obligation [PVO] | 18.30 | 17.89 |
| Current Service Cost | 1.20 | 1.25 |
| C. Salary Escalation Rate +50 BP | 8.50% | 8.50% |
| Defined Benefit Obligation [PVO] | 18.30 | 17.88 |
| Current Service Cost | 1.20 | 1.25 |
| D. Salary Escalation Rate -50 BP | 7.50% | 7.50% |
| Defined Benefit Obligation [PVO] | 16.53 | 16.10 |
| Current Service Cost | 1.07 | 1.11 |

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

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

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

Defined benefit liability and employer contributions

The weighted average duration of the defined benefit obligation is 11.0 years (2020 - 11.4 years). The expected maturity analysis of undiscounted gratuity is as follows:

NOTES FORMING PART OF FINANCIAL STATEMENTS

(₹ in Crores)

| | March 31, 2021 | March 31, 2020 |
|--------------|----------------|----------------|
| Year 1 | 0.43 | 0.94 |
| Year 2 | 0.78 | 0.42 |
| Year 3 | 0.93 | 0.50 |
| Year 4 | 0.94 | 0.91 |
| Year 5 | 1.67 | 0.95 |
| Next 5 Years | 7.71 | 7.06 |

NOTE 31 FINANCIAL INSTRUMENTS

31.1 Capital management

For the purpose of the Company's capital management, capital includes issued capital and all other equity reserves attributable to the equity shareholders of the Company. The primary objective of the Company when managing capital is to safeguard its ability to continue as a going concern and to maintain an optimal capital structure so as to maximize shareholder value. As at March 31, 2021, the Company has only one class of equity shares. There are no externally imposed capital requirements. In order to maintain or achieve an optimal capital structure, the Company allocates its capital for distribution as dividend or re-investment into business based on its long term financial plans.

31.2 Categories of financial instruments

(₹ in Crores)

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|--|-------------------------|-------------------------|
| Financial assets | | |
| Measured at fair value through profit or loss (FVTPL) | | |
| (a) Mandatorily measured: | | |
| - Equity investments | 0.60 | 0.60 |
| - Investment in Mutual Funds (Grouped under cash and cash equivalents) | 20.20 | - |
| Measured at amortised cost | | |
| - Trade receivables | 129.79 | 97.45 |
| - Cash and cash equivalents | 28.18 | 37.54 |
| - Other bank balances | 1.12 | 0.00 |
| - Other financial assets (Current) | 0.59 | 0.97 |
| - Other financial assets (Non-current) | 10.93 | 12.85 |
| Financial liabilities | | |
| Measured at amortised cost | | |
| - Derivative instruments | 0.09 | 0.01 |
| - Other Financial liabilities | 16.41 | 17.42 |

Fair value hierarchy

(₹ in Crores)

| Particulars | As at March 31, 2021 | As at March 31, 2020 | Fair value Hierarchy |
|--|-------------------------|-------------------------|-------------------------|
| - Derivative instruments (Forward contracts) | 0.09 | 0.01 | Level-1 |
| - Investment in Mutual Funds (Grouped under cash and cash equivalents) | 20.20 | - | Level-1 |
| - Equity investments | 0.60 | 0.60 | Level-3 |

The Company carries equity investment as described in Note 4 to the financial statements. The fair value of the same is based on price of prior transactions. The said investment has subsequently been transferred at its carrying value during the financial year 2020-21. Accordingly, disclosure of the sensitivity of fair value measurement in unobservable inputs is considered not relevant. Other than the effect of disposal as stated above, there are no other changes in the fair value of such investments.

In the opinion of the management, the carrying amounts of financial assets and financial liabilities recognised in the financial statements are a reasonable approximation of their fair values. Hence no separate disclosures of fair value has been made.

NOTES FORMING PART OF FINANCIAL STATEMENTS

31.3 Financial risk management

The Company is exposed to Market risk, Credit risk and Liquidity risk. The Board of Directors ('Board') oversee the management of these financial risks through its Risk Management Committee. The Company monitors and manages the financial risks relating to the operations of the Company through internal risk reports which analyse exposures by degree and magnitude of risks.

The following disclosures summarize the Company's exposure to financial risks and information regarding use of derivatives employed to manage exposures to such risks. Quantitative sensitivity analysis have been provided to reflect the impact of reasonably possible changes in market rates on the financial results, cash flows and financial position of the Company.

31.3.1 Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market conditions. Market risk mainly comprises of interest rate risk, currency risk. Financial instruments affected by market risk includes borrowings, investments, trade payables, trade receivables and derivative financial instruments. The Company's activities expose it primarily to the financial risks of changes in foreign currency exchange rates, interest rates and other price risk.

There has been no change to the Company's exposure to market risks or the manner in which these risks are being managed and measured.

(a) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Since the Company has insignificant interest bearing borrowings, the exposure to risk of changes in market interest rates is minimal.

(b) Foreign Currency risk

The company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. Exchange rate exposures are managed within approved policy parameters utilising derivative contracts. The risk management objective of the company is to hedge risk of change in the foreign currency exchange rates associated with its direct & indirect transactions denominated in foreign currency. Since most of the transactions of the company are denominated in its functional currency (INR), any foreign exchange fluctuation affects the profitability of the Company and its financial position. Hedging provides stability to the financial performance by estimating the amount of future cash flows and reducing volatility. The Company does not enter into a foreign exchange transaction for speculative purposes i.e. without any actual / anticipated underlying exposures.

The carrying amounts of the company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows :

| Particulars | Liabilities as at | | Assets as at | |
|-------------|-------------------|----------------|----------------|----------------|
| | March 31, 2021 | March 31, 2020 | March 31, 2021 | March 31, 2020 |
| EURO | 1,30,997 | 54,392 | - | 76 |
| GBP | - | - | 45,322 | 37,625 |
| JPY | 9,59,88,718 | 9,23,46,578 | - | - |
| USD | 4,67,497 | 10,24,819 | 5,01,140 | 5,48,763 |

NOTES FORMING PART OF FINANCIAL STATEMENTS

Foreign Currency sensitivity analysis

The below table demonstrates the sensitivity to a 5% increase or decrease in the relevant foreign currency against INR, with all other variables held constant. The sensitivity analysis is prepared on the net unhedged exposure of the Company as at the reporting date. 5% represents management's assessment of reasonable possible change in foreign exchange rate.

(₹ in Crores)

| Particulars | Impact on profit or loss for the year | | Impact on total equity as at the end of the reporting period | |
|---------------------------------|---------------------------------------|-------------|--|-------------|
| | 2020-21 | 2019-20 | 2020-21 | 2019-20 |
| A. Financial Assets | | | | |
| USD | (0.18) | (0.21) | (0.12) | (0.14) |
| GBP | (0.01) | (0.01) | (0.00) | (0.01) |
| EUR | - | (0.00) | - | (0.00) |
| B. Financial Liabilities | | | | |
| USD | (0.17) | (0.39) | (0.11) | (0.25) |
| EUR | (0.01) | (0.02) | (0.01) | (0.01) |
| JPY | - | (0.02) | - | (0.01) |
| Net Impact (A-B) | (0.01) | 0.21 | (0.00) | 0.13 |

In Management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk because the exposure at the end of the reporting period does not reflect the exposure during the year.

Forward foreign exchange contracts

It is the policy of the Company to enter into forward exchange contracts to cover specific foreign currency risk in accordance with the Board approved policy. The following table details the forward foreign currency (FC) contracts outstanding at the end of the reporting period:

| Outstanding contracts | Average exchange rate | | In respective Foreign currency | | Notional value | | Fair value assets / (liabilities) (in ₹) | |
|--------------------------|-----------------------|----------------|--------------------------------|----------------|----------------|----------------|---|----------------|
| | March 31, 2021 | March 31, 2020 | March 31, 2021 | March 31, 2020 | March 31, 2021 | March 31, 2020 | March 31, 2021 | March 31, 2020 |
| Cash flow hedges | | | | | | | | |
| Buy Currency Euro | | | | | | | | |
| Less than 03 months | 86.89 | 83.11 | (1,04,221) | 15,078 | (90,55,763) | 12,53,121 | (91,04,703) | 12,48,142 |
| More than 03 months | | | | | | | | |
| Buy Currency JPY | | | | | | | | |
| Less than 03 months | 67.27 | 69.81 | (10,62,01,730) | 8,70,48,186 | (7,14,46,240) | 6,07,67,248 | (7,22,68,800) | 6,09,09,520 |
| More than 03 months | | | | | | | | |
| Sell Currency GBP | | | | | | | | |
| Less than 03 months | 101.35 | 94.70 | 33,904 | 17,859 | 34,36,093 | 16,91,187 | 34,30,656 | 16,75,530 |
| More than 03 Months | | | | | | | | |

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

31.3.2 Credit risk

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

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

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

NOTES FORMING PART OF FINANCIAL STATEMENTS

31.3.3 Liquidity risk

Ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the company's short-term, medium-term and long-term funding and liquidity management requirements. The company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The following table detail the company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The table have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay.

| Particulars | | | | | (₹ in Crores) | |
|----------------------------------|------------------|-------------|-------------------|---------------|----------------|--|
| | Less than 1 Year | 1-5 years | More than 5 years | Total | Carrying value | |
| March 31, 2021 | | | | | | |
| Borrowings | - | - | - | - | - | |
| Trade payables | 113.69 | - | - | 113.69 | 113.69 | |
| Derivative Financial Liabilities | 0.09 | - | - | 0.09 | 0.09 | |
| Other Financial Liabilities | 16.16 | 0.25 | - | 16.41 | 16.41 | |
| Total | 129.94 | 0.25 | - | 130.19 | 130.19 | |
| March 31, 2020 | | | | | | |
| Borrowings | - | - | - | - | - | |
| Trade payables | 93.11 | - | - | 93.11 | 93.11 | |
| Derivative Financial Liabilities | 0.01 | - | - | 0.01 | 0.01 | |
| Other Financial Liabilities | 17.15 | 0.27 | - | 17.42 | 17.42 | |
| Total | 110.27 | 0.27 | - | 110.54 | 110.54 | |

NOTE 32 RELATED PARTY DISCLOSURES

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

| | |
|---|---|
| List of related parties where control exists | |
| (i) Holding company | Rane Holdings Limited (RHL) |
| (ii) Associate | Nisshinbo Holdings Inc; Japan |
| Other related parties where transactions have taken place during the year | |
| (iii) Fellow Subsidiaries | Rane Madras Limited (RML) Rane Engine Valve Limited (REVL) Rane Holdings America Inc (RHAI) Rane Holdings Europe GmbH (RHEG) Rane Light Metal Castings Inc; USA (RLMC) |
| (iv) Key Management Personnel | Mr. L Ganesh, Chairman Mr. Vinay Lakshman, Managing Director (Related party upto 23.01.2020) Mr. R Balakrishnan, Manager & President (From 24.01.2020) |
| (v) Relatives of Key Management Personnel | Mr. L Lakshman, Director Mr. Harish Lakshman, Director (Related party upto 23.01.2020) |
| (vi) Subsidiaries, Associate or joint venture of other entities in Group | Rane TRW Steering Systems Private Limited (RTSS) Nisshinbo Automotive Manufacturing Inc; USA Nisshinbo Brake Inc; Japan Nisshintoa Iwao Inc; Japan Saeron Automotive Corporation; Korea Shijiazhuang TMD Friction Ltd.Co.; China TMD Friction GmbH, Germany |
| (vii) Entities significantly influenced by Key Management Personnel | Rane Foundation (RF) |
| (viii) Post employment benefit plan of the Entity | Rane Brake Lining Limited Employees Gratuity Fund (RBLLEGF) Rane Brake Lining Limited Senior Executives Pension Fund (RBLLEPF) |

NOTES FORMING PART OF FINANCIAL STATEMENTS

(b) The above information regarding related parties have been determined to the extent such parties have been identified on the basis of information available with the Company.

| Description | (₹ in Crores) | | | | | | | | | | | | | | | | | | |
|--|-----------------|------|-----------|------|-------------------|--------|--------------------------|------|---------------------------------------|------|---|-------|---|------|--|------|-------|-------|------|
| | Holding Company | | Associate | | Fellow Subsidiary | | Key Management Personnel | | Relatives of Key Management Personnel | | Subsidiaries, Associate or joint venture of other entities in Group | | Entities significantly influenced by Key Management Personnel | | Post employment benefit plan of the Entity | | Total | | |
| | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 | |
| Transactions during the year | | | | | | | | | | | | | | | | | | | |
| Trade Mark Fee | 2.11 | 2.43 | | | | | | | | | | | | | | | 2.11 | 2.43 | |
| Professional Charges | 3.78 | 4.51 | 0.25 | 0.26 | | | | | | | 2.75 | 4.90 | | | | | 6.78 | 9.67 | |
| Export Market Development Expenses | | | 0.54 | | | | | | | | | | | | | | 0.54 | - | |
| Reimbursement of Expenses | | 0.03 | | 0.06 | 0.06 | (0.01) | | | | | 0.01 | 0.15 | | | | | 0.08 | 0.17 | |
| Commission to Chairman | | | | | | | | 0.93 | 0.93 | | | | | | | | 0.93 | 0.93 | |
| Remuneration to KMP* | | | | | | | | 0.93 | 2.62 | | | | | | | | 0.93 | 2.62 | |
| Supply of Products | | | 1.82 | 1.83 | | | | | | | | | | | | | 1.82 | 1.83 | |
| Purchase of Raw Material | | | | | | | | | | | 27.60 | 32.55 | | | | | 27.60 | 32.55 | |
| Purchase of Assets | | | | | | | | | | | 1.30 | | | | | | - | 1.30 | |
| Purchase of Face Mask | | | | | | | | | | | 0.03 | | | | | | 0.03 | - | |
| Royalty | | | | | | | | | | | 5.57 | 7.11 | | | | | 5.57 | 7.11 | |
| Sitting Fees Paid | | 0.00 | 0.01 | | | | | 0.01 | 0.04 | 0.01 | 0.03 | | | | | | 0.02 | 0.08 | |
| Corporate Social Responsibility - Donation | | | | | | | | | | | | 0.50 | 0.79 | | | | 0.50 | 0.79 | |
| Post Employment Benefit Plan | | | | | | | | | | | | | | | | 2.86 | 0.93 | 2.86 | 0.93 |

NOTES FORMING PART OF FINANCIAL STATEMENTS

| Description | Holding Company | | Associate | | Fellow Subsidiary | | Key Management Personnel | | Relatives of Key Management Personnel | | Subsidiaries, Associate or joint venture of other entities in Group | | Entities significantly influenced by Key Management Personnel | | Post employment benefit plan of the Entity | | Total | | |
|----------------------------------|-----------------|------|-----------|------|-------------------|------|--------------------------|------|---------------------------------------|------|---|------|---|------|--|------|-------|------|--|
| | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 | |
| Outstanding as at March 31, | | | | | | | | | | | | | | | | | | | |
| Amount Payable | | | | | | | | | | | | | | | | | | | |
| - Purchase of Raw Material | | | | | | | | | | | 1.84 | 3.61 | | | | | 1.84 | 3.61 | |
| - Trade Mark Fee | 0.74 | 0.60 | | | | | | | | | | | | | | | 0.74 | 0.60 | |
| - Royalty | | | | | | | | | | | 2.35 | 2.03 | | | | | 2.35 | 2.03 | |
| - Professional Charges | | | | | | | | | | | 0.21 | 0.33 | | | | | 0.21 | 0.33 | |
| - Post Employment Benefit Plan | | | | | | | | | | | | | | | 0.46 | 2.63 | 0.46 | 2.63 | |
| Amount Receivable | | | | | | | | | | | | | | | | | | | |
| - Supply of Products | | | | | 0.35 | 0.37 | | | | | 0.01 | 0.01 | | | | | 0.36 | 0.38 | |
| - Purchase of Raw Material | | | | | | | | | | | 0.58 | 0.16 | | | | | 0.58 | 0.16 | |
| - Professional Charges | | | | | | | | | | | | | | | | | 0.24 | - | |
| - Employee Group Transfer+Others | | | | | | | | | | | | | | | | | 0.04 | - | |

* Remuneration to Key Management Personnel
 Mr.Vinay Lakshman, Managing Director - Upto 23.01.2020
 Mr.R.Balakrishnan, Manager - From 24.01.2020

| Particulars | (₹ in Crores) | |
|-------------------------------|---------------|-------------|
| | 2021 | 2020 |
| Short term benefits paid | 0.91 | 2.36 |
| Other Long term benefits paid | 0.07 | 0.23 |
| Termination benefits | 0.02 | 0.03 |
| Total | 1.00 | 2.62 |

NOTES FORMING PART OF FINANCIAL STATEMENTS

NOTE 33 COMMITMENTS

(₹ in Crores)

| Particulars | Year ended | |
|--|----------------|----------------|
| | March 31, 2021 | March 31, 2020 |
| (a) Estimated amount of contracts remaining to be executed on capital account and not provided for | 18.45 | 13.13 |

NOTE 34 CORPORATE SOCIAL RESPONSIBILITY

(₹ in Crores)

| Particulars | Year ended | |
|---|----------------|----------------|
| | March 31, 2021 | March 31, 2020 |
| (a) Gross amount required to be spent u/s 135 of the Companies Act, 2013 | 1.00 | 0.98 |
| (b) Amount approved by the board to be spent u/s 135 of the Companies Act, 2013 | 1.00 | 0.98 |
| (c) Expenditure towards corporate social responsibility | | |
| (i) Construction / acquisition of any asset | - | - |
| (ii) Purpose other than (i) above | 1.02 | 1.09 |
| Excess / (Shortfall) | 0.02 | 0.11 |

34.1 Corporate Social responsibility - Expenses incurred towards

(₹ in Crores)

| Particulars | Year ended | |
|-------------------------|----------------|----------------|
| | March 31, 2021 | March 31, 2020 |
| Donation | 0.82 | 0.94 |
| Social Welfare expenses | 0.20 | 0.15 |
| Total | 1.02 | 1.09 |

NOTE 35 DUES TO MICRO SMALL AND MEDIUM ENTERPRISES

Dues to Micro Small and Medium Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Company. This has been relied upon by the auditors. According to the records available with the Company certain amount have been identified as dues to suppliers registered under Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act'). The disclosure pursuant to the said MSMED Act are as follows:

(₹ in Crores)

| Particulars | March 31, 2021 | March 31, 2020 |
|--|----------------|----------------|
| Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end | 21.31 | 9.91 |
| Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end | - | - |
| Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year | 1.92 | 0.08 |
| Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year | - | - |
| Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year | - | - |
| Interest due and payable towards suppliers registered under MSMED Act, for payments already made | 0.01 | 0.01 |
| Further interest remaining due and payable for earlier years | - | - |

NOTES FORMING PART OF FINANCIAL STATEMENTS

NOTE 36 CONTINGENT LIABILITIES

(₹ in Crores)

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---------------------|-------------------------|-------------------------|
| Income tax matters | 9.03 | 8.45 |
| Sales tax matters | 1.35 | 1.21 |
| Service tax matters | 0.31 | 0.30 |
| Total | 10.69 | 9.96 |

NOTE 37 APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved for issue by the Board of Directors on May 17, 2021.

NOTE 38 ADDITIONAL INFORMATION TO FINANCIAL STATEMENTS

(₹ in Crores)

| Particulars | Year ended March 31, 2021 | Year ended March 31, 2020 |
|---|------------------------------|------------------------------|
| a) Raw materials consumed : | | |
| i) Asbestos | 9.42 | 11.61 |
| ii) Chemicals & Resins | 122.97 | 151.60 |
| iii) Steel Components | 53.78 | 58.57 |
| iv) Others | - | - |
| | 186.17 | 221.78 |
| b) CIF Value of imports : | | |
| i) Raw materials | 68.83 | 80.71 |
| ii) Capital goods | 0.78 | 18.47 |
| | 69.61 | 99.18 |
| c) Expenditure in foreign currency | | |
| i) Royalty | 3.27 | 5.74 |
| ii) Technical and License Fees | 2.35 | 2.45 |
| iii) Travelling | 0.01 | 0.11 |
| iv) Sales Commission | 0.59 | 0.28 |
| v) Professional and Consultancy Charges | 0.96 | 0.07 |
| vi) Others | 0.94 | 0.85 |
| | 8.12 | 9.50 |

| d) Value of imported and indigenous raw materials, components and spares consumed and percentage of each to the total consumption: | Year ended | | | |
|--|------------------------|-------------|------------------------|-------------|
| | March 31, 2021 | | March 31, 2020 | |
| | Value (₹ in Crores) | Percentage | Value (₹ in Crores) | Percentage |
| i) Raw Materials | | | | |
| a) Imported | 86.55 | 45% | 103.04 | 45% |
| b) Indigenous | 99.62 | 52% | 118.74 | 52% |
| ii) Stores and Spare Parts | | | | |
| a) Imported | - | - | - | - |
| b) Indigenous | 6.47 | 3% | 6.84 | 3% |
| | 192.64 | 100% | 228.62 | 100% |

NOTES FORMING PART OF FINANCIAL STATEMENTS

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

| Particulars | Year ended | | | | | |
|---------------------------------------|----------------------------------|---------------------------|---------------------------------|----------------------------------|---------------------------|---------------------------------|
| | March 31, 2021 | | | March 31, 2020 | | |
| | No. of Non-resident shareholders | No. of equity shares held | Dividend remitted (₹ in Crores) | No. of Non-resident shareholders | No. of equity shares held | Dividend remitted (₹ in Crores) |
| Interim Dividend paid during the year | 1 | 1,595,249 | - | 1 | 1,595,249 | 0.96 |
| Final Dividend paid during the year | 1 | 1,595,249 | 1.75 | 1 | 1,595,249 | 1.44 |

f) FOB Value of Exports (₹ in Crores)

| Particulars | Year ended | |
|----------------------|----------------|----------------|
| | March 31, 2021 | March 31, 2020 |
| FOB Value of exports | 22.70 | 20.43 |

g) Other Financial information (₹ in Crores)

| Particulars | Year ended | |
|---|----------------|----------------|
| | March 31, 2021 | March 31, 2020 |
| i. Outstanding Letter of Credit | 3.64 | 2.36 |
| ii. Guarantees excluding financial guarantees | 2.45 | 2.71 |
| iii. Net exchange difference debited to Profit and Loss Statement | 0.89 | 0.01 |

NOTE 39

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

As per our report of even date

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

For and on behalf of the Board

Georgy Mathew
Partner
Membership No. 209645
Place : Bengaluru

Ganesh Lakshminarayan
Chairman
DIN : 00012583

Harish Lakshman
Director
DIN : 00012602

R Balakrishnan
Manager

M A P Sridhar Kumar
Chief Financial Officer

Venkatraman
Secretary

Place : Chennai
Date : May 17, 2021



Expanding Horizons

Rane Brake Lining Limited

CIN: L63011TN2004PLC054948

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