

Rane



Rane Brake Lining Limited

(Formerly RICHFIELD LOGISTICS LINE PRIVATE LIMITED)

Board of Directors

L GANESH

Chairman

L LAKSHMAN

KUNIHRO TODA

S A MURALI PRASAD

D VIJAY MOHAN (upto 26.05.2008)

ANIL KUMAR V EPUR

S SANDILYA

SURESH CHANDRA GUPTA

Audit Committee

S SANDILYA

D VIJAY MOHAN (upto 26.05.2008)

S A MURALI PRASAD

L GANESH

Investors' Service Committee

L GANESH

Chairman

ANIL KUMAR V EPUR

L LAKSHMAN

President

P S RAO

General Manager - Finance & Secretary

L VENKATESWARAN

Auditors

PRICE WATERHOUSE & CO.,

Chartered Accountants

No. 32, Khader Nawaz Khan Road,

Nungambakkam, Chennai - 600 006.

Listing of Shares with

The Madras Stock Exchange Limited, Chennai

Bombay Stock Exchange Limited, Mumbai

National Stock Exchange of India Limited, Mumbai

Bankers

HDFC Bank Limited

State Bank of India

ICICI Bank Limited

Indian Overseas Bank

Registered Office

"MAITHRI", 132, Cathedral Road,

Chennai 600 086

Phone : 28112472

Fax : 28112449

Email : investorservices@rane.co.in

Plants

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

Registrar and Transfer Agents

Integrated Enterprises (India) Limited

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

North Usman Road, T Nagar, Chennai 600 017.

Ph: 28140801-03

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NOTICE TO SHAREHOLDERS

NOTICE is hereby given that the **Third Annual General Meeting** of the Equity Shareholders of the Company will be held at **10.15 a.m.** on **Tuesday, the July 22, 2008**, at **Narada Gana Sabha ('Main Hall')**, 314, TTK Road, Chennai 600 018, to transact the following:-

ORDINARY BUSINESS:

- To receive, consider and adopt the Directors' Report, the audited accounts of the Company for the year ended March 31, 2008 and the Auditors' Report thereon.

To consider adoption of the following resolution, as an **ordinary resolution**:

"Resolved that the Audited Balance Sheet as at March 31 2008, the Profit and Loss Account for the year ended March 31, 2008 together with the Reports of the Directors and the Auditors of the Company thereon, as presented to the meeting be and the same are hereby approved and adopted."

- To declare dividend on equity shares.

To consider adoption of the following resolution, with or without modification, as an **ordinary resolution**:

"Resolved that a dividend of Rs.4/- per equity share of Rs.10 each on 7,214,980 equity shares be and is hereby declared out of the profits of the Company for the year ended March 31, 2008, absorbing a total amount of Rs.33.76 million (including dividend tax and cess thereon) and that the dividend be paid to those shareholders, whose names appear on the Company's Register of Members as on July 22, 2008 and in respect of shares in electronic form to those beneficial owners of the shares as at the end of business hours on July 18, 2008 as per the details furnished by the Depositories for this purpose."

- To appoint auditors in the place of retiring auditors and to determine their remuneration.

To consider adoption of the following resolution, with or without modification, as an **ordinary resolution**:

"Resolved that M/s Price Waterhouse & Co., Chartered Accountants, be and are hereby

re-appointed as the auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company on such remuneration as may be determined by the Board of Directors of the Company, in addition to reimbursement of traveling and other out-of-pocket expenses actually incurred by them in connection with the audit."

SPECIAL BUSINESS:

Appointment of Director

- To consider adoption of the following resolution, with or without modification, as an **ordinary resolution**:

"Resolved that Mr. L Ganesh, who holds office as an additional director of the Company up to the date of this Annual General Meeting, be and is hereby appointed as Director of the Company, not liable to retire by rotation in terms of Article 122 (a) of the Articles of Association of the Company."

- To consider adoption of the following resolution, with or without modification, as an **ordinary resolution**:

"Resolved that Mr. L Lakshman, who holds office as an additional director of the Company up to the date of this Annual General Meeting, be and is hereby appointed as Director of the Company, whose period of office shall be subject to retirement by rotation."

- To consider adoption of the following resolution, with or without modification, as an **ordinary resolution**:

"Resolved that Mr. S Sandilya, who holds office as an additional director of the Company up to the date of this Annual General Meeting, be and is hereby appointed as Director of the Company, whose period of office shall be subject to retirement by rotation."

- To consider adoption of the following resolution, with or without modification, as an **ordinary resolution**:

"Resolved that Mr. S A Murali Prasad, who holds office as an additional director of the Company up to the date of this Annual General Meeting, be and is hereby appointed as Director of the Company, whose period of office shall be subject to retirement by rotation."

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8. To consider adoption of the following resolution, with or without modification, as an ordinary resolution:

“Resolved that Mr. Anil Kumar V Epur, who holds office as an additional director of the Company up to the date of this Annual General Meeting, be and is hereby appointed as Director of the Company, whose period of office shall be subject to retirement by rotation.”

9. To consider adoption of the following resolution, with or without modification, as an ordinary resolution:

“Resolved that Mr. Suresh Chandra Gupta, who holds office as an additional director of the Company up to the date of this Annual General Meeting, be and is hereby appointed as Director of the Company, whose period of office shall be subject to retirement by rotation.”

10. To consider adoption of the following resolution, with or without modification, as an ordinary resolution:

“Resolved that Mr. Kunihiro Toda, who holds office as an additional director of the Company up to the date of this Annual General Meeting, be and is hereby appointed as Director of the Company, whose period of office shall be subject to retirement by rotation.”

11. **Appointment of Mr. P S Rao, as Manager**

To consider adoption of the following resolution, with or without modification, as a special resolution:

“Resolved that in accordance with the provisions of Sections 198 and 269 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 (the Act), and subject to such other approvals as may be required, Mr. P S Rao, President of the Company, be and is hereby appointed as ‘Manager’ within the meaning of Section 2(24) of the Act, with effect from April 1, 2008, for the period from April 1, 2008 up to March 31, 2011 or such other periods as may be decided by the Board of Directors of the Company, on the following terms:

- a) **Salary:**

Rs.152,000 per month in the scale of Rs.152,000 to Rs.250,000. Annual increase will be effective

1st April every year and the quantum will be decided by the Board of Directors.

- b) **Benefits, Perquisites and Allowances:**

Benefits, perquisites and allowances as may be determined by the Board of Directors from time to time in accordance with the applicable Scheme of the Company, subject to a maximum of 200% of the salary per annum.

The perquisites will be evaluated as per Income-Tax Rules, wherever applicable, and at actual cost to the Company in other cases.

- c) **Contribution to Funds:**

Company’s contribution to Provident Fund and Superannuation Fund will not be included in the computation of the ceiling on perquisites to the extent these singly or put together are not taxable under the Income-Tax Act. Gratuity payable shall not exceed 15 days salary for each completed year of service.

- d) **Incentive Remuneration:**

Incentive remuneration of such sum be paid based on merits to be determined by the Board, provided that the total remuneration of the Manager shall not exceed the limits prescribed under the Companies Act, 1956 or such other limit as may be prescribed by the Government from time to time.”

“Resolved further that in the event of there being inadequacy or absence of profits in any financial year, during the currency of tenure of the Manager, he will be paid remuneration not exceeding the limits specified in Paragraph 1 (B) of Section II of PART II of Schedule XIII to the Companies Act, 1956 or such other limit as may be prescribed by the Government from time to time as minimum remuneration.”

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

Chennai
May 26, 2008

L Venkateswaran
General Manager-Finance & Secretary

NOTES:

1. Any member entitled to attend and vote at the meeting may appoint a proxy to attend and vote instead of himself. The proxy need not be a member of the Company. The proxies should however be deposited at the registered office of the Company not less than 48 hours before the commencement of the meeting.
2. The Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of the Special Business as given in the notice is annexed.
3. The Register of Members of the Company will remain closed from **Saturday, July 19, 2008** to **Tuesday, July 22, 2008** (both days inclusive). The dividend as may be declared by the shareholders will be made payable on or after **July 26, 2008**.
4. For Shareholders of erstwhile Rane Brake Linings Limited ("erstwhile RBL")
Pursuant to the provisions of Section 205A of the Companies Act, 1956, dividend for the financial year ended March 31, 2001 and thereafter which remain unclaimed for a period of seven years (relating to the erstwhile RBL) will be transferred to the Investor Education and Protection Fund (IEPF) of the Central Government.

- Members are requested to contact the Company's Registrars and Transfer Agents, for payment in respect of the unclaimed dividend for the financial year 2000-01 and thereafter declared by the erstwhile RBL.
5. Members holding shares in physical form are requested to notify to the Company immediately any change in address to the following:

M/s. Integrated Enterprises (India) Ltd.
II Floor, "Kences Towers", No.1, Ramakrishna Street,
North Usman Road, T. Nagar, Chennai 600 017.

Members holding shares in Dematerialised form may inform the change in address to their Depository Participants.
 6. Members who are holding shares in identical order of names in more than one account are requested to intimate to the Company, the ledger folio of such accounts together with the share certificate(s) to enable the Company to consolidate all the holdings into one account. The share certificate(s) will be returned to the members after necessary endorsements.
 7. Members / Proxies should bring the attendance slip duly filled in for attending the meeting.

Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956**Resolution No. 4 to 10**

The Board of Directors of your Company co-opted Mr. L Ganesh and Mr. L Lakshman on June 18, 2007, Mr. S Sandilya, Mr. S A Murali Prasad, Mr. Anil Kumar V Epur and Mr. Kunihiro Toda on February 6, 2008 and Mr. Suresh Chandra Gupta on March 24, 2008 as additional directors.

	Item No. 4	Item No. 5
Name of the Director	Mr. L Ganesh	Mr. L Lakshman
Father's Name	Mr. L L Narayan	Mr. L L Narayan
Date of Birth	March 18, 1954	July 17, 1946
Educational Qualifications	B.Com., ACA, MBA	B.E., Executive MBA from London Business School
Experience	From October 2006, as Chairman of Rane Group, he is also closely involved in management of other companies in Rane Group and has over 29 years of industrial experience.	Mr. Lakshman has been spearheading the business of different companies in Rane Group and has more than 38 years of industrial experience.
Date of Appointment	June 18, 2007	June 18, 2007

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Other Directorships	1. Rane Engine Valve Limited	1. Rane Engine Valve Limited
	2. Rane (Madras) Limited	2. Rane (Madras) Limited
	3. Rane TRW Steering Systems Limited	3. Rane TRW Steering Systems Limited
	4. Rane NSK Steering Systems Limited	4. Rane NSK Steering Systems Limited
	5. Rane Investments Limited	5. Rane Investments Limited
	6. Rane Holdings Limited	6. Rane Holdings Limited
	7. Kar Mobiles Limited	7. Kar Mobiles Limited
	8. Rane Diecast Limited	8. JMA Rane Marketing Limited
	9. EIH Associated Hotels Limited	9. Force Motors Limited
	10. EIH Limited	10. Pricol Limited
	11. JMA Rane Marketing Limited	
Committee Memberships	Chairman – Audit EIH Associated Hotels Limited	Chairman – Audit 1. Kar Mobiles Limited 2. Rane TRW Steering Systems Limited 3. Rane NSK Steering Systems Limited
	Member – Audit 1. Rane Holdings Limited 2. Rane Brake Lining Limited 3. Rane TRW Steering Systems Limited 4. Rane NSK Steering Systems Limited 5. Kar Mobiles Limited	Member – Audit 1. Rane (Madras) Limited 2. Rane Engine Valve Limited
	Chairman – Investors' Service 1. Rane Holdings Limited 2. Kar Mobiles Limited	Chairman – Investors' Service Rane (Madras) Limited
	Member – Investors' Service 1. Rane Engine Valve Limited 2. Rane Brake Lining Limited	Member – Investors' Service 1. Rane Engine Valve Limited 2. Rane Brake Lining Limited 3. Rane Holdings Limited
Number of shares held	50	50

	Item No. 6	Item No. 7
Name of the Director	Mr. S Sandilya	Mr. S A Murali Prasad
Father's Name	Mr. S Srinivasan	Mr. S A Venkatarama Iyer
Date of Birth	April 11, 1948	September 27, 1941
Educational Qualifications	B.Com, M.B.A	ACA, AICWA
Experience	Mr. Sandilya contributes his expertise in the policy and decision making of the Company. Mr. Sandilya has over 38 years of industrial experience.	Mr. Murali Prasad provides consultancy services for large and medium-sized corporate houses.
Date of Appointment	February 6, 2008	February 6, 2008

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Other Directorships	1. Eicher Motors Limited	1. Sakthi Finance Limited
	2. Royal Enfield Motorcycles Limited	2. Kovai Medical Center and Hospital Limited
	3. GMR Industries Limited	3. Sam Consultancy Services Pvt. Limited
	4. Tube Investments of India Limited	
	5. ECS Limited	
	6. Association of Indian Automobile Manufacturers (Section 25)	
	7. Lean Management Institute of India (Section 25)	
Committee Memberships	Member – Audit 1. Rane Brake Lining Limited 2. Tube Investments of India Limited	Chairman – Audit Sakthi Finance Limited
	Member – Shareholders & Investors' Grievance Eicher Motors Limited	Member – Audit Rane Brake Lining Limited
		Chairman – Remuneration 1. Sakthi Finance Limited 2. Rane Brake Lining Limited
Number of shares held	NIL	NIL

	Item No. 8	Item No. 9
Name of the Director	Mr. Anil Kumar V Epur	Mr. Suresh Chandra Gupta
Father's Name	Mr. E V Ram Reddy	Mr. Prem Narain
Date of Birth	November 17, 1948	April 5, 1945
Educational Qualifications	B.S, MEE and MBA – Cornell University, USA	B.Tech (Hons.)
Experience	Mr. Anil Kumar has over 32 years of industrial experience	Mr. Gupta was associated with the Indian Railways and has over 40 years of industrial experience.
Date of Appointment	February 6, 2008	March 24, 2008
Other Directorships	1. Rane Diecast Limited	NIL
	2. B2B Software Technologies Limited	
Committee Memberships	Chairman – Audit 1. B2B Software Technologies Limited 2. Rane Diecast Limited	NIL
	Member – Investors' Service Rane Brake Lining Limited	
	Member – Remuneration B2B Software Technologies Limited	
Number of shares held	NIL	NIL

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Item No. 10

Name of the Director	Mr. Kunihiro Toda
Father's Name	Mr. Ryuu Toda
Date of Birth	August 27, 1943
Educational Qualifications	Graduate
Experience	Mr. Toda provides technical advice and support to the company. He has over 35 years of Industrial experience.
Date of Appointment	February 6, 2008
Other Directorships	1. Nisshinbo Industries Incorporation
	2. Saeron Automotive Corporation
	3. Nisshinbo Brakes Sales Co. Ltd.
	4. Nisshinbo Automotive Corporation
	5. Nisshinbo Automotive Manufacturing Incorporation
	6. Nisshinbo Semboon Automotive Company Limited
Committee Memberships	NIL
Number of shares held	NIL

The term of additional directors, as per Section 260 of the Companies Act, 1956 is only upto the succeeding Annual General Meeting and therefore Mr. L Ganesh, Mr. L Lakshman, Mr. S Sandilya, Mr. S A Murali Prasad, Mr. Anil Kumar V Epur, Mr. Kunihiro Toda and Mr. Suresh Chandra Gupta seek appointment at this Annual General Meeting. Notices in writing under Section 257 of the Companies Act, 1956, along with the requisite deposit have been received from members signifying their intention to propose their candidature for the office of director of the Company. In terms of Article 122(a), Mr. L Ganesh, Chairman is not liable to retire by rotation.

Mr. L Ganesh, Mr. L Lakshman, Mr. S Sandilya, Mr. S A Murali Prasad, Mr. Anil Kumar V Epur, Mr. Kunihiro Toda and Mr. Suresh Chandra Gupta are interested in the resolutions pertaining to their respective appointments.

Mr. L Lakshman and Mr. L Ganesh are related to each other and may be deemed to be interested inter se in their resolutions.

Your directors commend the resolution for adoption.

Resolution No. 11

The Board of Directors at their meeting held on March 24, 2008 has, subject to the approval of the shareholders, appointed Mr. P S Rao as Manager for a period of three years from April 1, 2008, on the remuneration approved by the Remuneration Committee, which is detailed in the resolution.

As required under the Provisions of Schedule XIII to the Companies Act, 1956, the following information is provided.

I. General Information:

The Company is engaged in manufacture and sale of brake & clutch linings and Railway Brake Blocks, all of which will fall under auto component industry. The financial performance of the Company for the year ended March 31, 2008 is given below:

	Rs. Million
Sales & Operating Revenues	1810.23
Profit Before Tax	111.95
Provision for Tax	22.54
Profit After Tax	89.41
Exports (FOB Value) during the year	152.58
Net Foreign Exchange Earnings	(140.44)

Nisshinbo Industries Inc., Japan holds 10% of the equity share capital of the Company. The Company also has a technical collaboration with them for providing the formulation technology.

II. Information about the appointee Mr. P S Rao :

Background details:

Name	Mr. P S Rao	
Father's Name	Mr. P C Rao	
Date of Birth	September 20, 1952	
Educational Qualifications	B.E., M. Tech. – Metallurgical Engineering	
Date of Appointment	April 1, 2008	
Other Directorships	NIL	
Committee Memberships	NIL	
Experience	32 years experience	
Past Remuneration (for 2007-08)	Salary including allowances	Rs. (in '000) 4,476
	Perquisites	113
Recognition / Awards	NIL	
Job Profile and his suitability	Overall Management of the Company. Given his qualification and experience, Mr. P S Rao is considered well suited for the position.	
Comparative remuneration profile with respect to the industry:	The proposed remuneration package of the appointee is in line with the prevailing remuneration package in the industry, size of the Company, profile of the position, etc.	
Remuneration proposed	Detailed in the resolution. The remuneration proposed is commensurate with the responsibilities of the appointee and is in line with the remuneration practices in the auto component industry.	

Mr. P S Rao does not have any other pecuniary relationship with the Company. He is not related to any director.

III. Other Information:

Reasons for possible inadequate profits	The profitability of the Company is being affected due to steep increase in raw material cost on account of increase in steel prices and foreign exchange fluctuations.
Steps taken or proposed to be taken for improvement	The adoption to Total Quality Management (TQM) would considerably improve the productivity levels.
Expected increase in productivity and profits in measurable terms	Appropriate steps are being taken to contain fixed cost to improve the profitability in measurable terms. In view of this, consent of the shareholders is sought for payment of minimum remuneration as prescribed by the Central Government, in the event of inadequacy of profits due to any unforeseen circumstances.

None of the director is concerned or interested in the resolution.

Your directors commend the resolution for adoption.

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

Chennai
May 26, 2008

L Venkateswaran
General Manager - Finance & Secretary