



Rane Brake Lining Limited

9th ANNUAL REPORT 2014

Rane Brake Lining Limited

Board of Directors

L GANESH

Chairman

L LAKSHMAN

S A MURALI PRASAD

ANIL KUMAR V EPUR

S SANDILYA

HARISH LAKSHMAN

S C GUPTA

KAZUHIRO IWATA

(Nominee of Nisshinbo Holdings Inc., Japan)

Audit Committee

S SANDILYA

Chairman

S A MURALI PRASAD

L GANESH

S C GUPTA

Stakeholders' Relationship Committee

HARISH LAKSHMAN

Chairman

ANIL KUMAR V EPUR

L GANESH

President

P S RAO

General Manager - Finance

M A P SRIDHAR KUMAR

Secretary

G KARTHIKEYAN

Auditors

VARMA & VARMA

Chartered Accountants

105, "Sreela Terrace" First Main Road

Gandhi Nagar, Adyar,

Chennai - 600 020

Cost Auditors

STR & ASSOCIATES

Cost Accountants

'Vignesh Villa' A-3, III Floor

No.56, 7th Avenue

Ashok Nagar

Chennai 600 083

Listing of Shares with

BSE Limited, Mumbai

National Stock Exchange of India Limited, Mumbai

The Madras Stock Exchange Limited, Chennai

Bankers

HDFC Bank Limited

IDBI Bank Limited

Standard Chartered Bank

The Hongkong and Shanghai Banking Corporation

State Bank of India

YES Bank Limited

Registered Office

"MAITHRI",

132, Cathedral Road

Chennai 600 086

Phone : 044-28112472

Fax : 044-28112449

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
Puducherry 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: 044-28140801-03

E-mail: corpserv@integratedindia.in

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FINANCIAL HIGHLIGHTS

KEY PERFORMANCE INDICATORS

FINANCIAL YEAR	UOM*	2013-14	2012-13	2011-12	2010-11	2009-10	2008-09	2007-08
Return on Capital Employed (ROCE)	%	10.91	7.65	13.92	15.00	13.46	6.47	7.53
Return on Networth (RONW)	%	16.07	9.16	17.65	18.76	14.12	4.43	9.91
Earnings Per Share (EPS)	Rs.	21.76	11.50	20.45	19.31	12.78	4.01	12.39
Dividend	%	75	40	70	50	45	20	40
Book Value Per Share	Rs.	141.84	128.88	122.03	109.72	96.50	92.49	88.38

* Unit of Measurement

OPERATIONAL PERFORMANCE

(Rupees in Crores)

FINANCIAL YEAR	2013-14	2012-13	2011-12	2010-11	2009-10	2008-09	2007-08
Total Income	386.51	379.68	363.52	308.32	237.68	193.15	184.27
Earnings before Interest, Tax, Depreciation & Amortisation (EBITDA)	42.61	36.08	43.76	36.49	30.20	21.25	23.29
Profit Before Tax (PBT)	16.73	10.92	21.90	19.67	14.93	4.32	11.19
Profit After Tax (PAT)	17.21	9.10	16.19	15.29	10.09	2.89	8.94

BALANCE SHEET SUMMARY**

(Rupees in Crores)

FINANCIAL YEAR	2013-14	2012-13	2011-12	2010-11
Equity Share Capital	7.91	7.91	7.91	7.91
Shareholders' funds	112.26	102.01	96.59	86.84
Non current Liabilities	39.16	56.63	59.55	46.79
Current Liabilities	116.51	102.87	95.60	73.22
Non current assets	143.14	148.44	132.28	115.14
Current assets	124.81	113.07	119.46	91.71

** pertains to revised Schedule VI applicable years only

NOTICE TO SHAREHOLDERS

NOTICE is hereby given that the **Ninth Annual General Meeting (AGM)** of Rane Brake Lining Limited will be held at 10.15. a.m. on **Tuesday, July 22, 2014** at **The Music Academy (Mini Hall)**, New No.168, TTK Road, Royapettah, Chennai 600 014 to transact following businesses: -

ORDINARY BUSINESS:

1. To receive, consider and adopt the directors' report, the audited financial statement of the Company for the year ended March 31, 2014 and the auditors' report thereon.

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

"Resolved that the audited financial statement of the Company for the year ended March 31, 2014 including balance sheet as at March 31, 2014, the profit and loss Account for the year ended March 31, 2014 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."

2. To declare dividend on equity shares.

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

"Resolved that dividend of Rs. 7.50 per equity share of Rs.10/- each on 79,14,980 equity shares be and is hereby declared out of the profits of the Company for the year ended March 31, 2014, absorbing an amount of Rs.6,94,50,981 (including dividend distribution tax and cess thereon) and that the dividend be paid to those shareholders, whose names appear in the Company's register of members as on **July 22, 2014** and in respect of shares in electronic form to those beneficial owners of the shares as at the end of business hours on **July 11, 2014** as per the details furnished by the depositories for this purpose."

3. To appoint a director in the place of Mr. Harish Lakshman, who retire by rotation under Article 111 & 113 of the articles of association of the Company and being eligible offers himself for re-election.

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

"Resolved that Mr. Harish Lakshman (DIN 00012602), who retires by rotation and being

eligible for re-appointment, be and is hereby re-appointed as a director of the Company."

4. To appoint auditors of the Company and to determine their remuneration. The retiring auditors M/s. Varma & Varma, Chartered Accountants, are eligible for re-appointment. The declaration to the effect that their appointment, if made, would be within the limits and that they are free from any disqualification specified in section 141 of the Companies Act, 2013, and the rules made thereunder, has been received from them.

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

"Resolved that M/s. Varma & Varma, Chartered Accountants (Firm Registration No. 04532S with The Institute of Chartered Accountants of India), be and are hereby re-appointed as the auditors of the Company to hold office from the conclusion of this ninth AGM until the conclusion of the twelfth AGM (subject to ratification of the appointment by the members at every AGM held after this AGM) on such remuneration as may be determined by the Board of Directors of the Company, in addition to reimbursement of travelling and other out-of-pocket expenses actually incurred by them in connection with the audit."

Special Business:

5. To appoint Mr. Kazuhiro Iwata, as a director, liable to retire by rotation

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

"Resolved that Mr. Kazuhiro Iwata (DIN 06875329), 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".

6. To appoint Mr. S Sandilya, director, as an independent director

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

"Resolved that pursuant to the provisions of sections 149, 150, 152 read with Schedule IV and any other

applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. S Sandilya (DIN 00037542), director of the Company, in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of director, be and is hereby appointed as an independent director of the Company to hold office with effect from the conclusion of the ninth annual general meeting till the conclusion of the twelfth annual general meeting.”

7. To appoint Mr. S A Murali Prasad, director as an independent director

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

“Resolved that pursuant to the provisions of sections 149,150,152 read with Schedule IV and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. S A Murali Prasad (DIN 00001432), director of the Company, in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of director, be and is hereby appointed as an independent director of the Company to hold office with effect from the conclusion of the ninth annual General Meeting till the conclusion of the twelfth annual general meeting.”

8. To appoint Mr. Anil Kumar V Epur, director, as an independent director

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

“Resolved that pursuant to the provisions of sections 149,150,152 read with Schedule IV and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. Anil Kumar V Epur (DIN 00202454), director of the Company, in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of director, be and is hereby appointed as an independent director of the Company to hold office with effect from the conclusion of the ninth annual general meeting till the conclusion of the twelfth annual general meeting.”

9. To appoint Mr. S C Gupta, director, as an independent director

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

“Resolved that pursuant to the provisions of sections 149,150,152 read with Schedule IV and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. S C Gupta (DIN 02085068), director of the Company, in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of director, be and is hereby appointed as an independent director of the Company to hold office with effect from the conclusion of the ninth annual general meeting till the conclusion of the twelfth annual general meeting.”

10. To Approve the borrowing powers of the board

To consider adoption of the following resolution, with or without modification(s), as **special resolution**:

“Resolved that in supersession of the ordinary resolution adopted at the fourth annual general meeting held on July 20, 2009 and pursuant to section 180(1)(c) and other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), the consent of the Company be and is hereby accorded to the board of directors to borrow moneys in excess of the aggregate of the paid up share capital and free reserves of the Company, provided that the total amount borrowed and outstanding at any point of time, apart from temporary loans obtained/to be obtained from the Company's bankers in the ordinary course of business, shall not be in excess of Rs. 100 crores (Rupees one hundred crores) over and above the aggregate of the paid up share capital and free reserves of the Company.”

11. To approve re-appointment of Mr. P S Rao as ‘Manager’

To consider adoption of the following resolution, with or without modification(s), as **special resolution**:

“Resolved that in accordance with the provisions of sections 196, 197, 203 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time

Rane Brake Lining Limited

being in force), read with Schedule V to the Companies Act, 2013 (corresponding to sections 198, 269, 387 and any other applicable provisions of the Companies Act, 1956 read with Schedule XIII to the Companies Act, 1956), Mr. P S Rao, be and is hereby appointed as 'Manager' within the meaning of section 2(53) of the Companies Act 2013, with effect from April 1, 2014, in the designation of President, for a period of two years from April 1, 2014 upto March 31, 2016 or such other lesser periods as may be decided by the board of directors of the Company, on the following terms :

a) Salary:

In the scale of Rs. 2,40,000 to Rs. 3,50,000 per month. Annual increase will be effective 1st of April every year from April 1, 2014 onwards 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 150% 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.

d) Gratuity:

Gratuity payable shall be as per the rules of the Company.

e) Incentive remuneration:

Incentive remuneration of such sum be paid based on the merits to be determined by the board, provided that the total remuneration shall not exceed the limits prescribed under the Companies Act, 2013 including any re-enactments thereof or such other limits 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 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."

(By Order of the Board)

For **Rane Brake Lining Limited**

Chennai
May 21, 2014

G Karthikeyan
Secretary

NOTES:

1. **Any member entitled to attend and vote at the Annual General Meeting (AGM) 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.**

A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

2. Corporate members intending to send their authorised representatives to attend the Meeting are requested to send to the Company a certified copy of the board resolution authorising their representative to attend and vote on their behalf at the meeting.
3. The explanatory statement pursuant to Section 102(1) of the Companies Act, 2013 in respect of the special business to be transacted at the AGM is annexed hereto.
4. The register of members of the Company will remain closed from Saturday, July 12, 2014 to Tuesday, July 22, 2014 (both days inclusive) for annual closing and determining the entitlement of shareholders to the dividend on equity shares for financial year 2013-14, if declared at the AGM.
5. Pursuant to the provisions of section 205A of the Companies Act 1956, dividend for the financial year ended March 31, 2007 and thereafter which remain unclaimed for seven years will be transferred to the Investor Education and Protection Fund (IEPF) of the central government. The Company has sent reminders to all those members whose dividend payments during the last seven years remain unpaid as per Company records. Members are requested to contact the Company's Registrar and Transfer Agents (RTA), for payment in respect of the unclaimed dividend on or after the financial year 2006-07.
6. The notice of the ninth AGM along with the attendance slip and proxy form, is being sent by

electronic mode to all members whose email addresses are registered with the Company / Depository Participant(s) (DP) unless a member has requested for a hard copy of the same. For members who have not registered their email addresses, physical copies of the aforesaid documents are being sent by the permitted mode.

We encourage your participation and expect your support in this green initiative. To receive communications from the Company in electronic form, please register your e-mail address with your DP/ RTA.

7. Members may also note that the notice of the ninth AGM and the annual report 2014 will be available on the Company's website, www.rane.co.in.
8. Members holding shares in physical form are requested to notify any change in their addresses, bank details or e-mail addresses to RTA immediately at the following address:

M/s. Integrated Enterprises (India) Limited

II Floor, "Kences Towers",
No.1, Ramakrishna Street,
North Usman Road, T.Nagar,
Chennai 600 017.

Members holding shares in dematerialized form may inform the change in their addresses, bank details or e-mail addresses to their depository participants.

9. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their DP with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the RTA.
10. 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.
11. Members holding shares in single name and physical form are advised to make nomination in respect of their shareholding in the Company. The nomination form can be downloaded from the Company's website www.rane.co.in.
12. Members / Proxies should bring the attendance slip duly filled in for attending the meeting.

13. Relevant documents referred to in the accompanying notice and the explanatory statement pursuant to section 102 (1) of the Companies Act, 2013 will be available for inspection at the registered office of the Company during the business hours on all working days up to the date of AGM.
14. Information pursuant to clause 49 of the listing agreement with the stock exchanges in respect of the directors seeking appointment / re-appointment at the AGM are furnished and forms a part of the notice. The directors have furnished the requisite consents / declarations for their appointment / re-appointment.
15. In compliance with the provisions of section 108 of the Companies Act, 2013 and the Rules framed thereunder, the members are provided with the facility to cast their vote electronically, through the e-voting services provided by National Securities Depository Limited (NSDL), on all resolutions set forth in this notice. In the event of poll at the AGM, members who have exercised their right to vote through e-voting, shall not be eligible to vote again at the meeting.

Members may note the following process and manner for e-voting :

- i. The e-voting period commences on Wednesday, July 16, 2014 (9.00 a.m. IST) and ends on Friday, July 18, 2014 (6.00 p.m. IST). During this period, members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date viz., June 20, 2014, may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, he shall not be allowed to change it subsequently.
- ii. The voting rights of members shall be in proportion to their share in the paid up equity share capital of the Company as on the cut-off date, June 20, 2014.
- iii. Mr. Balu Sridhar, practising company secretary (Membership No. FCS 5869) has been appointed as the scrutinizer to scrutinize the voting process in a fair and transparent manner.
- iv. The scrutinizer shall, within a period not exceeding three working days from the conclusion of the e-voting period, unblock the votes in the presence of at least two witnesses not in the employment of the Company and make a

scrutinizer's report of the votes cast in favour or against, if any, forthwith to the chairman of the Company.

- v. The results declared along with the scrutinizer's report shall be placed on the Company's website www.rane.co.in and on the website of NSDL www.evoting.nsdl.com within two days of the passing of the resolutions at the ninth AGM of the Company and communicated to the stock exchanges, where the shares of the Company are listed.

vi. instructions:

- a. **In case a member receives an e-mail from NSDL (for members whose e-mail addresses are registered with the Company/Depositories):**
 - i. Open the e-mail and also open PDF file viz; "RBLAGM2014.pdf" with your Client ID or Folio Number as password. The said PDF file contains your user ID and password for e-voting. Please note that the password is the initial password
 - ii. Open the internet browser and type the following URL:
<https://www.evoting.nsdl.com/>
 - iii. Click on Shareholder - Login
 - iv. If you are already registered with NSDL for e-voting then you can use your existing user ID and password for casting your vote.
 - v. If you are logging in for the first time, please enter the user ID and password provided in the PDF file attached with the e-mail as initial password.
 - vi. The Password change menu will appear on your screen. Change to a new password of your choice with minimum of 8 digits or characters or combination thereof. Note your new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential
 - vii. Once the e-voting home page opens, click on e-Voting: Active Voting Cycles
 - viii. Select "EVEN" (E-Voting Event Number) of Rane Brake Lining Ltd.

Now you are ready for e-Voting as Cast Vote page opens.

- ix. Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
- x. Upon confirmation, the message "Vote cast successfully" will be displayed.
- xi. Once you have voted on the resolution, you will not be allowed to modify your vote
- xii. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.,) are required to send scanned copy (PDF/JPG Format) of the relevant board resolution/ authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the scrutinizer through e-mail: to

evoting@akjainassociates.com with a copy marked to evoting@nsdl.co.in.

- xiii. In case of any queries, you may refer to the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for shareholders available at the downloads section of www.e-voting.nsdl.com

b. In case of members' receiving physical copy of the notice of AGM and desires to cast e-vote:

- i. Initial password is provided at the bottom of the Attendance Slip: EVEN (E-Voting Event Number), user ID and password
- ii. Please follow all steps from Sl. No. ii to Sl. No. xiii of (a) above, to cast vote.

(By Order of the Board)

For **Rane Brake Lining Limited**

G Karthikeyan
Secretary

Chennai
May 21, 2014

Registered Office:
"Maithri", 132, Cathedral Road,
Chennai 600 086.
CIN: L63011TN2004PLC054948
website: www.rane.co.in
E-mail: investorservices@rane.co.in