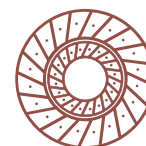
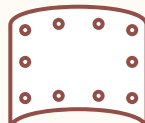


Driven by determination. Progressing with optimism.



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Forward-looking statements

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

Follow us and join the conversation



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Numbers in 2018-19

₹ **521.0**
Crores

↑ 7%

Total Income

₹ **36.5**
Crores

↑ 2.2%

PAT



5.3%

R&D Expenses
(% of Sales)

Our products portfolio

Brake
Linings

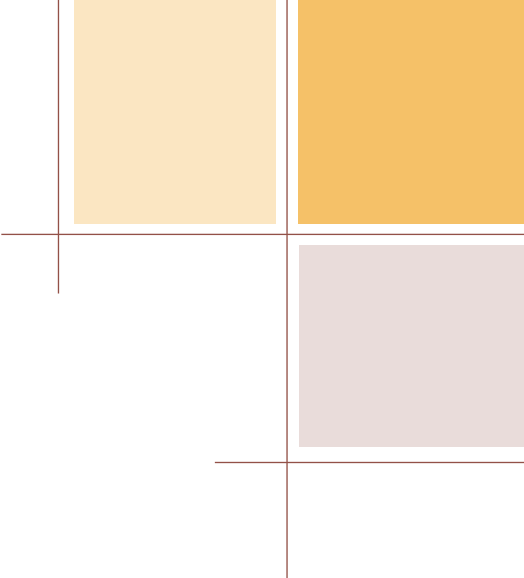
Disc Pads

Clutch
Facings

Clutch
Buttons

Brake
Shoes

Brake
Blocks



Our five-decade long journey has been about embracing the opportunities and enduring the challenges of changing times.

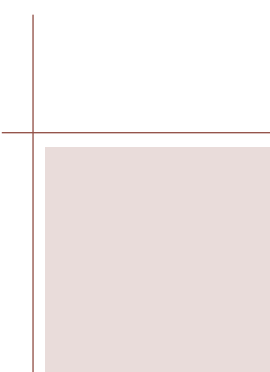
The year 2018-19 was no different. After a period of buoyancy, demand suddenly turned sluggish in the latter half and we witnessed inflationary pressure on material cost.

The challenging environment, however, strengthened our resolve of getting our plans back on track and renewed our focus on robust execution. We continued to win customer accolades, remained their partner of choice, aggressively pursued new businesses, expanded capacity and capabilities.

We remain optimistic about the opportunities in the auto components industry and structural trends remain positive in the long-term.

We are working closely with customers to develop innovative solutions and embrace the technological changes in the industry. We are determined to grow and enhance value for our stakeholders, supported by our business excellence programme, dynamic team and disciplined financial architecture.

We are driven by determination and progressing with optimism.



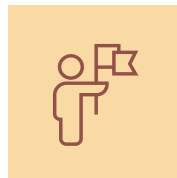
Rane Brake Lining at a glance

Rane Brake Lining Limited was founded in 1964. Rane Brake Lining manufactures safety critical friction material products such as Brake Linings, Disc Pads, Clutch Facings, Clutch Buttons, Brake Shoes and Brake Blocks. The Company is a market leader in India and global player in friction material. It has application in every segment of transportation industry such as passenger vehicle, commercial vehicle, two/three-wheeler and railways. The Company has technical collaboration with Nisshinbo Brake Inc., Japan for know-how in Brake Linings, Disc Pads and Clutch Facings.

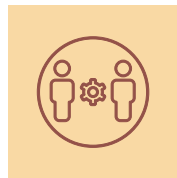
Company snapshot



Established
in 1964



Market
leader in India



Technical collaboration
with Nisshinbo
Brake Inc., Japan for
know-how in asbestos
free brake linings, disc
pads and clutch facings



Application in
every segment of
automobile industry



Modern
testing facilities







Exporter of
friction products

Our vision

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

Manufacturing locations

Location	Products	Segments
 Chennai	Brake linings, Disc pads, Clutch facings, Brake shoes and Composite brake blocks	Passenger vehicles, Commercial vehicles, Two-wheelers, Tractors and Railways
 Hyderabad	Disc pads and Brake linings buttons, Composite brake blocks	Commercial vehicles, Passenger vehicles and Railways
 Puducherry	Disc pads and Composite brake blocks	Two-wheelers, Passenger vehicles, Commercial vehicles and Railways
 Trichy	Disc pads and Brake linings	Passenger vehicles and Commercial vehicles

Key customers

OEM



Tier 1

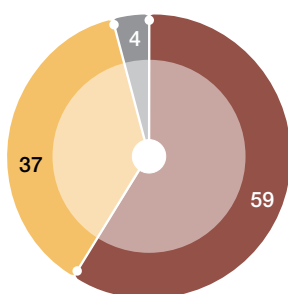


Others



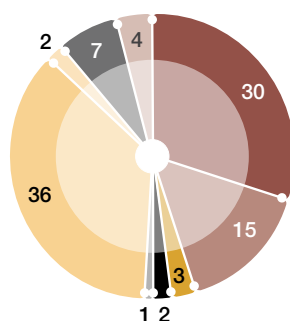
Revenue split (Total ₹ 521.0 Crores)

By market (%)



India OEM & OES
India Aftermarket
International

By vehicle segment (%)



Passenger car
MUV & MPV
MPV
Light Commercial
Vehicles
2-Wheeler
Railways

Technology Capabilities

Research and development is prime thrust area for the Company. We have more than 400 formulations in the library of widely tested & approved formulations to suit diverse market / customer requirements. In addition, the Company enhances the formulation library through the technical collaborators – NISB-TMD. The Company has developed NAO and Low Steel products to meet futuristic vehicle requirements. Our green material policy continuously evolves to meet stringent environmental norms.

Our state-of-the-art R&D centre is approved by the Department of Science & Technology, Government of India, where we conduct comprehensive laboratory testing to validate performance characteristics and interpret the results to benchmark them vis-à-vis international standards. We stimulate field conditions on dynamometer for product development. The sophisticated test equipments include full scale inertia dynamometers attached with environment chamber, static Mu measurement and noise study rig.

Quality standards

All our manufactured products are routed through stringent quality norms to match customer expectations. We have a three-pronged approach on quality focus through complete employee involvement, Poke Yoke implementation and statistical process control practices. We have received several recognitions and awards from OE customers and our operations are accredited and certified for quality, occupational health and safety management systems.

Quality accreditations

- **IATF16949:2016**
Quality Management
- **ISO 9001:2015**
Quality Management
- **ISO 14001:2015**
Environmental Management
- **ISO 45001:2018**
Occupational Health and Safety Management
- **Deming Prize**
Deming Prize Total Quality Management (TQM)
- **Deming Grand Prize**
Deming Grand Prize Excellence in TQM

Our report card

(₹ in Crores)

OPERATIONAL PERFORMANCE

FINANCIAL YEAR	FY19	FY18	FY17	FY16	FY15	FY14	FY13	FY12	FY11	FY10
Total income*	520.97	487.21	470.58	451.64	418.49	386.51	379.68	363.52	308.32	237.68
EBITDA	73.95	78.76	62.98	57.65	47.56	42.61	36.08	43.76	36.49	30.20
Profit Before Tax (PBT)	49.31	54.89	42.70	35.48	20.60	16.73	10.92	21.90	19.67	14.93
Profit After Tax (PAT)	36.53	35.75	34.93	25.76	16.11	17.21	9.10	16.19	15.29	10.09

KEY PERFORMANCE HIGHLIGHTS

FINANCIAL YEAR	FY19	FY18	FY17	FY16	FY15	FY14	FY13	FY12	FY11	FY10
RoCE (%)	24.96	30.29	25.11	21.90	13.82	12.10	9.31	16.41	16.72	14.49
RoNW (%)	18.36	20.14	22.94	19.84	13.77	16.07	9.16	17.65	18.76	14.12
Earnings Per Share (₹)	46.15	45.16	44.13	32.54	20.36	21.76	11.50	20.45	19.31	12.78
Dividend (%) @	155	155	150	100	70	75	40	70	50	45
Dividend payout ratio@	40	41	41	37	41	40	40	40	30	41
Book Value per Share (₹)	265.03	237.80	210.72	174.27	153.77	141.84	128.88	122.03	109.72	96.50

BALANCE SHEET HIGHLIGHTS**

(₹ in Crores)

FINANCIAL YEAR	FY 19	FY 18	FY 17	FY 16	FY 15	FY 14	FY 13	FY 12	FY 11
Equity Share Capital	7.91	7.91	7.91	7.91	7.91	7.91	7.91	7.91	7.91
Shareholders' funds	201.86	180.30	166.78	137.93	121.71	112.27	102.01	96.59	86.84
Non-current Liabilities	2.89	3.07	6.09	14.34	23.83	39.16	56.63	59.55	46.79
Current Liabilities	143.13	119.61	104.87	103.61	109.55	116.51	102.87	95.60	73.22
Non current assets	138.12	131.59	136.30	118.36	129.50	143.14	148.44	132.28	115.14
Current assets	217.67	179.30	141.44	137.52	129.60	124.81	113.07	119.46	91.71

(*) Total Income are net of excise duty.

** Pertains to revised Schedule VI to Companies Act, 1956 / Schedule III to Companies Act, 2013 applicable years only corresponding figures reported for the previous years.

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

Note : 1. Figures for FY19, FY18 and FY17 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.

2. EBITDA, PBT and PAT are inclusive of exceptional items, if any, for the respective financial years.



Awards and accolades

Customer Award



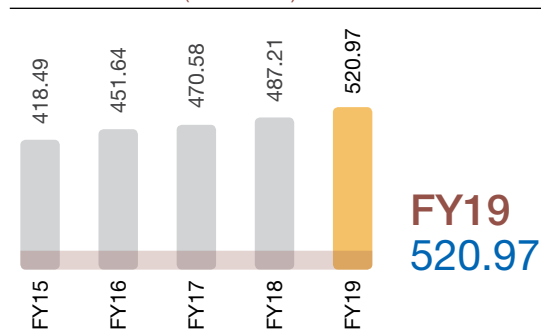
**Best Supplier 2019 –
Friction from Brakes
India Private Limited**

Other Awards

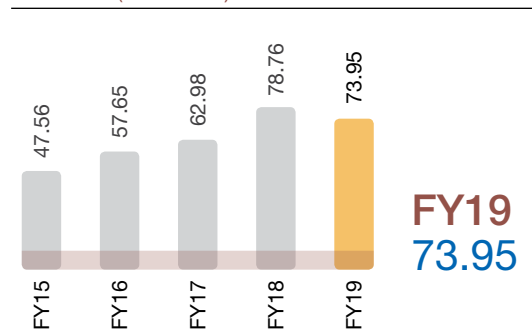
- Certified 'Great Place To Work' (GPTW) for a consecutive 3rd year
- HR Excellence award from ACMA
- Various Outstanding / Platinum / Gold awards for plants for participation in specific events conducted by QCFC, ABK-AOTS etc.

KEY PERFORMANCE HIGHLIGHTS

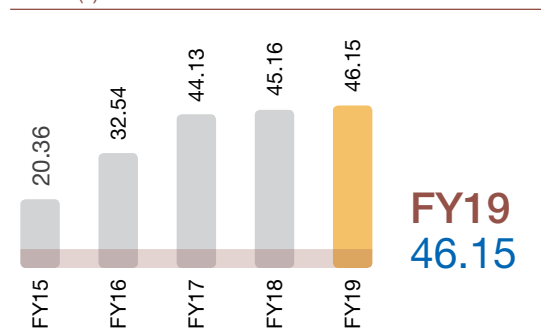
Total Income (₹ in Crores)



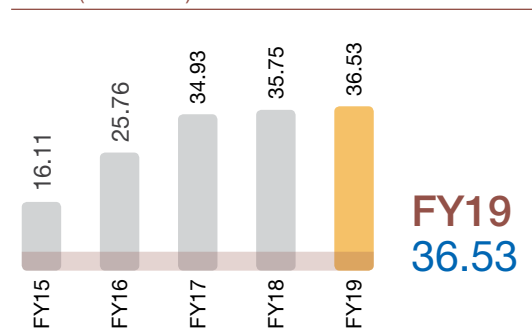
EBITDA (₹ in Crores)



EPS (₹)



PAT (₹ in Crores)



Business highlights, FY 2018-19

1

Supply of new products to key customers and added new customers in two-wheeler segment

2

Enhanced Aftermarket dealer network and introduced various new products in Aftermarket

3

Created capacity for Two-wheeler segment at Puducherry plant with focus on quality enhancement and automation

4

Upgraded dynamometers and enhanced validation capabilities

5

Continued focus on Green initiatives – 2 MW solar power was added to cater the requirements of plants in Tamil Nadu

From the Chairman's desk



**We registered
7% growth in
net sales with
moderate demand
from Indian OE
customers.**

Dear Shareholders,

The global automotive industry landscape continues to transform, and along with it the auto components industry. With India already cementing its place as a global component sourcing hub, we are well positioned to navigate through the emerging challenges and capitalise on the upcoming opportunities. Our tradition of pursuing excellence and keeping 'customer at the core' remained intact this year as well, backed by determination, prudent foresight and strong business fundamentals.

Economy overview

The synchronised upswing in the global economy that began around mid-2016 suddenly changed course in the second half of 2018 as the continued momentum in manufacturing and trade dissipated. Sentiments were further dampened by the hardening of US interest rates, volatile crude prices, along with uncertainty over Brexit and heightened rhetoric around protectionism.

The Indian GDP growth dipped below 7% for full-year 2018-19, after growing at 7.5% in the first half, due to weak industrial output, and overall subdued demand. However, with the election overhang now behind us, the economy

should grow at over 7% going forward, driven by the government's resolve towards achieving fiscal consolidation and continued push for structural reforms.

The Indian automobile industry too had started FY 2018-19 on a positive note, supported by normal monsoon, rising rural demand, the government's infrastructure push and rise in industrial activity. However, most vehicle segments witnessed a considerable slowdown in the second half due to higher fuel prices, lower financing availability, steep price increase on account of insurance regulation changes in September 2018.

Driven by determination

We registered 7% growth in net sales with moderate demand from Indian OE customers. In Indian Aftermarket, we expanded reach and introduced new products. Despite increasing competitive intensity, our customer-centric approach and superior formulation library helped us to maintain market leadership position.

We continued to invest in validation and testing capabilities and energy conservation initiatives. We continued to place significant emphasis on people development and employee engagement initiatives, which has resulted in getting certified as a Great Place to Work for the third time in a row.

We are driven by determination to maintain the steady growth momentum focussing on under penetrated segments and strengthening our aftermarket business.

The Company expanded reach and introduced new products. Despite increasing competitive intensity, our customer-centric approach and superior formulation library helped us to maintain market leadership position.

Progressing with optimism

The first half of FY 20 appears challenging with slowing demand in most of the vehicle segments.

The anticipated pre-buy on account of transition to BS VI, normal monsoon, the government's continued reforms and infrastructure push are likely to propel growth. We remain optimistic about the evolving opportunities in the auto component industry and the structural trends remain positive in the long term.

We will continue to invest in R&D and drive innovations to build value-add products. We will leverage on the expertise of our technical collaborator to introduce new products in India and tap into opportunities to supply in export markets.

Considering the potential demand for the Two-wheeler segment, our Company has been proactively creating capacities with special focus on quality enhancement through latest technologies at its Puducherry Plant.

We are progressing with optimism on long term market opportunities and are determined to drive efficiencies to create value for all our stakeholders.

On behalf of the Board of Rane Brake Lining Limited, I would like to thank all our stakeholders – Customers, Employees, Partners, Vendors, Bankers, Government, Communities and most importantly you – our shareholders, who have been part of this exciting journey.

Yours sincerely,
L Ganesh
Chairman

Corporate information

Board of Directors

Mr. L Ganesh, Chairman
Mr. Vinay Lakshman, Managing Director
Mr. Anil Kumar V Epur
Mr. Harish Lakshman
Mr. Krishna Kumar Seshadri
Mr. L Lakshman
Ms. Ranjana Kumar
Mr. Suresh Chandra Gupta
Mr. S Sandilya
Mr. Yasuji Ishii
(Nominee of Nisshinbo Holdings Inc., Japan)

Audit Committee

Mr. S Sandilya, Chairman
Mr. Anil Kumar V Epur
Mr. L Ganesh
Mr. Suresh Chandra Gupta

Stakeholders'

Relationship Committee

Mr. Harish Lakshman, Chairman
Mr. Anil Kumar V Epur
Mr. L Ganesh

Nomination and

Remuneration Committee

Mr. S Sandilya, Chairman
Mr. L Ganesh
Mr. Suresh Chandra Gupta

Corporate Social

Responsibility Committee

Mr. L Lakshman, Chairman
Mr. L Ganesh
Mr. Suresh Chandra Gupta

Senior Vice President -

Finance & Chief Financial Officer

Mr. M A P Sridhar Kumar

Company Secretary

Mr. 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
Fax: +91 44 28112449
Email: investorservices@ranegroup.com
Website: www.ranegroup.com

Plants

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

Solar Plant

Muthuramalingapuram Village, Aruppukottai Taluk, Virudhunagar District, Tamil Nadu

Registrar and Transfer Agent

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