

Rane Holdings Limited

CIN: L35999TN1936PLC002202

Registered Office: "Maithri", 132, Cathedral Road, Chennai – 600 086
Web address: www.ranegroup.com, email: investorservices@ranegroup.com
Ph: 91 44 2811 2472 Fax: 91 44 2811 2449



POSTAL BALLOT NOTICE

(Pursuant to Section 110 of the Companies Act, 2013 read with Rule 22 of the Companies (Management and Administration) Rules, 2014)

Dear Member(s),

Notice is hereby given, pursuant to section 110 of the Companies Act, 2013 read with Rule 22 of the Companies (Management and Administration) Rules, 2014 to seek your consent for the resolutions as set out hereunder and proposed to be passed by means of postal ballot and Electronic voting (e-voting).

The explanatory statement pursuant to the provisions of Section 102 of the Companies Act, 2013 pertaining to the resolutions contained in this Notice are annexed for your consideration.

The Board of Directors have at their meeting held on March 31, 2017 appointed Mr. Balu Sridhar, Practising Company Secretary (Membership No. FCS 5869) and Partner in M/s. A.K. Jain and Associates, Company Secretaries, as the scrutinizer for conducting the postal ballot and e-voting process, in a fair and transparent manner.

Members have the option to vote either by Postal Ballot or through e-voting. Members opting to vote by Postal Ballot are requested to read carefully the instructions printed on the Postal Ballot Form and return the same, completed and signed, in the enclosed self-addressed postage prepaid envelope, so as to reach the Scrutinizer on or before the close of working hours on Thursday, May 11, 2017. Members who opt for e-voting are requested to read carefully the instructions given in the Notes forming part of this Notice.

The scrutinizer shall, submit his report to the Chairman of the Company or in his absence to any other Director of the Company authorized by the Board of Directors, for such purpose, who shall declare the same. The results of the postal ballot and e-voting will be declared on Tuesday, May 16, 2017 at 11:00 a.m. at the Registered office of the Company. The declared results along with the Scrutinizer's Report, will be available on the Company's website viz., www.ranegroup.com and will be displayed at the registered office of the Company, besides being communicated to the stock exchanges on which equity shares of the Company are listed National Securities Depository Limited (NSDL) engaged by the Board of Directors of the Company for facilitating e-voting, will also display these results on its website www.evoting.nsdl.com.

Registered Office:

"Maithri", 132, Cathedral Road,
Chennai - 600 086.

March 31, 2017
Chennai

(By order of the board)
For Rane Holdings Limited

Siva Chandrasekaran
Secretary

SPECIAL BUSINESS

Item No. 1.

Appointment and remuneration of Mr. L Ganesh as Chairman and Managing Director

To consider and if thought fit to give ASSENT / DISSENT to the following resolution as a **Special Resolution**:

"Resolved that in accordance with the provisions of Section 196, 197 and 203 read with Schedule V and all other applicable provisions of Companies Act, 2013 (the "Act") and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) Mr. L Ganesh (DIN: 00012583) be and is hereby appointed as 'Managing Director' within the meaning of Section 2(54) of the Act in the designation of 'Chairman' with effect from April 1, 2017, for a period of three years viz., from April 1, 2017 to March 31, 2020 on the following terms of remuneration:

(i) Salary

In the scale of Rs.6,98,500/- per month to Rs.10,50,000/- per month. Annual increase will be effective from 1st April every year. The quantum of increase will be decided by the Board of Directors.

(ii) Perquisites

Perquisites like the provision of rent free accommodation, superannuation allowance, gas, electricity, water, furnishings, fee to clubs, personal accident insurance, use of chauffeur driven car/s, telephone at residence, medical insurance, medical reimbursement for self and family, medical allowance, leave & leave encashment,

leave travel concession etc., will be provided in accordance with the policy of the Company as applicable to Directors, key managerial personnel and senior management personnel of the Company. In case accommodation is not provided by the Company, he shall be eligible for house rent allowance equal to 60% of salary per month. The perquisites will be evaluated as per Income-tax Rules, wherever applicable, and at actual cost to the Company in other cases. The above perquisites are however, subject to a maximum of 150% of the salary per annum.

(iii) Contribution to Funds

Company's contribution to Provident Fund and Superannuation Fund will be as per the scheme of the Company. Company's contribution to Provident Fund and Superannuation Fund as above 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 be as per the rules of the Company.

(iv) Commission

Commission not exceeding two percent (2%) of the net profits of the Company in terms of Section 197 of the Act computed in the manner referred to in Section 198 of the Act.

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 Managing Director, he will be paid remuneration in terms of Part II of Schedule V to the Act, including any re-enactments thereof or such other limit as may be prescribed by the government from time to time as minimum remuneration."

Item No. 2

Payment of Commission to Mr. L Lakshman, Chairman Emeritus (Non-Executive Director)

To consider and if thought fit to give ASSENT / DISSENT to 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 or any amendment thereto or modification thereof and such other approvals, permissions and sanctions, as may be required, approval of the members be and is hereby accorded for payment of remuneration by way of commission to Mr. L Lakshman (DIN: 00012554), Chairman Emeritus (Non-Executive Director), not exceeding two percent (2%) of the net profits of the Company, subject to a ceiling of Rs.1,00,00,000/- (Rupees One Crore) per annum, payable on monthly basis, in addition to the fee for attending the meetings of the Board / Committee thereof and benefits such as personal accident insurance and medical insurance for self and family, use of company car with chauffeur, telephone, infrastructure and fee to clubs as per the Company policy, for a period of four years from April 1, 2017 to March 31, 2021."

"Resolved further that subject to the limits as aforesaid, the payment and distribution of commission to Mr. L Lakshman, Chairman Emeritus, be made in such proportion and in such manner as the Board of Directors may determine from time to time."

Item No. 3

Payment of advisory fee to Mr. L Lakshman, Chairman Emeritus

To consider and if thought fit to give ASSENT / DISSENT to the following resolution as an Ordinary Resolution:

"Resolved that, pursuant to the provisions of Section 188 and other applicable provisions of the Companies Act, 2013 (' the Act'), the rules made thereunder or any amendment thereto or modification thereof and such other approvals, permissions and sanctions, as may be required, approval of the members be and is hereby accorded for payment of advisory fee to Mr. L Lakshman, Chairman Emeritus, inter-alia being an appointment to office or place of profit, a sum not exceeding Rs.1,00,00,000 (Rupees One Core Only) per annum, for a period of four years with effect from April 1, 2017 to March 31, 2021."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to take all such steps as may be necessary, proper and expedient to give effect to this resolution."

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March 31, 2017
Chennai

(By order of the board)
For Rane Holdings Limited

Siva Chandrasekaran
Secretary

EXPLANATORY STATEMENT TO THE POSTAL BALLOT NOTICE

(Pursuant to the provisions of section 102 of the Companies Act, 2013)

Item No. 1. Appointment and remuneration of Mr. L Ganesh as Chairman and Managing Director

The Members of the Company at the Annual General Meeting ('the AGM') held on August 12, 2014 approved the re-appointment of Mr. L Ganesh as Vice-Chairman and Joint Managing Director of the Company for a period of three years upto March 31, 2017.

Based on the recommendations of the Nomination and Remuneration Committee, the board of directors at the meeting held on March 31, 2017, have appointed Mr. L Ganesh as Managing Director in the designation of 'Chairman' for a period of three years with effect from April 1, 2017. The appointment and remuneration as approved by the Board, is subject to approval of shareholders and the same is being sought through this postal ballot notice.

Mr. L Ganesh assumed the executive leadership as the Chairman of Rane group of companies in October 2006. He successfully lead Rane group during the period of economic slowdown towards strengthening management and leadership capabilities. He is currently focused on leveraging the foundation of operational excellence towards driving growth.

Under the able leadership and guidance of Mr. L Ganesh, Rane Group companies pursued various cost control measures in terms of localisation, alternate sourcing, value engineering and several other initiatives to mitigate the impact of cost inflation and volume fluctuations.

Details as required under the Schedule V to the Companies Act, 2013 and under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:

I. General information:

The Company is the holding company and joint venture partner of Rane Group of Companies. The Company is engaged in making and holding investments in the group companies, providing services to the group companies and collects trademark fees from the group companies. The financial performance of the Company for the year ended March 31, 2016 is given below:

Particulars for 2015-16	Rs. In lakhs
Sales & Operating Revenue	7495.75
Profit Before Tax	4289.74
Provision for Tax (net tax expense)	724.91
Profit After Tax	3564.83

II. Information about the appointee:

Name of the Director	Mr. L Ganesh
DIN	00012583
Father's Name	Mr. L L Narayan
Date of Birth	March 18, 1954
Educational Qualifications	B.Com., ACA, MBA
Date of Appointment	August 01, 2009
Experience	Mr. L Ganesh is a member of the Institute of Chartered Accountants of India (ICAI) and has MBA from London Business School, Pennsylvania State University. He is the Chairman of the Rane Group of Companies. He has around 40 years of industrial experience. He has served as the President-Automotive Components Manufacturers Association & Madras Management Association, Southern Regional Chairman of Confederation of Indian Industries (CII). He is also the Honorary Consul for New Zealand in South India.
Past Remuneration (2015-16)	Remuneration :Rs.1,30,26,636/-
Recognition / Awards	Mr L Ganesh, has served as President-Automotive Components Manufacturers Association & Madras Management Association, 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	As detailed in the resolution. The proposed remuneration is commensurate with the responsibilities of the appointee 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 of the appointee is in line with the prevailing remuneration package in the industry, size of the company, profile of the position, etc.
Pecuniary Relationship and relationship with the managerial personnel	Apart from receiving remuneration and corporate benefits as a shareholder of the Company, he has no other pecuniary relationship.
Other Directorships	<p>Chairman & Managing Director</p> <ol style="list-style-type: none"> Rane Engine Valve Ltd <p>Chairman</p> <ol style="list-style-type: none"> Rane (Madras) Ltd Rane Brake Lining Ltd Rane TRW Steering Systems Private Ltd Rane NSK Steering Systems Private Ltd <p>Director</p> <ol style="list-style-type: none"> JMA Rane Marketing Ltd EIH Ltd EIH Associated Hotels Ltd Chennai Willingdon Corporate Foundation
Committee Memberships	<p>Member – Audit Committee</p> <ol style="list-style-type: none"> Rane Holdings Ltd Rane Brake Lining Ltd Rane TRW Steering Systems Private Ltd. Rane NSK Steering Systems Private Ltd. EIH Associated Hotels Ltd. EIH Limited <p>Member – Stakeholders’ Relationship Committee</p> <ol style="list-style-type: none"> Rane Holdings Ltd Rane Engine Valve Ltd Rane Brake Lining Ltd

III. Other Information:

- Reasons for loss or inadequacy of profits – Not applicable
- Steps taken or proposed to be taken for improvement – Not applicable
- expected increase in productivity and profit in measurable terms – Not applicable

IV. Other Disclosures:

The Company has not made any default in repayment of its debt or interest payable thereon during the preceding financial year 2015-16. Mr. L Ganesh satisfies the conditions laid down in Schedule V to the Companies Act 2013. He holds 10,17,626 equity shares of the Company, jointly with his spouse.

The terms of appointment of Mr. L Ganesh, as required under Section 190 of the Companies Act, 2013, is available for inspection of the members at the registered office of the Company in accordance with the Articles of Association of the Company.

Mr. L Ganesh is interested in the resolution. Mr. L Lakshman, being a relative of Mr. L Ganesh, is deemed to be interested in the proposed resolution. None of the other directors, key managerial personnel of Company and their relatives are concerned or interested financially or otherwise in this resolution except to the extent of their shareholding, if any, in the Company.

The Board recommends passing of the special resolution as set out in item no.1 of this Postal Ballot notice.

Item No. 2 and 3

Payment of Commission and advisory fee to Mr. L Lakshman, Chairman Emeritus (Non-Executive Director)

The Members of the Company at the Annual General Meeting ('the AGM') held on August 11, 2014 approved the re-appointment of Mr. L Lakshman as Managing Director in the designation of Executive Chairman of the Company for a period of three years upto March 31, 2017.

Mr. L Lakshman has been the Chairman of Rane Group of companies since 1992 and is also on the board of several public limited companies. He has also served industry organizations such as ACMA, Madras Chamber of Commerce & Industry and ASSOCHAM, a federation of chambers of commerce as President. He retired as Chairman of the operating companies of the group in October 2006.

As a visionary leader, Mr. L Lakshman steered the Rane group during a very challenging and exciting phase in the automobile industry's evolution and transformation in India. He was an early adopter of quality initiatives in India and under his leadership Rane Brake Lining Limited, Rane Engine Valve Limited, Rane TRW Steering Systems Private Limited and Rane (Madras) Limited have successfully implemented Total Quality Management and won the coveted Deming Prize. With his valuable guidance, TQM was institutionalised across the Rane Group with Rane TRW Steering Systems Private Limited (Steering Gear Division), Rane (Madras) Limited and Rane Brake Lining Limited also won the prestigious Deming Grand Prize (Japan Quality Medal), the highest milestone of TQM.

In recognition of his life time achievement in successfully managing business through quality, contributing to creation of quality culture in society and thereby prosperity for the people of India, The Indian Society of Quality (ISQ) had conferred on Mr. L Lakshman, the Jamshetji Tata Award in 2012.

Mr. L Lakshman initiated the CSR initiatives of Rane Group and is also the Managing Trustee of Rane Foundation, a public charitable trust. In 2011, Rane Foundation had established Rane Polytechnic Technical Campus (RPTC) to augment human capital formation in vocational skills. He was also a member of the governing council of The Banyan, Chennai, a long standing NGO engaged in rehabilitating destitute women.

Mr. L Lakshman expressed his desire to relinquish the executive role of the Company.

The board of directors at its meeting held on March 31, 2017 placed on record the immense contribution made by Mr. L Lakshman to the transformation of Rane Group under his leadership and requested him to continue as a non-executive director. Further, the Nomination and Remuneration Committee (NRC), recognizing his contribution towards development of the Company and the Rane group and his vast expertise, experience and knowledge of the industry especially on areas like business strategies, human resource, Total Quality Management, Information Technology, etc., recommended to the board it would be in the long term interest of the Company and the Rane group, if, Mr. L Lakshman continues to guide the Company.

Taking into consideration the request of the board, Mr. L Lakshman consented to continue on the board in a non-executive capacity, providing guidance and mentorship to the executive management, advisory support in initiatives of strategic importance to the Group's future growth plans of entering new business areas in India as well as plans for expansion in overseas markets.

Based on the recommendations of the Nomination and Remuneration Committee, the board unanimously approved the continuation of Mr. L Lakshman as Non-Executive Director and designated him as 'Chairman Emeritus' of the Company for a period of four years with effect from April 1, 2017, on the following terms of remuneration, subject to approval of the members :

a. Commission

In recognition of the value of guidance and mentorship of Chairman Emeritus, Mr. L Lakshman would be paid a remuneration by way of a commission up to 2% of the profits of the Company, subject to a ceiling of Rs.1 crore per annum, payable on monthly basis, in addition to sitting fees for attending the meetings of the Board and its committees thereof and benefits such as Personal accident insurance and medical insurance for self and family, use of company car with chauffeur, telephone, infrastructure and fee to clubs as per the Company policy.

b. Advisory fees

For his advisory services towards initiatives in areas of importance and unique to the growth and development the Rane Group, Mr. L Lakshman would be paid an advisory fee of Rs.1 crore per annum payable on monthly basis. The members may note that the advisory fee would be remuneration for services rendered by him in his professional capacity, given his qualification, experience and insight in the automotive industry. The fee is in line with the present industry practices and standards.

Pursuant to proviso in Section 197(4) of the Companies Act, 2013, the above advisory fee would be excluded from the remuneration limits prescribed for a director under Section 197(1) of the Companies Act, 2013. Mr. L Lakshman, being a Promoter and director of the Company, the advisory fee would also be a transaction with a Related Party as it would constitute an 'office or place of profit' under Section 188 of the Companies Act, 2013 read with rules made thereunder. Therefore, the recommendations of Nomination and Remuneration Committee have also been considered and approved by the Audit Committee at its meeting held on March 31, 2017.

Mr. L Lakshman is interested in the resolution. Mr. L Ganesh and Mr. Harish Lakshman, directors being relatives of Mr. L Lakshman are deemed to be interested in this Resolution. None of the other Directors and Key Managerial Personnel of the Company or their relatives is interested in this Resolution.

In terms of the provisions of Regulation 23 SEBI LODR Regulations 2015 read with the provisions of Companies Act, 2013, none of the shareholders, either individuals or entities, falling within the definition of 'Related Party' of the Company, shall vote on the resolution set out in item no.3.

The Board recommends passing of the resolution as set out in item no.2 and 3 of this Postal Ballot notice.

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March 31, 2017
Chennai

(By order of the board)
For Rane Holdings Limited

Siva Chandrasekaran
Secretary

INSTRUCTIONS FOR POSTAL BALLOT

1. A member desiring to exercise vote by Postal Ballot may complete the Postal Ballot Form (no other form or photocopy thereof is permitted) sent by the Company along with the Notice and send it to the Scrutinizer, Mr. Balu Sridhar, Practicing Company Secretary, in the enclosed self-addressed inland letter. Postage will be borne and paid by the Company. However, Postal Ballot Form(s), if deposited in person or if sent by courier or registered / speed post at the expense of the member will also be accepted.
2. The Postal Ballot Form should be completed and signed by the member (as per the specimen signature registered with the Company / Depository Participants). In case of joint holding, the Form should be completed and signed by the first named member and in his absence, by the next named member.
3. Duly completed Postal Ballot Form should reach the Scrutinizer not later than close of working hours on Thursday, May 11, 2017. All Postal Ballot Forms received after this date will be strictly treated as if the reply from such member has not been received.
4. There will be only one Postal Ballot Form for every Folio / Client ID irrespective of the number of joint-holder(s).
5. In case of shares held by companies, trusts, societies, etc. the duly completed Postal Ballot Form should be accompanied by a certified true copy of Board Resolution/Authority Letter.
6. A member may request for a duplicate Postal Ballot Form, if so required. However, the duly completed duplicate Postal Ballot Form should reach the Scrutinizer not later than the last date of receipt of Postal Ballot Form, i.e., close of working hours on Thursday, May 11, 2017.
7. Voting rights shall be reckoned on the paid up value of shares registered in the name of the members as on cut-off date i.e. Friday, March 31, 2017. A person who is not a Member as on the cut-off date should treat this Notice for information purposes only.
8. Members are requested not to send any other paper along with the Postal Ballot Form. Any extraneous paper found would be destroyed by the Scrutinizer.
9. A member need not use all the votes nor does he / she needs to cast all the votes in the same manner.
10. The Scrutinizer's decision on the validity of a Postal Ballot will be final and binding.
11. Incomplete, unsigned or incorrect Postal Ballot Forms will be rejected.
12. The result of the Postal Ballot will also be posted on the website of the Company www.ranegroup.com and also in the newspaper(s) for the information of the members.
13. The Company is pleased to offer e-voting facility as an alternate, for all the members of the Company to enable them to cast their votes electronically instead of dispatching Postal Ballot Form. E-voting is optional.

INSTRUCTION FOR E-VOTING

a. In case of members' receiving e-mail from NSDL

- i. Open e-mail account and open PDF file viz.; "RHLPB-e-voting.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 an initial password
- ii. Launch internet browser by typing the following URL: www.evoting.nsd.com
- iii. Click on Shareholder – Login
- iv. Put user ID and password as initial password noted in step (i) above. Click Login.
- v. Password change menu appears. Change the password with new password of your choice with minimum 8 digits/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
- vi. Home page of e-Voting opens. Click on e-Voting: Active Voting Cycles
- vii. Select "EVEN" (E-Voting Event Number) of Rane Holdings Limited
- viii. 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: evoting@akjainassociates.com with a copy marked to evoting@nsdl.co.in.

b. In case of members' receiving Postal Ballot Form by Post and desiring to cast e-vote [for members whose email IDs are not registered with the Company / Depository Participants or requesting physical copy]:

- I Initial password is provided at the bottom of the Postal Ballot Form

EVEN (e-voting Event Number)	USER ID	PASSWORD/PIN

- ii. Please follow all steps from Sl. No. ii to Sl. No. xii of (a) above, to cast vote
- c. **In case of any queries, you may refer to the frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for members' available at the Downloads section of www.e-voting.nsd.com**
- d. **If you are already registered with NSDL for e-voting then you can use your existing user ID and password for casting your vote.**
- e. **The e-voting period commences on Wednesday, April 12, 2017 (9.00 a.m. IST) and ends on Thursday, May 11, 2017 (5.00 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 i.e. Friday, March 31, 2017, 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, the member shall not be allowed to change it subsequently.**
- f. **You can update your mobile number and email ID in the user profile details of the folio, which may be used for sending communication(s) regarding NSDL e-voting system in future.**

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