RANE BRAKE LINING LIMITED

CIN:L63011TN2004PLC054948
Regd. Office : "Maithri", 132 Cathedral Road, Chennai 600 086.
www.rane.co.in

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 in this notice under Item Nos.1, 2 and 3 by means of postal ballot / e-voting.

The statement pursuant to the provisions of Section 102 of the Companies Act, 2013 pertaining to the resolutions contained in Item Nos.1, 2 and 3, setting out the material facts and reasons thereof along with the Postal Ballot Form are furnished in this notice for your consideration and necessary action.

The Board of Directors has appointed Mr. Balu Sridhar, Practicing Company Secretary, A.K. Jain and Associates, to act as the scrutinizer, for conducting the postal ballot and e-voting process, in a fair and transparent manner.

Please refer to the instructions given in this notice and return the enclosed postal ballot form duly completed in all respects so as to reach the scrutinizer at the office of Registrar and Transfer Agent of the Company, on or before the close of working hours on Wednesday, August 27, 2014. Postal Ballot forms received thereafter will not be considered.

In compliance with the provisions of Section 108, 110, other applicable provisions of Companies Act, 2013 read with rules made thereunder and clause 35B of the listing agreement, the Company is pleased to provide electronic voting (e-voting) and postal ballot facility to all the members. For this purpose, the Company has engaged National Securities Depository Limited (NSDL) to provide e-voting facility to the members. If a member casts his / her vote electronically, he / she is not required to send the Postal Ballot form to the Scrutinizer. In case a member votes through e-voting facility as well as sends his/her vote through Postal Ballot, the vote cast through e-voting shall only be considered and the voting through Postal Ballot shall not be considered by the scrutinizer. The e-voting facility is available at the link: https://www.evoting.nsdl.com

The scrutinizer will submit his report to the Chairman of the Company or in his absence to any other director of the Company authorized by the Chairman, after completion of the scrutiny of the votes cast through postal ballot and e-voting. The results of the Postal Ballot and e-voting will be announced on Thursday, August 28, 2014 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. The date of declaration of the result of the Postal Ballot and e-voting shall be the date on which the resolutions would be deemed to have been passed, if approved by requisite majority.

Registered Office:
"Maithri", 132, Cathedral Road,
Chennai 600 086.

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

July 22, 2014
Chennai

G Karthikeyan
Secretary.

PROPOSED RESOLUTIONS

ITEM NO.1

Adoption of new set of Articles of Association of the Company

To consider and if thought fit to give ASSENT / DISSENT to the following resolution as a Special Resolution under Section 14 of the Companies Act, 2013:

"Resolved that pursuant to the provisions of Section 14 and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Incorporation) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the draft Articles of Association of the Company which is available for inspection at the registered office of the Company and on the website of the Company, be and are hereby approved and adopted in substitution and to the entire exclusion of the existing Articles of Association of the Company."

"Resolved further that the Board be and is hereby authorized to do all such acts, deeds, matters and things to finalize and execute all such deeds, documents, writings, forms and returns as may be deemed necessary, proper, desirable and expedient in its absolute discretion to give effect to this resolution, and to settle any question, difficulty or doubt that may arise in this regard."

ITEM NO.2

Sell, lease, mortgage or otherwise dispose off the property or undertaking of the Company under section 180(1)(a) and other applicable provisions of the Companies Act, 2013 and rules made thereunder in connection with the borrowings of the Company.

To consider and if thought fit to give ASSENT / DISSENT to the following resolution as a Special Resolution under Section 180(1)(a) of the Companies Act, 2013:

"Resolved that in supersession of the resolution passed at the extra-ordinary general meeting held on January 17, 2008, the consent of the company be and is hereby accorded in terms of Section 180(1)(a) and other applicable provisions, if any, 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), to the Board of directors of the Company (hereinafter called "the Board" which term shall be deemed to include any committee, which the Board may have constituted or hereinafter constitute to exercise its powers including the powers conferred by this resolution and with the power to delegate such authority to any person or persons), to mortgage / charge all the immoveable and moveable properties of the Company wheresoever situate, present and future, and the whole of the undertaking of the Company to or in favour of institutions / banks (lenders) or the trustees for the lenders of the Company to secure the financial assistances granted / to be granted by the lenders upto an amount in the aggregate not exceeding the maximum borrowing powers of the Company and the temporary loans obtained from the bankers in the ordinary course of business, as applicable together with all interest thereon and expenses in terms of the respective facility agreements entered into by the Company on such terms and conditions as may be agreed to between the parties from time to time."

"Resolved further that the Board which term shall be deemed to include any committee or any person(s) which the Board may nominate or constitute to exercise its powers including the powers conferred under this resolution) be and is hereby authorised, on behalf of the Company, to do all such acts, deeds and things, to execute all such documents, instruments in writing as may be required, in its absolute discretion, pursuant to the above resolution."

ITEM NO.3

Appointment of Mr. Vinay Lakshman, as Senior Vice-President of the Company, in compliance with section 188(1)(f) and other applicable provisions of the Companies Act, 2013 and rules made thereunder.

To consider and if thought fit to give ASSENT / DISSENT to the following resolution as a Special Resolution under Section 188(1)(f) of the Companies Act, 2013:

"Resolved that pursuant to the provisions of Section 188(1)(f) read with Companies (Meetings of Board and its Powers) Rules, 2014, approval of the members be and is hereby accorded to the appointment of Mr. Vinay Lakshman in the designation of Senior Vice-President (or any other designation and roles as may be decided by the Board, from time to time) on such terms and conditions as set out in the explanatory statement attached to this notice."

"Resolved further that the Board be and is hereby authorized to do all such acts, deeds and things and execute all such documents, instruments and writings as may be required and to delegate all or any of its powers herein conferred to any committee of directors or any director or officer to give effect to the aforesaid resolution."

EXPLANATORY STATEMENT TO THE POSTAL BALLOT NOTICE

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

ITEM NO.1

The existing Articles of Association (AoA) of the Company is based on the provisions of Companies Act, 1956 and the rules made thereunder. With the enforcement of Companies Act, 2013 (the Act), many provisions relating to the management of the company has undergone significant change. In order to align the existing provisions in the AoA with Companies Act. 2013 and the rules made thereunder, it is proposed to wholly replace the existing AoA by a new set of AoA.

Member's attention is invited to certain salient provisions in the new draft AoA of the Company viz:

i. Existing articles have been streamlined and aligned with the Act.

ii. Incorporation of provisions relating to appointment of chief executive officer and chief financial officer, in addition to manager and company secretary.

iii. Deletion of references to specific section of the Companies Act, 1956 or the rules framed thereunder.

iv. New provisions relating to appointment of a person as chairman and managing director or chief executive officer.

v. Alteration of provisions relating to Board of Directors, appointment, resignation, retirement of directors and meetings of the Board.

vi. Alteration of provisions dealing with meetings of the shareholders, voting mechanism, quorum etc.

The proposed draft AoA, as considered by the board of directors at its meeting held on July 22, 2014 is being uploaded on the Company's website for perusal by the members and is also open for inspection at the registered office of the Company during business hours on all working days upto the last date for receiving the postal ballot forms / e-votes viz., Wednesday, August 27, 2014.

Pursuant to the provisions of Section 14 of the Companies Act, 2013, the consent of the members by way of special resolution is required for adoption of new set of Articles of Association of the Company.

None of the directors and the 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 resolution as set out at item no. 1 of this Postal Ballot notice.

ITEM NO.2

The borrowings of the Company in general are required to be secured from time to time by creation of charge by way of mortgage, pledge, and hypothecation or otherwise on or any of the assets of the Company in such manner as may be required by banks, financial institutions or other lending institutions. Mortgaging or creating charge by the Company of its assets to secure the funds borrowed from time to time within the overall limits of borrowing powers delegated to the board of directors, may be construed as disposal of the Company's undertaking within the meaning of Section 180(1)(a) of the Companies Act, 2013. The Company had earlier secured approval of members under Section 293(1)(a) of the Companies Act, 1956 by way of ordinary resolution.

Further, Ministry of Corporate Affairs (MCA) through the Circular No.04/2014 dated March 25, 2014 has clarified that the resolution passed under section 293 of the Companies Act, 1956 prior to September 12, 2013 with reference to borrowings and / or creation of security on assets of the company will be regarded as sufficient compliance of the requirements of section 180 of the Companies Act, 2013 for a period of one year (i.e., September 11, 2014) from the date of notification of section 180 of the Companies Act, 2013. Hence, in order to comply with the relevant provisions under the Companies Act, 2013, the approval of the members is sought under Section 180(1)(a) of the Companies Act, 2013 read with Rule 22(16)(i) of the Companies (Management and Administration) Rules, 2014,by way of special resolution through Postal Ballot. None of the directors and the 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 resolution as set out at item no. 2 of this Postal Ballot notice.

ITEM NO.3

Mr. Vinay Lakshman holds a degree in bachelor of commerce and holds a Masters degree in Accounting and Financial Management from Keller Graduate School of Management, DeVry University, Chicago,USA. He has over 17 years of experience in the various areas of financial management, strategic planning, project implementation, compliance / risk management and accounting.

Considering his qualification, knowledge and experience, the Nomination and Remuneration Committee and Audit Committee of the Board of Directors, reviewed and recommended his appointment to the Board of Directors, in compliance with section 177, 178, 188 and the rules framed under the Companies Act, 2013. Based on the recommendation, the Board of Directors has appointed Mr. Vinay Lakshman as Senior Vice President of the Company, subject to approval of members, effective from September 1, 2014, on the following terms and conditions:

(a) Salary: In the scale of Rs.1,40,000 to Rs.2,75,000 per month. Annual increase will be effective 1st of April every year from April 1, 2015 onwards.

(b) Benefits, Perquisites, Allowances and contribution to funds: Benefits, perquisites, allowances and contribution to provident fund and superannuation fund shall be in accordance with the policy of the Company.

(c) Gratuity: Gratuity payable shall be as per the rules of the Company.

The appointee being related to the Directors of the Company, his appointment as Senior Vice-President is deemed to be an 'Office or Place of Profit' in terms of Section 188 (1) (f) of the Companies Act, 2013. Since the proposed remuneration exceeds the limits prescribed under Rule 15(3)(ii)(b) of the Companies (Meetings of Board and its Powers) Rules, 2014, prior approval of the members of the Company is sought by way of special resolution.

Mr. L Lakshman and Mr. Harish Lakshman, being relatives of Mr. Vinay Lakshman, are considered to be interested in the resolution. None of the other directors and the Key Managerial Personnel of the Company and their relatives is concerned or interested financially or otherwise in this resolution except to the extent of their shareholding, if any, in the Company.

Pursuant to the provisions of Section 2(76), 188(1)(f) and other applicable provisions of the Companies Act 2013 and the rules thereunder, the related parties in the context of this resolution, would not vote on this resolution.

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

Registered Office:
"Maithri", 132, Cathedral Road,
Chennai 600 086.

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

July 22, 2014

Chennai

G Karthikeyan
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, A.K. Jain and Associates in the enclosed self addressed Inland letter. Postage will be borne and paid by the Company. However, envelopes containing 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 self addressed Inland letter bearing the name and postal address of the Registrar & Transfer agent and addressed to the Scrutinizer, appointed by the Board has been sent by the Company along with the Notice.

3. 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.

4. Duly completed Postal Ballot Form should reach the Scrutinizer not later than close of working hours on Wednesday, August 27, 2014. All Postal Ballot Forms received after this date will be strictly treated as if the reply from such member has not been received

5. There will be only one Postal Ballot Form for every Folio/Client ID irrespective of the number of joint-holder(s)

6. 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

7. 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 Wednesday, August 27, 2014.

8. 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, July 18, 2014.

9. 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.

10. A member need not use all the votes nor does he need to cast all the votes in the same way.

11. The Scrutinizer's decision on the validity of a Postal Ballot will be final and binding.

12. Incomplete, unsigned or incorrect Postal Ballot Forms will be rejected.

13. The result of the Postal Ballot will also be posted on the website of the Company www.rane.co.in and also in the newspaper(s) for the information of the members.

14. 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 R&T Agents

i. Open e-mail account and open PDF file viz; "RBLPB-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.nsdl.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 Brake Lining 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: to 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:

i. Initial password is provided at the bottom of the Postal Ballot Form.

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.nsdl.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 Tuesday, July 29, 2014 (9.00 a.m IST) and ends on Wednesday, August 27, 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 i.e. July 18, 2014, Friday, 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.

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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