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CS	<input checked="" type="checkbox"/>		DPY	<input checked="" type="checkbox"/>
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Rane (Madras) Limited

61st ANNUAL REPORT 1997



Rane (Madras) Limited

Regd. Office : "Maithri", 32, Cathedral Road, Chennai - 600 086

NOTICE TO SHAREHOLDERS

NOTICE is hereby given that the sixtyfirst Annual General Meeting of the Shareholders of the Company will be held at 2.30 p.m. on Wednesday, the 10th September, 1997, at Narada Gana Sabha, 254, TTK Road, Chennai 600 018 to transact the following:-

ORDINARY BUSINESS

1. To receive, consider and adopt the Directors' report, the accounts of the Company for the year ended 31st March, 1997 and the Auditors' report thereon.

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

"Resolved that the Profit and Loss Account for the year ended 31st March, 1997 and the Balance Sheet as at 31st March, 1997 together with the report of the directors and auditors be and are hereby adopted".

2. To declare dividend on equity shares.

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

"Resolved that a dividend at 27% on the equity shares be declared for the year ended 31st March, 1997 and that the dividend be paid to those shareholders, whose names appear on the Company's Register of Members as on 29th August, 1997"

3. To appoint a director in the place of Mr. K.R. Kamath, who retires by rotation under Article 108 of the Articles of Association of the Company and being eligible, offers himself for re-election.

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

"Resolved that Mr. K.R. Kamath, be and is hereby re-appointed Director of the Company".

4. To appoint a director in the place of Mr. P.N. Vencatesan, who retires by rotation under Article 108 of the Articles of Association of the Company and being eligible, offers himself for re-election.

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

"Resolved that Mr. P. N. Vencatesan, be and is hereby re-appointed Director of the Company".

5. To appoint auditors of the Company and to determine their remuneration. The retiring auditors Messrs D. Rangaswamy & Co., Chartered Accountants, are eligible for re-appointment. The declaration under Section 224(1B) of the Companies Act, 1956 has been received.

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

"Resolved that M/s D. Rangaswamy & Co., Chartered Accountants, be and are hereby re-appointed as the auditors of the Company to hold office till the conclusion of the next Annual General Meeting of the Company"

"Resolved further that the power to determine the remuneration to the Auditors be and is hereby delegated to the Board of Directors".

Rane (Madras) Limited

Notice to Shareholders (Contd.)

SPECIAL BUSINESS

Appointment of Director

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

"Resolved that Mr. M S Kumar, who holds office as an additional director of the Company upto 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".

Authorisation for providing guarantees

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

"Resolved that pursuant to Section 370 and other applicable provisions, if any, of the Companies Act, 1956, the Board of Directors of the Company be and are hereby authorised to provide corporate guarantee(s) on account of TRW Rane Occupant Restraints Limited (TRW Rane) for a value not exceeding Rs.90 million (Rupees ninety million only) in respect of the working capital/term loan facilities availed/ to be availed from banks/ financial institutions by TRW Rane".

Authority for the creation of security / mortgage

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

"Resolved that the consent of the Company be and is hereby accorded in terms of Section 293(1)(a) and other applicable provisions, if any, of the Companies Act, 1956

(A) to mortgaging and / or charging by the Board of Directors of the Company of all immoveable and moveable properties of the Company wheresoever situate, present and future, and the whole of the undertaking of the Company and / or conferring power to enter upon and take possession of the assets of the company in certain events to or in favour of all or any of the following viz.,

- 1) The Industrial Credit and Investment Corporation of India Limited (ICICI)
- 2) Trustees for the Debenture holders in respect of the Debentures privately placed with
 - a. Sundaram Newton Asset Management Company Ltd. (SN)
 - b. Tata Trustee Company Ltd., A/C Tata Mutual Fund (TMF)
 - c. Birla Capital International Trustee Company Ltd., A/C Birla Mutual Fund (BMF)
 - d. Stockholding Corporation of India Ltd. A/C GIC Mutual Fund (GIC)
 - e. The Industrial Credit and Investment Corporation of India Limited (ICICI)

Rane (Madras) Limited

Notice to Shareholders (Contd.)

to secure :-

- 1) Rupee Term loan not exceeding Rs.80 million (Rupees eighty million only) sanctioned under Project Finance Participation Scheme (PFPS) lent and advanced / agreed to be lent and advanced by ICICI to the Company;
- 2) An amount not exceeding Rs. 130 million (Rupees one hundred and thirty million only) subscribed by the following to Debentures on private placement.

	Rs. in Million
a. Sundaram Newton Asset Management Company Ltd.	5.00
b. Tata Trustee Company Ltd., A/C Tata Mutual Fund	5.00
c. Birla Capital International Trustee Company Ltd., A/C Birla Mutual Fund	40.00
d. Stockholding Corporation of India Ltd., A/C GIC Mutual Fund	30.00
e. The Industrial Credit and Investment Corporation of India Limited	50.00
	130.00

together with interest at the respective agreed rates, additional interest, liquidated damages, commitment charge, premium on prepayment or on redemption, costs, charges, expenses and all other moneys payable by the Company to ICICI, SN, TMF, BMF, GIC and ICICI as Agent and Trustees in terms of their respective Loan Agreement / Heads of Agreement / Hypothecation Agreements / Trustees Agreements / Letters of Sanction / Memorandum of Terms and Conditions, entered into / to be entered into by the Company, in respect of the said Term Loans / Debentures; and

- (B) to the Board of Directors of the Company agreeing with all or any of the said ICICI, SN, TMF, BMF, GIC and ICICI as Agent and Trustees in terms of their respective Loan Agreement / Heads of Agreement / Hypothecation Agreements / Trustees Agreements / Letters of Sanction / Memorandum of Terms and Conditions to reserve a right to take over the management of the business and concern of the Company in certain events".

"Resolved further that the Board of Directors of the Company be and is hereby authorised to finalise with ICICI, SN, TMF, BMF, GIC and ICICI as Agent and Trustees the documents for creating aforesaid mortgage and / or charge and for reserving the aforesaid right and to do all such acts and things as may be necessary for giving effect to the above resolutions".

(By Order of the Board)
For Rane (Madras) Limited

Chennai
9th July, 1997

K. Srivatsan
Secretary

Rane (Madras) Limited

Notice to Shareholders (Contd.)

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 Register of Members of the Company will be closed from **14th August, 1997** to **29th August, 1997** (both days inclusive).
3. Dividend that may be declared by the Company in the Annual General Meeting will be made payable on or after **16th September, 1997**, to the members, whose names appear on the Register of Members on **29th August, 1997** or their mandatees.
4. The unclaimed dividends upto the Company's financial year ended 31st March, 1993 have been transferred to the General Revenue Account of the Central Government, as provided under Section 205A of the Companies Act, 1956.
5. The relative Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of Special Business under item Nos. 6 to 8 is annexed.
6. Members are requested to notify immediately any change in their addresses.
7. 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 endorsements in due course.
8. Members/Proxies should bring the attendance slip duly filled in for attending the meeting.

Rane (Madras) Limited

EXPLANATORY NOTE PURSUANT TO SEC.173(2) OF THE COMPANIES ACT, 1956 IN RESPECT OF SPECIAL BUSINESS.

Resolution No.6

Mr. M.S. Kumar was appointed as an additional Director of your Company with effect from 1st January, 1997 by the Board on 19th December, 1996 pursuant to Article 99 of the Article of Association of the Company. He will hold office as such Director upto the date of this Annual General Meeting. The Company has received notice in writing accompanied by a deposit of Rs.500 as required under Section 257 of the Companies Act, 1956 from a member signifying the intention to propose at the Annual General Meeting the appointment of Mr.M.S. Kumar as a Director.

None of the directors other than Mr.M.S. Kumar is concerned or interested in the resolution.

The directors commend the resolution for adoption.

Resolution No.7

Your Company has promoted TRW Rane Occupant Restraints Limited (TRW Rane) (formerly Rane Vehicle Safety Systems Limited) as a joint venture with TRW Inc. USA (TRW) for manufacture of safety belts for automobiles. The technology for the manufacture of seat belts is provided by TRW VSSI, USA.

Your Company presently holds 2,400,000 equity shares of Rs. 10/- each in the capital of TRW Rane, representing 50% of its paid-up capital.

Your Company as one of the promoters is required to provide corporate guarantee(s) for a sum not exceeding Rs.90 million (Rupees ninety million only) to the banks/financial institutions in respect of working capital/term loan facilities availed/ to be availed by TRW Rane. TRW as the other partner would also be providing similar guarantee(s).

Such a corporate guarantee from the Company would require the approval of the shareholders under Section 370 of the Companies Act, 1956.

Messrs. L.Lakshman, L.Ganesh and M.S.Kumar are Directors in TRW Rane Occupant Restraints Ltd., representing your company.

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

The directors commend the resolution for adoption.

Resolution No.8

To meet a part of the Company's capital expenditure and long term working capital requirements,

1. Your Company had issued Non-Convertible Debentures of an amount of Rs.130 million to Companies / Financial Institutions / Mutual Funds as detailed in the Resolution.
2. Your Company had been sanctioned a Rupee Term Loan of Rs.80 million by The Industrial Credit and Investment Corporation of India Limited (ICICI).

Rane (Madras) Limited

The Debentures and Term Loan are to be secured by a mortgage and / or charge on immoveable / moveable properties of the Company, both present and future and the whole of the undertaking, with power to take over the management of the business and concern of the Company in certain events.

Since such mortgage / charge by the Company in favour of the said Companies / Financial Institution / Mutual Funds may be regarded as disposal of Company's properties / undertakings, it is essential for the shareholders to give consent for creation of the said mortgage / charge under Section 293 (1) (a) of the Companies Act, 1956.

The various documents in connection with the abovesaid borrowings are available for inspection at the Registered Office of the Company on any working day during business hours.

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

The Directors commend the resolution for adoption.

(By Order of the Board)
For Rane (Madras) Limited

Chennai
9th July, 1997

K. Srivatsan
Secretary



Rane (Madras) Limited

DIRECTORS

L.L. NARAYAN - Chairman Emeritus
L.LAKSHMAN - Chairman & Managing Director
L. GANESH - Vice Chairman
K.R. KAMATH - Director (Special Projects)
M.S. KUMAR - Director & CEO
D.K. PARIKH
A.K. SIVARAMAKRISHNAN
P.N. VENCATESAN

BANKERS

CANARA BANK
STANDARD CHARTERED BANK
THE SOUTH INDIAN BANK LTD
ANZ GRINDLAYS BANK

AUDITORS

D. RANGASWAMY & CO.

Chartered Accountants

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REGISTERED OFFICE

"MAITHRI",

32, Cathedral Road, Chennai - 600 086

Plant I

"GANAPATHI BUILDINGS",
61, Velachery Road, Chennai - 600 042.

Plant II

79/84, Hootagally Industrial Area,
Mysore - 571 186.

Plant III

A-1, 1st Main Road, Ambattur Industrial Estate,
Ambattur, Chennai - 600 058.

Plant IV

77, Thirubuvanai Main Road,
Thirubuvanai Village, Pondicherry - 605 107.

