

Rane (Madras) Limited



RML/ SE/03-2016

January 25, 2016

National Stock Exchange of India Limited (NSE)	BSE Limited (BSE)
Stock Code : RML E-mail ID: cmllist@nse.co.in compliance@nse.co.in neaps@nse.co.in	Stock Code : 532661 E-mail ID: corp.relations@bseindia.com corp.compliance@bseindia.com listing.centre@bseindia.com

Dear Sir / Madam

Ref: Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI LODR)

Sub: Outcome of meeting of the Board of Directors: Acquisition of Precision Die Casting Inc., USA

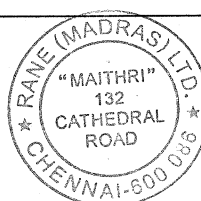
The board of directors of Rane (Madras) Limited ('hereinafter referred to as 'RML' / 'the Company') at the meeting held on January 25, 2016 has inter-alia approved the acquisition of 100% of the equity shares of Precision Die Casting Inc., USA (hereinafter referred to as 'PDC' / 'Target Company') through its Wholly Owned Subsidiary (WOS) being incorporated in The Netherlands, subject to satisfactory completion of negotiations with current owners and bankers as well as obtaining necessary regulatory approvals. The Target Company is in the business of manufacturing high pressure aluminium die casting for automotive applications like steering and compressor related die casting components. Some of the major customers are TRW, JTEKT, Nexteer and Mahle.

In this connection, the board of directors of RML has approved the draft share purchase agreement between the WOS and the existing shareholders of the Target Company to acquire 100% of the paid-up share capital of the Target Company.

The transaction is expected to close before the financial year ending March 31, 2016 and is subject to completion of customary conditions precedent and such other applicable regulatory conditions as may be required to be complied with.

The details required under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI LODR) read with SEBI Circular No. CIR/CFD/CMD/4/2015 dated September 9, 2015 are furnished hereunder:

Particulars	Details
a) name of the target entity, details in brief such as size, turnover etc.	Precision Die Casting Inc., USA having an annual turnover/ revenue of USD 29 million (approx.).



Particulars	Details
b) whether the acquisition would fall within related party transaction(s) and whether the promoter/ promoter group/ group companies have any interest in the entity being acquired? If yes, nature of interest and details thereof and whether the same is done at "arm's length"	Not Applicable
c) industry to which the entity being acquired belongs	Industry : Automotive
d) objects and effects of acquisition (including but not limited to, disclosure of reasons for acquisition of target entity, if its business is outside the main line of business of the listed entity)	Expansion into overseas die-casting market in line with the strategic goals of the Company. Investment will be made in the Target Company by WOS of the Company being incorporated in The Netherlands. PDC would be a step down subsidiary of Rane (Madras) Limited.
e) brief details of any governmental or regulatory approvals required for the acquisition	Investment will be under the Automatic Route of Foreign Exchange Management Act, 1999 (FEMA), specifically, the Foreign Exchange Management (Transfer or Issue of Any Foreign Security) Regulations, 2004 and subject to necessary regulatory approvals in respective jurisdictions as the case may be.
f) indicative time period for completion of the acquisition	Before end of the current financial year viz., March 31, 2016.
g) nature of consideration - whether cash consideration or share swap and details of the same	Cash investment in equity shares of the Target Company by the WOS.
h) cost of acquisition or the price at which the shares are acquired	Enterprise valuation is USD 8.9 million and cost of acquisition of entire equity is at USD1.
i) percentage of shareholding / control acquired and / or number of shares acquired	100%
j) brief background about the entity acquired in terms of products/line of business acquired, date of incorporation, history of last 3 years turnover, country in which the acquired entity has presence and any other significant information (in brief)	Business: Manufacturing of high pressure aluminium die castings used in automotive applications. Date of Incorporation : January 3, 1959 Turnover for last three years : 2014-15 – US \$ 29.48 million* 2013-14 – US \$ 31.28 million 2012-13 – US \$ 23.08 million <i>* unaudited</i> Country of presence: United States of America (USA) Significant information (if any): Post the acquisition, the Company will invest US\$ 2 million through the WOS as equity for making improvements in operations for turning around the profitability.

We request you to take the above disclosures on record under the applicable provisions of SEBI LODR and acknowledge receipt.

Thanking you,

Yours faithfully,

For Rane (Madras) Limited


S Subha Shree
Secretary

