



RANE (MADRAS) LIMITED

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

NOTICE OF COURT CONVENED MEETING OF THE EQUITY SHAREHOLDERS OF RANE (MADRAS) LIMITED & POSTAL BALLOT NOTICE (postal ballot and e-voting)

Day : Thursday

Date : December 5, 2013

Time : 10.00 a.m.

Venue : 'Rani Seethai Hall', 603, Anna Salai, Chennai 600 006

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Notes:

- Public shareholders are entitled to vote in the court convened meeting either in person or by proxy as well as through postal ballot / e-voting.**
- Attendance Slip, instructions for e-voting / postal ballot and postal ballot form are being sent along with this notice.**

IN THE HIGH COURT OF JUDICATURE AT MADRAS

(Original Jurisdiction)

Company Application No 1153 of 2013

In the matter of Companies Act I of 1956,
In the matter of Rane (Madras) Limited
And

In the matter of the Scheme of Amalgamation of Rane Diecast Limited with Rane (Madras) Limited

Rane (Madras) Limited,

rep by its director Mr L Ganesh

Having its registered office at "Maithri" 132, Cathedral Road,
Chennai - 600086

Applicant / Transferee Company

Notice convening Meeting of the Equity Shareholders of the Applicant Company

To

All shareholders

Take notice that by an order made on 23rd day of October 2013 the Court has directed that a meeting of the equity shareholders of the Applicant Company be held at Rani Seethai Hall, 603 Anna Salai, Chennai 600006 on Thursday the 5th day of December 2013 at 10.00 A.M for the purpose of considering, and if thought fit, approving, with or without modification, the Scheme of Amalgamation proposed to be made between Rane Diecast Limited and the Applicant Company.

Take further notice that in pursuance of the said order, a meeting of the equity shareholders of the Applicant Company will be held at Rani Seethai Hall, 603 Anna Salai, Chennai 600006 on Thursday the 5th day of December 2013 at 10.00 A.M when you are requested to attend.

Take further notice that you may attend and vote at the said meeting in person or by proxy, provided that a proxy in the prescribed form, duly signed by you, is deposited at the registered office of the Applicant Company "Maithri" 132 Cathedral Road Chennai in 600 086 not later than 48 hours before the meeting. The quorum for the meeting shall be 5 members present in person or by proxy.

The Court has appointed Mr L Ganesh a director of the Applicant Company failing him Mr L Lakshman a director of the Applicant Company to be the Chairman of the said meeting.

A copy of the Scheme of Amalgamation, the statement under Section 393 and a form of proxy is enclosed.

Dated at Chennai this the 24th day of October 2013.

Sd/-

L Ganesh

Chairman appointed for the meeting

[Note all alterations in the form of Proxy should be initialled)

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE APPLICANT COMPANY. The Form of Proxy duly completed should, however, be deposited at the Registered Office of the Applicant Company not less than 48 hours before the scheduled time for commencement of the Meeting. All alterations in the Form of Proxy should be initialed.
2. A Member or his Proxy is requested to bring the copy of the notice at the meeting, and produce at the entrance of the meeting venue, the enclosed attendance slip duly completed and signed.
3. All documents referred to in the Notice and the Explanatory Statement annexed hereto, are open for inspection up to 48 hours prior to the said meeting, at the Registered Office of the Applicant Company between 11.00 a.m. and 1.00 p.m. on all working days of the Company (except Saturdays, Sundays and Government Holidays).
4. Corporate Members intending to send their authorized representatives to attend the Meeting are requested to send a certified true copy of the Board Resolution and/ or Power of Attorney authorizing such person to attend and vote on their behalf at the Meeting.

POSTAL BALLOT NOTICE

NOTICE PURSUANT TO SECTION 192A OF THE COMPANIES ACT, 1956 READ WITH SEBI CIRCULARS BEARING NO. CIR/CFD/DIL/5/2013 DATED FEBRUARY 4, 2013 & CIR/CFD/DIL/8/2013 DATED MAY 21, 2013.

Dear Shareholders,

Notice is hereby given pursuant to Section 192A of the Companies Act, 1956 read with Companies (Passing of the Resolution by Postal Ballot) Rules, 2011 and SEBI Circulars bearing no. CIR/ CFD / DIL /5 /2013 dated February 4, 2013 and CIR / CFD / DIL / 8/ 2013 dated May 21, 2013 that approval of Public Shareholders (Other than Promoter and Promoter Group members) is sought for the scheme of amalgamation of Rane Diecast Limited ('RDL' / Transferor Company) with Rane (Madras) Limited ('RML' / 'the Company' / Transferee Company) and their respective shareholders.

The Company seeks approval of the public shareholders, in terms of Para 5.16(a) of SEBI Circular bearing no. CIR/CFD/DIL/8/2013 dated May 21, 2013 as stated hereunder:

Para 5.16 (a): Listed companies shall ensure that the Scheme submitted with the Hon'ble High Court for sanction, provides for voting by public shareholders through postal ballot and e-voting, after disclosure of all material facts in the explanatory statement sent to the shareholders in relation to such resolution, in the following cases:

- i. *Where additional shares have been allotted to Promoter / Promoter Group, Related Parties of Promoter /Promoter Group, Associates of Promoter / Promoter Group, Subsidiary/(s) of Promoter / Promoter Group of the listed company, or*
- ii. *Where the Scheme of Amalgamation involves the listed company and any other entity involving Promoter /Promoter Group, Related Parties of Promoter / Promoter Group, Associates of Promoter / Promoter Group, Subsidiary/(s) of Promoter / Promoter Group.*
- iii. *Where the parent listed company, has acquired the equity shares of the subsidiary, by paying consideration in cash or in kind in the past to any of the shareholders of the subsidiary who may be Promoter / Promoter Group, Related Parties of Promoter / Promoter Group, Associates of Promoter / Promoter Group, Subsidiary/(s) of Promoter / Promoter Group of the parent listed company, and if that subsidiary is being merged with the parent listed company under the Scheme.*

Such Schemes shall also provide that the Scheme shall be acted upon only if the votes cast by the public shareholders in favor of the proposal are more than the number of votes cast by the public shareholders against it. The term 'public' shall carry the same meaning as defined under Rule 2 of Securities Contracts (Regulation) Rules, 1957.

The Scheme of Amalgamation as attached hereto needs to be compliant with the above requirements of the said SEBI Circular. In the meantime, the Hon'ble High Court of Judicature at Madras in the Company Summons for Direction directed the company to conduct a court convened meeting on Thursday, December 5, 2013.

In addition to the court convened meeting scheduled to be held on Thursday, December 5, 2013, the Company is required to meet with the requirements of the applicable provisions of the SEBI Circular bearing No. CIR/CFD/DIL/5/2013 dated February 4, 2013 & CIR/CFD/DIL/8/2013 dated May 21, 2013, and has accordingly made necessary arrangements for obtaining the consent of the public shareholders by way of postal ballot and e-voting.

The Resolution and the Explanatory Statement setting out the material facts and the reasons thereof are given hereunder along with the Postal Ballot/e-voting Form for your consideration and necessary action.

The Company has, in compliance with Rule 6 of the Postal Ballot Rules, appointed Mr. R. Balasubramaniam, Practising Company Secretary, as Scrutinizer for conducting the Postal Ballot and e-voting Process in a fair and transparent manner.

In accordance with the provisions of Section 192A of the Act, The Postal Ballot Rules, 2011 read with SEBI Circular bearing No. CIR/CFD/DIL/5/2013 dated February 4, 2013 & CIR/CFD/DIL/8/2013 dated May 21, 2013 respectively, the Company is pleased to provide electronic voting ("e-voting") facility and Postal Ballot facility to its public shareholders to enable them to cast their votes electronically or by the physical Postal Ballot Forms.

The Company has engaged National Securities Depositories Limited ("NSDL") to provide e-voting facilities to the Shareholders of the Company. If a Shareholder has voted through e-voting facility, he is not required to send the Postal Ballot Form. If a Shareholder votes through e-voting facility and also sends his vote through the Postal Ballot Form, the votes cast through e-voting shall only be considered by the Scrutinizer. The e-voting facility is available at the link: www.evoting.nsdl.com till 5.00 p.m. on Monday, December 2, 2013.

Please refer to the instructions given for e-voting sent along with this Notice for the purpose and the manner in which e-voting has to be carried out. Shareholders opting to vote through physical mode i.e. sending the Postal Ballot Form are requested to carefully read the instructions printed on the Postal Ballot Form sent herewith and return the form duly completed and signed in

the attached self-addressed postage prepaid envelope so as to reach the Scrutinizer on or before the close of working hours on Monday, December 2, 2013. The postage will be borne and paid for by the Company.

The Scrutinizer will submit his report to the Chairman of the Company, or in his absence to any other Director authorized by the Chairman, after completion of the scrutiny. The results of the Postal Ballot and e-voting will be announced on Thursday, December 5, 2013 and will be subsequently published in at least one English and one Tamil newspaper circulating in Chennai, Tamil Nadu. The result of the Postal Ballot will also be displayed at the Registered Office of the Company, besides being communicated to the Stock Exchanges. The date of declaration of the result of the Postal Ballot shall be the date on which the resolution would be deemed to have been passed, if approved by requisite majority.

Pursuant to section 192A of the Companies Act, 1956, The Companies (Passing of Resolution by Postal Ballot) Rules, 2011 read with SEBI Circular bearing No. CIR/CFD/DIL/5/2013 dated February 4, 2013 & CIR/CFD/DIL/8/2013 dated May 21, 2013; the following special business shall be transacted by the public shareholders of RANE (MADRAS) LIMITED by passing resolutions through Postal Ballot process and e-voting:

1. **To consider and, if thought fit, to pass the following resolutions with requisite majority as per the SEBI circular CIR/CFD/DIL/8/2013 dated May 21, 2013:**

Scheme of amalgamation of Rane Diecast Limited with Rane (Madras) Limited

“RESOLVED THAT pursuant to the provisions of Sections 391 to 394, 16, 94 and other applicable provisions, if any, of the Companies Act, 1956 (“Act”) and subject to the approval of the High Court of Judicature at Madras or other appropriate authorities, the Scheme of Amalgamation (‘the Scheme’) of Rane Diecast Limited (‘RDL’ or ‘Transferor Company’) with Rane (Madras) Limited (‘RML’ or ‘the Company’ or ‘Transferee Company’) as circulated along with the notice, be and is hereby approved and agreed to.

RESOLVED FURTHER THAT for the purpose of giving effect to the above resolution and for removal of any difficulties or doubts, the Board of Directors of the Company (herein referred to as ‘the Board’, which term shall deem 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 authorized to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, expedient, usual or proper and to settle any questions or difficulties or doubts that may arise, including passing of such accounting entries and / or making such adjustments in the books of accounts as considered necessary to give effect to the above resolution or to carry out such modifications/directions as may be ordered by the Hon’ble High Court of Judicature at Madras, any other appropriate statutory or regulatory authority or as may be decided by the Board of Directors to implement the aforesaid resolution.”

Place: Chennai
Date: October 24, 2013

By order of the Board
For Rane (Madras) Limited

L. Ganesh
Chairman

NOTES:

- 1 A copy of the said Scheme of Amalgamation and Explanatory Statement under Section 192A (2), Section 173(2) and Section 393 of the Companies Act, 1956, e-voting details, Postal Ballot Form and Pre-paid envelop are enclosed.
- 2 The Notice of the Postal Ballot has been posted to the registered address of all the Public Shareholders whose names appear in the Register of Members / Beneficial Owners as per the details furnished by the Depositories as on October 18, 2013. The Shareholders who have registered their e-mail IDs for receipt of documents in electronic mode have also been sent the Notice of Postal Ballot by e-mail.
- 3 Voting rights shall be reckoned on the paid up value of the shares registered in the names of the Public Shareholders as on Friday, October 18, 2013.
- 4 The voting time ends at 5.00 p.m. on Monday, December 2, 2013. The e-voting module shall also be disabled by NSDL for voting thereafter.
- 5 All the material documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection by the Equity Shareholders at the Registered Office of the Company “Maithri”, No.132, Cathedral Road, Chennai – 600 086 during office hours on all working days between 11.00 a.m. and 1.00 p.m. up to the last date for receipt of the postal ballot specified in the accompanying Notice.

IN THE HIGH COURT OF JUDICATURE AT MADRAS

(Original Jurisdiction)

Company Application No 1153 of 2013

In the matter of Companies Act I of 1956,

In the matter of Rane (Madras) Limited

And

In the matter of the Scheme of Amalgamation of Rane Diecast Limited with Rane (Madras) Limited

Rane (Madras) Limited,

rep by its director Mr L Ganesh

Having its registered office at "Maithri" 132, Cathedral Road,
Chennai - 600086

Applicant / Transferee Company

EXPLANATORY STATEMENT TO THE NOTICES CONVENING MEETING OF EQUITY SHAREHOLDERS AND POSTAL BALLOT NOTICE TO PUBLIC SHAREHOLDERS, UNDER SECTION 192A (2), SECTION 173(2) AND SECTION 393 OF THE COMPANIES ACT, 1956

1. Pursuant to the order dated October 23, 2013 passed by the Hon'ble High Court of Judicature at Madras in the aforesaid Company Applications, the Company was directed to conduct a court convened meeting on Thursday, December 5, 2013 at 10.00 a.m. at Rani Seethai Hall, 603, Anna Salai, Chennai 600 006.
2. As per clause 5.16 (a) of SEBI Circular bearing No. CIR/CFD/DIL/8/2013 dated May 21, 2013 the Company is required to seek the approval of the Public Shareholders of the Company for the Scheme of Amalgamation, by passing the above Resolution by way of Postal Ballot and e-voting.
3. This notice is being circulated to obtain the approval of the Public Shareholders to the Scheme of Amalgamation in order to comply with the requirements of the aforesaid SEBI Circular. Accordingly, the votes cast by the Public Shareholders by way of Postal Ballot or e-Voting would alone be considered for the purpose of determining the result of the resolution.
4. **Reasons for the Postal ballot and e-voting:**
 - a. Clause 5.16(a)(i) of SEBI Circular bearing No. CIR/CFD/DIL/8/2013 dated May 21, 2013 is applicable to the Scheme since additional shares would be allotted to Promoter and Promoter Group pursuant to the Scheme.

Further, Clause 5.16(a)(ii) of aforesaid SEBI Circular is applicable since RML and RDL have common Promoters:

The consequential changes in the shareholding pattern of RML is given hereunder:

Particulars	Pre-merger Shareholding*		Post-merger Shareholding	
	Shares	%	Shares	%
Promoter and Promoter group	56,30,270	55.39	59,76,774	56.86
Public				
Financial Institutions / Banks	350	0.00	350	0.00
Bodies Corporate	6,49,922	6.40	6,49,922	6.19
Individual shareholders (Indian / NRIs)	38,83,603	38.21	38,83,603	36.95
Total	101,64,145	100.00	105,10,649	100.00

* Shareholding position as on September 30, 2013

5. Background of Companies

A. Rane (Madras) Limited ('RML')

- i. Rane (Madras) Limited was originally incorporated under the Companies Act, 1956 as a public limited company under the name and style of Rane Holdings Limited on 31 March, 2004. The name was changed from Rane Holdings Limited to Rane (Madras) Manufacturing Limited on February 22, 2005. Subsequently, pursuant to the Scheme of Demerger sanctioned by Hon'ble High Court of Madras on April 25, 2005, the name of Rane (Madras) Manufacturing Limited was changed to Rane (Madras) Limited with effect from May 19, 2005.

- ii. RML is primarily engaged in the business of manufacturing and marketing of components for transportation and automobile industry.
- iii. The registered office is located at “Maithri”, No.132, Cathedral Road, Chennai – 600 086.
- iv. The authorized, issued, subscribed and paid-up Share Capital of RML as on 31st March, 2013 is as under:

Particulars	(Amount in Rs.)
Authorized Capital	
1,10,00,000 Equity Shares of Rs.10/- each	11,00,00,000
45,00,000 Preference Shares of Rs. 10/- each	4,50,00,000
Total	15,50,00,000
Issued, Subscribed and Paid-Up Capital	
1,01,64,145 Equity Shares of Rs.10/- each	10,16,41,450

- v. As on the date of the Scheme being approved by the Board of Directors there is no change in Authorized, Issued, Subscribed and Paid-up Equity Share Capital of RML.

B. Rane Diecast Limited (‘RDL’)

- i. Rane Diecast Limited was incorporated under the Companies Act, 1956 as a public limited company under the name and style of Soubhagya Diecast Limited on 23rd August, 1996. Subsequently, upon receipt of the requisite approvals the name of the Company was changed to Rane Diecast Limited.
- ii. The registered office of RDL is currently located at “Maithri”, No.132, Cathedral Road, Chennai – 600 086.

RDL is engaged in manufacture of precision high-pressure aluminium die casting, primarily for the automotive industry. RDL has its manufacturing facility at Bollaram Industrial Area, Medak District, Andhra Pradesh.
- iii. The authorized, issued, subscribed and paid-up Share Capital of RDL as on 31st March, 2013 is as under:

Particulars	(Amount in Rs.)
Authorized Capital	
1,40,00,000 Equity Shares of Rs.10 each	14,00,00,000
60,00,000 Preference Shares of Rs.10 each	6,00,00,000
Total	20,00,00,000
Issued, Subscribed and paid up	
1,32,00,435 Equity Shares of Rs.10 each	13,20,04,350
60,00,000 9.25% Cumulative Redeemable Preference Shares of Rs.10 each	6,00,00,000
Total	19,20,04,350

As on the date of the Scheme being approved by the Board of Directors there is no change in Authorized, Issued, Subscribed and Paid-up Equity Share Capital of RDL. Further, as on date, out of above 1,32,00,435 equity shares, Rane Holdings Limited (‘RHL’) holds 1,03,95,135 equity shares in RDL constituting 78.75 per cent shareholding and balance 28,05,300 equity shares constituting 21.25 per cent are held by RML. Further, the entire 60,00,000 9.25% Preference Shares amounting to Rs. 6 Crores are held by RHL.

6. Description and Rationale for the Scheme

Description

- a. The Scheme of Amalgamation (“Scheme”) pursuant to Sections 391 to 394 of the Companies Act, 1956 provides for merger of RDL with RML and matters incidental and consequential thereto.

Rationale

- a. RML is a significant player in the automotive component space catering to Passenger Cars, Commercial Vehicles, Farm Tractors and the OEMs. It is also a major player in the Indian aftermarket besides being a large exporter to United States, Germany and Brazil.

- b. RML is looking to expand its business in the currently served markets and is also looking for opportunities to widen its product portfolio.
- c. RDL is engaged in manufacture of precision high-pressure aluminium die casting, primarily for the automotive industry and exports over 75 per cent of its production.
- d. RDL has significant customer opportunities for increased business and therefore needs to expand capacities. The current size of business and additional space requirements are the constraints on expansion for RDL.
- e. The amalgamation of RDL with RML is being proposed for the purpose of developing the potential for further growth and expansion of their respective businesses. The merger of RDL with RML would result in significant business & operational synergies, optimization of resources, fund raising capabilities and better financing terms. The amalgamation would, *inter-alia* have the following benefits:

Benefits for RML & RDL

- i. Consolidate the business operations and provide significant impetus to their growth since both the companies are engaged in the similar areas of business.
- ii. Enhancing the scale of operations, increased product portfolio, increased exports and reduction in overheads, administrative, managerial and other expenditure, operational rationalization, organizational efficiency, and optimal utilization of various resources. This in turn would enhance performance of the business in terms of revenue and profits.
- iii. Result in enhanced leveraging capability of the combined entity which in turn will allow the combined entity to undertake future expansion strategies and to tap bigger opportunities in the automotive industry.
- iv. Consolidation of managerial expertise of the Companies will facilitate greater focus and utilization of resources. The amalgamation will give additional strength to the operations and management of the amalgamated company.
- v. The consolidated entity will benefit from improved organizational capability and leadership, arising from the combination of people from RML and RDL who have the diverse skills, talent and vast experience to compete successfully in increasingly competitive environment.
- vi. Greater size, scale, integration and greater financial strength and flexibility for the restructured entity.

Benefits to shareholders of RML and RDL

- i. Improved shareholder value for the shareholders of both the companies by way of improved financial structure and cash flows, increased asset base and stronger consolidated revenue and profitability.
- ii. The synergies that exist between the two entities can be put to the best advantage of all stakeholders.
- iii. Enable the group to position as a large pressure die casting supplier in global market.

7. The salient features of the Scheme are as follows:

- a. Appointed date of the Scheme is April 1, 2013.
- b. With effect from the Appointed Date, the whole of the undertaking of RDL shall be merged with RML.
- c. The consideration for the merger would be discharged by RML as under:
 - i. 1 (one) fully paid up equity share of Rs.10/- (Rupees Ten only) each of RML for every 30 (thirty) fully paid-up equity shares of Rs. 10/-(Rupees Ten Only) each, held by the shareholders in RDL.
However, no shares would be issued in respect of the Equity Shares held by RML in RDL.
 - ii. 82,32,164 fully paid-up 6.74% Cumulative Redeemable Preference Shares of Rs. 10/- (Rupees Ten only) each of RML against 60,00,000 fully paid-up 9.25% Cumulative Redeemable Preference Shares of Rs. 10/- (Rupees Ten Only) each, held by the shareholders in RDL.
The Fairness Opinion issued by the Merchant Banker on the valuation report on share exchange ratio for Equity and Cumulative Preference Shares for the purpose of the scheme is attached as part of this notice.
- d. On the Scheme becoming effective, RDL shall be dissolved without being wound up.

The features set out above being only the salient features of the Scheme of Amalgamation; the members are requested to read the entire text of the Scheme annexed hereto to get fully acquainted with the provisions thereof.

8. The pre and post amalgamation capital structure and shareholding pattern of RML is as under:

Capital structure - pre amalgamation*

Particulars	(Amount in Rs.)
Authorized Capital	
1,10,00,000 Equity Shares of Rs.10/- each	11,00,00,000
45,00,000 Preference Shares of Rs. 10/- each	4,50,00,000
Total	15,50,00,000
Issued, Subscribed and Paid-Up Capital	
1,01,64,145 Equity Shares of Rs.10/- each	10,16,41,450

*As on September 30, 2013

Capital structure - post amalgamation

Particulars	(Amount in Rs.)
Authorized Capital	
2,50,00,000 Equity Shares of Rs.10/- each	25,00,00,000
1,05,00,000 Preference Shares of Rs. 10/- each	10,50,00,000
Total	35,50,00,000
Issued, Subscribed and Paid-Up Capital	
1,05,10,649 Equity Shares of Rs.10/- each fully paid-up	10,51,06,490
82,32,164, 6.74% Cumulative Redeemable Preference Shares of Rs.10/- each fully paid-up	8,23,21,640
Total	18,74,28,130

Shareholding Pattern

Particulars	Pre-amalgamation * Shareholding		Post amalgamation shareholding	
	Shares	%	Shares	%
Promoter and Promoter group				
Indians				
Individual/Hindu Undivided Family	83,841	0.82%	83,841	0.80%
Bodies Corporate	54,73,369	53.85%	58,19,873	55.37%
Foreign				
Individual(Non-resident/foreign)	73,060	0.72%	73,060	0.70%
Total – A	56,30,270	55.39%	59,76,774	56.86%
Public				
Financial Institutions/Banks	350	0.00%	350	0.00%
Bodies Corporate(Indian/foreign/Overseas)	4,51,043	4.44%	4,51,043	4.29%
Individual shareholders holding Nominal Share Capital up to Rs.1 Lakh	27,11,840	26.68%	27,11,840	25.80%
Individual shareholders holding Nominal Share Capital above Rs.1 Lakh	11,71,763	11.53%	11,71,763	11.15%
Any other(specify) ***				
Clearing Member	1,000	0.01%	1,000	0.01%
Corporate CM / TM – Client Margin A/c	2,325	0.02%	2,325	0.02%
Corporate CM / TM – Client Beneficiary A/c	6,932	0.07%	6,932	0.07%
Limited Liability Partnership	1,88,622	1.86%	1,88,622	1.79%
Total – B	45,33,875	44.61%	45,33,875	43.14%
GRAND TOTAL (A) + (B)	101,64,145	100.00%	105,10,649	100.00%

* Shareholding as on September 30, 2013

Interest of Directors

9. The Directors holding shares in RML do not have any other interest in the Scheme otherwise than that as shareholders in general.

10. The extent of the shareholding of the Directors of RDL in RML and RDL either singly or jointly or as nominee as on March 31, 2013 is as under:

S. No	Name	Designation	Shares in RDL	Shares in RML
1.	Mr L Ganesh	Chairman	10*	-
2.	Mr Harish Lakshman	Director	10 *	750
3.	Mr S Parthsarathy	Director	-	-
4.	Mr Anil Kumar V Epur	Director	-	-
5.	Mr Sarath Chandra Reddy	Director	-	-

* Nominee shareholder of Rane Holdings Limited

The extent of the shareholding of the Directors of RML in RDL and RML either singly or jointly or as nominee as on March 31, 2013 is as under:

S. No	Name	Designation	Shares in RDL	Shares in RML
1.	Mr L Ganesh	Chairman	10*	-
2.	Mr L Lakshman	Director	10 *	-
3.	Mr Harish Lakshman	Director	10 *	750
4.	Mr P S Kumar	Director	-	-
5.	Mr M Lakshminarayanan	Director	-	-
6.	Ms Anita Ramachandran	Director	-	-
7.	Mr T Mukherjee	Director	-	-

* Nominee shareholder of Rane Holdings Limited

RML and RDL have the following common directors

1. Mr L Ganesh
2. Mr Harish Lakshman

Save as aforesaid, none of the Directors of the Companies have any material interest in the proposed Scheme.

11. **Combination of Share Capital:** Upon amalgamation, the Authorized Share Capital of RML is permitted to be increased by the amount of Authorized Share Capital of RDL. Accordingly, upon sanction of the Scheme by the High Court, the Authorized Share Capital of RML shall automatically stand increased without any further act, instrument or deed on the part of RML in accordance with the provisions of the Scheme. The approval of the members of RML to the Scheme shall be deemed to be their consent / approval also to the alteration to the Memorandum and Articles of Association as may be required under the Act.
12. **Alterations of Main Objects:** Upon amalgamation of RDL with RML, RML would also carry on the business of RDL and hence it is necessary to suitably amend the main objects of RML. Accordingly, the main objects of RML shall stand altered as provided for in the Scheme and the approval of the members of RML to the Scheme shall be deemed to be their consent / approval also to the alteration to the Memorandum and Articles of Association as may be required under the Act.
13. RML has obtained approval to the Scheme pursuant to Clause 24(f) of the Listing Agreement from BSE Limited ('BSE') and National Stock Exchange of India Limited ('NSE'). A copy of the approvals received from BSE and NSE is enclosed. The same is also available on the website of the Company (<http://www.rane.in/rmlinvestor1.html>)
14. The financial position of RML will not be adversely affected by the Scheme. Further, the rights and interests of the creditors of RML will not be prejudicially affected post implementation of the Scheme as RML will be able to meet its liabilities as they arise in the ordinary course of business. Further, the rights and interests of the shareholders and creditors of RML will not be prejudicially affected by the Scheme as no sacrifice or waivers is called for from them nor are their rights sought to be modified in any manner.

15. No investigation proceedings are pending or are likely to be pending under Sections 235 to 251 of the Companies Act, 1956 in respect of RML. No winding up petitions have been admitted against RML.
16. In the event that this Scheme is terminated or withdrawn in the manner set out herein, this Scheme shall stand revoked, cancelled and be of no effect and null and void and in such event each party hereto shall bear and pay their respective costs, charges and expenses for and / or in connection with the Scheme.
17. The following documents are open for inspection by the members of RML at the Registered Office of RML between 11:00 am and 1:00 pm on any working day (except Saturdays, Sundays and Public Holidays) prior to the date of the meeting:
- Certified Copy of the Order dated 23rd day of October, 2013 of the Hon'ble High Court of Judicature at Madras passed in Company Application No.1153 of 2013 directing the convening of the meeting of the members of RML;
 - Scheme of Amalgamation;
 - Copies of the resolutions passed by the respective Board of Directors of RML and RDL approving the Scheme;
 - Valuation report from BSR and Associates, Chartered Accountants on the share exchange ratio of Equity Shares for the purpose of the Scheme;
 - Valuation report from T Pompapathy & Co., Chartered Accountants on the share exchange ratio of Cumulative Preference shares, for the purpose of the Scheme;
 - Fairness Opinion issued by the Merchant Banker on the valuation report on share exchange ratio for Equity and Cumulative Preference Shares, for the purpose of the Scheme;
 - Memorandum and Articles of Association of RML and RDL;
 - The Audited Financial Statements of RML & RDL for financial period ended March 31, 2013, March 31, 2012 and March 31, 2011;
 - Approval letters issued to RML by BSE and NSE;
 - Register of Directors' Shareholdings of RML;

This statement may be treated as the statement under Section 192A (2), Section 173(2) and Section 393 of the Companies Act, 1956 read with SEBI Circular bearing No. CIR/CFD/DIL/8/2013 dated May 21, 2013. A copy of the Scheme of the Amalgamation and Explanatory Statement may also be obtained from the Registered Office of RML.

The Board of Directors of RML and RDL have approved the Scheme at their respective meetings held on June 28, 2013 and your directors recommend the resolutions as set out in this Notice for your approval.

Dated at Chennai this 24th day of October 2013

Sd/-
L. Ganesh
Chairman appointed for the meeting

**SCHEME OF AMALGAMATION
OF
RANE DIECAST LIMITED
WITH
RANE (MADRAS) LIMITED
AND
THEIR RESPECTIVE SHAREHOLDERS**

Under Sections 391 to 394 and other relevant provisions of the Companies Act, 1956

This Scheme of Amalgamation (hereinafter referred to as the 'Scheme') is presented pursuant to Sections 391 to 394 and other applicable provisions of the Companies Act, 1956 for amalgamation of Rane Diecast Limited ('RDL' or 'the Transferor Company') with Rane (Madras) Limited ('RML' or 'the Transferee Company').

I. PREAMBLE

1. Whereas Rane Diecast Limited was incorporated under the Companies Act, 1956 ("Act") as a public company under the name and style of Soubhagya Diecast Limited on 23 August, 1996. Subsequently, upon receipt of the requisite approvals the name of the Transferor Company was changed to Rane Diecast Limited. Its registered office is currently located at "Maithri", No.132, Cathedral Road, Chennai – 600 086.
2. Whereas the Transferor Company is engaged to carry on the business of manufacture, fabricate, assemble, convert and deal in all varieties of non-ferrous alloys used in industrial, commercial, domestic, business, public utilities, transport, aviation, shipping, building, power, railways, agriculture and other areas.
3. Whereas Rane (Madras) Limited was originally incorporated under the Companies Act, 1956 as a public limited company under the name and style of Rane Holdings Limited on 31 March, 2004. The name was changed from Rane Holdings Limited to Rane (Madras) Manufacturing Limited on February 22, 2005. Subsequently, pursuant to the scheme of demerger sanctioned by Hon'ble High Court of Madras on April 25, 2005, the name of Rane (Madras) Manufacturing Limited was changed to Rane (Madras) Limited with effect from May 19, 2005. The registered office is located at "Maithri", No.132, Cathedral Road, Chennai – 600 086. The equity shares of Rane (Madras) Limited are presently listed on the Bombay Stock Exchange ('BSE') and the National Stock Exchange ('NSE') (together referred to as 'stock exchanges').
4. Whereas the Transferee Company is primarily engaged in the business of manufacturing and marketing of components for transportation and automobile industry.

II. RATIONALE OF AMALGAMATION

1. The Transferee Company is engaged to carry on business as manufacturers of and consultants for or relating to automotive ancillary products, components, accessories, tools, machine tools, their ancillaries, scientific instruments of any kind, all types of forgings and drop stampings for all trades and industry and engineering works including electrical, mechanical, structural and general engineering and import, export and transport all kinds of produce, articles and merchandise and also carry on the business as contractors in respect of these activities.
2. The Transferor Company is engaged to carry on the business of manufacture, fabricate, assemble, convert and deal in all varieties of non-ferrous alloys used in industrial, commercial, domestic, business, public utilities, transport, aviation, shipping, building, power, railways, agriculture and other areas.
3. The amalgamation of RDL with RML is being proposed for the purpose of developing the potential for further growth and expansion of their respective businesses and to have better synergies, optimization of resources and fund raising capabilities. The amalgamation would result in following benefits:

- i) Enable the two companies to consolidate their business operations and provide significant impetus to their growth since both the companies are engaged in the similar areas of business.
- ii) Result in enhancing the scale of operations and reduction in overheads, administrative, managerial and other expenditure, operational rationalization, organizational efficiency, and optimal utilization of various resources.
- iii) Result in improved shareholder value for both the companies by way of improved financial structure and cash flows, increased asset base and stronger consolidated revenue and profitability.
- iv) Result in enhanced leveraging capability of the combined entity which in turn will allow the combined entity to undertake future expansion strategies and to tap bigger opportunities in the automotive industry.
- v) Consolidation of managerial expertise of the Companies will facilitate greater focus and utilization of resources. Amalgamation will give additional strength to the operations and management of the amalgamated company.

III. PARTS OF THE SCHEME

The Scheme is divided into the following parts:-

- (a) Part A – General (dealing with definitions and share capital);
- (b) Part B – Amalgamation of Rane Diecast Limited with Rane (Madras) Limited;
- (c) Part C – Other Terms and Conditions

PART A – GENERAL

1. DEFINITIONS

In this Scheme, unless repugnant to the context, the following expressions shall have the following meaning:

- 1.1 “Act” or “the Act”** means the Companies Act, 1956 and shall include any statutory modification, re-enactment or amendment thereof for the time being in force.
- 1.2 “Appointed Date”** means the 1st day of April, 2013 or such other date as the High Court of Judicature at Madras may direct or fix from which date the Scheme comes into operation.
- 1.3 “Court” or “High Court”** shall mean the High Court of Judicature at Madras, and shall include the National Company Law Tribunal as and when applicable.
- 1.4 “Effective Date”** means the last of the dates on which the sanctions, approvals, or orders on the scheme have been obtained and the last of the dates on which the certified copies of the orders of the High Court of Judicature at Madras sanctioning the Scheme are filed with the Registrar of Companies, Chennai. All references in this scheme to the date of coming into effect of the Scheme shall mean “the Effective Date”.
- 1.5 “RDL” or “Transferor Company”** means Rane Diecast Limited, a company incorporated under the Companies Act, 1956, having its registered office at “Maithri”, No.132, Cathedral Road, Chennai – 600 086, in the State of Tamil Nadu.
- 1.6 “RML” or “Transferee Company”** means Rane (Madras) Limited, a company incorporated under the Companies Act, 1956, having its registered office at “Maithri”, No.132, Cathedral Road, Chennai – 600 086, in the State of Tamil Nadu.
- 1.7 “Record Date”** shall mean the date to be fixed by the Board of Directors of the Transferee Company for the purpose of issue of equity and/ or preference shares in the Transferee Company to the shareholders of the Transferor Company upon merger of the Transferor Company with the Transferee Company.
- 1.8 “Scheme” or “the Scheme” or “this Scheme”** means this Scheme of Amalgamation in its present form submitted to the high Court of Judicature at Madras with modifications approved or imposed or directed by the said High Court pursuant to amalgamation.

2. SHARE CAPITAL

- 2.1 The authorized, issued, subscribed and paid-up Share Capital of the Transferor Company as on 31 March, 2013 is as under:-

Particulars	(Amount in Rs.)
Authorized Capital	
1,40,00,000 Equity Shares of Rs.10 each	14,00,00,000
60,00,000 Preference Shares of Rs.10 each	6,00,00,000
Issued, Subscribed and paid up	
1,32,00,435 Equity Shares of Rs.10 each	13,20,04,350
60,00,000 9.25% Cumulative Preference Shares of Rs.10 each	6,00,00,000

As on the date of the Scheme being approved by the Board of Directors there is no change in Authorized, Issued, Subscribed and Paid-up equity share capital of Transferor Company. Further, as on date, out of above 1,32,00,435 equity shares, Rane Holdings Limited holds 1,03,95,135 equity shares in the Transferor Company constituting 78.75 per cent shareholding and balance 28,05,300 equity shares constituting 21.25 per cent are held by Rane (Madras) Limited. Further, the entire 60,00,000 9.25% Preference Shares amounting to Rs 6 Crores are held by Rane Holdings Limited.

- 2.2 The authorized, issued, subscribed and paid-up Share Capital of the Transferee Company as on 31 March, 2013 is as under:-

Particulars	(Amount in Rs.)
Authorized Capital	
1,10,00,000 Equity Shares of Rs.10/- each	11,00,00,000
45,00,000 Preference Shares of Rs. 10/- each	4,50,00,000
Total	15,50,00,000
Issued, Subscribed and Paid-Up Capital	
1,01,64,145 Equity Shares of Rs.10/- each	10,16,41,450

As on the date of the Scheme being approved by the Board of Directors there is no change in Authorized, Issued, Subscribed and Paid-up equity share capital of the Transferee Company.

3. DATE WHEN THE SCHEME COMES INTO OPERATION

- 3.1 The Scheme set out herein in its present form or with any modification(s) approved or imposed or directed by the High Court of Judicature at Madras, shall be effective from the Appointed Date but shall be operative from the Effective Date and shall be in accordance with Section 2(1B) of the Income Tax Act, 1961

PART B - AMALGAMATION OF THE TRANSFEROR COMPANY WITH THE TRANSFEE COMPANY

4. AMALGAMATION

- 4.1 With effect from the Appointed Date, the entire business and whole of the undertaking of the Transferor Company including but not limited to all its assets, land, buildings, plant and equipment, furniture & fixtures, office equipment, computer software, stock in trade, debtors, bank balances, cash in hand, loans and advances including but not limited to balances with Govt. Authorities, duty drawback receivable, export incentives receivable, prepaid expenses, deposits recoverable, advances to suppliers, advance taxes, TDS receivable, MAT credit, interest accrued, and other tangible and intangible assets and liabilities of the Transferor Company shall under the provisions of Sections 391 to 394 of the Act and

pursuant to the orders of the High Court or any other appropriate authority sanctioning this Scheme and without further act, instrument or deed, but subject to the charges affecting the same as on the Effective Date be transferred and / or deemed to be transferred to and vested in the Transferee Company so as to become the assets of the Transferee Company.

- 4.2 With effect from the Appointed Date, authorized share capital as well as all liabilities, obligations and debts including but not restricted to secured and unsecured loans, term loans from banks and related party, sales tax deferment, employee retirement benefits, short term borrowings, foreign currency packing credit facility, cash credit facility, trade payables, other current liabilities, gratuity, leave encashment, contingent liabilities and other liabilities of the Transferor Company, as on the Appointed Date whether provided for or not in the books of accounts of the Transferor Company, and all other liabilities which may accrue or arise after the Appointed Date up to the Effective Date, but which relates to the period on or up to the day of the Appointed Date shall, pursuant to the orders of the High Court or such other competent authority as may be applicable under Section 394 and other applicable provisions of the Act and without any further act or deed, be transferred or deemed to be transferred to and vest in and be assumed by the Transferee Company, so as to become as from the Appointed Date authorized share capital, outstanding creditors, provisions, guarantees, indemnities, contingent liabilities and other liabilities of the Transferee Company on the same terms and conditions as were applicable to the Transferor Company.
- 4.3 With effect from the Appointed Date the assets of the Transferor Company, which are moveable in nature or are otherwise capable of transfer by physical or constructive delivery or by endorsement and delivery, shall be so transferred by the Transferor Company and shall become the property of the Transferee Company without any act or deed on the part of the Transferor Company and the Transferee Company without any further act or deed, and shall be appropriately mutated by the statutory authorities concerned therewith in favour of Transferee Company.
- 4.4 With effect from the Appointed Date, the immovable properties of the Transferor Company (including land, buildings and any other immovable property as set out in Schedule A) transferred to the Transferee Company, and any documents of title, rights and easements in relation thereto, shall stand vested in the Transferee Company, without any act, instrument or deed done by the Transferor Company or the Transferee Company, and without any approval or acknowledgement of any third party. With effect from the Appointed Date, the Transferee Company shall be entitled to exercise all rights and privileges and be liable to pay all taxes and charges (if any and as may be applicable), and fulfill all obligations, in relation to or applicable to such immovable properties. The mutation/ substitution of the title to such immovable properties shall be made and duly recorded in the name of the Transferee Company by the appropriate authorities pursuant to the sanction of the Scheme by the High Court and on the Scheme becoming effective, in accordance with the terms hereof and the Transferor Company shall be entitled to lawful, peaceful and unencumbered possession, right, title, interest of the immovable properties vested with it pursuant to the Scheme.
- 4.5 With effect from the Appointed Date and subject to the Scheme becoming effective, all rights, statutory licenses, permissions approvals or consents of the Transferor Company shall stand vested in or transferred to Transferee Company without any further act or deed and shall be appropriately mutated by the statutory authorities concerned in favour of Transferee Company. The benefit of all statutory and regulatory permission, environment approvals and consents, registrations or other licenses and consents shall vest in and become available to Transferee Company pursuant to the Scheme. In so far as the various incentives, subsidies, rehabilitation schemes, special status and other benefits or privileges enjoyed, granted by any government body, local authority or by any other person or availed of by the Transferor Company, is concerned, the same shall vest with and be available to Transferee Company on the same terms and conditions
- 4.6 All taxes of any nature, duties, cess, or any other like payments or deductions made by the Transferor Company to any statutory authorities such as Income tax (including advance tax and TDS receivable and MAT credit), Service Tax, Customs Duty, VAT etc or any tax deducted/ collected at source relating to the period after the Appointed Date and up to the Effective Date shall be deemed to have been on account of or on behalf of or paid by the Transferee Company and the relevant authorities shall be bound to transfer to the account of and give credit for the same to the Transferee Company upon the passing of the order in the Scheme by High Court upon relevant proof and documents being provided to the said authorities to this effect.
- 4.7 All the loans, advances and other facilities sanctioned to the Transferor Company by its bankers and financial institutions prior to the Appointed Date, which are partly drawn or utilised shall be deemed to be the loans and advances sanctioned to the Transferee Company and the said loans and advances shall be drawn and utilised either partly or fully by the

Transferor Company from the Appointed Date till the Effective Date and all the loans, advances and other facilities so drawn by the Transferor Company (within the overall limits sanctioned by their bankers and financial institutions) shall on the Effective Date be treated as loans, advances and other facilities made available to the Transferee Company and all the obligations of the Transferor Company under any loan agreement shall be construed and shall become the obligation of the Transferee Company without any further act or deed on the part of the Transferee Company.

- 4.8 Any existing encumbrances over the assets and properties of Transferee Company or any part thereof which relate to the liabilities and obligations of Transferee Company prior to the Effective Date shall continue to relate only to such assets and properties of Transferee Company and shall not extend or attach to any of the assets and properties of Transferor Company transferred to and vested in Transferee Company by virtue of this Scheme.
- 4.9 The Scheme has been drawn up to comply with the conditions relating to “Amalgamation” as specified under section 2(1B) of the Income Tax Act, 1961. If any terms or provisions of the Scheme are found or interpreted to be inconsistent with the provisions of the said Section at a later date including resulting from an amendment of law or for any other reason whatsoever upto the Effective Date, the provisions of the said Section of the Income tax Act, 1961 shall prevail and the Scheme shall stand modified to the extent determined necessary to comply with Section 2(1B) of the Income Tax Act, 1961. Such modifications shall however not affect other parts of the scheme.
- 4.10 The Transferee Company shall under the provisions of the Scheme be deemed to be authorized to execute any such writings on behalf of the Transferor Company, to implement and carry out all formalities and compliances, if required, referred to above.

5. CONSIDERATION

- 5.1 Upon the Scheme becoming finally effective, in consideration of the transfer of and vesting of the said assets and said liabilities of RDL, in the Transferee Company in terms of this Scheme, the Transferee Company shall without any further application or deed, issue and allot:
- i) 1 (One) fully paid up equity share of Rs.10/- (Rupees Ten only) each of the Transferee Company for every 30 (thirty) fully paid-up equity shares of Rs. 10/-(Rupees Ten Only) each, held by the shareholders in Transferor Company.
 - ii) 82,32,164 fully paid-up 6.74% Cumulative Redeemable Preference Shares of Rs. 10/- (Rupees Ten only) each of the Transferee Company against 60,00,000 fully paid-up 9.25% Cumulative Redeemable Preference Shares of Rs. 10/- (Rupees Ten Only) each, held by the shareholders in Transferor Company.
- 5.2 The shareholders of Transferor Company, to whom equity shares are to be issued by the Transferee Company pursuant to clause 5.1(i) above, shall be issued in dematerialized form. Any fraction arising in issue of Equity Shares as above will be rounded off to the nearest integer.
- 5.3 Upon the Scheme coming into effect, the Authorised Share Capital of the Transferee Company shall deemed to be increased to the extent of the Authorized Share Capital of the Transferor Company in line with Clause 11 of this Scheme.
- 5.4 Equity shares of the Transferee Company issued in terms of Clause 5.1(i) above will be listed and/or admitted to trading on the NSE and BSE. The Transferee Company shall enter into such arrangements and give such confirmations as may be necessary in accordance with the applicable laws or regulations for complying with the formalities of the said Stock Exchange(s). On such formalities being fulfilled the said Stock Exchange(s) shall list and / or admit such equity shares also for the purpose of credit.
- 5.5 Equity shares to be issued and allotted in terms of Clause 5.1(i) above shall rank *pari passu* with the existing equity shares of the Transferee Company.
- 5.6 The issue and allotment of shares in the Transferee Company, by the Transferee Company to the shareholders of the Transferor Company as provided in this Scheme is an integral part hereof and shall be deemed to have been carried out without any further act or deed by the Transferee Company as if the procedure laid down under Section 81(1A) of the Act and any other applicable provisions of the Act were duly complied with.

- 5.7 Further, upon the Scheme coming into effect, the Equity Shares of the Transferor Company held by the Transferee Company constituting 21.25% of the paid up share capital of the Transferor Company shall stand cancelled without any further act, deed or instrument.

6. STAFF WORKMEN AND EMPLOYEES

- 6.1 On the Scheme becoming operative, all employees of the Transferor Company in service on the Effective Date shall become employees of the Transferee Company on such date without any break or interruption in their service and on terms and condition not less favourable than those subsisting with reference to the Transferor Company as on the said date. The position, rank or designation of the employees would however be decided by the Transferee Company.
- 6.2 The Transferee Company shall abide by the terms and agreements, if any, entered into by the Transferor Company with its employees.
- 6.3 It is expressly provided that, on the Scheme becoming effective, the Provident Fund, Gratuity Fund, Superannuation Fund or any other Special Funds or Trusts, if any, created or existing for the benefit of the staff and employees of the Transferor Company shall become trusts/funds of the Transferee Company for all purposes whatsoever in relation to the administration or operation of such Fund or Funds or in relation to the obligation to make contributions to the said Fund or Funds in accordance with the provisions thereof as per the terms provided in the respective Trust Deeds, if any, to the end and intent that all rights, duties, powers and obligations of the Transferor Company in relation to such Fund or Funds shall become those of the Transferee Company. It is clarified that the services of the staff and employees if any of the Transferor Company will be treated as having been continuous for the purpose of the said Fund or Funds.

7. ACCOUNTING TREATMENT IN BOOKS OF THE TRANSFEE COMPANY

- 7.1 Upon the Scheme becoming effective, the Transferee Company shall record the assets and liabilities of the Transferor Company transferred to the Transferee Company pursuant to this Scheme at their respective fair values, as determined by the Board of Directors of Transferee Company.
- 7.2 The Transferee Company shall account for the amalgamation pursuant to this Scheme under the Purchase Method of Accounting in accordance with Accounting Standard 14 notified by the Companies (Accounting Standards) Rules, 2006, as amended from time to time.
- 7.3 The Transferee Company shall credit its Share Capital Account in its books of account with the aggregate face value of the new equity shares and preference shares issued to the shareholders of the Transferor Company pursuant to Clause 5.1 of this Scheme.
- 7.4 Intercompany loans or balances between the Transferor Company and the Transferee Company, if any, shall stand cancelled.
- 7.5 The difference between the aggregate of recorded value of assets and liabilities of the Transferor Company in the books of account of the Transferee Company, and the aggregate of face value of the shares allotted by the Transferee Company pursuant to the Scheme and the value of investments in shares of Transferor Company held by Transferee Company, in case of surplus, shall be credited to "Capital Reserve" or, in case of shortfall, shall be debited to "Goodwill Account", as the case may be.

8. LEGAL PROCEEDINGS

- 8.1 If any suit, appeal or other proceeding of whatever nature by or against the Transferor Company are pending prior to Effective Date, the same shall not abate or be discontinued or in any way be prejudicially affected by reason of the amalgamation or by anything contained in this Scheme, but the said suit, appeal or other legal proceedings may be continued, prosecuted and enforced by or against the Transferee Company in the same manner and to the same extent as it would or might have been continued, prosecuted and enforced by or against the Transferor Company as if this Scheme had not been made. Any amount receivable under the pending suits, actions and proceedings shall solely belong

to the transferee company. Similarly the Transferee Company will be responsible for discharging the liability in future in pending suits, actions and proceedings.

9. CONTRACTS, DEEDS AND OTHER INSTRUMENTS

- 9.1 Subject to the provisions of the Scheme, all contracts, deeds, bonds, agreements, arrangements and other instruments of whatsoever nature to which the Transferor Company is a party, or the benefit to which the Transferor Company is or may be eligible, subsisting or operative immediately on or before the Effective Date, shall be in full force and effect against or in favour of the Transferee Company and may be enforced as fully and effectively as if instead of the Transferor Company, the Transferee Company had been a party or beneficiary thereto from the inception. The Transferee Company shall enter into and/or issue and/or execute deeds, writings or confirmation or enter into any multipartite agreement, confirmations or novations to which the Transferor Company will, if necessary, also be a party in order to give formal effect to the provisions of this Scheme, if so required or becomes necessary. Further, the Transferee Company shall be deemed to be authorized to execute any such deeds, writings or confirmations on behalf of the Transferor Company and to implement or carry out all formalities required on the part of the Transferor Company to give effect to the provisions of this Scheme.

10. TRANSACTION BETWEEN APPOINTED DATE AND EFFECTIVE DATE

- 10.1 With effect from the Appointed Date and upto and including the Effective Date:
- i) The Transferor Company shall carry on and be deemed to have carried on their business and activities and shall be deemed to have held and stood possessed of and shall hold and stand possessed of its entire business and undertakings for and on account of and in trust for the Transferee Company. The Transferor Company shall carry on its activities in the ordinary course of business;
 - ii) All the profits, taxes such as advance tax, tax deducted at source, minimum alternate tax credit, taxes withheld/paid in foreign country, underlying tax credit, tax sparing, if any, thereon or incomes accruing or arising to the Transferor Company or expenditure or losses arising or incurred by the Transferor Company shall for all purposes be treated and be deemed to be and accrue as the profits, taxes or incomes or expenditure or losses, as the case may be, of the Transferee Company; and
 - iii) The Transferor Company shall carry on their business and activities with reasonable diligence and business prudence and shall not venture into/expand any new businesses, alienate, charge, mortgage, encumber or otherwise deal with the assets or any part thereof except in the ordinary course of business without the prior consent of the Transferee Company.
- 10.2 The Transferee Company shall be entitled, pending the sanction of the Scheme, to apply to the Central Government and all other agencies, departments and authorities concerned as are necessary under any law for such consents, approvals and sanctions which the Transferee Company may require to carry on the business of the Transferor Company.
- 10.3 The transfer of the entire business and undertakings of the Transferor Company to the Transferee Company and the continuance of all contracts or proceedings by or against the Transferor Company shall not affect any contracts or proceedings already concluded by the Transferor Company on or after the Appointed Date to the end and intent that the Transferee Company accepts and adopts all acts, deeds, matters and things done and/or executed by the Transferor Company in regard thereto as having been done or executed on behalf of the Transferee Company.

PART C – OTHER TERMS AND CONDITIONS

11. COMBINATION OF SHARE CAPITAL

- 11.1 Upon the Scheme becoming effective, the authorized share capital of the Transferee Company, shall automatically stand increased without any further act, instrument or deed on the part of the Transferee Company including payment of stamp duty and fees payable to the Registrar of Companies, by the authorized share capital of the Transferor Company amounting to Rs.20,00,00,000 comprising of 1,40,00,000 equity shares of Rs. 10 each amounting to Rs. 14,00,00,000 and 60,00,000 preference shares of Rs. 10 each amounting to Rs 6,00,00,000 and the Memorandum of Association and

Articles of Association of the Transferee Company (relating to the authorized share capital) shall, without any further act, instrument or deed, be and stand altered, modified and amended, and the consent of the shareholders to the Scheme shall be deemed to be sufficient for the purposes of affecting this amendment, and no further resolution(s) under Section 16, 31, 94 and 394 and applicable provisions of the Act would be required to be separately passed, as the case may be and for this purpose the stamp duties and fees paid on the authorized share capital of the Transferor Company shall be utilized and applied to the increased authorized share capital of the Transferee Company and there would be no requirement for any further payment of stamp duty and / or fee by the Transferee Company for increase in the authorized share capital to that extent.

- 11.2 Consequently upon amalgamation of the Transferor Company into the Transferee Company, the authorized share capital of the Transferee Company will be as under:

Particulars	(Amount in Rs.)
Authorized Capital	
2,50,00,000 Equity Shares of Rs.10 each	25,00,00,000
1,05,00,000 Preference Shares of Rs. 10/- each	10,50,00,000
Total	35,50,00,000

- 11.3 It is clarified that the approval of the members of the Transferee Company to the Scheme shall be deemed to be their consent / approval also to the alteration to the Memorandum and Articles of Association of the Transferee Company as may be required under the Act, and Para V of the Memorandum of Association of the Transferee Company shall stand substituted by virtue of the Scheme to read as follows:

Para V of the Memorandum of Association of the Transferee Company:

“The Authorised Share Capital of the Company is Rs. 35,50,00,000 (Rupees Thirty Five Crores Fifty Lakhs only) divided into 2,50,00,000 (Two Crores Fifty Lakhs) Equity shares of Rs.10/- (Rupees Ten only) each and 1,05,00,000 (One Crore Five Lakhs) Preference shares of Rs.10/- (Rupees Ten only) each carrying such rate of dividend and other rights as may be decided by the company in general meeting from time to time.”

12. ALTERATION OF OBJECT CLAUSE

- 12.1 The Main objects of the Amalgamated Company shall stand altered with effect from the Appointed Date by inclusion of the following three main objects enumerated under Clause III A in the Memorandum of Association of the Transferor Company, which stand inserted immediately after paragraph 10 of the main objects enumerated under Clause III A in the Memorandum of Association of the Transferee Company:...

- “To carry on the business in India or elsewhere to manufacture, fabricate, assemble, alter convert, extrude, design, develop, research, import, handle, job work, modify, machine, prepared , produce, finish, anodize, purchase, sell, resale, project, mould, remould, melt, cast and to act as stockists, distributor, agent, broker, representative, consultant, advisor, supplier, contractor, subcontractor, or otherwise to deal in all shapes, sizes, gauges, thickness, dimensions and varieties of products of non-ferrous alloys, such as rods, squares, flats, hexagons, tubes, packing materials, springs, plates, circles, coils, power, utensils, foils, furniture, rails, groves, door, windows, ladders, their parts, accessories, equipments, plant and machinery, tools, tackles, components, raw materials, stores, consumables and other ingredients thereof used in industrial, commercial, domestic, business, public utilities, transport, aviation, shipping, building, power, railways, agriculture and other areas and to do all such incidental acts and things necessary for the attainment of foregoing objects.
- To produce, manufacture, purchase, refine, prepare, import, export, sell and generally to deal in iron and steel in all forms and / or by –products thereof and to manufacture wires, tapes, strips and pipes of Copper, Zinc, Aluminium, Iron and other materials in various gauges.
- To establish, own or acquire ferrous and non-ferrous metal melting furnaces and rolling mills and to carry on business as trades and manufacturers of ferrous and non-ferrous metal ingots, billets, blooms slabs, sheets, cold rolled steel strips, galvanized steel strips & pipes of all kinds, round bars, angles channels auto parts, alloy and

graded iron castings, grey iron castings, steel castings, steel forgings, components, galvanized pipes, tubes, tools and implements, machine parts, hardware, utensils, containers, vessels of every description and other engineering goods as well as to buy, sell, import, trade or deal in aforesaid goods and materials.

13. APPLICATION TO THE HIGH COURT OR SUCH OTHER APPROPRIATE AUTHORITY

- 13.1 The Transferor Company and the Transferee Company shall, with all reasonable dispatch, make applications / petitions to the High Court or any other appropriate authority, for sanction of the Scheme and for dissolution of the Transferor Company without winding up under Sections 391 to 394 of the Act and other applicable provisions of the Act.

14. MODIFICATIONS/AMENDMENTS TO THE SCHEME

- 14.1 The Transferor Company and the Transferee Company by their respective Board of Directors may make and/or consent to any modifications/ amendments to the Scheme or to any conditions or limitations that the Court or any other authority may deem fit to direct or impose or which may otherwise be considered necessary, desirable or appropriate by them (i.e. the Board of Directors of Transferor Company and Transferee Company and Committee of Directors / authorised officers of Transferee Company).
- 14.2 The Transferor Company and the Transferee Company by their respective Board of Directors shall be authorised to take all such steps as may be necessary, desirable or proper to resolve any doubts, difficulties or questions whether by reason of any directive or order of any other authority or otherwise however arising out of or under or by virtue of the Scheme and/or any matter concerned or connected therewith.

15. SCHEME CONDITIONAL ON APPROVAL/SANCTIONS

The Scheme is conditional upon and subject to:

- 15.1 The Transferee Company providing for voting by public shareholders through postal ballot and e-voting, in accordance with the provisions of the Act and as required under the Securities and Exchange Board of India Circular CIR / CFD/DIL/5 / 2013 dated February 4, 2013, and subsequent modifications thereof ('SEBI Circular'), while seeking their approval for the Scheme.
- 15.2 The Scheme being agreed with the requisite number of public shareholders of the Transferee Company as provided in the SEBI Circular in this regard.
- 15.3 The requisite consent, approval or permission of the Central Government or any other statutory or regulatory, which by law may be necessary for the implementation of this Scheme.
- 15.4 Approval by requisite majority of the members/creditors of the Transferor Company and the Transferee Company as may be directed by the Jurisdictional High Court or any other appropriate authority.
- 15.5 Certified / authenticated copies of the orders of the High Court, sanctioning the Scheme being filed with the Registrar of Companies, Chennai by the Transferor Company and the Transferee Company.
- 15.6 All other sanctions and approvals as may be required by law in respect of this Scheme being obtained.

16. WINDING UP OF THE TRANSFEROR COMPANY

- 16.1 On the Scheme becoming effective, the Transferor Company shall stand dissolved without being wound up under Section 394 of the Act.

17. SAVING OF CONCLUDED TRANSACTIONS

- 17.1 The transfer of properties and liabilities under clause 4 above and the continuance of proceedings by or against Transferor Company under Clause 8 above shall not affect any transaction or proceedings already concluded by Transferor Company on or after the Appointed Date till the Effective Date, to the end and intent that Transferee Company accepts and adopts all acts, deeds and things to be done and executed by Transferor Company in respect thereto as done and executed on behalf of itself.

18. EFFECT OF NON-RECEIPT OF APPROVALS/SANCTIONS

- 18.1 In the event of any of the said sanctions and approvals referred to in Clause 15 not being obtained and/ or the Scheme not being sanctioned by the Jurisdictional High Court or such other competent authority, this Scheme shall stand revoked, cancelled and be of no effect, save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any rights and/ or liabilities which might have arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out as is specifically provided in the Scheme or as may otherwise arise in law. Each party shall bear and pay its respective costs, charges and expenses for and / or in connection with the Scheme.

19. POWER TO WITHDRAW THE SCHEME AT ANYTIME

- 19.1 In the event of any condition or amendment or modification that may be imposed by the Hon'ble High Court or any competent authority, which the Board of Directors of the Transferor Company or the Board of Directors of the Transferee Company, may find it unacceptable for any reason or if the Board of Directors of the said Transferor Company or Transferee Company for any reason so decides, they shall be at a liberty to withdraw from the Scheme unconditionally.

20. COSTS

- 20.1 All costs, shortages, taxes including duties and levies and all other expenses, if any (save as expressly otherwise agreed) of the Transferor Company and Transferee Company arising out of or incurred in connection with and implementation of this Scheme and matters incidental thereto shall be borne by the Transferee Company.

SCHEDULE A

Schedule of Property

Plot No. 143/A, admeasuring 2.00 Acres/0.81 Hectares in Survey no. 172/AA, situated in Bollaram Industrial Area, Bollaram Village, Narsapur Taluk, Medak District, and delineated in the plan annexed hereto and bounded on:

NORTH BY : 50ft. wide road

SOUTH BY : Plot No. 142

EAST BY : 50ft. wide road

WEST BY : Plot No. 143/B

Within the Gram Panchayat limits of Bollaram (vg.) Sub-Registration Dist. Narsapur and Registration District, Medak at Sangareddy.

Ref: DCS/AMAL/PS/24(f)/264/2013-14

September 25, 2013

The Company Secretary
Rane (Madras) Limited
Maithri, 132, Cathedral Road,
Chennai, Tamil Nadu – 600 086.

Dear Sir

Sub: Observation letter regarding the Scheme of Amalgamation involving merger of Rane Diecast Ltd (RDL) with Rane (Madras) Ltd.

We refer to your draft Scheme of Amalgamation under Sections 391 to 394 of the Companies Act, 1956 between Rane Diecast Ltd (RDL) (Transferor company) with Rane (Madras) Ltd (RML) (Transferee Company) and their respective shareholders and creditors inter alia involving the merger of RDL with RML.

The Exchange has noted the confirmation given by the Company stating that the scheme does not in any way violate or override or circumscribe the provisions of the SEBI Act, 1992, the Securities Contracts (Regulation) Act, 1956, the Depositories Act, 1996, the Companies Act, 1956, the rules, regulations and guidelines made under these Acts, and the provisions of the Listing Agreement or the requirements of BSE Limited (BSE).

As required under SEBI Circular No.CIR/CFD/DIL/5/2013 dated February 4, 2013 & SEBI Circular No.CIR/CFD/DIL/8/2013 dated May 21, 2013, SEBI has vide its letter dated September 23, 2013, received on September 25, 2013 given the following comments on the draft scheme of arrangement:

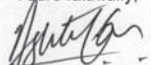
"the company shall duly comply with various provisions of the Circular."

Accordingly, we hereby convey Exchange's 'No-objection' with limited reference to those matters having bearing on listing/ delisting/ continuous listing requirements within the provisions of the Listing Agreement, so as to enable you to file the scheme with the Hon'ble High Court.

Further you are also advised to bring the contents of this letter to the notice of your shareholders, all relevant authorities as deemed fit, and also in your application for approval of the scheme of arrangement.

The Exchange reserves its right to withdraw its No-objection/approval at any stage if the information submitted to the Exchange is found to be incomplete / incorrect / misleading / false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, Listing Agreement, Guidelines/Regulations issued by statutory authorities.

Yours faithfully,


Jayesh Ashtekar
Manager


Bhuvana Sriram
Dy. Manager



Ref: NSE/LIST/216928-D

September 24, 2013

The Company Secretary
Rane (Madras) Limited
"Maitri" 132, Cathedral Road,
Chennai - 600086

Kind Attn.: Ms. S. Subha Shree

Madam,

Sub.: Observation letter for Scheme of Amalgamation between Rane Diecast Limited and Rane (Madras) Limited and their respective shareholders.

We are in receipt of the draft Scheme of Amalgamation of Rane Diecast Limited with Rane (Madras) Limited and their respective shareholders under Sections 391 to 394 and other relevant provisions of the Companies Act, 1956.

We have perused the draft Scheme of Amalgamation and the related documents /details submitted by Rane (Madras) Limited including the confirmation of the Company Secretary that the scheme so submitted does not in any way violate, over-ride or circumscribe the provisions of Securities Laws or the Stock Exchange requirements.

Pursuant to SEBI Circular No. CIR/CFD/DIL/5/2013 dated February 4, 2013 and SEBI Circular No. CIR/CFD/DIL/8/2013 dated May 21, 2013, SEBI vide its letter dated September 23, 2013, has given following comments on the draft scheme of amalgamation:

"The company shall duly comply with various provisions of the Circulars."

Accordingly, we do hereby convey our 'no-objection' with limited reference to those matters having a bearing on listing / delisting / continuous listing requirements within the provisions of the Listing Agreement, so as to enable the Company to file the scheme with the Hon'ble High Court.

However, the Exchange reserves its right to withdraw this No-objection approval at any stage if the information submitted to the Exchange is found to be incomplete / incorrect / misleading / false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, Listing Agreement, Guidelines / Regulations issued by statutory authorities.

Yours faithfully,

For National Stock Exchange of India Limited


Kamlesh Patel
Manager

Rane (Madras) Limited

Draft Scheme of amalgamation of Rane Diecast Limited with Rane (Madras) Limited and the respective shareholders and creditors. ('Scheme')

Complaints Report: For the period August 12, 2013 to September 2, 2013

Part A

Sr. No.	Particulars	Number
1.	Number of complaints received directly	Nil
2.	Number of complaints forwarded by Stock Exchange	Nil
3.	Total Number of complaints/comments received (1+2)	Nil
4.	Number of complaints resolved	Nil
5.	Number of complaints pending	Nil

Part B

Sr. No.	Name of complainant	Date of complaint	Status (Resolved/Pending)
1.	NOT APPLICABLE		
2.			
3.			

For Rane (Madras) Limited

S. Sabha Shree
Secretary

Date: September 4, 2013
Place: Chennai



ऑलबैंक फाईनांस लिमिटेड

(इलाहाबाद बैंक की पूर्णतः स्वधिकृत सहयोगी संस्था)
कोर्पोरेट ऑफिस :
इलाहाबाद बैंक बिल्डिंग, 2री मंजील,
37, मुंबई समाचार मार्ग, फोर्ट, मुंबई - 400 023.
फोन : 022-2262 6283 * टेलिफैक्स : 022-2267 7552
SEBI Registered Category 1 Merchant Banker INM 00006609
Debenture Trusteeship Registration : IND 000000528



AllBank Finance Limited

(A wholly owned subsidiary of Allahabad Bank)

Corporate Office :

Allahabad Bank Bldg., 2nd Floor,

37, Mumbai Samachar Marg, Fort, Mumbai - 400 023.

Tel. : 022-2262 6283 * Telefax : 022-2267 7552

AMFI Registered Mutual Fund Distributor ARN : 46758

June 28th, 2013

ABFL/FOC/13-14/119A

To

The Board of Directors

Rane (Madras) Limited

Maithri 132, Cathedral Road,

Chennai - 600 086

India.

Dear Sir,

Sub.: Fairness Opinion Certificate on the valuation carried out by BSR & Associates (Chartered Accountants) for the purpose of amalgamation of Rane Diecast Limited with Rane (Madras) Limited and their respective shareholders

This has reference to the request made by the management of Rane (Madras) Limited (herein referred to as 'RML' or "the transferee company"), in connection with fairness opinion on the valuation exercise for proposed amalgamation of Rane Diecast Limited (herein referred to as 'RDL' or "the transferor company") with Rane (Madras) Limited (hereinafter collectively referred to as "the Companies") and their respective shareholders as embodied in the Draft Scheme of Amalgamation to issue and allot shares of Rane (Madras) Limited as undertaken by BSR & Associates (hereinafter referred to as "Valuer") to recommend exchange ratio of shares for proposed amalgamation.



1. PURPOSE OF VALUATION UNDERTAKEN BY THE VALUER

- 1.1. We have been informed that the Board of Directors of the Companies is considering proposal for amalgamation of RDL with RML.
- 1.2. In this regard, BSR & Associates. (Chartered Accountants) was appointed to carry out the valuation with a view to recommend ratio of exchange of shares in the event of amalgamation of Rane Diecast Limited with Rane (Madras) Limited.
- 1.3. The information contained herein and in our report is confidential. It is intended only for the sole use of captioned purpose including for the purpose of obtaining requisite approval as per clause 24(f) and clause 24(h) of the Listing Agreement.

2. SOURCES OF INFORMATION

For the purpose of fairness opinion, we have relied upon the following sources of information:

- a) Draft Scheme of Amalgamation ("the Scheme") u/s 391 to 394 of the Companies Act, 1956 with regards to the proposed amalgamation;
- b) Draft copy of the Valuation report issued by M/s BSR & Associates (Chartered Accountants) recommending the share exchange ratio under the Scheme; as provided by the management of Rane Madras Limited
- c) Audited Financials Statements of the Companies for the financial year ended March 31, 2013.
- d) Other relevant details regarding the Companies such as their history, past and present activities, future plans and prospects, existing shareholding pattern, market



quotations, income tax position and other relevant information and data, including information in the public domain.

- e) such other information and explanations as we required and which have been provided by the management of the Companies and M/s.BSR & Associates.

3. EXCLUSIONS & LIMITATIONS

- 3.1. Our conclusion is based on the information furnished to us being complete and accurate in all material aspects. We have relied upon the historical financials, projections and the information and representations furnished to us without carrying out any audit or other tests to verify its accuracy.
- 3.2. We have not conducted any independent valuation or appraisal of any of the assets and liabilities of the Companies.
- 3.3. Our work does not constitute verification of historical financial statements including the working results of the Companies referred to in this report. Accordingly, we are unable to and do not express an opinion on the fairness or accuracy of any financial information referred to in this report.
- 3.4. Our opinion is not intended to and does not constitute a recommendation to any shareholders as to how such shareholder should vote or act in connection with the Scheme or any matter related therein.
- 3.5. Our opinion is not, nor should it be construed as our opinion or certifying the compliance of the proposed demerger with the provisions of any law including Companies, taxation and Capital Market related laws or as regards any legal implications or issues arising thereon.
- 3.6. We assume no responsibility for updating or revising our opinion based on circumstances or event occurring after the date hereof. We do not express any opinion as to the price at



which the shares of the Transferee Company may trade at any time, including subsequent to the date of this opinion.

4. VALUATION METHODOLOGY ADOPTED BY THE VALUER

- 4.1. For the purpose of valuation, the Valuer has assigned appropriate weightages to the values arrived using the Comparable Companies Multiple (CCM) method and the Discounted Cash Flow (DCF) method for the Companies for determining the fair value per share of RML and RDL and arrived at the exchange ratio of shares for the proposed amalgamation.
- 4.2. **Comparable Companies' Multiples (CCM)/ Guideline Company Method:-** Under this method, value of the equity shares of a company is arrived at by using multiples derived from valuations of comparable companies or comparable transactions, as manifest through stock market valuations of listed companies and the transaction valuation. This valuation is based on the principle that market valuations, taking place between informed buyers and informed sellers, incorporate all factors relevant to valuation. The valuer has used the Profitability based valuation multiple of comparable listed companies for the purpose of the valuation under this method. Further, to arrive at the total value available to the equity shareholders of each of the Companies, value arrived under the CCM Method for the Companies is adjusted for the value of loans, cash, non-operating assets / liabilities and preference share holders liability and related cash outflows.
- 4.3. **Discounted Cash Flow (DCF) Method:** Under the DCF method the projected free cash flows to the firm are discounted at the weighted average cost of capital. The sum of the discounted value of such free cash flows is the value of the firm. To arrive at the total value available to the equity shareholders of each of the Companies, value arrived under the DCF method for the Companies is adjusted for the value of loans, cash, non-operating assets / liabilities and preference share holders liability and related cash outflows.

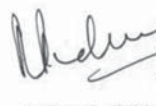


5. CONCLUSION

- 5.1. We have reviewed the methodology as mentioned above used by the valuer for arriving at the valuation of the shares of the Company and also reviewed the working and underlying assumptions adopted to arrive at the values under the above approach, for the purposes of recommending a exchange ratio for shares.
- 5.2. On the basis of the foregoing, in our opinion, the exchange ratio of 1 (One) equity shares of Rane (Madras) Limited of Rs 10/- each fully paid up for every 30 (Thirty) equity shares of Rane Diecast Limited of Rs 10/- each fully paid up, recommended by the valuer is fair.
- 5.3. Based on the facts, information and explanations given to us, we are of the opinion that the above share exchange ratio as considered under the proposed amalgamation of RDL with RML is fair and reasonable to the shareholders of the Companies.

Yours faithfully,

For Allbank Finance Limited



Authorised Signatory

ऑलबैंक फाइनेंस लिमिटेड

(इलाहाबाद बैंक की पूर्णतः स्वयंसेवा सहयोगी संस्था)

कोर्पोरेट ऑफिस :

इलाहाबाद बैंक बिल्डिंग, 2री मंजिल,

37, मुंबई समाचार मार्ग, फोर्ट, मुंबई - 400 023.

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AMFI Registered Mutual Fund Distributor ARN : 46758



AllBank FINANCE Ltd.

June 29th, 2013

ABFL/FOC/13-14/122A

To
The Board of Directors
Rane (Madras) Limited
Maithri 132, Cathedral Road,
Chennai – 600 086
India.

Dear Sir,

Sub.: Fairness Opinion Certificate on the valuation carried out by T. Pompapathy & Co (Chartered Accountants) on the share exchange ratio for Issue of Cumulative Redeemable Preference Shares to the Preference Shareholders of Rane Diecast Limited in consideration for the amalgamation of Rane Diecast Limited with Rane (Madras) Limited.

This has reference to the request made by the management of Rane (Madras) Limited (herein referred to as 'RML' or "the transferee company"), in connection with fairness opinion on the valuation exercise for proposed amalgamation of Rane Diecast Limited (herein referred to as 'RDL' or "the transferor company") with Rane (Madras) Limited (hereinafter collectively referred to as "the Companies") and their respective shareholders as embodied in the Draft Scheme of Amalgamation to issue and allot Cumulative Redeemable Preference Shares of Rane (Madras) Limited to the Preference Shareholders of Rane Diecast Limited as undertaken by T.Pompapathy & Co, Chartered Accountants (hereinafter referred to as "Valuer") to recommend exchange ratio of preference shares for proposed amalgamation.

1. PURPOSE OF VALUATION UNDERTAKEN BY THE VALUER

- 1.1. We have been informed that the Board of Directors of the Companies is considering proposal for amalgamation of RDL with RML.



Visit us at www.allbankfinance.com email : info@allbankfinance.com

Regd. Office : 14, India Exchange Place, 1st Floor, Kolkata - 700 001. Ph.: (033) 2248 7864 / 2248 7896 Fax : 2248 9984
Branch Office : 17, Parliament Street, 1st Floor, New Delhi - 110 001. Ph: 011-2334 6277 Fax : 011-2336 7770

- 1.2. In this regard, T. Pompapathy & Co.(Chartered Accountants) was appointed to carry out the valuation with a view to recommend ratio of exchange of preference shares to the preference shareholders of RDL in the event of amalgamation of Rane Diecast Limited with Rane (Madras) Limited.
- 1.3. The information contained herein and in our report is confidential. It is intended only for the sole use of captioned purpose including for the purpose of obtaining requisite approval as per clause 24(f) and clause 24(h) of the Listing Agreement.

2. SOURCES OF INFORMATION

For the purpose of fairness opinion, we have relied upon the following sources of information:

- a) Draft Scheme of Amalgamation ("the Scheme") u/s 391 to 394 of the Companies Act, 1956 with regards to the proposed amalgamation;
- b) Certified copy of the Valuation report dated 28th June 2013 issued by M/s T.Pompapathy & Co (Chartered Accountants) recommending the share exchange ratio under clause 5.1(ii) of the draft Scheme;
- c) Audited Financials Statements of the Companies for the financial year ended March 31, 2013.
- d) Such other information and explanations as we required and which have been provided by the management of the Companies and the valuer.

3. EXCLUSIONS & LIMITATIONS

- 3.1. Our conclusion is based on the information furnished to us being complete and accurate in all material aspects. We have relied upon the historical financials, projections and the



information and representations furnished to us without carrying out any audit or other tests to verify its accuracy.

- 3.2. We have not conducted any independent valuation or appraisal of any of the assets and liabilities of the Companies.
- 3.3. Our work does not constitute verification of historical financial statements including the working results of the Companies referred to in this report. Accordingly, we are unable to and do not express an opinion on the fairness or accuracy of any financial information referred to in this report.
- 3.4. Our opinion is not intended to and does not constitute a recommendation to any shareholders as to how such shareholder should vote or act in connection with the Scheme or any matter related therein.
- 3.5. Our opinion is not, nor should it be construed as our opinion or certifying the compliance of the proposed merger with the provisions of any law including Companies, taxation and Capital Market related laws or as regards any legal implications or issues arising thereon.
- 3.6. We assume no responsibility for updating or revising our opinion based on circumstances or event occurring after the date hereof. We do not express any opinion as to the price at which the shares of the Transferee Company may trade at any time, including subsequent to the date of this opinion.

4. CONCLUSION

- 4.1. We understand that presently M/s Rane Holdings Limited holds 6,000,000, 9.25% Cumulative Preference Shares of face value of Rs 10 each amounting to INR 60,000,000/- in Rane Diecast Limited.
- 4.2. The above preference shares are redeemable within a period not exceeding 10 years from the date of its issue i.e., 24th March 2009. Further, the arrears of dividend on these shares as on 31st March 2013 was Rs 22,321,644.



- 4.3. On the basis of the foregoing, in our opinion, the exchange ratio for issue of 82,32,164 fully paid-up 6.74% Cumulative Redeemable Preference Shares of Rs. 10/- (Rupees Ten only) each of RML against 60,00,000 fully paid-up 9.25% Cumulative Redeemable Preference Shares of Rs. 10/- (Rupees Ten Only) each, held by the shareholders in RDL in consideration for the merger of RDL with RML is fair.
- 4.4. Based on the facts, information and explanations given to us, we are of the opinion that the above share exchange ratio for issue of preference shares as considered under the proposed amalgamation of RDL with RML is fair and reasonable to the shareholders of the Companies.

Yours faithfully,
For Allbank Finance Limited


Authorised Signatory



IN THE HIGH COURT OF JUDICATURE AT MADRAS

(Original Jurisdiction)

Company Application No 1153 of 2013

In the matter of Companies Act I of 1956,
In the matter of Rane (Madras) Limited
And

In the matter of the Scheme of Amalgamation of Rane Diecast Limited with Rane (Madras) Limited

Rane (Madras) Limited,

rep by its director Mr L Ganesh

Having its registered office at "Maithri" 132, Cathedral Road,
Chennai - 600086

Applicant / Transferee Company

FORM OF PROXY

I _____ the undersigned as equity shareholder of the above company hereby appoint _____ of _____, and failing him _____, of _____, as my proxy, to act for me at the meeting of the equity shareholders to be held at Rani Seethai Hall, 603, Anna Salai, Chennai 600006 on Thursday the 5th day of December 2013 at 10.00 A.M. for the purpose of considering and, if thought fit, approving, with or without modification, the Scheme of Amalgamation proposed to be made between Rane Diecast Limited and the Applicant Company and at such meeting and any adjournment thereof, to vote, for me and in my name _____ [Here, 'if for' insert 'for'; 'if against' insert 'against' and in the later case, strike out the words below the word Amalgamation] the said Scheme of Amalgamation either with or without modification as my proxy may approve.

(strike out whichever is not applicable)

Dated this _____ day of _____ 2013

Name of Equity Shareholder (s):

Address:

No. of Shares :

For Demat Holding

DP ID : Client ID :

For Physical

Folio No. :

Affix 15Ps.
Revenue
Stamp

Signature across the stamp

Notes:

1. Please affix 15Ps. Revenue Stamp before subscribing signature.
2. The Form of Proxy must be deposited at the registered office of the Applicant Company not later than 48 hours before the time scheduled/ fixed for the said meeting.
3. The Proxy need not be a member of the Applicant Company.
4. All alterations made in the Form of Proxy should be initialed.
5. In case of multiple proxies, the proxy later in time shall be valid and accepted.