

## Rane (Madras) Limited



### REPORT

#### **Recommendations of the Audit Committee on the Draft Scheme Of Amalgamation of Rane Diecast Limited ('RDL') with Rane (Madras) Limited ('RML')**

The Draft Scheme of amalgamation under Section 391 to 394 of the Companies Act, 1956, for the proposed amalgamation of Rane Diecast Limited (RDL) with Rane (Madras) Limited (RML), was placed before the Audit Committee at the meeting held on June 28, 2013.

The Audit Committee reviewed the Scheme and the Valuation Report issued by BSR & Associates, Chartered Accountants, containing fair exchange ratio of equity shares, in compliance with SEBI circular no CIR/CFD/DIL/05/2013 dated February 4, 2013.

After review, the Audit Committee recommended the draft scheme and the exchange ratio to the Board of Directors for their approval and authorized the undersigned, being Chairman of the Audit Committee to furnish the report as required under SEBI circular referred above.

#### **Below are the recommendations of the Audit Committee on the Draft Scheme of Arrangement:**

|   |                                |                               |
|---|--------------------------------|-------------------------------|
| 1 | Date                           | June 28, 2013                 |
| 2 | Name of the Transferor Company | Rane Diecast Limited ('RDL')  |
| 3 | Name of the Transferee Company | Rane (Madras) Limited ('RML') |

For Rane (Madras) Limited

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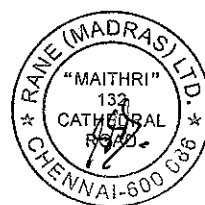


# Rane (Madras) Limited

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## Continuation Sheet

|   |  |   |
|---|--|---|
| 4 | Details of the Merger                        | <p>RDL ('Transferor Company') will be merged with RML ('Transferee Company'). In consideration of the transfer of and vesting of the assets and said liabilities of the Transferor Company in the Transferee Company in terms of this Scheme, the Transferee Company shall without any further application or deed, issue and allot:</p> <p>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.</p> <p>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 preference shareholders in Transferor Company.</p> |
| 5 | Name of the Independent Chartered Accountant | BSR and Associates, Chartered Accountants<br>Mumbai 400 011<br>Firm Registration No.128901W   |



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## Continuation Sheet

|   |   |  |
|---|---|--|
| 6 | Details of Audit Committee  | <p><b>Composition:</b></p> <p>The composition of the Audit Committee, as on date, is as follows:</p> <ol style="list-style-type: none"><li>I. M Lakshminarayan – Chairman<br/>(Independent Director)</li><li>II. P S Kumar (Independent Director)</li><li>III. L Lakshman<br/>(Non-executive and Promoter director)</li><li>IV. T Mukherjee (Independent Director)</li></ol> <p>Secretary of the Company, acts as Secretary to the Committee.</p>  |
| 7 | Recommendation on the Draft Scheme taking into consideration the Valuation Report | <p>Based on review of the draft Scheme of Amalgamation between RDL and RML and based on the Valuation Report dated June 28, 2013 issued by BSR and Associates, Independent Chartered Accountant, the Audit Committee believes that the Exchange Ratio of 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, is fair and reasonable.</p> |

To the best of our knowledge and belief, after making proper enquiry, the information contained herein is, in all material respect, true and correct and not misleading, whether by omission of any information or otherwise.

For Rane (Madras) Limited

  
**M Lakshminarayan**  
Chairman of the Audit Committee

Date: June 28, 2013  
Place: Bangalore

