

ऑलबैंक फाइनेंस लिमिटेड

(इलाहाबाद बैंक की पूर्णतः स्वधिकृत सहयोगी संस्था)

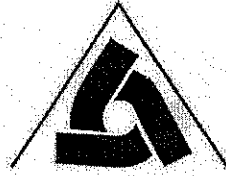
कॉर्पोरेट ऑफिस :

इलाहाबाद बैंक बिल्डिंग, 2री मंजील,
37, मुंबई समाचार मार्ग, फोर्ट, मुंबई - 400 023.

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SEBI Registered Category: I Merchant Banker INM 00006609

Debenture Trusteeship Registration : IND 000000528



AllBank Finance Limited

(A wholly owned subsidiary of Allahabad Bank)

Corporate Office :

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

AMFI Registered Mutual Fund Distributor ARN : 46758

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. Pompathy & 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.Pompathy & 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.

CERTIFIED TRUE COPY

For Rane (Madras) Limited


S Susha Shree
Secretary



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- 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

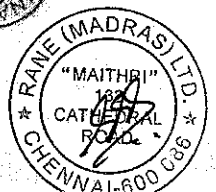


information and representations furnished to us without carrying out any audit or other tests to verify its accuracy.

- 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

