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Chartered Accountants

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The Board of Directors
Rane (Madras) Limited
132, Cathedral Road,
Chennai – 600086

9 February 2024

Independent Auditor's Certificate in relation to proposed accounting treatment in the books of Rane (Madras) Limited as specified in the Proposed Scheme of Amalgamation of Rane Brake Lining Limited and Rane Engine Valve Limited with Rane (Madras) Limited and their respective shareholders pursuant to provisions of Sections 230 to 232 of the Companies Act, 2013

1. This certificate is issued in accordance with the terms of our engagement letter dated 31 January 2024.
2. We have been requested by the management of Rane (Madras) Limited ("the Company" or "Transferee Company") to issue a certificate in relation to the proposed accounting treatment specified in Clause 13 of the proposed Scheme of Amalgamation of Rane Brake Lining Limited and Rane Engine Valve Limited (collectively referred to as "Transferor Companies") with the Transferee Company and their respective shareholders ("Proposed Scheme"), as reproduced in Annexure A to this certificate, in terms of the provisions of Section 230 to 232 and other applicable provisions of the Companies Act, 2013 ("the Act") with reference to its compliance with the applicable Indian Accounting Standards ("Ind AS") prescribed under Section 133 of the Act read with relevant Rules issued thereunder and other Generally Accepted Accounting Principles in India.
3. The Proposed Scheme is approved by the Board of Directors of the Transferee Company and the Transferor Companies on 9 February 2024 and is subject to approval of the respective Shareholders, the National Company Law Tribunal ("NCLT") and Statutory and Regulatory Authorities, as applicable. The appointed date for the purpose of the Proposed Scheme is 1 April 2024.

Management's Responsibility

4. The preparation of the Proposed Scheme as reproduced in the Annexure A and its compliance with the relevant provision of the Act, laws and regulations, including the applicable Ind AS read with the Rules made, issued thereunder and the Generally Accepted Accounting Principles in India is the responsibility of the management of the Companies involved, including the preparation and maintenance of all accounting and other relevant supporting records and documents.
5. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Proposed Scheme as reproduced in Annexure A and applying an appropriate basis of preparation, and making estimates that are reasonable in the circumstances.



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Independent Auditor's Certificate in relation to proposed accounting treatment in the books of Rane (Madras) Limited as specified in the Proposed Scheme of Amalgamation of Rane Brake Lining Limited and Rane Engine Valve Limited with Rane (Madras) Limited and their respective shareholders pursuant to provisions of Sections 230 to 232 of the Companies Act, 2013 (Continued)

6. The Company's management is also responsible for ensuring that the Company complies with the requirements of Companies Act, 2013 and providing all relevant information with respect to the Proposed Scheme to the NCLT.

Auditor's Responsibility

7. Pursuant to the requirements of provisions of Section 232 of the Companies Act, 2013, our responsibility is to provide a reasonable assurance whether the proposed accounting treatment specified in Clause 13 as per the proposed scheme of amalgamation and as reproduced in Annexure A to this certificate is in conformity with the Ind AS prescribed under Section 133 of the Act read with the rules issued thereunder and other Generally Accepted Accounting Principles in India.
8. We conducted our examination of the proposed accounting treatment referred to in Clause 13 of the Proposed Scheme and as reproduced in Annexure A in accordance with the Guidance Note on Reports or Certificates for Special Purposes ('Guidance Note') issued by the Institute of Chartered Accountants of India ('ICAI'). The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
9. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

10. As per Section 232(6) of the Act, the Proposed Scheme has to provide for the appointed date from which the Proposed Scheme shall be deemed to be effective. The Company has accordingly proposed the appointed date as 1 April 2024 in the Proposed Scheme.

Based on our examination and according to the information and explanations given to us and appropriate representations obtained from the Company, the proposed accounting treatment referred to in Clause 13 of the Proposed Scheme and as reproduced in Annexure A to this certificate, initialed and stamped by us for the purpose of identification only, is in conformity with Ind AS 103 'Business Combinations' i.e. the applicable Accounting Standards prescribed under Section 133 of the Act and other Generally Accepted Accounting Principles in India.

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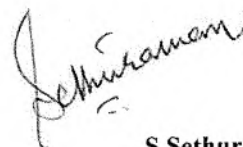
Restriction on use

11. This certificate is issued at the request of the management of the Transferee Company solely for the purpose of onward submission to NCLT and any other regulatory authority in relation to the Proposed Scheme pursuant to the requirements of Sections 230 to 232 of the Act and relevant Rules thereunder. Our certificate should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

For B S R & Co. LLP

Chartered Accountants

Firm's Registration No. - 101248W/W-100022



S Sethuraman

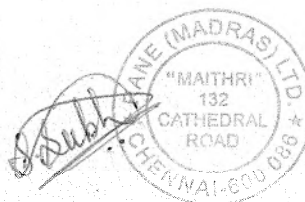
Partner

Membership No. 203491

UDIN: 24203491BKCQOH1659

Place: Chennai

Date: 9 February 2024



Rane (Madras) Limited



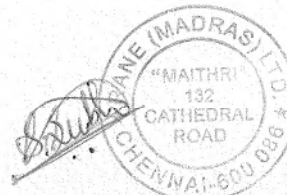
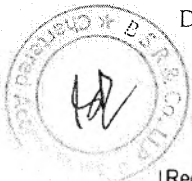
Annexure-A

Relevant extract of 'Accounting Treatment' as per Draft scheme of amalgamation of Rane Brake Lining Limited and Rane Engine Valves Limited with Rane (Madras) Limited

Clause 13 - Accounting Treatment

Upon the Scheme becoming effective and with effect from the Appointed Date, the Transferee Company shall account for the transfer and vesting of the assets and liabilities and reserves of the Transferor Companies in its books of accounts as a common control business combination as per "Pooling of Interest Method" prescribed under the Indian Accounting Standard Ind-AS 103 - "Business Combination" notified under Section 133 of the Act read with relevant rules issued thereunder and other applicable Accounting Standards provided under the Act, specifically:

- a) All the income, expenses, assets, liabilities and reserves in the books of the Transferor Companies shall stand transferred to and vested in the Transferee Company pursuant to the scheme and shall be recorded at their carrying amounts as appearing in the books of the Transferor Companies, from the earliest period presented in the financial statements i.e. the financial information in the financial statements in respect of prior periods will be restated as if the business combination had occurred from the beginning of the preceding period in the financial statements, irrespective of the actual date of the combination.
- b) The identity of the reserves shall be preserved and shall appear in the books of the Transferee Company in the same form in which they appeared in the books of the Transferor Companies.
- c) The Transferee Company shall credit to its Share Capital Account, the aggregate face value of the shares issued by it pursuant to Clause 10 of this Scheme.
- d) Upon the Scheme coming into effect, the surplus/deficit, if any, of the net value of assets, liabilities and reserves of the Transferor Companies acquired and recorded by the Transferee Company in terms of Clause 1 over the face value of the shares issued and allotted pursuant to clause 10, shall be adjusted in "Capital Reserve Account" in the financial statements of the Transferee Company.
- e) The inter-company investments, loans, advances, deposits, balances unpaid dividend or other obligations between the Transferee Company and the Transferor Companies, if any appearing in the books of the Transferee Company shall get cancelled and there shall be no further obligation in that behalf.
- f) The Transferee Company shall record in its books of account, all transactions of the Transferor Companies in respect of assets, liabilities, income and expenses, from Appointed Date to the Effective Date.



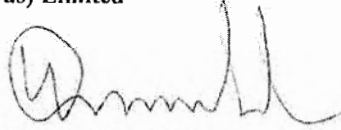
Annexure-A

Relevant extract of 'Accounting Treatment' as per Draft scheme of amalgamation of Rane Brake Lining Limited and Rane Engine Valves Limited with Rane (Madras) Limited (continued)

- g) In case of any differences in accounting policies between the Transferor Companies and the Transferee Company, the accounting policies followed by the Transferee Company shall prevail to ensure that the financial statements reflect the financial position based on consistent accounting policies.
- h) Notwithstanding the above accounting treatment, the Board of Directors of the Transferee Company are authorized to account for any of these transactions / balances in any manner whatsoever, as may be deemed fit, in accordance with applicable Indian Accounting Standards notified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and generally accepted accounting principles adopted in India.
- i) Transferor companies will cease to exist pursuant to the scheme coming into effect and consequently no accounting will be required in the books of transferor companies. Accordingly, no accounting treatment in the books of the transferor companies is stated in this scheme.

Certified true copy

For Rane (Madras) Limited



Name : B. Gnanasambandam
Designation : Chief Financial Officer

