

Rane Brake Lining Limited



//Online Submission//

RBL/SE/047/2023-24

February 09, 2024

BSE Limited Listing Centre Scrip Code: 532987	National Stock Exchange of India Limited NEAPS Symbol: RBL
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Sub: Intimation of Scheme of Amalgamation – Regulation 30 read with Schedule III of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI LODR')

Dear Sir / Madam,

This is to inform you that the Board of Directors of Rane Brake Lining Limited at its meeting held today i.e., on February 09, 2024, has based on recommendations of the Audit Committee and Committee of Independent Directors, has considered and approved Scheme of Amalgamation of Rane Engine Valve Limited ("REVL" / "Transferor Company 1") and Rane Brake Lining Limited ("RBL" / "Transferor Company 2") with and into Rane (Madras) Limited ("RML" / "Transferee Company") and their respective shareholders, in terms of the provisions of Section(s) 230 to 232 and other applicable sections and provisions of the Companies Act, 2013 read together with the rules made thereunder ('Scheme').

The Scheme is subject to the approval of shareholders, creditors, Stock Exchanges viz. BSE Limited and National Stock Exchange of India Limited, National Company Law Tribunal and such other approvals as may be required.

Disclosures as required pursuant to SEBI Circular No. SEBI/HO/CFD/CFD-PoD-1/P/CIR/2023/123 dated July 13, 2023 are enclosed herewith as **Annexure 1**.

The Meeting of the Board of Directors commenced at 15:45hrs (IST) and concluded at 16:30 hrs (IST)

Kindly take the above information in your records.

Thanking You,

For Rane Brake Lining Limited

VENKAT Digitally signed by
VENKATRAMAN
Date: 2024.02.09
RAMAN 16:47:44 +05'30'

Venkatraman
Secretary

Encl: a/a

Annexure 1

Details of the Scheme under Regulation 30 of the SEBI LODR read with SEBI Circular No. SEBI/HO/CFD/CFD-PoD-1/P/CIR/2023/123 dated July 13, 2023

S. No.	Particulars	Description												
1.	Name of the entity (ies) forming part of the amalgamation / merger / demerger, details in brief such as, size, turnover etc.	<p>This is a Scheme of Amalgamation involving the following entities:</p> <ol style="list-style-type: none"> 1. Rane (Madras) Limited ('Transferee Company') ['RML'] CIN: L65993TN2004PLC052856 2. Rane Engine Valve Limited ('Transferor Company 1') ['REVL'] CIN: L74999TN1972PLC006127 3. Rane Brake Lining Limited ('Transferor Company 2') ['RBL'] CIN: L63011TN2004PLC054948 <p>The Net Worth and Turnover based on the audited financial statements as on March 31, 2023 are as under:</p> <table border="1"> <thead> <tr> <th>Particulars</th><th>Net Worth[^] (Rs. in Crs)</th><th>Turnover[^] (Rs. in Crs)</th></tr> </thead> <tbody> <tr> <td>RML</td><td>247.33</td><td>2,123.55</td></tr> <tr> <td>RBL</td><td>261.38</td><td>598.80</td></tr> <tr> <td>REVL</td><td>102.26</td><td>497.57</td></tr> </tbody> </table> <p>[^] Standalone</p>	Particulars	Net Worth [^] (Rs. in Crs)	Turnover [^] (Rs. in Crs)	RML	247.33	2,123.55	RBL	261.38	598.80	REVL	102.26	497.57
Particulars	Net Worth [^] (Rs. in Crs)	Turnover [^] (Rs. in Crs)												
RML	247.33	2,123.55												
RBL	261.38	598.80												
REVL	102.26	497.57												
2.	Whether the transaction would fall within related party transactions? If yes, whether the same is done at "arms-length"	<p>Yes, the transaction is among related entities.</p> <p>However, considering the clarification issued by Ministry of Corporate Affairs vide General Circular No. 30/2014 dated July 17, 2014, the transactions arising out of the compromise, arrangement and amalgamation under specific provisions of the Companies Act, 2013, will not attract the requirements of Section 188 of the Companies Act, 2013.</p> <p>The consideration as set forth in the scheme of amalgamation will be discharged on "arm's length" basis. The share exchange ratio is based on the joint valuation report dated February 09, 2024 issued by Bansil S. Mehta Valuers LLP (Registered Valuer (Securities or Financial Assets) IBBI Registration No. – IBBI/RV-E/06/2022/172 and PwC Business Consulting Services LLP (Registered Valuer (Securities or Financial Assets) IBBI Registration No. – IBBI/RV/02/2021/14260 ("Valuation Report")), Fairness Opinion dated February 09, 2024 issued by Motilal Oswal Investment Advisors Limited, a SEBI Registered (Category-I) Merchant Banker.</p>												

S. No.	Particulars	Description								
3.	Area of business of the entity(ies)	<table><tr><th>Company</th><th>Business</th></tr><tr><td>REVL</td><td>REVL is engaged in the business of manufacturing and marketing of auto components for transportation industry viz., engine valves, valve guide and tappet.</td></tr><tr><td>RBL</td><td>RBL is engaged in the business of manufacturing and marketing of auto components for transportation industry viz., friction material (Disc Pads, Brake Shoes, Clutch Facings, Clutch Buttons, Brake Linings and Brake Blocks).</td></tr><tr><td>RML</td><td>RML is engaged in the business of manufacturing and marketing of auto components for transportation industry viz., steering and suspension systems, linkage products, steering gear products and aluminium alloy based high pressure die-casting products</td></tr></table>	Company	Business	REVL	REVL is engaged in the business of manufacturing and marketing of auto components for transportation industry viz., engine valves, valve guide and tappet.	RBL	RBL is engaged in the business of manufacturing and marketing of auto components for transportation industry viz., friction material (Disc Pads, Brake Shoes, Clutch Facings, Clutch Buttons, Brake Linings and Brake Blocks).	RML	RML is engaged in the business of manufacturing and marketing of auto components for transportation industry viz., steering and suspension systems, linkage products, steering gear products and aluminium alloy based high pressure die-casting products
Company	Business									
REVL	REVL is engaged in the business of manufacturing and marketing of auto components for transportation industry viz., engine valves, valve guide and tappet.									
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RML	RML is engaged in the business of manufacturing and marketing of auto components for transportation industry viz., steering and suspension systems, linkage products, steering gear products and aluminium alloy based high pressure die-casting products									
4	Rationale for amalgamation / merger / demerger	<p>The proposed scheme would be in best interest of the Companies and their respective shareholders, employees, creditors and other stakeholders as the proposed reorganization pursuant to this Scheme is expected, inter alia, to yield advantages as set out below:</p> <ul style="list-style-type: none">a) The companies to the scheme viz., the Transferor Companies and the Transferee Company are engaged in the manufacturing of auto components parts such as steering gears, braking products, engine valves, etc. and are subject to the same industry risk. Hence, consolidation of all operating businesses under a single listed entity will simplify the group structure.b) Consolidation of shareholdings in a single listed entity will align interests of all the shareholder groups and allow them to participate in the growth prospects of a larger diversified auto component player.c) Integration of businesses under a common unified platform will enable more coordinated and comprehensive business management with greater focus and attention.d) Amalgamation will help achieve revenue and cost synergies and enhance operational, organizational and financial efficiencies from increase in scale of operations. Further, the merged entity will benefit from economies of scale by pooling resources.								

S. No.	Particulars	Description
		<p>e) The amalgamation will increase product offerings of the combined entity and will diversify its revenue stream.</p> <p>f) Unified approach on customer engagement and service delivery, supply chain management, procurement etc. would enhance operational and financial synergies.</p> <p>g) Optimization of support and administration functions.</p> <p>h) Consolidation of funds and resources would lead to improved availability of capital which could be allocated more efficiently / optimally to pursue growth opportunities under the respective businesses.</p> <p>i) Improved organization capability and leadership, arising from pooling of human capital.</p>
5	In case of cash consideration – amount or otherwise share exchange ratio;	<p>The Scheme does not involve payment of any cash consideration.</p> <p>The share exchange ratio for the Scheme is as under:</p> <ul style="list-style-type: none"> • <u>For Transferor Company 1:</u> 9 (Nine) equity shares of RML having face value of INR 10 each fully paid up shall be issued for every 20 (Twenty) equity shares held in REVL having face value of INR 10 each fully paid up. • <u>For Transferor Company 2:</u> 21 (Twenty One) equity shares of RML having face value of INR 10 each fully paid up shall be issued for every 20 (Twenty) equity shares held in RBL having face value of INR 10 each fully paid up.
6	Brief details of change in shareholding pattern (if any) of listed entity	Detail of pre & post Scheme shareholding pattern of all companies involved in the Scheme is enclosed herewith as Annexure 2 ;

Annexure 2

Detail of pre & post Scheme shareholding pattern of all companies involved in the Scheme:

a) Change in Shareholding Pattern of REVL:

Category	Pre-Scheme		Post-Scheme (Refer Note)	
	No. of Shares	% of Holding	No. of Shares	% of Holding
Promoter Group	42,18,825	58.32%	N.A.	
Public	30,15,630	41.68%		
Total	72,34,455	100.00%		

Note: Upon the Scheme of Amalgamation becoming operative, Rane Engine Valve Limited shall stand automatically dissolved without winding-up.

b) Change in Shareholding Pattern of RBL:

Category	Pre-Scheme		Post-Scheme (Refer Note)	
	Nos. of Shares	% of Holding	No. of Shares	% of Holding
Promoter Group	54,82,539	70.93%	N.A.	
Public	22,47,332	29.07%		
Total	77,29,871	100.00%		

Note: Upon the Scheme of Amalgamation becoming operative, Rane Brake Lining Limited shall stand automatically dissolved without winding-up.

c) Change in Shareholding Pattern of RML:

Category	Pre-Scheme		Post-Scheme	
	Nos. of Shares	% of Holding	No. of Shares	% of Holding
Promoter Group	1,18,15,955	72.65%	1,94,71,092	70.45%
Public	44,49,312	27.35%	81,66,045	29.55%
Total	1,62,65,267	100.00%	2,76,37,137	100.00%