

National Stock Exchange Of India Limited

Ref: NSE/LIST/40341/40371/40350

July 18, 2024

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

Kind Attn.: S Subha Shree

The Company Secretary
Rane Brake Lining Limited
Maithri-132, Cathedral Road,
Chennai-600 086

**Kind Attn.: Mr.
Venkatraman**

The Company Secretary
Rane Engine Valve Limited
Maithri-132, Cathedral Road,
Chennai-600 086

Kind Attn.: Mr. S Anand

Dear Sir/Madam,

Sub: Observation Letter for draft Scheme of Amalgamation of Rane Engine Valve Limited (“Transferor Company-1”) and Rane Brake Lining Limited (“Transferor Company-2”) with and into Rane (Madras) Limited (“Transferee Company”) and their respective shareholders under sections 230 - 232 of the Companies Act, 2013 and other applicable provisions and rules framed thereunder.

We are in receipt for draft Scheme of Amalgamation of Rane Engine Valve Limited (“Transferor Company-1”) and Rane Brake Lining Limited (“Transferor Company-2”) with and into Rane (Madras) Limited (“Transferee Company”) and their respective shareholders under sections 230 - 232 of the Companies Act, 2013 and other applicable provisions and rules framed thereunder.

Based on our letter reference no. NSE/LIST/40341/40371/40350 dated May 10, 2024, submitted to SEBI pursuant to SEBI Master Circular no. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023 read with regulation 37 and 94(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, SEBI vide its letter dated July 16, 2024, has inter alia given the following comment(s) on the draft scheme of arrangement:

- a) *The Companies shall ensure that the proposed composite Scheme of Amalgamation and Arrangement shall be in compliance with the provisions of Regulation 11 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.*
- b) *The Companies shall ensure to disclose all details of ongoing adjudication & recovery proceedings, prosecution initiated, and all other enforcement action taken, if any, against the Company, its promoters and directors, before Hon'ble NCLT and shareholders, while seeking approval of the Scheme.*
- c) *The Companies shall ensure that additional information, if any, submitted by the Company after filing the Scheme with the Stock Exchanges, from the date of receipt of this letter, is displayed on the websites of the listed Company and the Stock Exchanges.*

- d) *The Companies involved in the proposed scheme shall not make any changes in the draft scheme subsequent to filing the draft scheme with SEBI by the Stock Exchanges, except those mandated by the regulators/ authorities / tribunal.*
- e) *The Companies shall ensure compliance with the SEBI circulars issued from time to time. The Companies involved in the Scheme shall duly comply with various provisions of the SEBI Master Circular dated June 20, 2023 and also ensure that all the liabilities of Transferor Companies are transferred to the Transferee Company.*
- f) *The Companies shall ensure that the information pertaining to all the Unlisted Companies involved, if any, in the scheme shall be included in the format specified for abridged prospectus as provided in Part E of Schedule VI of the ICDR Regulations, 2018, in the explanatory statement or notice or proposal accompanying resolution to be passed, which is sent to the shareholders for seeking approval.*
- g) *The Companies shall ensure that the financials in the scheme including financials considered for valuation report are not for period more than 6 months old.*
- h) *The Companies shall ensure to disclose the following, as a part of explanatory statement or notice or proposal accompanying resolution to be passed to be forwarded by the company to the shareholders while seeking approval u/s 230 to 232 of the Companies Act 2013, so that public shareholders can make an informed decision in the matter:*
- i. Need for the merger, Rationale of the scheme, Synergies of business of the entities involved in the scheme, Impact of the scheme on the shareholders and cost benefit analysis of the scheme.*
 - ii. Value of Assets and liabilities of REVL and RBLL that are being transferred to RML and Post- Merger Balance sheet of RML.*
 - iii. Detailed reasons as to how the scheme will be beneficial to shareholders of RML.*
 - iv. Rationale for addition of promoters pursuant to scheme in RML.*
 - v. Impact of scheme on revenue generating capacity of RML.*
- i) *The Companies shall ensure that the details of the proposed scheme under consideration as provided by the Company to the Stock Exchange shall be prominently disclosed in the notice sent to the shareholders.*
- j) *The Companies shall ensure that the proposed equity shares to be issued in terms of the “Scheme” shall mandatorily be in demat form only.*
- k) *The Companies shall ensure that the “Scheme” shall be acted upon subject to the applicant complying with the relevant clauses mentioned in the scheme document.*

- l) The Companies shall ensure that no changes to the draft scheme except those mandated by the regulators/ authorities / tribunals shall be made without specific written consent of SEBI.*
- m) The Companies shall ensure that the observations of SEBI/ Stock Exchanges shall be incorporated in the petition to be filed before NCLT and the Company is obliged to bring the observations to the notice of NCLT.*
- n) The Companies shall ensure to comply with all the applicable provisions of the Companies Act, 2013, rules and regulations issued thereunder including obtaining the consent from the creditors for the proposed scheme.*
- o) It is to be noted that the petitions are filed by the company before NCLT after processing and communication of comments/observations on draft scheme by SEBI/stock exchange. Hence, the company is not required to send notice for representation as mandated under section 230(5) of Companies Act, 2013 to SEBI again for its comments / observations / representations.*
- p) The Companies involved in the proposed scheme shall disclose the No-objection letter of the Stock Exchanges on its website within 24 hours of receiving the same.*

It is to be noted that the petitions are filed by the company before NCLT after processing and communication of comments/observations on draft scheme by SEBI/ Stock exchange. Hence, the company is not required to send notice for representation as mandated under section 230(5) of Companies Act, 2013 to National Stock Exchange of India Limited again for its comments/observations/representations.

Please note that the submission of documents/information, in accordance with the Circular to SEBI and National Stock Exchange of India (NSE), should not in any way be deemed or construed that the same has been cleared or approved by SEBI and NSE. SEBI and NSE does not take any responsibility either for the financial soundness of any scheme or for the correctness of the statements made or opinions expressed in the documents submitted.

Based on the draft scheme and other documents submitted by the Company, including undertaking given in terms of Regulation 11 of SEBI (LODR) Regulations, 2015, we hereby convey our “No objection” in terms of Regulation 37 of SEBI (LODR) Regulations, 2015, so as to enable the Company to file the draft scheme with NCLT.

However, the Exchange reserves its rights to raise objections 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 Regulations, Guidelines/ Regulations issued by statutory authorities.

The validity of this “Observation Letter” shall be six months from July 18, 2024, within which the Scheme shall be submitted to NCLT.

Kindly note, this Exchange letter should not be construed as approval under any other Act /Regulation/rule/bye laws (except as referred above) for which the Company may be required to obtain approval from other department(s) of the Exchange. The Company is requested to separately take up matter with the concerned departments for approval, if any.

The Company shall ensure filing of compliance status report stating the compliance with each point of Observation Letter on draft scheme of arrangement on the following path: NEAPS > Issue > Scheme of arrangement > Reg 37 of SEBI LODR, 2015> Seeking Observation letter to Compliance Status.

Yours faithfully,
For National Stock Exchange of India Limited

Khyati Vidwans
Senior Manager