

Compliance report with the requirements specified in Part-A of the circular CIR/CFD/DIL/5/2013 dated February 4, 2013 read with circular no. CIR/CFD/DIL/8/2013 dated May 21, 2013

**Sub: Application under Clause 24(f) of the listing agreement for the proposed scheme of Amalgamation amongst Mahindra Forgings Limited and Mahindra Composites Limited. under Sections 391 to 394 and other applicable provisions of the Companies Act, 1956**

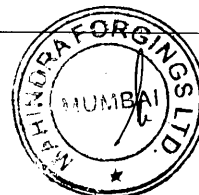
In connection with the above application, we hereby confirm that we satisfy all the conditions as stipulated in the aforesaid SEBI circular, as given hereunder:

Sr. No.	Requirements as per CIR/CFD/DIL/5/2013 dated February 4, 2013 read with circular no. CIR/CFD/DIL/8/2013 dated May 21, 2013	Whether Complied or not & How
1.	Listed companies shall choose one of the stock exchanges having nation-wide trading terminals as the designated stock exchange for the purpose of coordinating with SEBI.	Complied. The Company has chosen BSE Limited as a designated stock exchange for the purpose of coordinating with SEBI. The Board of Directors has passed a resolution on 04-10-2013 in this respect and as enclosed with the Application.
<b>Compliance as per Part A, Annexure I to the Circular</b>		
2.	Documents to be submitted:	
2.a	Draft Scheme of arrangement/ amalgamation/ merger/ reconstruction/ reduction of capital, etc.	Complied. Scheme annexed to the application as Annexure B
2.b	Valuation Report from Independent Chartered Accountant	Complied. Valuation reports annexed to the application as Annexure G1 and Annexure G2.
2.c	Report from the Audit Committee recommending the Draft Scheme	Complied. Report of the audit committee annexed to the application as Annexure H.
2.d	Fairness opinion by merchant banker	Complied. Fairness opinion annexed to the application as Annexure I1 and Annexure I2
2.e	Pre and post amalgamation shareholding pattern of unlisted company	Complied. Shareholding details of both the companies have been



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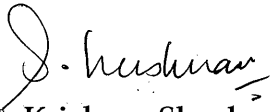
		annexed to the application as Annexures L1 and L2
2.f	Audited financials of last 3 years (financials not being more than 6 months old) of unlisted company;	Complied. Financials annexed to the application
2.g	Compliance with Clause 49 of Listing Agreement	Complied. Compliance report annexed to the application as Annexure N
2.h	Complaints Report	Will be submitted within 7 days of expiry of 21 days from the date of filing of Draft Scheme
3.	The equity shares sought to be listed are proposed to be allotted by the unlisted Issuer (transferee entity) to the holders of securities of a listed entity (transferor entity) pursuant to a scheme of reconstruction or amalgamation (Scheme) sanctioned by a High Court under Section 391-394 of the Companies Act, 1956	The Company is a listed company, hence not applicable
4.	At least 25% of the post scheme paid up share capital of the transferee entity shall comprise of shares allotted to the public holders in the transferor entity.	Complied. Please refer the post shareholding pattern annexed to the application.
5.	The transferee entity will not issue/reissue any shares, not covered under the Draft scheme.	The Company has granted 30,86,290 number of ESOPs as on the date of this application. Shares will be required to be issued, when applicable, pursuant to ESOPs.
6.	As on date of application there are no outstanding warrants/ instruments/ agreements which give right to any person to take the equity shares in the transferee entity at any future date. If there are such instruments stipulated in the Draft scheme, the percentage referred to in point (b) above, shall be computed after giving effect to the consequent increase of capital on account of compulsory conversions outstanding as well as on the assumption that the options outstanding, if any, to subscribe for additional capital will be	The Company has granted Employees Stock Options to its directors, employees, employees of holding and subsidiary companies. As on date of this application 30, 86,290 options are outstanding.



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	exercised.	
7.	The shares of the transferee entity issued in lieu of the locked-in shares of the transferor entity are subjected to the lock-in for the remaining period.	Not Applicable. No shares are under locked-in for the transferor entity.

For and on behalf of Mahindra Forgings Limited



Krishnan Shankar  
Company Secretary and Head - Legal



Date: 28/10/2013

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