

DCS/AMAL/BS/24(f)/405/2013-14

March 7, 2014

The Company Secretary,  
**Mahindra CIE Automotive Limited**  
(formerly **Mahindra Forgings Limited**)  
Mahindra Towers, P K Kurne Chowk,  
Worli, Mumbai – 400018.

Dear Sir

**Sub: Observation letter regarding the Scheme of Arrangement involving merger of Mahindra Composite Limited with Mahindra Forgings Limited (Composite Scheme).**

We refer to your draft Scheme of Arrangement under Sections 391 to 394 of the Companies Act, 1956 involving merger of Mahindra Composite Limited (Transferor company) into Mahindra Forgings Limited (Transferee Company).

The Exchange has noted the confirmation given by the Company stating that the scheme does not in any way violate or override or circumscribe the provisions of the SEBI Act, 1992, the Securities Contracts (Regulation) Act, 1956, the Depositories Act, 1996, the Companies Act, 1956, the rules, regulations and guidelines made under these Acts, and the provisions of the Listing Agreement or the requirements of BSE Limited (BSE).

As required under SEBI Circular No.CIR/CFD/DIL/5/2013 dated February 4, 2013 & SEBI Circular No.CIR/CFD/DIL/8/2013 dated May 21, 2013; SEBI has vide its letter dated March 7, 2014 given the following comment(s) on the draft scheme of arrangement:

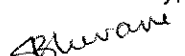
- i) The company to ensure that the Annexure to the Valuation Report submitted vide letter dated December 3, 2013 by Mahindra Forging Limited shall be displayed on the website of the listed company from the date of receipt of this letter*
- ii) The listed company, Mahindra Forgings Limited shall ensure compliance with the minimum public shareholding requirements in accordance with the undertaking submitted by the company vide letter dated February 24, 2014.*
- iii) the company shall duly comply with various provisions of the aforesaid SEBI circular” .*

Accordingly, we hereby convey Exchange's 'No-objection' with limited reference to those matters having bearing on listing/ delisting/ continuous listing requirements within the provisions of the Listing Agreement, so as to enable you to file the scheme with the Hon'ble High Court.

Further you are also advised to bring the contents of this letter to the notice of your shareholders, all relevant authorities as deemed fit, and also mention the same in your application for approval of the scheme of arrangement submitted to the Hon'ble High Court.

The Exchange reserves its right to withdraw its No-objection/approval 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 Agreement, Guidelines/Regulations issued by statutory authorities.

Yours faithfully,

  
Bhuvana Sriram  
Dy. Manager

  
Pooja Sanghvi  
Asst. Manager