

Mahindra CIE Automotive Limited

(Formerly known as Mahindra Forgings Limited)

[CIN: L27100MH1999PLC121285]

Registered Office : Mahindra Towers, P. K. Kurne Chowk, Worli, Mumbai – 400 018, Maharashtra

Web: www.mahindra-cie.com **Email:** mcie.investors@mahindra.com

Tel : 02135 – 663300 **Fax:** 02135 - 663407

Notice of Postal Ballot of Mahindra CIE Automotive Limited (Integrated Scheme)

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To,

The Shareholders,

Mahindra CIE Automotive Limited (the “**Company**”)

The Board of Directors of the Company had, at its meeting held on 15th June, 2013, approved a proposal to amalgamate Mahindra Hinoday Industries Limited (“**MHIL**”), Mahindra UGINE Steel Company Limited (“**MUSCO**”), Mahindra Gears International Limited (“**MGIL**”), Mahindra Investments (India) Private Limited (“**MIPL**”) and Participaciones Internacionales Autometal Tres, S.L. (“**PIA 3**”) (MHIL, MUSCO, MGIL, MIPL and PIA 3 are together referred to as the “**Transferor Companies**”) with the Company pursuant to a Scheme of Amalgamation between the Transferor Companies and the Company and their respective shareholders and creditors under Sections 391-394 of the Companies Act, 1956 (“**Integrated Scheme**”).

The Company seeks the approval of the public shareholders to the Integrated Scheme by way of postal ballot and e-voting pursuant to the requirements of circular number CIR/CFD/DIL/5/2013 dated February 4, 2013 read with circular number CIR/CFD/DIL/8/2013 dated May 21, 2013, both issued by the Securities and Exchange Board of India (“**SEBI Circular**”), conditions laid down in the observation letters dated March 7, 2014, issued by the BSE Limited and the National Stock Exchange of India Limited (collectively referred to as “**Observation Letters**”) and under relevant provisions of applicable laws.

The proposed Resolution for approving the Integrated Scheme along with the Explanatory Statement is set out in the accompanying “Notice of Postal Ballot” for your consideration. A postal ballot form is also enclosed.

The Company has appointed Mr. S. N. Ananthasubramanian, practicing company secretary as the scrutinizer and Ms. Malati Kumar, practicing company secretary as an alternate scrutinizer for conducting the postal ballot process in a fair and transparent manner.

Further, the approval of the Shareholders will also be sought for the Integrated Scheme pursuant to the provisions of sections 391 to 394 of the Companies Act, 1956 at the meeting of the Shareholders to be held as per the directions of the Hon’ble High Court of Mumbai.

In terms of the SEBI Circular, read with the Observation Letters, the Integrated Scheme shall be acted upon only if the votes cast by the public shareholders in favour of the Resolution are more than the number of votes cast by the public shareholders against it.

In compliance with the applicable laws including provisions of the Companies Act, 1956, Companies Act, 2013, the applicable rules respectively made thereunder and the listing agreement, the members may cast their votes either through the postal ballot form or electronically i.e. by e-voting. The instructions for voting by both these modes are set out in the postal ballot form sent along with this notice.

You are requested to carefully read the instructions printed on the postal ballot form, if you are not voting electronically, and return the form duly completed and signed in the enclosed self-addressed postage pre-paid envelope so as to reach the Scrutinizer on or before Monday, 16th June, 2014. Ballot forms received after the said date will be treated as if the reply from such Shareholders has not been received. If you are voting electronically, please do so in accordance with the instructions for e-voting as set out in the Notes to this Notice.

The Scrutinizer will submit his report to the Chairman after completion of the scrutiny of the postal ballots and the votes submitted electronically. The Chairman or, in his absence, any Director of the Company or the Company Secretary of the Company will announce the results of the Postal Ballot on Thursday, 19th June, 2014 at 11.00 a.m. at the registered office of the Company situated at Mahindra Towers, P. K. Kurne Chowk, Worli, Mumbai – 400018, Maharashtra. The result will be displayed at the registered office of the Company besides being communicated to the stock exchanges on which the Company’s equity shares are listed. The results will be published on the website of the Company. The results will also be published in the newspapers for the information of the Shareholder(s).

**By Order of the Board
For Mahindra CIE Automotive Limited**

Date : 10th May, 2014

Place: Mumbai

**Krishnan Shankar
Company Secretary and Head - Legal**

Mahindra CIE Automotive Limited

(Formerly known as Mahindra Forgings Limited)

[CIN: L27100MH1999PLC121285]

Registered Office : Mahindra Towers, P. K. Kurne Chowk, Worli, Mumbai – 400 018, Maharashtra

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NOTICE OF POSTAL BALLOT

NOTICE is hereby given pursuant to the applicable provisions of the Companies Act, 1956, the Companies Act, 2013, the applicable rules respectively made thereunder, circular number CIR/CFD/DIL/5/2013 dated February 4, 2013 read with circular number CIR/CFD/DIL/8/2013 dated May 21, 2013, both issued by the Securities and Exchange Board of India (“**SEBI Circular**”) and other relevant provisions of applicable laws for the approval of the Public Shareholders (as defined in the Explanatory Statement) of the Company to the following draft resolution:

To consider and if thought fit to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

“**RESOLVED THAT** the Scheme of Amalgamation between Mahindra Hinoday Industries Limited, Mahindra Ugine Steel Company Limited, Mahindra Gears International Limited, Mahindra Investments (India) Private Limited and Participaciones Internacionales Autometal Tres, S.L. (together referred to as the “**Transferor Companies**”) and the Company and their respective shareholders and creditors for amalgamation of the Transferor Companies with the Company (“**Integrated Scheme**”), be and is hereby approved.

RESOLVED FURTHER THAT the Board of Directors of the Company, which includes any Committee thereof and/or any individual(s) authorised by the Board be and are hereby severally authorized to do all such acts, deeds, matters and things as are considered requisite or necessary to effectively implement the Integrated Scheme and to accept such modification/s and/or conditions, if any, which may be required and/or imposed by the Hon’ble High Court of Mumbai while sanctioning the Integrated Scheme or required and/or imposed by the equity shareholders, secured creditors and unsecured creditors in their respective court convened meetings (if required to be convened) or by any authorities under any law, or as may be required for the purpose of resolving any doubts or difficulties that may arise in carrying out the Integrated Scheme.”

**By Order of the Board
For Mahindra CIE Automotive Limited**

**Krishnan Shankar
Company Secretary and Head - Legal**

Date : 10th May, 2014

Place: Mumbai

Notes:

1. The Members are informed that approval of the Integrated Scheme is required to be sought by postal ballot and e-voting.
2. An explanatory statement to the resolution pursuant to Section 102 (1) of the Companies Act, 2013 is annexed hereto. The said resolution and explanatory statement along with postal ballot form and other documents as required under the Observation Letters and the SEBI Circular are being sent to you for your consideration.
3. The Company has appointed Mr. S. N. Ananthasubramanian, practicing company secretary as the scrutinizer and Ms. Malati Kumar, practicing company secretary as an alternate scrutinizer to conduct the Postal Ballot process in a fair and transparent manner.
4. This Notice is being sent to all the public shareholders whose names appear in the Register of Members/ list of Beneficial Owners as received from National Securities Depository Services Limited (NSDL) / Central Depository Services (India) Limited (CDSL) as on 9th May, 2014. Voting rights shall be reckoned in proportion to the paid up value of equity shares registered in the name of the members as on 9th May, 2014.
5. You are requested to carefully read the instructions printed in the form attached hereto, and if you are not voting electronically, fill up the Form, give your assent or dissent on the resolution at the end of the form and return the duly completed and signed form (no other form or photocopy thereof is permitted) in the enclosed self-addressed postage prepaid envelope so as to reach the Scrutinizer on or before the closure of working hours (i.e. 6.00 p.m. IST) on Monday,

16th June, 2014. Envelope containing postal ballot, if sent by courier or by registered post at the expense of the member will also be accepted. **However, the Ballot received after the stipulated day and time will be strictly treated as if no reply has been received from the member.**

6. The Company is pleased to offer e-voting facility as an alternate, for its members to enable them to cast their votes electronically instead of dispatching postal ballot form.

7. The procedure and instructions for E-Voting are as follows:

I. In case of shareholders receiving email from NSDL:

- i. Open the email and open the pdf file with your Client ID or Folio Number as password. The said pdf file contains your user ID and password for e-voting. Please note that the password is an initial password.
- ii. Launch the internet browser by typing the following URL <https://www.evoting.nsd.com>
- iii. Click on "Shareholder-Login".
- iv. Put User ID and Password noted in step (i) above as the initial password and click Login. If you are already registered with NSDL for e-voting then you can use your existing User ID and Password for Login.
- v. If you are logging in for the first time, password change menu will appear. Change the password with new password of your choice with minimum 8 digits/characters or a combination thereof. Please note the new password for all the future e-voting cycles offered on NSDL e-voting platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- vi. Home page of "e-voting" opens. Click on "e-voting": Active Voting Cycles.
- vii. Select "EVEN (E-Voting Event Number)" of Mahindra CIE Automotive Limited. For an EVEN, you can login any number of times on e-voting platform of NSDL till you have voted on the resolution or till the end of voting period i.e. upto closure of working hours (5.00 p.m.) on Monday, 16th June, 2014, whichever is earlier.
- viii. Now you are ready for "e-voting" as "Cast Vote" Page opens.
- ix. Cast your vote by selecting appropriate option and click "Submit" and also "Confirm" when prompted. Kindly note that vote once cast cannot be modified.
- x. Institutional Shareholders (i.e. Shareholders other than individuals, HUF, NRIs etc.) are also required to send scanned copy (PDF/JPG format) of the relevant board resolution/ authority letter, etc., together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the scrutinizer through email at: scrutinizer@snaco.net with a copy marked to evoting@nsdl.co.in.
- xi. In case of any queries you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the "downloads" section of <https://www.evoting.nsd.com> or contact NSDL by email at evoting@nsdl.co.in or call on: (022) 24994600.

II. In case of shareholders receiving Postal Ballot Form by post and voting electronically:

- i. User ID and Initial Password is provided in the Postal Ballot Form
- ii. Please follow the steps from Serial Nos. (ii) to (xi) mentioned in I above, to cast your vote

III. If you are already registered with NSDL for e-voting, then you can use your existing user ID and password for Login. Thereafter please follow the steps from Serial Nos. (vi) to (xi) mentioned in I above, to cast your vote.

IV. The period of e-voting starts on 17th May, 2014 and ends on 16th June, 2014. E-voting shall be disabled by NSDL at 5.00 p.m. on 16th June, 2014.

8. **Please note that proxies are not allowed to cast their vote through Postal Ballot or E-voting.**

9. **If a member has opted for e-voting, then he/she should not submit the Postal Ballot form and vice-versa.** However, in case members cast their vote both via postal ballot form and e-voting, then voting through postal ballot form shall prevail and voting done by e-voting shall be treated as invalid, irrespective of which is cast first.

10. Pursuant to Rule 18(1) of the Companies (Management and Administration) Rules, 2014, the Company is sending the Notice electronically, on the e-mail addresses as obtained from the Company/ Depositories/ Registrar and Share Transfer Agent, to the members. Such individual member may exercise their voting electronically as per the procedure given above and in the enclosed Postal Ballot Form. In case a Member does not wish to avail the electronic voting facility organized through NSDL, such Member may send a request for obtaining the Notice and a physical postal ballot form from the Company by sending a request to the Company at the registered office address of the Company or through e-mail sent to mcie.investors@mahindra.com. On receipt of such request, the Registrar and Share Transfer Agents/ the Company will dispatch the physical postal ballot form to the Member. The duly filled in Postal Ballot Form should reach the Scrutinizer not later than closure of working hours on Monday, 16th June, 2014.
11. Upon completion of scrutiny of the Postal Ballot and e-voting, the Scrutinizer will submit his report to the Chairman. The results will be announced by the Chairman or, in his absence, any Director of the Company or the Company Secretary on Thursday, 19th June, 2014 at 11.00 a.m. at the registered office of the Company and the Resolution will be taken as passed effectively on the date of such declaration, if assented by the requisite majority. The date of declaration of the result shall be deemed to be the date of the general meeting convened in that behalf. The result of the Postal Ballot will be communicated to the stock exchanges where your Company's shares are listed and shall be published through a public notice in newspapers. The result will also be put up on the website of the Company i.e. www.mahindra-cie.com.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 AND 110 OF THE COMPANIES ACT, 2013 READ WITH THE COMPANIES (MANAGEMENT AND ADMINISTRATION) RULES, 2014

For the purposes of this explanatory statement, the following terms shall have the following meaning:

“**Company**” means Mahindra CIE Automotive Limited (formerly known as Mahindra Forgings Limited), a public company limited by shares incorporated in India under the Companies Act, 1956 and having its Registered Office at Mahindra Towers, P. K. Kurne Chowk, Worli, Mumbai – 400018, Maharashtra;

“**MGIL**” means Mahindra Gears International Limited, a company limited by shares incorporated under the laws of Mauritius and having its Registered Office at IFS Court, Twenty Eight Cybercity, Ebene, Republic of Mauritius;

“**MHIL**” means Mahindra Hinoday Industries Limited, a public company limited by shares incorporated in India under the Companies Act, 1956 and having its Registered Office at Mahindra Towers, P. K. Kurne Chowk, Worli, Mumbai – 400018, Maharashtra;

“**MIPL**” means Mahindra Investments (India) Private Limited, a private company limited by shares incorporated in India under the Companies Act, 1956 and having its Registered Office at Mahindra Towers, near Doordarshan Kendra, Pandurang Budhkar Marg, Worli, Mumbai – 400018, Maharashtra;

“**MUSCO**” means Mahindra Ugine Steel Company Limited, a public company limited by shares incorporated in India under the Companies Act, 1956 and having its Registered Office at 74, Ganesh Apartments, L.J. Road, Mahim (West), Mumbai - 400016, Maharashtra;

“**PIA 3**” means Participaciones Internacionales Autometal Tres, S.L., a company limited by shares incorporated under the laws of Spain and having its Registered Office at Iparraguirre nº34, 2º derecha, 48011 Bilbao (Bizkaia);

“**Public Shareholders**” shall have the meaning assigned to it in Rule 2(d) of the Securities Contract (Regulation) Rules, 1957 and “**Public Shareholders**” shall be construed accordingly;

“**SEBI Circular**” means the circular number CIR/CFD/DIL/5/2013 dated February 4, 2013 read with circular number CIR/CFD/DIL/8/2013 dated May 21, 2013, both issued by the Securities and Exchange Board of India;

“**Stock Exchanges**” means the BSE Limited and the National Stock Exchange of India Limited; and

“**Transferor Companies**” means MHIL, MUSCO, MGIL, MIPL and PIA 3 collectively.

1. The Board of Directors of the Company had, at its meeting held on 15th June, 2013, approved a proposal to amalgamate MHIL, MUSCO, MGIL, MIPL and PIA 3 with the Company pursuant to a Scheme of Amalgamation between the Transferor Companies and the Company and their respective shareholders and creditors under Sections 391-394 of the Companies Act, 1956 (“**Integrated Scheme**”). A copy of the Integrated Scheme setting out the terms and conditions on which the amalgamation is proposed is enclosed as **Annexure I**.

2. Pursuant to the SEBI Circular, in certain circumstances, voting by Public Shareholders through Postal Ballot and e-voting, after disclosure of all material facts in the explanatory statement sent to the shareholders in relation to such resolution, is required for approval for a scheme of arrangement.
3. The SEBI Circular also requires that a scheme should provide that it shall be effective only if the votes cast by the Public Shareholders in favour of the proposal are more than the number of votes cast by the Public Shareholders against it.
4. In the instant case, since the SEBI Circular is applicable, the Company is approaching its Public Shareholders for approving the Integrated Scheme through voting by Postal Ballot and E-voting.
5. As required by the SEBI Circular, the Company has filed the complaints report with the Stock Exchanges on 22nd November, 2013. A copy of the same is enclosed as **Annexure II** to this Notice. After filing of the Complaints Report, the Company has received no complaints.
6. The Company has received, in terms of Clause 24(f) of the Listing Agreement, Observation Letters from the Stock Exchanges dated March 7, 2014 conveying their No Objection for filing the Integrated Scheme with the High Court. Copies of the aforementioned observation letters are enclosed as **Annexure III** and **Annexure IV** to this Notice.
7. Please also note that the amalgamation of the Transferor Companies with the Company is, among other things, subject to the approval of the members in a meeting to be convened pursuant to the directions that may be given by the High Court of Judicature in Mumbai in terms of Section 391-394 of the Companies Act, 1956 and all other approvals as may be required.

8. **Rationale of the Integrated Scheme**

MHIL, MUSCO, MGIL and the Company are engaged in complementary businesses. CIE Automotive S.A., a company incorporated under the laws of Spain, having its registered office at Iparraguirre n^o 34, 2^o derecha, 48011 Bilbao (Spain), being in control of MHIL, PIA 3 and the Company, believes that combining the businesses of the Transferor Companies and the Company will result in enhancing shareholder value for the shareholders of each of the Transferor Companies and the Company.

9. **The salient features of the Integrated Scheme are provided below:**

- 9.1 The Integrated Scheme envisages the amalgamation of the Transferor Companies into the Company with effect from October 1, 2013 ("**Appointed Date**").

9.2 *Background*

9.2.1 MHIL

- (a) MHIL is a public company limited by shares incorporated in the year 2007 under the provisions of the Companies Act, 1956 having its registered office at Mahindra Towers, P. K. Kurne Chowk, Worli, Mumbai – 400018, Maharashtra.
- (b) MHIL was originally incorporated as Mahindra Castings Private Limited. MHIL changed its name to Mahindra Castings Limited in 2009, and thereafter to Mahindra Hinoday Industries Limited in 2010.
- (c) The share capital structure of MHIL as on June 15, 2013 is as under:

A. Authorised Share Capital	Amount in Rupees
57,000,000 equity shares of INR 10 per equity share	570,000,000
15,000,000 cumulative redeemable preference shares of INR 10 per share	150,000,000
Total	720,000,000
B. Issued and Subscribed Capital	Amount In Rupees
46,576,717 equity shares of INR 10 per equity share	465,767,170
Total	465,767,170
C. Paid up capital	Amount In Rupees
46,576,717 equity shares of INR 10 per equity share	465,767,170
Total	465,767,170

9.2.2 MUSCO

- (a) MUSCO is a public company limited by shares incorporated in the year 1962 under the provisions of the Companies Act, 1956 having its registered office at 74, Ganesh Apartments, L.J. Road, Mahim (West), Mumbai - 400016, Maharashtra.
- (b) The share capital structure of MUSCO as on June 15, 2013 is as under:

A. Authorised Share Capital	Amount in Rupees
119,000,000 equity shares of INR 10 per equity share	1,190,000,000
3,100,000 cumulative redeemable preference shares of INR 100 per share	310,000,000
Total	1,500,000,000

B. Issued and Subscribed Capital	Amount In Rupees
32,482,529 equity shares of INR 10 per equity share	324,825,290
Total	324,825,290

C. Paid up capital	Amount In Rupees
32,482,529 equity shares of INR 10 per equity share fully paid up	324,825,290
Total	324,825,290

9.2.3 MGIL

- (a) MGIL is a company incorporated in the year 2008 under the laws of Mauritius and having its registered office at IFS Court, Twenty Eight Cybercity, Ebene, Mauritius.
- (b) The share capital of MGIL as of June 15, 2013 was as under:

A. Issued and Subscribed Share Capital	Amount in EUR
23,000,001 equity shares of EUR 1 per equity share	23,000,001
Total	23,000,001

B. Paid-up Share Capital	Amount in EUR
23,000,001 equity shares of EUR 1 per equity share fully paid up	23,000,001
Total	23,000,001

9.2.4 MIPL

- (a) MIPL is a private limited company incorporated in the year 2013 under the provisions of the Companies Act, 1956 with its registered office at Mahindra Towers, near Doordarshan Kendra, Pandurang Budhkar Marg, Worli, Mumbai – 400018, Maharashtra.
- (b) The share capital of MIPL as of June 15, 2013 was as under:

A. Authorised Share Capital	Amount in INR
82,000,000 equity shares of INR 10 per equity share	820,000,000
Total	820,000,000

B. Issued and Subscribed Share Capital	Amount in INR
80,056,580 equity shares of INR 10 per equity share	800,565,800
Total	800,565,800

C. Paid-up Share Capital	Amount in INR
80,056,580 equity shares of INR 10 per equity share fully paid up	800,565,800
Total	800,565,800

9.2.5 PIA 3

- (a) PIA 3 is a company incorporated in the year 2013 under the laws of Spain with its registered office at Iparragirre n° 34, 2º derecha, 48011 Bilbao (Spain).

- (b) The share capital of PIA 3 as of June 15, 2013 was as under:

A. Authorised Share Capital	Amount in EUR
60,003,000 equity shares of EUR 1 per equity share	60,003,000
Total	60,003,000

B. Issued and Subscribed Share Capital	Amount in EUR
60,003,000 equity shares of EUR 1 per equity share	60,003,000
Total	60,003,000

C. Paid-up Share Capital	Amount in EUR
60,003,000 equity shares of EUR 1 per equity share fully paid up	60,003,000
Total	60,003,000

9.2.6 The Company

- (a) The Company is a public company limited by shares incorporated in the year 1999 under the Companies Act, 1956, having its Registered Office at has its registered office at Mahindra Towers, P. K. Kurne Chowk, Worli, Mumbai – 400018, Maharashtra.
- (b) The Company was originally incorporated on 13th August, 1999, in the name and style of Mahindra Automotive Steels Limited. By a Fresh Certificate of Incorporation Consequent upon Change of Name on Conversion to Private Limited Company dated 15th January, 2003, the name of the Company was changed to Mahindra Automotive Steels Private Limited. By a further Fresh Certificate of Incorporation Consequent upon Change of Name on Conversion to Public Limited Company dated 4th April, 2006, the name of the Company was changed to Mahindra Automotive Steels Limited. By a further Fresh Certificate of Incorporation Consequent upon Change of Name dated 26th September, 2006, the name of the Company was changed to Mahindra Forgings Limited. By a further Fresh Certificate of Incorporation Consequent upon Change of Name dated 27th November, 2013, the name of the Company was changed to its present name i.e. Mahindra CIE Automotive Limited.
- (c) The Company is engaged, *inter alia*, in the business of manufacture and sale of parts, including but not limited to parts used in the automotive industry, using machining and forgings (hot forged ferrous grades excluding stainless steel). The Company is a manufacturer of forged and machined products. It manufactures a variety of auto components in India, primarily being crankshafts, stub axles, steering knuckles, links, knuckles, spindles, shafts, pistons and ball joints that are used in various industries. In addition, the Company also produces steering components for commercial vehicles.
- (d) The share capital structure of the Company as on June 15, 2013 is as under:

A. Authorised Share Capital	Amount in INR
122,000,000 equity shares of INR 10 per share	1,220,000,000
14,820,206 non cumulative non convertible redeemable preference shares of INR 31 each	459,426,386
Total	1,679,426,386

B. Issued and Subscribed Share Capital	Amount in INR
92,173,306 equity shares of INR 10 per equity share	921,733,060
Total	921,733,060

C. Paid-up Share Capital	Amount in INR
92,173,306 equity shares of INR 10 per equity share fully paid up	921,733,060
Total	921,733,060

9.3 Pursuant to the Integrated Scheme:

- (a) all assets and liabilities of the Transferor Companies shall stand transferred to and become assets and liabilities of the Company;
- (b) In terms of the Integrated Scheme, the equity shares of the Company will be issued to the shareholders of MHIL, MUSCO, MGIL, MIPL and PIA 3 as per the following ratio:
 - (i) 110 equity shares of the face value of INR 10 each (credited as fully paid up) of the Company for every 100 equity shares of the face value of INR 10 each (credited as fully paid-up) held by each shareholder in MHIL;
 - (ii) 284 equity shares of the face value of INR 10 each (credited as fully paid up) of the Company for every 100 equity shares of the face value of INR 10 each (credited as fully paid-up) held by each shareholder in MUSCO;
 - (iii) 20 equity shares of the face value of INR 10 each (credited as fully paid up) of the Company for every 100 equity shares of the face value of EUR 1 each (credited as fully paid-up) held by each shareholder in MGIL;
 - (iv) 17 equity shares of the face value of INR 10 each (credited as fully paid up) of the Company for every 100 equity shares of the face value of INR 10 each (credited as fully paid-up) held by each shareholder in MIPL;
 - (v) 105 equity shares of the face value of INR 10 each (credited as fully paid up) of the Company for every 100 equity shares of the face value of EUR 1 each (credited as fully paid-up) held by each shareholder in PIA 3
- (c) In case any shareholder's holding in any Transferor Company is such that the shareholder becomes entitled to a fraction of an equity share of the Company, the Company shall not issue fractional shares to such shareholder but shall consolidate such fractions and issue consolidated equity shares to a trustee nominated by the Company in that behalf, who shall sell such shares and distribute the net sale proceeds (after deduction of applicable taxes and other expenses incurred) to the shareholders respectively entitled to the same in proportion to their fractional entitlements.
- (d) upon effectiveness of the Integrated Scheme, the Transferor Companies shall stand dissolved without winding-up; and
- (e) upon effectiveness of the Integrated Scheme, the authorised share capital of the Company shall automatically increase, without any further act, instrument or deed on the part of the Company, by the authorised share capital of the Transferor Companies.

9.4 All costs, charges and expenses (including, but not limited to, any taxes and duties, stamp duty, registration charges, etc.) of/payable by the Transferor Companies and the Company in relation to or in connection with the Integrated Scheme and incidental to the completion of the amalgamation of the Transferor Companies with the Company in pursuance of the Integrated Scheme shall be borne and paid by the Company. In the event that the Integrated Scheme fails to take effect by June 30, 2015 or such later date as may be agreed by the board of directors of the Transferor Companies and the Company, the Integrated Scheme shall stand cancelled and be of no effect and become null and void, and in that event, no rights and liabilities shall accrue to or be incurred inter-se the Transferor Companies and the Transferee Company or their shareholders or creditors or employees or any other person. In such case, each of the Transferor Company and the Company shall bear its own costs and expenses or as may be otherwise mutually agreed.

9.5 The effectiveness of the Integrated Scheme is conditional upon and subject to the approvals and or sanctions laid down in Clause 18 of the Integrated Scheme.

10. The equity shareholders are advised to read the entire text of the Integrated Scheme, annexed to the Notice, to which this explanatory Statement is also an annexure, to get better acquainted with the provisions thereof. As stated above, the aforesaid are only salient features thereof.

11. The Integrated Scheme was placed before the audit committee of the Company at its meeting held on 15th June, 2013. The audit committee of the Company took into account the recommendations on the share exchange ratio by M/s. S.R. Batliboi & Co, LLP and M/s. N.M. Raiji & Co., both acting as independent chartered accountants, and the fairness opinion provided by ICICI Securities Limited. The Audit Committee concluded that the Integrated Scheme would be to the benefit of the Company and also its shareholders and recommended the Integrated Scheme to the Board of Directors of the Company by its report dated 15th June, 2013. Copy of the fairness opinion report is enclosed as **Annexure V** to this Notice.
12. After considering the aforesaid valuation reports, fairness opinion, recommendations of the audit committee and after discussions, the board of directors of the Company approved the Integrated Scheme in its meeting held on 15th June, 2013. Further, the Board of Directors of the Company at its board meeting on 22th October, 2013, authorized certain representatives to approve and accept amendments or modifications to the Integrated Scheme.
13. The Board of Directors of the MHIL, MUSCO, MGIL and MIPL have, at their respective board meetings held on 15th June, 2013, approved the Integrated Scheme. The sole shareholder of PIA 3 has also approved the Integrated Scheme on 12th June, 2013. Further, the Board of Directors of MHIL, MUSCO, MGIL, MIPL and MCIE, have authorised certain representatives to approve and accept amendments or modifications to the Integrated Scheme.
14. In fact, certain amendments, with the approval of such authorised representatives of MHIL, MUSCO, MGIL, MIPL, PIA 3 and MCIE, were effected in the Integrated Scheme.
15. **Changes in share capital, after approval of the Board of the Transferor Companies and the Transferee Company**
- 15.1 There has been no material change in the capital structure of MHIL as set out in clause 9.2.1 above, till date.
- 15.2 There has been no change in the capital structure of MUSCO, as set out in clause 9.2.2 above, except for issuance of 1,81,750 equity shares pursuant to exercise of stock options given to eligible employees of MUSCO. Thus, the paid-up share capital of MUSCO, is INR 326,642,790 divided into 32,664,279 equity shares of INR 10 per equity share fully paid up.
- 15.3 There has been no material change in the capital structure of MGIL, as set out in clause 9.2.3 above, till date.
- 15.4 There has been no material change in the capital structure of MIPL, as set out in clause 9.2.4 above, till date.
- 15.5 There has been no material change in the capital structure of PIA 3, as set out in clause 9.2.5 above, till date.
- 15.6 There has been no change in the capital structure of the Company, as set out in clause 9.2.6 above, except for issuance of 288,995 equity shares pursuant to exercise of stock options given to eligible employees of the Company. Thus, the paid-up share capital of the Transferee Company, is INR 924,623,010 divided into 92,462,301 equity shares of INR 10 per equity share fully paid up.
16. The shareholding pattern of the Company prior to issuance of shares to the shareholders of the Transferor Companies as on 2nd May, 2014 and the shareholding pattern of the Company after the issuance of shares to the shareholders of the Transferor Companies is as under is as under:

CATEGORY CODE	CATEGORY OF SHAREHOLDER	PRE SHAREHOLDING PATTERN			POST SHAREHOLDING PATTERN (PROJECTED AS OF 2 ND MAY, 2014)		
		TOTAL NO. OF SHARES	AS A PERCENTAGE OF (A+B+C)	AS A PERCENTAGE OF (A+B+C+D)	TOTAL NO. OF SHARES	AS A PERCENTAGE OF (A+B+C)	AS A PERCENTAGE OF (A+B+C+D)
(A)	PROMOTER AND PROMOTER GROUP						
(1)	INDIAN						
(a)	Individual /HUF	0	0.00	0.00	0	0.00	0.00
(b)	Central Government/State Government(s)	0	0.00	0.00	0	0.00	0.00
(c)	Bodies Corporate	296,109	0.32	0.31	69,681,076	21.93	21.73
(d)	Financial Institutions / Banks	0	0.00	0.00	0	0.00	0.00
(e)	Others	0	0.00	0.00	0	0.00	0.00
	Sub-Total A(1) :	296,109	0.32	0.31	69,681,076	21.93	21.73

CATEGORY CODE	CATEGORY OF SHAREHOLDER	PRE SHAREHOLDING PATTERN			POST SHAREHOLDING PATTERN (PROJECTED AS OF 2 ND MAY, 2014)		
		TOTAL NO. OF SHARES	AS A PERCENTAGE OF (A+B+C)	AS A PERCENTAGE OF (A+B+C+D)	TOTAL NO. OF SHARES	AS A PERCENTAGE OF (A+B+C)	AS A PERCENTAGE OF (A+B+C+D)
(2)	FOREIGN						
(a)	Individuals (NRIs/Foreign Individuals)	0	0.00	0.00	0	0.00	0.00
(b)	Bodies Corporate	73,031,693	78.99	76.93	169,314,300	53.30	52.81
(c)	Institutions	0	0.00	0.00	0	0.00	0.00
(d)	Others	0	0.00	0.00	0	0.00	0.00
	Sub-Total A(2) :	73,031,693	78.99	76.93	169,314,300	53.30	52.81
	Total A=A(1)+A(2)	73,327,802	79.31	77.24	238,995,376	75.23[#]	74.54
(B)	PUBLIC SHAREHOLDING						
(1)	INSTITUTIONS						
(a)	Mutual Funds /UTI	4,785,863	5.18	5.04	5,772,493	1.82	1.80
(b)	Financial Institutions /Banks	4,892	0.01	0.01	69,391	0.02	0.02
(c)	Central Government / State Government(s)	0	0.00	0.00	0	0.00	0.00
(d)	Venture Capital Funds	0	0.00	0.00	0	0.00	0.00
(e)	Insurance Companies	0	0.00	0.00	4,371,211	1.38	1.36
(f)	Foreign Institutional Investors	1,721,902	1.86	1.81	1,774,300	0.56	0.55
(g)	Foreign Venture Capital Investors	0	0.00	0.00	0	0.00	0.00
(h)	Others	0	0.00	0.00	0	0.00	0.00
	Sub-Total B(1) :	6,512,657	7.04	6.86	11,987,395	3.77	3.74
(2)	NON-INSTITUTIONS						
(a)	Bodies Corporate	5,442,277	5.89	5.73	27,654,220	8.71	8.62
(b)	Individuals		0.00	0.00		0.00	0.00
	(i) Individuals holding nominal share capital upto Rs.1 lakh	4,056,140	4.39	4.27	20,608,713	6.49	6.43
	(ii) Individuals holding nominal share capital in excess of Rs.1 lakh	2,155,593	2.33	2.27	16,661,311	5.24	5.20
(c)	Others		0.00	0.00		0.00	0.00
	Non Resident Indians	364,877	0.39	0.38	1,162,402	0.37	0.36
	Trusts	0	0.00	0.00	656	0.00	0.00
	Foreign Bodies	410,120	0.44	0.43	412,960	0.13	0.13
	Foreign Nationals	22,250	0.02	0.02	22,392	0.01	0.01
	Clearing Members	170,585	0.18	0.18	170,585	0.05	0.05
	Sub-Total B(2) :	12,621,842	13.65	13.30	66,693,239	20.99	20.80
	Total B=B(1)+B(2) :	19,134,499	20.69	20.16	78,680,634	24.77	24.54
	Total (A+B) :	92,462,301	100.00	97.40	317,676,010	100.00	99.08
(C)	Shares held by custodians, against which Depository Receipts have been issued						
(1)	Promoter and Promoter Group	0	0.00	0.00	0	0.00	0.00
(2)	Public	0	0.00	0.00	0	0.00	0.00
	GRAND TOTAL (A+B+C) :	92,462,301	100.00	97.40	317,676,010	100.00	99.08
(D)	Details of Stock Options						
	Total Stock Options Outstanding	2,467,002		2.60	2,964,357		0.92
	GRAND TOTAL (A+B+C+D) :	94,929,303		100.00	320,640,367		100.00

“The Company and Participaciones Internacionales Autometal Dos, S.L. (which is the majority shareholder of the Company, MHIL and PIA3) have each given undertakings to the Stock Exchanges that they will take steps to ensure that the fully diluted post-merger public shareholding in the Company complies with the minimum public shareholding requirements within the time period prescribed under applicable law, and in any event before the Scheme and the scheme of merger of Mahindra Composites Limited with the Company come into effect”.

17. The capital structure of the Company prior to issuance of shares to the shareholders of the Transferor Companies as on 2nd May, 2014 is as under:

A. Authorised Share Capital	Amount in INR
122,000,000 equity shares of INR 10 per share	1,220,000,000
14,820,206 non cumulative non convertible redeemable preference shares of INR 31 each	459,426,386
Total	1,679,426,386
B. Issued and Subscribed Share Capital	Amount in INR
92,462,301 equity shares of INR 10 per equity share	924,623,010
Total	924,623,010
C. Paid-up Share Capital	Amount in INR
92,462,301 equity shares of INR 10 per equity share	924,623,010
Total	924,623,010

18. The capital structure of the Company after the issuance of shares to the shareholders of the Transferor Companies is as under:

A. Authorised Share Capital	Amount in INR
380,000,000 equity shares of INR 10 per share	3,800,000,000
29,658,916 non cumulative non convertible redeemable preference shares of INR 31 each	919,426,396
Total	4,719,426,396
B. Issued and Subscribed Share Capital	Amount in INR
317,676,010 equity shares of INR 10 per equity share	3,176,760,100
Total	3,176,760,100
C. Paid-up Share Capital	Amount in INR
317,676,010 equity shares of INR 10 per equity share	3,176,760,100
Total	3,176,760,100

19. The details of the present directors of the Company are as follows:

S. No.	Name	Date of Birth and Age	Position
1.	Mr. Hemant Luthra	18/04/1949 (65 years)	Chairman
2.	Mr. K. Ramaswami	08/06/1954 (60 years)	Managing Director
3.	Mr. Daljit Mirchandani	26/10/1947 (66 years)	Director
4.	Mr. Dhananjay Mungale	01/06/1953 (61 years)	Director
5.	Mr. Manoj Maheshwari	08/08/1957 (56 years)	Director
6.	Mr. Jose Ramon Berecibar Mutiozabal	10/08/1977 (37 years)	Director
7.	Mr. Antonio Maria Pradera Jauregui	27/09/1955 (59 years)	Director
8.	Mr. Jesus Maria Herrera Barandiaran	21/03/1967 (47 years)	Director
9.	Mr. Jose Sabino Velasco Ibanez	30/12/1959 (54 years)	Director

20. None of the Directors and the Key Managerial Personnel (as defined under Companies Act, 2013) and their Relatives have any interest in the Integrated Scheme except:

a) as shareholders in general of the respective companies, the extent of which is as stated below:

Sr. No.	Names	Shareholding in Applicant Company	Shareholding in Transferor Company 1	Shareholding in Transferor Company 2	Shareholding in Transferor Company 3	Shareholding in Transferor Company 4	Shareholding in Transferor Company 5
1.	Mr. Hemant Luthra	1000	Nil	68,406	Nil	Nil	Nil
2.	Mr. Daljit Mirchandani	11,250	Nil	Nil	Nil	Nil	Nil
3.	Mr. K. Ramaswami	26,167	Nil	Nil	Nil	Nil	Nil
4.	Mr. Krishnan Shankar	3,656	Nil	Nil	Nil	Nil	Nil

b) to the extent of common directorships in the Transferor Companies, details of which are as under:

Sr. No.	Directors of Applicant Company	Directorship in Transferor Company 1	Directorship in Transferor Company 2	Directorship in Transferor Company 3	Directorship in Transferor Company 4	Directorship in Transferor Company 5
1.	Mr. Hemant Luthra	Yes	Yes	No	Yes	No
2.	Mr. K. Ramaswami	Yes	No	No	No	No
3.	Mr. Daljit Mirchandani	No	Yes	No	No	No
4.	Mr. Dhananjay Mungale	No	No	No	No	No
5.	Mr. Manoj Maheshwari	No	Yes	No	No	No
6.	Mr. Jose Ramon Bercibar Mutiozabal	Yes	No	No	No	No
7.	Mr. Antonio Maria Pradera Jauregui	Yes	No	No	No	No
8.	Mr. Jesus Maria Herrera Barandiaran	Yes	No	No	No	No
9.	Mr. Jose Sabino Velasco Ibanez	No	No	No	No	No

21. The following documents are open for inspection by the equity shareholders of the Company at the Registered Office of the Company between 10.00 a.m. and 6.00 p.m. on any working day except Saturdays and Sundays:

- (a) Integrated Scheme;
- (b) Memorandum and Articles of Association of the Company;
- (c) Memorandum and Articles of Association of MHIL;
- (d) Memorandum and Articles of Association of MUSCO;
- (e) Memorandum and Articles of Association of MIPL;
- (f) Articles of Association of PIA 3;
- (g) The audited financials of the Company, MHIL, MUSCO and MGIL for last three financial years ended 31st March 2013, 31st March 2012 and 31st March 2011;
- (h) The unaudited financials of the Company, MHIL and MUSCO from 1st April, 2013 till 31st December, 2013;
- (i) The unaudited financials of MGIL from 1st April, 2013 till 30th September, 2013;
- (j) The unaudited financials of MIPL and PIA 3 since incorporation till 31st December, 2013;
- (k) Copy of the valuation report dated 15th June, 2013 from M/s. S.R. Batliboi & Co, LLP;

- (l) Copy of the valuation report dated 15th June, 2013 from M/s. N.M. Raiji & Co;
- (m) Copy of the fairness opinion report dated 15th June, 2013 from ICICI Securities Limited;
- (n) Copy of the complaints report dated 22nd November, 2013;
- (o) Copy of the Observation letters dated 7th March, 2014 issued by the NSE and the BSE; and
- (p) Copy of the audit committee report of the Company dated June 15, 2013.

Date : 10th May, 2014

Place: Mumbai

**By Order of the Board
For Mahindra CIE Automotive Limited**

**Krishnan Shankar
Company Secretary and Head - Legal**

ANNEXURE I

INTEGRATED SCHEME OF AMALGAMATION UNDER SECTIONS 391 TO 394 OF THE COMPANIES ACT, 1956

OF

Mahindra Hinoday Industries Limited		Transferor Company 1
	AND	
Mahindra UGINE Steel Company Limited		Transferor Company 2
	AND	
Mahindra Gears International Limited		Transferor Company 3
	AND	
Mahindra Investments (India) Private Limited		Transferor Company 4
	AND	
Participaciones Internacionales Autometal TRES, S.L.		Transferor Company 5
	WITH	
Mahindra CIE Automotive Limited (formerly known as Mahindra Forgings Limited)		Transferee Company

- A. **Mahindra Hinoday Industries Limited** is a public limited company incorporated under the Act with its registered office at Mahindra Towers, P.K. Kurne Chowk, Worli, Mumbai – 400018, Maharashtra (“**Transferor Company 1**”). The Transferor Company 1 is engaged in the business of manufacture and sale of parts, including but not limited to parts used in automotive industry, using castings (ductile iron and CG Iron grades).
- B. **Mahindra UGINE Steel Company Limited** is a public limited company incorporated under the Act with its registered office at 74, Ganesh Apartment, LJ Road, Mahim, Mumbai - 400016, Maharashtra (“**Transferor Company 2**”). The Transferor Company 2 is engaged in the business of manufacture and sale of parts, including but not limited to parts used in automotive industry, using stampings (cold stamped HR/ CR steel grades). The equity shares of the Transferor Company 2 are listed on the BSE and the NSE.
- C. **Mahindra Gears International Limited** is a company incorporated under the laws of Mauritius with its registered office at IFS Court, Twenty Eight Cybercity, Ebene, Mauritius (“**Transferor Company 3**”). The principal business of the Transferor Company 3 is to act as an investment holding company.
- D. **Mahindra Investment (India) Private Limited** is a private limited company incorporated under the Act with its registered office at Mahindra Towers, near Doordarshan Kendra, Pandurang Budhkar Marg, Worli, Mumbai – 400018, Maharashtra (“**Transferor Company 4**”). The principal business of the Transferor Company 4 is to act as an investment holding company.
- E. **Participaciones Internacionales Autometal Tres, S.L.** is a company incorporated under the laws of Spain with its registered office at Iparraguirre nº 34, 2º derecha, 48011 Bilbao (Spain) (“**Transferor Company 5**”). The Transferor Company 5 is a holding company which is engaged in the business of holding companies within the automotive sector. (Transferor Company 1, Transferor Company 2, Transferor Company 3, Transferor Company 4 and Transferor Company 5 together are hereinafter referred to as the “**Transferor Companies**”).
- F. **Mahindra CIE Automotive Limited** (formerly known as Mahindra Forgings Limited) is a public limited company incorporated under the Act with its registered office at Mahindra Towers, P.K. Kurne Chowk, Worli, Mumbai – 400018, Maharashtra, India (“**Transferee Company**”). The Transferee Company is engaged in the business of manufacture and sale of parts, including but not limited to parts used in the automotive industry, using forgings (hot forged ferrous grades excluding stainless steel). The equity shares of the Transferee Company are listed on the BSE and the NSE.
- G. **The Transferor Companies and the Transferee Company** are engaged in complementary businesses. CIE, being in control of Transferor Company 5, believes that following the acquisition of a controlling stake in the Transferor Company 1 and the Transferee Company, combining the businesses of the Transferor Companies and the Transferee Company will result in enhancing shareholder value for the shareholders of each of the Transferor Companies and the Transferee Company.
- H. Accordingly, this Scheme provides for the amalgamation of the Transferor Companies with the Transferee Company and the consequent issue of equity shares of the Transferee Company to the shareholders of the Transferor Companies pursuant to Sections 391 to 394 and other relevant provisions of the Act, and various other matters consequential to or otherwise connected with the above in the manner provided for in this Scheme.

- I. The amalgamation of the Transferor Companies with the Transferee Company pursuant to this Scheme shall take place with effect from the Appointed Date and shall be in accordance with the provisions of Section 2(1B) of the Income Tax Act, 1961.
- J. This Scheme is divided into the following parts:
- (a) **Part I**, which deals with the introduction and definitions, and sets out the share capital of each of the Transferor Companies and the Transferee Company;
 - (b) **Part II**, which deals with the amalgamation of the Transferor Companies with the Transferee Company; and
 - (c) **Part III**, which deals with the dissolution of the Transferor Companies and the general terms and conditions applicable to this Scheme.

PART I - GENERAL

1. Definitions And Interpretation

- (a) In this Scheme, unless the context or meaning otherwise requires (i) terms defined in the introductory paragraphs and recitals shall have the same meanings throughout this Scheme and (ii) the following words and expressions, wherever used (including in the recitals and the introductory paragraphs above), shall have the following meanings:
- “**Act**” means the Companies Act, 1956;
- “**Affiliate**” means in relation to any Person, any Person that directly or indirectly through 1 (one) or more Person(s), Controls, is Controlled by, or is under common Control with, the Person;
- “**Applicable Law**” or “**Law**” means any applicable statute, law, regulation, ordinance, rule, judgment, order, decree, clearance, approval from the concerned authority, directive, guideline, press note, policy, requirement, or other governmental restriction or any similar form of decision, or determination by, or any interpretation or administration of any of the foregoing by, any Government Authority in effect in the Republic of India, Mauritius or Spain;
- “**Appointed Date**” means October 1, 2013;
- “**Board of Directors**” or “**Board**” in relation to each of the Transferor Companies and the Transferee Company, as the case may be, means the board of directors of such company, and shall include a committee duly constituted and authorised for the purposes of matters pertaining to the amalgamation, this Scheme and/or any other matter relating thereto;
- “**BSE**” means The BSE Limited;
- “**CIE**” means CIE Automotive S.A., a company (“*Sociedad Anónima*”) incorporated under the laws of Spain, having its registered office at Iparraguirre nº 34, 2º derecha, 48011 Bilbao (Spain) and listed on the Madrid and Bilbao stock exchanges;
- “**CIE Group**” means CIE and Persons that CIE Controls;
- “**Commencement Date**” shall mean June 15, 2013;
- “**Control**” means (i) in relation to a body corporate, the right to exercise, or control the exercise, whether directly or indirectly, acting alone or together with another Person, of more than 50% (fifty percent) of the total voting rights at a general meeting of that body corporate, or the right or power to direct, whether directly or indirectly, acting alone or together with another Person, the policy decisions of that body corporate, including the composition of any board of directors (or equivalent body) of that body corporate, or (ii) in relation to any Person which is not a body corporate, the right or power to direct, whether directly or indirectly, acting alone or together with another Person, the policy decisions of that Person;
- “**EUR**” means an unit of currency that is used by the member countries of the European Union which have joined the European monetary union;
- “**Effective Date**” means the last of the dates on which all the conditions and matters referred to in Clause 18 occur or have been fulfilled or waived in accordance with this Scheme. References in this Scheme to date of ‘coming into effect of this Scheme’ or ‘effectiveness of this Scheme’ or ‘Scheme coming into effect’ shall mean the Effective Date;
- “**Eligible Employees**” means the Employees and the employees of any holding or subsidiary company of the Transferor Company 2 who are entitled to employee stock options under the Transferor Company 2 Stock Option Scheme, and to whom, as on the Record Date, options of the Transferor Company 2 have been granted, irrespective of whether the same are vested or not;

“Employees” mean all the permanent employees of each of the Transferor Companies, as the case may be, as on the Effective Date;

“Encumbrance” means any mortgage, pledge, equitable interest, assignment by way of security, conditional sales contract, hypothecation, right of other persons, claim, security interest, encumbrance, title defect, title retention agreement, voting trust agreement, interest, option, lien, charge, commitment, restriction or limitation of any nature whatsoever, including restriction on use, voting rights, transfer, receipt of income or exercise of any other attribute of ownership, right of set-off, any arrangement (for the purpose of, or which has the effect of, granting security), or any other security interest of any kind whatsoever, or any agreement, whether conditional or otherwise, to create any of the same and the term **“Encumbered”** shall be construed accordingly;

“Existing Stock Option Scheme” means the Employees’ Stock Option Scheme, 2007 of the Transferee Company;

“Funds” shall have the meaning assigned to it in Clause 8(c);

“Gears India OpCo” means Mahindra Gears and Transmission Private Limited, a company incorporated under the Act, having its registered office at Mahindra Towers, P.K. Kurne Chowk, Worli, Mumbai 400018, Maharashtra, India;

“Gears India OpCo SPA” means the share purchase agreement entered into on or about even date between M&M, the Transferor Company 4, Gears India OpCo and the Transferee Company, for the purchase by the Transferor Company 4 of all of the shares of Gears India OpCo held by M&M;

“Governmental Authority” means (i) a national government, political subdivision thereof; (ii) an instrumentality, board, commission, court, or agency, whether civilian or military, of any of the above, however constituted; and (iii) a government-owned/ government-controlled association, organization in the Republic of India, Mauritius or Spain;

“High Court” means the High Court of Judicature at Mumbai and shall include the National Company Law Tribunal, as applicable or such other forum or authority as may be vested with any of the powers of a High Court under Sections 391 to 394 of the Act;

“INR” or **“Rupees”** means the lawful currency of Republic of India;

“Implementation Period” means the period intervening the Commencement Date and the Effective Date;

“Integration Committee” shall have the meaning assigned to it in Clause 14;

“Liabilities” shall have the meaning assigned to it in Clause 6(a);

“Mahindra Composites Limited” means a company incorporated under the Act, having its registered office at 145, Mumbai-Pune Road, Pimpri, Pune 411018, Maharashtra, India and listed on the BSE;

“Mahindra Systech Companies” mean the Transferor Companies (other than the Transferor Company 5) and Mahindra Composites Limited;

“M&M” means Mahindra & Mahindra Limited, a public limited company incorporated under the Act, having its registered office at Gateway Building, Apollo Bunder, Mumbai – 400001, Maharashtra, India and listed on the Stock Exchanges;

“M&M Group” means M&M and Persons that M&M Controls;

“MOICML” means Mahindra Overseas Investment Company (Mauritius) Limited, a company incorporated under the laws of Mauritius, having its registered office at IFS Court, Twenty Eight Cybercity, Ebene, Mauritius;

“MUSCO Investments” means all the shares held by the Transferor Company 2 in (a) Mahindra Sanyo Special Steel Private Limited (b) Mahindra Hotels & Resorts Limited; (c) Indian & Eastern Engineer Company Limited; (d) Mahindra & Mahindra Contech Limited; (e) Mahindra Construction Limited; (f) Orissa Sponge Iron Limited; (g) Dena Bank Limited; and (h) Kotak Mahindra Bank Limited;

“MUSCO Real Estate” means the colony land admeasuring approx 76 (seventy six) acres owned by the Transferor Company 2 and situated at Khopoli, Maharashtra;

“Net Financial Debt” means all financial debt less cash, cash equivalents and liquid assets on a consolidated basis;

“NSE” means the National Stock Exchange of India Limited;

“Person” means any individual (including in his capacity as trustee), entity, joint venture, company, corporation, partnership (whether limited or unlimited), proprietorship or other enterprise (whether incorporated or not), Hindu undivided family, union, association of persons, government (central, state or otherwise), or any agency, department, authority or political subdivision thereof, and shall include their respective successors and in case of

an individual shall include his/her legal representatives, administrators, executors and heirs and in case of a trust shall include the trustee or the trustees and the beneficiary or beneficiaries from time to time;

“Record Date” means the date to be fixed by the Board of Directors of the Transferee Company for the purpose of determining the equity shareholders of each of the Transferor Companies, to whom shares of the Transferee Company will be allotted pursuant to this Scheme;

“Registrar of Companies” means the Registrar of Companies, Maharashtra, Mumbai;

“Scheme” means this integrated scheme of amalgamation, as amended or modified in accordance with the provisions hereof;

“SEBI” means the Securities and Exchange Board of India established under the Securities and Exchange Board of India Act, 1992;

“SEBI Circulars” mean Circular No. CIR/CFD/DIL/5/2013 dated February 4, 2013 and Circular No. CIR/CFD/DIL/8/2013 dated May 21, 2013, each issued by the SEBI;

“Stock Exchanges” mean each of the BSE and the NSE;

“Transferor Company 1 Undertaking” means all the undertakings and entire business of the Transferor Company 1 as a going concern, including, without limitation:

- (i) all the assets and properties (whether movable or immovable, tangible or intangible, real or personal, in possession or reversion, corporeal or incorporeal, present, future or contingent of whatsoever nature) of the Transferor Company 1, whether situated in India or abroad, including, without limitation, all manufacturing units and facilities, all land, buildings and structures, offices, residential and other premises, capital work-in-progress, machines and equipments, furniture, fixtures, office equipment, computers, appliances, accessories, power lines, stocks, current assets (including inventories, sundry debtors, bills of exchange, loans and advances), investments of all kinds (including shares, scrips, stocks, bonds, debenture stocks, units or pass through certificates), cash and bank accounts (including bank balances), contingent rights or benefits, benefits of any deposits, earnest monies, receivables, advances or deposits paid by or deemed to have been paid by the Transferor Company 1, financial assets, benefit of any bank guarantees, performance guarantees and letters of credit, leases (including lease rights), hire purchase contracts and assets, lending contracts, rights and benefits under any agreement, benefit of any security arrangements or under any guarantees, reversions, powers, tenancies in relation to the office and/or residential properties, guest houses, godowns, warehouses, vehicles, D.G. sets, share of any joint assets, rights to use and avail of telephones, telexes, facsimile, email, internet, leased line connections and installations, utilities, electricity and other services, reserves, provisions, funds, benefits of assets or properties or other interest held in trust, registrations, contracts, engagements, arrangements of all kind, privileges and all other rights, easements, privileges, liberties and advantages of whatsoever nature and wheresoever situate belonging to or in the ownership, power or possession and in the control of or vested in or granted in favour of or enjoyed by the Transferor Company 1 or in connection with or relating to the Transferor Company 1 and all other interests of whatsoever nature belonging to or in the ownership, power, possession or the control of or vested in or granted in favour of or held for the benefit of or enjoyed by the Transferor Company 1, whether in India or abroad;
- (ii) all permits, quotas, rights, entitlements, industrial and other licences, bids, tenders, letters of intent, expressions of interest, development rights (whether vested or potential and whether under agreements or otherwise), municipal permissions, approvals, consents, subsidies, privileges, income tax benefits and exemptions in respect of the profits of the undertaking for the residual period, i.e., for the period remaining as on the Appointed Date out of the total period for which the benefit or exemption is available in law if the amalgamation pursuant to this Scheme does not take place, all other rights including sales tax deferrals and exemptions and other benefits, receivables, and liabilities related thereto, licenses, powers and facilities of every kind, nature and description whatsoever, provisions and benefits of all agreements, contracts and arrangements and all other interests in connection with or relating to the Transferor Company 1;
- (iii) all debts, borrowings, obligations, duties and liabilities, both present and future (including deferred tax liabilities, contingent liabilities and the Liabilities and obligations under any licenses or permits or schemes) of every kind, nature and description whatsoever and howsoever arising, raised or incurred or utilized, whether secured or unsecured, whether in Rupees or foreign currency, whether provided for or not in the books of accounts or disclosed in the balance sheet of the Transferor Company 1; and
- (iv) all trade and service names and marks, patents, copyrights, designs and other intellectual property rights

of any nature whatsoever, books, records, files, papers, engineering and process information, software licenses (whether proprietary or otherwise), drawings, computer programmes, manuals, data, catalogues, quotations, sales and advertising material, lists of present and former customers and suppliers, other customer information, customer credit information, customer pricing information and all other records and documents, whether in physical or electronic form relating to business activities and operations of the Transferor Company 1.

“Transferor Company 2 Undertaking” means all the undertakings and entire business of the Transferor Company 2 as a going concern, including, without limitation:

- (i) all the assets and properties (whether movable or immovable, tangible or intangible, real or personal, in possession or reversion, corporeal or incorporeal, present, future or contingent of whatsoever nature) of the Transferor Company 2, whether situated in India or abroad, including, without limitation, all manufacturing units and facilities, all lands, buildings and structures, offices, residential and other premises, capital work-in-progress, machines and equipments, furniture, fixtures, office equipment, computers, appliances, accessories, power lines, stocks, current assets (including inventories, sundry debtors, bills of exchange, loans and advances), investments of all kinds (including shares, scrips, stocks, bonds, debenture stocks, units or pass through certificates), cash and bank accounts (including bank balances), contingent rights or benefits, benefits of any deposits, earnest monies, receivables, advances or deposits paid by or deemed to have been paid by the Transferor Company 2, financial assets, benefit of any bank guarantees, performance guarantees and letters of credit, leases (including lease rights), hire purchase contracts and assets, lending contracts, rights and benefits under any agreement, benefit of any security arrangements or under any guarantees, reversions, powers, tenancies in relation to the office and/or residential properties, guest houses, godowns, warehouses, vehicles, D.G. sets, share of any joint assets, rights to use and avail of telephones, telexes, facsimile, email, internet, leased line connections and installations, utilities, electricity and other services, reserves, provisions, funds, benefits of assets or properties or other interest held in trust, registrations, contracts, engagements, arrangements of all kind, privileges and all other rights, easements, privileges, liberties and advantages of whatsoever nature and wheresoever situate belonging to or in the ownership, power or possession and in the control of or vested in or granted in favour of or enjoyed by the Transferor Company 2 or in connection with or relating to the Transferor Company 2 and all other interests of whatsoever nature belonging to or in the ownership, power, possession or the control of or vested in or granted in favour of or held for the benefit of or enjoyed by the Transferor Company 2, whether in India or abroad;
- (ii) all permits, quotas, rights, entitlements, industrial and other licences, bids, tenders, letters of intent, expressions of interest, development rights (whether vested or potential and whether under agreements or otherwise), municipal permissions, approvals, consents, subsidies, privileges, income tax benefits and exemptions in respect of the profits of the undertaking for the residual period, i.e., for the period remaining as on the Appointed Date out of the total period for which the benefit or exemption is available in law if the amalgamation pursuant to this Scheme does not take place, all other rights including sales tax deferrals and exemptions and other benefits, receivables, and liabilities related thereto, licenses, powers and facilities of every kind, nature and description whatsoever provisions and benefits of all agreements, contracts and arrangements and all other interests in connection with or relating to the Transferor Company 2;
- (iii) all debts, borrowings, obligations, duties and liabilities, both present and future (including deferred tax liabilities, contingent liabilities and the Liabilities and obligations under any licenses or permits or schemes) of every kind, nature and description whatsoever and howsoever arising, raised or incurred or utilized, whether secured or unsecured, whether in Rupees or foreign currency, whether provided for or not in the books of accounts or disclosed in the balance sheet of the Transferor Company 2; and
- (iv) all trade and service names and marks, patents, copyrights, designs and other intellectual property rights of any nature whatsoever, books, records, files, papers, engineering and process information, software licenses (whether proprietary or otherwise), drawings, computer programmes, manuals, data, catalogues, quotations, sales and advertising material, lists of present and former customers and suppliers, other customer information, customer credit information, customer pricing information and all other records and documents, whether in physical or electronic form relating to business activities and operations of the Transferor Company 2.

“Transferor Company 3 Undertaking” means all the undertakings and entire business of the Transferor Company 3 as a going concern, including, without limitation:

- (i) all the assets and properties (whether movable or immovable, tangible or intangible, real or personal, in possession or reversion, corporeal or incorporeal, present, future or contingent of whatsoever nature) of the Transferor Company 3, whether situated in Mauritius or abroad, including, without limitation, all manufacturing units and facilities, all land, buildings and structures, offices, residential and other premises, capital work-in-progress, machines and equipments, furniture, fixtures, office equipment, computers, appliances, accessories, power lines, stocks, current assets (including inventories, sundry debtors, bills of exchange, loans and advances), investments of all kinds (including shares, scrips, stocks, bonds, debenture stocks, units or pass through certificates), cash and bank accounts (including bank balances), contingent rights or benefits, benefits of any deposits, earnest monies, receivables, advances or deposits paid by or deemed to have been paid by the Transferor Company 3, financial assets, benefit of any bank guarantees, performance guarantees and letters of credit, leases (including lease rights), hire purchase contracts and assets, lending contracts, rights and benefits under any agreement, benefit of any security arrangements or under any guarantees, reversions, powers, tenancies in relation to the office and/or residential properties, guest houses, godowns, warehouses, vehicles, D.G. sets, share of any joint assets, rights to use and avail of telephones, telexes, facsimile, email, internet, leased line connections and installations, utilities, electricity and other services, reserves, provisions, funds, benefits of assets or properties or other interest held in trust, registrations, contracts, engagements, arrangements of all kind, privileges and all other rights, easements, privileges, liberties and advantages of whatsoever nature and wheresoever situate belonging to or in the ownership, power or possession and in the control of or vested in or granted in favour of or enjoyed by the Transferor Company 3 or in connection with or relating to the Transferor Company 3 and all other interests of whatsoever nature belonging to or in the ownership, power, possession or the control of or vested in or granted in favour of or held for the benefit of or enjoyed by the Transferor Company 3, whether in Mauritius or abroad;
- (ii) all permits, quotas, rights, entitlements, industrial and other licences, bids, tenders, letters of intent, expressions of interest, development rights (whether vested or potential and whether under agreements or otherwise), municipal permissions, approvals, consents, subsidies, privileges, income tax benefits and exemptions in respect of the profits of the undertaking for the residual period, i.e., for the period remaining as on the Appointed Date out of the total period for which the benefit or exemption is available in law if the amalgamation pursuant to this Scheme does not take place, all other rights including sales tax deferrals and exemptions and other benefits, receivables, and liabilities related thereto, licenses, powers and facilities of every kind, nature and description whatsoever provisions and benefits of all agreements, contracts and arrangements and all other interests in connection with or relating to the Transferor Company 3;
- (iii) all debts, borrowings, obligations, duties and liabilities, both present and future (including deferred tax liabilities, contingent liabilities and the Liabilities and obligations under any licenses or permits or schemes) of every kind, nature and description whatsoever and howsoever arising, raised or incurred or utilized, whether secured or unsecured, whether in Rupees or foreign currency, whether provided for or not in the books of accounts or disclosed in the balance sheet of the Transferor Company 3; and
- (iv) all trade and service names and marks, patents, copyrights, designs and other intellectual property rights of any nature whatsoever, books, records, files, papers, engineering and process information, software licenses (whether proprietary or otherwise), drawings, computer programmes, manuals, data, catalogues, quotations, sales and advertising material, lists of present and former customers and suppliers, other customer information, customer credit information, customer pricing information and all other records and documents, whether in physical or electronic form relating to business activities and operations of the Transferor Company 3.

“Transferor Company 4 Undertaking” means all the undertakings and entire business of the Transferor Company 4 as a going concern, including, without limitation:

- (i) all the assets and properties (whether movable or immovable, tangible or intangible, real or personal, in possession or reversion, corporeal or incorporeal, present, future or contingent of whatsoever nature) of the Transferor Company 4, whether situated in India or abroad, including, without limitation, all manufacturing units and facilities, all land, buildings and structures, offices, residential and other premises, capital work-in-progress, machines and equipments, furniture, fixtures, office equipment, computers, appliances, accessories, power lines, stocks, current assets (including inventories, sundry debtors, bills of exchange, loans and advances), investments of all kinds (including shares, scrips, stocks, bonds, debenture stocks, units or pass through certificates), cash and bank accounts (including bank balances), contingent rights or benefits, benefits of any deposits, earnest monies, receivables, advances or deposits paid by or deemed to

have been paid by the Transferor Company 4, financial assets, benefit of any bank guarantees, performance guarantees and letters of credit, leases (including lease rights), hire purchase contracts and assets, lending contracts, rights and benefits under any agreement, benefit of any security arrangements or under any guarantees, reversions, powers, tenancies in relation to the office and/or residential properties, guest houses, godowns, warehouses, vehicles, D.G. sets, share of any joint assets, rights to use and avail of telephones, telexes, facsimile, email, internet, leased line connections and installations, utilities, electricity and other services, reserves, provisions, funds, benefits of assets or properties or other interest held in trust, registrations, contracts, engagements, arrangements of all kind, privileges and all other rights, easements, privileges, liberties and advantages of whatsoever nature and wheresoever situate belonging to or in the ownership, power or possession and in the control of or vested in or granted in favour of or enjoyed by the Transferor Company 4 or in connection with or relating to the Transferor Company 4 and all other interests of whatsoever nature belonging to or in the ownership, power, possession or the control of or vested in or granted in favour of or held for the benefit of or enjoyed by the Transferor Company 4, whether in India or abroad;

- (ii) all permits, quotas, rights, entitlements, industrial and other licences, bids, tenders, letters of intent, expressions of interest, development rights (whether vested or potential and whether under agreements or otherwise), municipal permissions, approvals, consents, subsidies, privileges, income tax benefits and exemptions in respect of the profits of the undertaking for the residual period, i.e., for the period remaining as on the Appointed Date out of the total period for which the benefit or exemption is available in law if the amalgamation pursuant to this Scheme does not take place, all other rights including sales tax deferrals and exemptions and other benefits, receivables, and liabilities related thereto, licenses, powers and facilities of every kind, nature and description whatsoever provisions and benefits of all agreements, contracts and arrangements and all other interests in connection with or relating to the Transferor Company 4;
- (iii) all debts, borrowings, obligations, duties and liabilities, both present and future (including deferred tax liabilities, contingent liabilities and the Liabilities and obligations under any licenses or permits or schemes) of every kind, nature and description whatsoever and howsoever arising, raised or incurred or utilized, whether secured or unsecured, whether in Rupees or foreign currency, whether provided for or not in the books of accounts or disclosed in the balance sheet of the Transferor Company 4; and
- (iv) all trade and service names and marks, patents, copyrights, designs and other intellectual property rights of any nature whatsoever, books, records, files, papers, engineering and process information, software licenses (whether proprietary or otherwise), drawings, computer programmes, manuals, data, catalogues, quotations, sales and advertising material, lists of present and former customers and suppliers, other customer information, customer credit information, customer pricing information and all other records and documents, whether in physical or electronic form relating to business activities and operations of the Transferor Company 4.

“Transferor Company 5 Undertaking” means all the undertakings and entire business of the Transferor Company 5 as a going concern, including, without limitation:

- (i) all the assets and properties (whether movable or immovable, tangible or intangible, real or personal, in possession or reversion, corporeal or incorporeal, present, future or contingent of whatsoever nature) of the Transferor Company 5, whether situated in Spain or abroad, including, without limitation, all manufacturing units and facilities, all land, buildings and structures, offices, residential and other premises, capital work-in-progress, machines and equipments, furniture, fixtures, office equipment, computers, appliances, accessories, power lines, current assets (including inventories, sundry debtors, bills of exchange, loans and advances), investments of all kinds (including shares, scrips, stocks, bonds, debenture stocks, units or pass through certificates), cash and bank accounts (including bank balances), contingent rights or benefits, benefits of any deposits, earnest monies, receivables, advances or deposits paid by or deemed to have been paid by the Transferor Company 5, financial assets, benefit of any bank guarantees, performance guarantees and letters of credit, leases (including lease rights), hire purchase contracts and assets, lending contracts, rights and benefits under any agreement, benefit of any security arrangements or under any guarantees, reversions, powers, tenancies in relation to the office and/or residential properties, guest houses, godowns, warehouses, vehicles, D.G. sets, share of any joint assets, rights to use and avail of telephones, telexes, facsimile, email, internet, leased line connections and installations, utilities, electricity and other services, reserves, provisions, funds, benefits of assets or properties or other interest held in trust, registrations, contracts, engagements, arrangements of all kind, privileges and all other rights, easements,

privileges, liberties and advantages of whatsoever nature and wheresoever situate belonging to or in the ownership, power or possession and in the control of or vested in or granted in favour of or enjoyed by the Transferor Company 5 or in connection with or relating to the Transferor Company 5 and all other interests of whatsoever nature belonging to or in the ownership, power, possession or the control of or vested in or granted in favour of or held for the benefit of or enjoyed by the Transferor Company 5, whether in Spain or abroad;

- (ii) all permits, quotas, rights, entitlements, industrial and other licences, bids, tenders, letters of intent, expressions of interest, development rights (whether vested or potential and whether under agreements or otherwise), municipal permissions, approvals, consents, subsidies, privileges, income tax benefits and exemptions in respect of the profits of the undertaking for the residual period, i.e., for the period remaining as on the Appointed Date out of the total period for which the benefit or exemption is available in law if the amalgamation pursuant to this Scheme does not take place, all other rights including sales tax deferrals and exemptions and other benefits, receivables, and liabilities related thereto, licenses, powers and facilities of every kind, nature and description whatsoever provisions and benefits of all agreements, contracts and arrangements and all other interests in connection with or relating to the Transferor Company 5;
- (iii) all debts, borrowings, obligations, duties and liabilities, both present and future (including deferred tax liabilities, contingent liabilities and the Liabilities and obligations under any licenses or permits or schemes) of every kind, nature and description whatsoever and howsoever arising, raised or incurred or utilized, whether secured or unsecured, whether in Rupees or foreign currency, whether provided for or not in the books of accounts or disclosed in the balance sheet of the Transferor Company 5; and
- (iv) all trade and service names and marks, patents, copyrights, designs and other intellectual property rights of any nature whatsoever, books, records, files, papers, engineering and process information, software licenses (whether proprietary or otherwise), drawings, computer programmes, manuals, data, catalogues, quotations, sales and advertising material, lists of present and former customers and suppliers, other customer information, customer credit information, customer pricing information and all other records and documents, whether in physical or electronic form relating to business activities and operations of the Transferor Company 5.

“**Transferee Company Representatives**” shall be any of the following sets of people:

- (a) Mr. Jesus Maria Herrera Brandiaran, Mr. Pedro Echeagaray, Mr. Ignacio Artazcoz Barrena, Mr. Roberto Alonso Ruiz or Mr. Jose Ramon Berecibar; and
- (b) Mr. K. Ramaswami or Mr. Sanjay Joglekar;

“**Transferor Company 2 Stock Option Scheme**” shall have the meaning assigned to it in Clause 8(e);

“**Transferee Company Stock Option Scheme**” shall have the meaning assigned to it in Clause 8(e); and

“**Undertakings**” means the Transferor Company 1 Undertaking, the Transferor Company 2 Undertaking, the Transferor Company 3 Undertaking, the Transferor Company 4 Undertaking and the Transferor Company 5 Undertaking collectively.

- (b) All terms used but not defined in this Scheme shall, unless contrary to the context or meaning thereof, have the same meaning ascribed to them under the Act or any statutory modification or re-enactment thereof for the time being in force or any legislation which replaces the Act.
- (c) References to clauses and recitals, unless otherwise provided, are to clauses and recitals of and to this Scheme.
- (d) The headings herein shall not affect the construction of this Scheme.
- (e) Unless the context otherwise requires:
 - (i) the singular shall include the plural and *vice versa*, and references to one gender include all genders.
 - (ii) references to a person include any individual, firm, body corporate (whether incorporated), government, state or agency of a state or any joint venture, association, partnership, works council or employee representatives body (whether or not having separate legal personality).
 - (iii) reference to any law or to any provision thereof or to any rule or regulation promulgated thereunder includes a reference to such law, provision, rule or regulation as it may, from time to time, be amended, supplemented or re-enacted, or to any law, provision, rule or regulation that replaces it.
 - (iv) Without prejudice to generality of (iii) above, references to the Companies Act, 1956 and specific provisions thereof will be deemed to mean or include references to Companies Act, 2013 and corresponding provisions thereof, as and when provisions of the Companies Act, 2013 are made effective.

2. *Share Capital*

(a) Transferor Company 1

The share capital structure of the Transferor Company 1 as on June 15, 2013 is as under:

A. Authorised Share Capital	Amount in INR
57,000,000 equity shares of INR 10 per equity share	570,000,000
15,000,000 cumulative redeemable preference shares of INR 10 per share	150,000,000
Total	720,000,000

B. Issued and Subscribed Share Capital	Amount in INR
46,576,717 equity shares of INR 10 per equity share	465,767,170
Total	465,767,170

C. Paid-up Share Capital	Amount in INR
46,576,717 equity shares of INR 10 per equity share fully paid up	465,767,170
Total	465,767,170

The equity shares of the Transferor Company 1 are not listed on any stock exchange.

(b) Transferor Company 2

The share capital structure of the Transferor Company 2 as on June 15, 2013 is as under:

A. Authorised Share Capital	Amount in INR
119,000,000 equity shares of INR 10 per equity share	1,190,000,000
3,100,000 cumulative redeemable preference shares of INR 100 per share	310,000,000
Total	1,500,000,000

B. Issued and Subscribed Share Capital	Amount in INR
32,482,529 equity shares of INR 10 per equity share	324,825,290
Total	324,825,290

C. Paid-up Share Capital	Amount in INR
32,482,529 equity shares of INR 10 per equity share fully paid up	324,825,290
Total	324,825,290

The equity shares of the Transferor Company 2 are listed on the Stock Exchanges.

(c) Transferor Company 3

The share capital structure of the Transferor Company 3 as on June 15, 2013 is as under:

A. Issued and Subscribed Share Capital	Amount in EUR
23,000,001 equity shares of EUR 1 per equity share	23,000,001
Total	23,000,001

B. Paid-up Share Capital	Amount in EUR
23,000,001 equity shares of EUR 1 per equity share fully paid up	23,000,001
Total	23,000,001

The equity shares of the Transferor Company 3 are not listed on any stock exchange.

(d) Transferor Company 4

The share capital structure of the Transferor Company 4 as on June 15, 2013 is as under:

A. Authorised Share Capital	Amount in INR
82,000,000 equity shares of INR 10 per equity share	820,000,000
Total	820,000,000

B. Issued and Subscribed Share Capital	Amount in INR
80,056,580 equity shares of INR 10 per equity share	800,565,800
Total	800,565,800

C. Paid-up Share Capital	Amount in INR
80,056,580 equity shares of INR 10 per equity share fully paid up	800,565,800
Total	800,565,800

The equity shares of the Transferor Company 4 are not listed on any stock exchange.

(e) Transferor Company 5

The share capital structure of the Transferor Company 5 as on June 15, 2013 is as under:

A. Authorised Share Capital	Amount in EUR
60,003,000 equity shares of EUR 1 per equity share	60,003,000
Total	60,003,000

B. Issued and Subscribed Share Capital	Amount in EUR
60,003,000 equity shares of EUR 1 per equity share	60,003,000
Total	60,003,000

C. Paid-up Share Capital	Amount in EUR
60,003,000 equity shares of EUR 1 per equity share fully paid up	60,003,000
Total	60,003,000

The equity shares of the Transferor Company 5 are not listed on any stock exchange.

(f) Transferee Company

The share capital structure of Transferee Company as on June 15, 2013 is as under:

A. Authorised Share Capital	Amount in INR
122,000,000 equity shares of INR 10 per share	1,220,000,000
14,820,206 non cumulative non convertible redeemable preference shares of INR 31 each	459,426,386
Total	1,679,426,386

B. Issued and Subscribed Share Capital	Amount in INR
92,173,306 equity shares of INR 10 per equity share	921,733,060
Total	921,733,060

C. Paid-up Share Capital	Amount in INR
92,173,306 equity shares of INR 10 per equity share fully paid up	921,733,060
Total	921,733,060

The equity shares of the Transferee Company are listed on the Stock Exchanges.

PART II – AMALGAMATION OF THE TRANSFEROR COMPANIES WITH THE TRANSFEE COMPANY

Section 1 – Transfer

3. Upon the coming into effect of this Scheme and with effect from the Appointed Date, pursuant to the sanction of this Scheme by the High Court and pursuant to the provisions of Sections 391 to 394 and other applicable provisions, if any, of the Act, the Undertakings shall be and stand vested in or be deemed to have been vested in the Transferee Company, as a going concern without any further act, instrument, deed, matter or thing so as to become, as and from the Appointed Date, the undertaking of the Transferee Company by virtue of and in the manner provided in this Scheme.
4. Vesting of Assets
 - (a) Without prejudice to the generality of Clause 3 above, upon the coming into effect of this Scheme and with effect from the Appointed Date, all the estate, assets, properties, rights, claims, title, interest and authorities including accretions and appurtenances comprised in the Undertakings of whatsoever nature and where so ever situate

shall, under the provisions of Sections 391 to 394 of the Act and all other applicable provisions of Applicable Law, if any, without any further act or deed, be and stand transferred to and vested in the Transferee Company and/or be deemed to be transferred to and vested in the Transferee Company as a going concern so as to become, as and from the Appointed Date, the estate, assets, properties, rights, claims, title, interest and authorities of the Transferee Company.

- (b) Without prejudice to the provisions of Clause 4(a) above, in respect of such of the assets and properties of the Transferor Companies as are movable in nature or incorporeal property or are otherwise capable of vesting or transfer by delivery or possession, or by endorsement and/or delivery, the same shall stand so transferred or vested by each of the Transferor Companies upon the coming into effect of this Scheme, and shall, become the assets and property of the Transferee Company with effect from the Appointed Date pursuant to the provisions of Sections 391 to 394 of the Act, without requiring any deed or instrument of conveyance for transfer or vesting of the same.
- (c) In respect of such of the assets and properties belonging to the Transferor Companies (other than those referred to in Clause 4(b) above) including sundry debtors, receivables, bills, credits, loans and advances, if any, whether recoverable in cash or in kind or for value to be received, bank balances, investments, earnest money and deposits with any government, quasi government, local or other authority or body or with any company or other person, the same shall stand transferred to and vested in the Transferee Company and/or be deemed to have been transferred to and vested in the Transferee Company, without any further act, instrument or deed, cost or charge and without any notice or other intimation to any third party, upon the coming into effect of this Scheme and with effect from the Appointed Date pursuant to the provisions of Sections 391 to 394 of the Act.
- (d) All assets, rights, title, interest, investments and properties of the Transferor Companies as on the Appointed Date, whether or not included in the books of each of the Transferor Companies, and all assets, rights, title, interest, investments and properties, which are acquired by the Transferor Companies on or after the Appointed Date but prior to the Effective Date, shall be deemed to be and shall become the assets, rights, title, interest, investments and properties of the Transferee Company, and shall under the provisions of Sections 391 to 394 and all other applicable provisions, if any, of the Act, without any further act, instrument or deed, be and stand transferred to and vested in and be deemed to have been transferred to and vested in the Transferee Company upon the coming into effect of this Scheme and with effect from the Appointed Date pursuant to the provisions of Sections 391 to 394 of the Act.
- (e) All the licenses, permits, registrations, quotas, entitlements, approvals, permissions, registrations, incentives, tax deferrals, exemptions and benefits, subsidies, concessions, grants, rights, claims, leases, tenancy rights, liberties, special status and other benefits or privileges enjoyed or conferred upon or held or availed of by the Transferor Companies and all rights and benefits that have accrued or which may accrue to the Transferor Companies, whether on, before or after the Appointed Date, including income tax benefits and exemptions, shall, under the provisions of Sections 391 to 394 of the Act and all other applicable provisions, if any, without any further act, instrument or deed, cost or charge be and stand transferred to and vest in and/or be deemed to be transferred to and vested in and be available to the Transferee Company so as to become the licenses, permits, registrations, quotas, entitlements, approvals, permissions, registrations, incentives, tax deferrals, exemptions and benefits, subsidies, concessions, grants, rights, claims, leases, tenancy rights, liberties, special status and other benefits or privileges of the Transferee Company and shall remain valid, effective and enforceable on the same terms and conditions.

5. Contracts, Deeds etc.

- (a) Upon the coming into effect of this Scheme, and subject to the provisions of this Scheme, all contracts, deeds, bonds, agreements, schemes, arrangements and other instruments of whatsoever nature, to which any of the Transferor Companies is a party or to the benefit of which each of the Transferor Companies may be eligible, and which are subsisting or have effect immediately before the Effective Date, shall continue in full force and effect on or against or in favour of, as the case may be, the Transferee Company and may be enforced as fully and effectually as if, instead of the Transferor Company concerned, the Transferee Company had been a party or beneficiary or obligee thereto or thereunder.
- (b) Without prejudice to the other provisions of this Scheme and notwithstanding that vesting of the Undertakings occurs by virtue of this Scheme itself, the Transferee Company may, at any time after the coming into effect of this Scheme, in accordance with the provisions hereof, if so required under any law or otherwise, take such actions and execute such deeds (including deeds of adherence), confirmations or other writings or arrangements with any party to any contract or arrangement to which any of the Transferor Companies is a party or any writings as may be necessary in order to give formal effect to the provisions of this Scheme. The Transferee Company shall, after the Effective Date, under the provisions of this Scheme, be deemed to be authorised to execute any such writings on

behalf of each of the Transferor Companies and to carry out or perform all such formalities or compliances referred to above on the part of each of the Transferor Companies to be carried out or performed.

- (c) Without prejudice to the generality of the foregoing, upon the coming into effect of this Scheme and with effect from the Appointed Date, all consents, permissions, licences, certificates, clearances, authorities, powers of attorney given by, issued to or executed in favour of the Transferor Companies shall stand transferred to the Transferee Company as if the same were originally given by, issued to or executed in favour of the Transferee Company, and the Transferee Company shall be bound by the terms thereof, the obligations and duties thereunder, and the rights and benefits under the same shall be available to the Transferee Company.

6. Transfer of Liabilities

- (a) Upon the coming into effect of this Scheme and with effect from the Appointed Date all debts and liabilities of each of the Transferor Companies including all secured and unsecured debts (in whatsoever currency), liabilities (including contingent liabilities), duties and obligations of each of the Transferor Companies of every kind, nature and description whatsoever whether present or future, and howsoever arising, along with any charge, encumbrance, lien or security thereon (herein referred to as the “**Liabilities**”) shall, pursuant to the sanction of this Scheme by the High Court and under the provisions of Sections 391 to 394 of the Act and other applicable provisions, if any, of the Act, without any further act, instrument, deed, matter or thing, be and stand transferred to and vested in and be deemed to have been transferred to and vested in the Transferee Company, to the extent they are outstanding on the Effective Date so as to become as and from the Appointed Date the Liabilities of the Transferee Company on the same terms and conditions as were applicable to the Transferor Companies, and the Transferee Company shall meet, discharge and satisfy the same and further it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such Liabilities have arisen in order to give effect to the provisions of this Clause 6.
- (b) Where any such debts, liabilities, duties and obligations of each of the Transferor Companies as on the Appointed Date have been discharged by such Transferor Company on or after the Appointed Date and prior to the Effective Date, such discharge shall be deemed to be for and on account of the Transferee Company upon the coming into effect of this Scheme.
- (c) All loans raised and utilised and all liabilities, duties and obligations incurred or undertaken by each of the Transferor Companies on or after the Appointed Date and prior to the Effective Date shall be deemed to have been raised, used, incurred or undertaken for and on behalf of the Transferee Company and to the extent they are outstanding on the Effective Date, shall, upon the coming into effect of this Scheme and under the provisions of Sections 391 to 394 of the Act, without any further act, instrument or deed be and stand transferred to and vested in and be deemed to have been transferred to and vested in the Transferee Company and shall become the loans and liabilities, duties and obligations of the Transferee Company which shall meet, discharge and satisfy the same.
- (d) Loans, advances and other obligations (including any guarantees, letters of credit, letters of comfort or any other instrument or arrangement which may give rise to a contingent liability in whatever form), if any, due or which may at any time from the Appointed Date to the Effective Date become due between each of the Transferor Companies and the Transferee Company shall, ipso facto, stand discharged and come to an end and there shall be no liability in that behalf on any party and the appropriate effect shall be given in the books of accounts and records of the Transferee Company.

7. Encumbrances

- (a) The transfer and vesting of the assets comprised in the Undertakings to the Transferee Company under Clause 4 and Clause 5 of this Scheme shall be subject to the Encumbrances, if any, affecting the same as hereinafter provided.
- (b) All Encumbrances, if any, existing prior to the Effective Date over the assets of each of the Transferor Companies shall, after the Effective Date, without any further act, instrument or deed, continue to relate and attach to such assets or any part thereof to which they are related or attached prior to the Effective Date, provided that if any of the assets of the Transferor Companies have not been Encumbered, such assets shall remain unencumbered and the existing Encumbrance referred to above shall not be extended to and shall not operate over such assets. Further, such Encumbrances shall not relate or attach to any of the other assets of the Transferee Company. The absence of any formal amendment which may be required by a lender or trustee or third party shall not affect the operation of the above.
- (c) The existing Encumbrances over the other assets and properties of the Transferee Company or any part thereof which relate to the Liabilities of the Transferee Company prior to the Effective Date shall continue to relate to such assets and properties and shall not extend or attach to any of the assets and properties of the Transferor Companies transferred to and vested in the Transferee Company by virtue of this Scheme.

- (d) Any reference in any security documents or arrangements (to which any of the Transferor Companies is a party) to any of the Transferor Companies and their respective assets and properties, shall be construed as a reference to the Transferee Company and the assets and properties of the Transferor Companies transferred to the Transferee Company by virtue of this Scheme. Without prejudice to the foregoing provisions, the Transferee Company may execute any instruments or documents or do all the acts and deeds as may be considered appropriate, including the filing of necessary particulars and/or modification(s) of charge, with the Registrar of Companies to give formal effect to the above provisions, if required.
- (e) Upon the coming into effect of this Scheme, the Transferee Company shall be liable to perform all obligations in respect of the Liabilities, which have been transferred to it in terms of this Scheme.
- (f) It is expressly provided that, save as herein provided, no other term or condition of the Liabilities transferred to the Transferee Company is amended by virtue of this Scheme except to the extent that such amendment is required statutorily.
- (g) The provisions of this Clause 7 shall operate notwithstanding anything to the contrary contained in any instrument, deed or writing or the terms of sanction or issue or any security document; all of which instruments, deeds or writings or the terms of sanction or issue or any security document shall stand modified and/or superseded by the foregoing provisions.

8. Employees

- (a) Upon the coming into effect of this Scheme, all Employees of each of the Transferor Companies shall, become the employees of the Transferee Company, on terms and conditions not less favourable than those on which they are engaged by the Transferor Companies and without any interruption of or break in service as a result of the amalgamation of the Transferor Companies with the Transferee Company. For the purpose of payment of any compensation, gratuity and other terminal benefits, the past services of such Employees with the respective Transferor Company and such benefits to which the Employees are entitled in the respective Transferor Company shall also be taken into account, and paid (as and when payable) by the Transferee Company.
- (b) It is clarified that save as expressly provided for in this Scheme, the Employees who become the employees of the Transferee Company by virtue of this Scheme, shall not be entitled to the employment policies and shall not be entitled to avail of any schemes and benefits (including employee stock options) that may be applicable and available to any of the other employees of the Transferee Company (including the benefits of or under any employee stock option schemes applicable to or covering all or any of the other employees of the Transferee Company), unless otherwise determined by the Transferee Company. The Transferee Company undertakes to continue to abide by any agreement/settlement, if any, entered into or deemed to have been entered into by any of the Transferor Companies with any union/employee of the respective Transferor Company.
- (c) Insofar as the provident fund, gratuity fund, superannuation fund, retirement fund and any other funds or benefits created by any of the Transferor Companies for its Employees or to which any of the Transferor Companies is contributing for the benefit of its Employees (collectively referred to as the “**Funds**”) are concerned, the Funds or such part thereof as relates to the Employees (including the aggregate of all the contributions made to such Funds for the benefit of the Employees, accretions thereto and the investments made by the Funds in relation to the Employees) shall be transferred to the Transferee Company and shall be held for the benefit of the concerned Employees. In the event the Transferee Company has its own funds in respect of any of the employee benefits referred to above, the Funds shall, subject to the necessary approvals and permissions and at the discretion of the Transferee Company, be merged with the relevant funds of the Transferee Company. In the event that the Transferee Company does not have its own funds in respect of any of the above or if deemed appropriate by the Transferee Company, the Transferee Company may, subject to necessary approvals and permissions, maintain the existing funds separately and contribute thereto until such time that the Transferee Company creates its own funds, at which time the Funds and the investments and contributions pertaining to the Employees shall be merged with the funds created by the Transferee Company.
- (d) In relation to those Employees for whom any of the Transferor Companies is making contributions to the government provident fund or other employee benefit fund, the Transferee Company shall stand substituted for the relevant Transferor Company, for all purposes whatsoever, including relating to the obligation to make contributions to the said fund in accordance with the provisions of such fund, bye laws, etc. in respect of such Employees, such that all the rights, duties, powers and obligations of the Transferor Companies as the case may be in relation to such schemes/ Funds shall become those of the Transferee Company.
- (e) (i) In respect of the stock options of the Transferor Company 2 granted by the Transferor Company 2 under the Employees Stock Option Scheme, 2006 (ESOS-2006) (“**Transferor Company 2 Stock Option Scheme**”), upon the effectiveness of the Scheme, the Transferee Company shall issue stock options to the Eligible

Employees taking into account the share exchange ratio set out in Clause 16(b), on terms and conditions not less favourable than those provided under the Transferor Company 2 Stock Option Scheme. Such stock options may be issued by the Transferee Company either under the Existing Stock Option Scheme or under a separate employee stock option scheme created by the Transferee Company *inter alia* for the purpose of granting stock options to the Eligible Employees pursuant to this Scheme (“**Transferee Stock Option Scheme**”).

- (ii) It is hereby clarified that the options granted by the Transferee Company to the Eligible Employees pursuant to this Clause 8 (e), in lieu of options granted to them under the Transferor Company 2 Stock Option Scheme would be granted on the basis of the share exchange ratio set out in Clause 16(b), i.e., for every 100 (one hundred) options held by an Eligible Employee which entitle such Eligible Employee to acquire 100 (one hundred) equity shares in the Transferor Company 2, such Eligible Employee will be conferred 284 (two hundred and eight four) options in the Transferee Company which shall entitle him to acquire 284 (two hundred and eight four) equity shares in the Transferee Company. Fractional entitlements, if any, arising pursuant to the applicability of the share exchange ratio as above shall be rounded off to the nearest higher integer.
- (iii) The total exercise price payable for options granted by the Transferee Company to the Eligible Employees shall be equivalent to the total exercise price payable by such Eligible Employees under the Transferor Company 2 Stock Option Scheme, for such options.
- (iv) The grant of options to the Eligible Employees pursuant to this Clause 8 (e) of this Scheme shall be effected as an integral part of the Scheme and the consent of the shareholders of the Transferee Company to this Scheme shall be deemed to be their consent in relation to all matters pertaining to the Transferee Stock Option Scheme and the Existing Stock Option Scheme, including without limitation, for the purposes of creating the Transferee Stock Option Scheme and/or modifying the Transferee Stock Option Scheme and/or the Existing Stock Option Scheme (including increasing the maximum number of equity shares that can be issued consequent to the exercise of the stock options granted under the Existing Stock Option Scheme, and/or modifying the exercise price of the stock options under the Transferee Stock Option Scheme and/or the Existing Stock Option Scheme), and all related matters. No further approval of the shareholders of the Transferee Company would be required in this connection under Section 81(1A) of the Act and/or any other Applicable Law.
- (v) It is hereby clarified that in relation to the options granted by the Transferee Company to the Eligible Employees pursuant to this Scheme, in lieu of options granted to them under the Transferor Company 2 Stock Option Scheme, the period during which the options granted by the Transferor Company 2 were held by or deemed to have been held by the Eligible Employees shall be taken into account for determining the minimum vesting period required under applicable law for stock options granted under the Transferee Stock Option Scheme or the Existing Stock Option Scheme, as the case may be. Subject to Applicable Law, the adjustments to the exercise price per option and option entitlement of the Eligible Employees proposed under this Clause 8 (e) shall be appropriately reflected in the accounts of the Transferee Company.
- (vi) The Boards of Directors of the Transferor Company 2 and the Transferee Company shall take such actions and execute such further documents as may be necessary or desirable for the purpose of giving effect to the provisions of this Clause 8(e).

9. Legal, Taxation and other Proceedings

Upon the coming into effect of this Scheme, all suits, actions, and other proceedings including legal and taxation proceedings, (including before any statutory or quasi-judicial authority or tribunal) by or against each of the Transferor Companies pending on the Effective Date shall be continued and/ or enforced by or against the Transferee Company as effectually and in the same manner and to the same extent as if the same had been instituted by or against the Transferee Company.

- 10.** Without prejudice to the provisions of Clauses 3 to 9, with effect from the Appointed Date, all inter-party transactions between each of the Transferor Companies and the Transferee Company shall be considered as intra-party transactions for all purposes from the Appointed Date.

Section 2 – Conduct of Business

- 11.** With effect from the Appointed Date and up to and including the Effective Date:

- (a) each of the Transferor Companies shall carry on and be deemed to have carried on all business and activities and shall hold and stand possessed of and shall be deemed to hold and stand possessed of all its estates, assets, rights, title, interest, authorities, contracts and investments for and on account of, and in trust for, the Transferee Company;

- (b) all profits and income accruing or arising to the Transferor Companies, and losses and expenditure arising or incurred by them (including taxes, if any, accruing or paid in relation to any profits or income) for the period commencing from the Appointed Date shall, for all purposes, be treated as and be deemed to be the profits, income, losses or expenditure (including taxes), as the case may be, of the Transferee Company;
 - (c) any of the rights, powers, authorities or privileges exercised by the Transferor Companies shall be deemed to have been exercised by the Transferor Companies for and on behalf of, and in trust for and as an agent of the Transferee Company. Similarly, any of the obligations, duties and commitments that have been undertaken or discharged by the Transferor Companies shall be deemed to have been undertaken for and on behalf of and as an agent for the Transferee Company; and
 - (d) all taxes (including, without limitation, income tax, sales tax, service tax, VAT, etc.) paid or payable by the Transferor Companies in respect of the operations and/or the profits of the respective Transferor Companies before the Appointed Date, shall be on account of the Transferor Companies and, insofar as it relates to the tax payment (including, without limitation, income tax, sales tax, service tax, VAT, etc.), whether by way of deduction at source, advance tax or otherwise howsoever, by the Transferor Companies in respect of the profits or activities or operation of the Transferor Companies with effect from the Appointed Date, the same shall be deemed to be the corresponding item paid by the Transferee Company, and, shall, in all proceedings, be dealt with accordingly.
12. (a) Without prejudice to Clause 11, save as agreed by the Boards of the Transferor Companies and the Transferee Company, during the Implementation Period, none of the Boards of (A) the Transferor Company 1 (till such time as the Transferor Company 1 becomes an Affiliate of Transferor Company 5), (B) the Transferor Company 2, (C) the Transferor Company 3, and (D) the Transferor Company 4, shall take any of the following actions without the prior written consent of each of the Transferee Company Representatives:
- (i) make any amendment to its constitutional documents;
 - (ii) make any change to its share capital whether by way of further issuance of securities, buy-back, reduction of capital, transfer of shares (subject to provisions under Applicable Law in relation to free transferability of shares), or in any other manner subject to the issuance of shares under any existing employees stock option schemes;
 - (iii) incur capital expenditure in excess of INR 35,000,000 (Rupees thirty five million only) in a single transaction and INR 70,000,000 (Rupees seventy million only) in the aggregate, except as approved by the Board of the company whilst authorizing such capital expenditure;
 - (iv) make any divestments, sale, acquisition of business (whether by way of the purchase of shares, assets or properties), or the creation of any subsidiary, joint venture or partnership where an aggregate value involved/ consideration being in excess of INR 700,000,000 (Rupees seven hundred million only) in a financial year;
 - (v) incur any borrowings, loans or guarantees or undertake any other indebtedness or providing any security or guarantee in excess of INR 70,000,000 (Rupees seventy million only) other than to finance current facilities and other than those agreed between the concerned Transferor Company and the Transferee Company in writing;
 - (vi) undertake any merger, reorganization, spin-off, consolidation or any other similar form of corporate or debt restructuring;
 - (vii) waive (A) any rights that it may have against any debtors or third parties; or (B) any obligations or debts or duties owed by any debtors or third parties to it (including, any accounts receivable), where such rights or obligations involve amounts in excess of INR 7,000,000 (Rupees seven million only);
 - (viii) enter into any agreement, transaction or arrangement that has the effect of terminating, cancelling, releasing, assigning or novating any contract where the sum involved is in excess of INR 21,000,000 (Rupees twenty one million only) except for sale agreements and agreements for the purchase of raw material, where the threshold shall be INR 70,000,000 (Rupees seventy million only) or except in the ordinary course of business consistent with past practices;
 - (ix) settle any litigation or disputes or claims where the amount involved is in excess of INR 21,000,000 (Rupees twenty one million only);
 - (x) change the accounting or tax policies or practices used for preparation of the accounts other than as required pursuant to any change or amendment under the accounting standards or Applicable Law;
 - (xi) enter into any agreement or transaction which has the effect of assigning or transferring the intellectual property rights owned by it;
 - (xii) enter into, amend or terminate any related party transaction which are not carried out at arm's length and not in the ordinary course of business; and

- (xiii) enter into any commitment or agreement or undertake any action to do any of the foregoing or which has the effect of resulting in any of the foregoing.
- (b) Without prejudice to Clause 11, save as agreed by the Boards of the Transferor Companies and the Transferee Company, during the Implementation Period, the respective Boards of the Transferor Company 1 (once it becomes an Affiliate of Transferor Company 5) and Transferor Company 5 shall not take any of the following actions without the prior written consent of each of the Transferee Company Representatives:
- (i) any commencement of any business line different from the business currently carried out by such company;
 - (ii) any action for dissolution and/or winding-up and/or insolvency of such company;
 - (iii) merger or demerger, spin-off, consolidation or any other similar form of corporate restructuring of such company;
 - (iv) any divestments, or sale/acquisition of business (whether by way of the purchase of shares, assets or properties), or the creation of any subsidiary, joint venture or partnership where the aggregate value involved/consideration is in excess of EUR 50,000,000 (Euro fifty million only) in any given financial year (provided that this threshold shall be € 10,000,000 (Euro ten million only) with respect to Transferor Company 1, except if the proceeds of such divestment or sale are reinvested within 6 (six) months in equivalent assets necessary for the ordinary course of business;
 - (v) amendments to the constitutional documents of such company;
 - (vi) any change to the share capital of such company whether by way of (i) further issuance of securities (including convertible instruments or options) other than on rights basis, (ii) buy-back or (iii) reduction of capital or (iv) variation of the rights of any classes of its shares or (v) otherwise;
 - (vii) appointment of a statutory auditor different from one of the Big Four Chartered Accountants;
 - (viii) changing the strength of the board of directors by any corporate action;
 - (ix) enter into, amend or terminate any related party transaction which are not carried out at arm's length and in the ordinary course of business;
 - (x) agree to pay corporate charges to the CIE Group for shared services which are in excess of 1% (one percent) of the combined turnover of Transferor Company 5 and its subsidiaries in a financial year computed on a stand alone basis. It is clarified that the actual cost of shared services provided by the M&M Group or the CIE Group (other than to the aforementioned companies) shall not be taken into account whilst determining this cap; and
 - (xi) which results in the aggregate Net Financial Debt of the Transferor Company 5 and its subsidiaries exceeding € 60,000,000 (Euro sixty million only), provided that these companies (taken together) shall be entitled to borrow upto € 10,000,000 (Euro ten million only) in a financial year for capital expenditure which is in the ordinary course of business and is consistent with past practices.
- (c) During the Implementation Period, the Transferee Company shall not make any change to its share capital whether by way of further issuance of securities, buy-back, reduction of capital or in any other manner subject to the issuance of shares under any existing employee stock option schemes.
13. Within a period of 7 (seven) days following the receipt of approval from the Competition Commission of India for the merger of the Transferor Companies with the Transferee Company in terms hereof, each of the Transferor Companies shall convene a meeting of its Board at which the Transferee Company Representatives shall be appointed as non-voting observers to the Board till the Effective Date. To the extent permissible under Applicable Law, the observers shall be entitled to attend all meetings of the Board and shareholder meetings of each of the Transferor Companies and each Transferor Company shall ensure that notice is given to the observers, of all such meetings at least 14 (fourteen) days prior to the meeting or a shorter period if agreed by all members of the Board, including the observers, simultaneous to giving notice of the same to its directors.
14. Within a period of 7 (seven) days following the receipt of approval from the Competition Commission of India for the merger of the Transferor Companies with the Transferee Company in terms hereof, each of the Transferor Companies shall put in place an integration committee (hereinafter referred to as "**Integration Committee**") comprising of 4 (four) persons of whom 2 (two) persons shall be the Transferee Company Representatives and 2 (two) persons shall be nominees of the respective Transferor Company. The Integration Committee shall (i) review the alignment of strategy and ensure harmonization of businesses conducted by each of the Transferor Companies and the Transferee Company; and (ii) from time to time, make non-binding recommendations to the Board of each of the Transferor Companies and the Transferee Company which shall be considered by their respective board of directors in good faith; provided however that, notwithstanding the above, any review by the Integration Committee shall not include any price or revenue setting function, including back office operations.

Section 3: Issue of shares of the Transferee Company

15. The provisions of this Section 3 of this Scheme shall operate notwithstanding anything to the contrary in this Scheme or in any other instrument, deed or writing.
16. *Issue of new equity shares*
- (a) Upon the coming into effect of this Scheme and in consideration of the transfer and vesting of the Transferor Company 1 Undertaking in the Transferee Company in terms of this Scheme, the Transferee Company shall, without any further application, act, instrument or deed, issue and allot to each member of the Transferor Company 1, whose name is registered in the Register of Members of the Transferor Company 1 on the Record Date or his/her/its legal heirs, executors or successors as the case may be, equity shares in the Transferee Company, in the ratio of 110 (one hundred and ten) equity shares of the face value of INR 10 (ten) each (credited as fully paid up) of the Transferee Company for every 100 (one hundred) equity shares of the face value of INR 10 (ten) each (credited as fully paid-up) held by such member in the Transferor Company 1. No fractional shares shall be issued by the Transferee Company.
 - (b) Upon the coming into effect of this Scheme and in consideration of the transfer and vesting of the Transferor Company 2 Undertaking in the Transferee Company in terms of this Scheme, the Transferee Company shall, without any further application, act, instrument or deed, issue and allot to each member of the Transferor Company 2, whose name is registered in the Register of Members of the Transferor Company 2 on the Record Date or his/her/its legal heirs, executors or successors as the case may be, equity shares in the Transferee Company, in the ratio of 284 (two hundred and eighty four) equity shares of the face value of INR 10 (ten) each (credited as fully paid up) of the Transferee Company for every 100 (one hundred) equity shares of the face value of INR 10 (ten) each (credited as fully paid-up) held by such member in the Transferor Company 2. No fractional shares shall be issued by the Transferee Company.
 - (c) Upon the coming into effect of this Scheme and in consideration of the transfer and vesting of the Transferor Company 3 Undertaking in the Transferee Company in terms of this Scheme, the Transferee Company shall, without any further application, act, instrument or deed, issue and allot to each member of the Transferor Company 3, whose name is registered in the Register of Members of the Transferor Company 3 on the Record Date or his/her/its legal heirs, executors or successors as the case may be, equity shares in the Transferee Company, in the ratio of 20 (twenty) equity shares of the face value of INR 10 (ten) each (credited as fully paid up) of the Transferee Company for every 100 (hundred) equity shares of the face value of EUR 1 (one) each (credited as fully paid-up) held by such member in the Transferor Company 3. No fractional shares shall be issued by the Transferee Company.
 - (d) Upon the coming into effect of this Scheme and in consideration of the transfer and vesting of the Transferor Company 4 Undertaking in the Transferee Company in terms of this Scheme, the Transferee Company shall, without any further application, act, instrument or deed, issue and allot to each member of the Transferor Company 4, whose name is registered in the Register of Members of the Transferor Company 4 on the Record Date or his/her/its legal heirs, executors or successors as the case may be, equity shares in the Transferee Company, in the ratio of 17 (seventeen) equity shares of the face value of INR 10 (ten) each (credited as fully paid up) of the Transferee Company for every 100 (one hundred) equity shares of the face value of INR 10 (ten) each (credited as fully paid-up) held by such member in the Transferor Company 4. No fractional shares shall be issued by the Transferee Company.
 - (e) Upon the coming into effect of this Scheme and in consideration of the transfer and vesting of the Transferor Company 5 Undertaking in the Transferee Company in terms of this Scheme, the Transferee Company shall, without any further application, act, instrument or deed, issue and allot to each member of the Transferor Company 5, whose name is registered in the Register of Members of the Transferor Company 5 on the Record Date or his/her/its legal heirs, executors or successors as the case may be, equity shares in the Transferee Company, in the ratio of 105 (one hundred and five) equity shares of the face value of INR 10 (ten) each (credited as fully paid up) of the Transferee Company for every 100 (one hundred) equity shares of the face value of EUR 1 (one) each (credited as fully paid-up) held by such member in the Transferor Company 5. No fractional shares shall be issued by the Transferee Company.
 - (f) Upon this Scheme becoming effective, the issued, subscribed and paid-up share capital of the Transferee Company shall stand suitably increased consequent upon the issuance of new equity shares in accordance with Clause 16(a) to 16(e) above. It is clarified that no special resolution under Section 81(1A) of the Act shall be required to be passed by the Transferee Company separately in a general meeting for issue of shares to the members of the Transferor Companies under this Scheme and on the shareholders of the Transferee Company approving this Scheme, it shall be deemed that they have given their consent to the issue of equity shares of the

Transferee Company to the members of the Transferor Companies in accordance with Clause Clause 16(a) to 16(e) above.

- (g) As a part of this Scheme, and, upon the coming into effect of this Scheme, the authorised share capital of the Transferee Company shall automatically stand increased, without any further act, instrument or deed on the part of the Transferee Company including payment of stamp duty and fees payable to Registrar of Companies, by the aggregate authorised share capital of the Transferor Companies.
- (h) The capital clause of the Memorandum of Association and the Articles of Association of the Transferee Company shall, as a part of and, upon the coming into effect of this Scheme and without any further act or deed, be replaced by the following clause:

MEMORANDUM OF ASSOCIATION

“V. The Authorised Share Capital of the Company is INR 4,719,426,386 (Rupees four billion seven hundred nineteen million four hundred twenty six thousand three hundred eighty six only) divided into 380,000,000 (three hundred eighty million) Equity Shares of INR 10 (Rupees ten only) each aggregating INR 3,800,000,000 (Rupees three billion eight hundred million only) and 29,658,916 (twenty nine million six hundred fifty eight thousand nine hundred sixteen) 4% (four percent) Non Cumulative Redeemable Non Convertible Preference Shares of INR 31 (Rupees thirty one only) each aggregating INR 919,426,386 (Rupees nine hundred nineteen million four hundred twenty six thousand three hundred eighty six only), with power to increase and reduce the capital of the Company or to divide the shares in the capital for the time being into several classes and to attach thereto respectively any preferential, deferred, qualified or special rights, privileges or conditions as may be determined by or in accordance with the Articles of Association of the Company and to vary, modify or abrogate any such rights, privileges or conditions in such manner as may be for the time being provided by the Articles of Association of the Company and the legislative provisions for the time being in force.”

ARTICLES OF ASSOCIATION

“3. The Authorised Share Capital of the Company is INR 4,719,426,386 (Rupees four billion seven hundred nineteen million four hundred twenty six thousand three hundred eighty six only) divided into 380,000,000 (three hundred eighty million) Equity Shares of INR 10 (Rupees ten only) each aggregating INR 3,800,000,000 (Rupees three billion eight hundred million only) and 29,658,916 (twenty nine million six hundred fifty eight thousand nine hundred sixteen) 4% (four percent) Non Cumulative Redeemable Non Convertible Preference Shares of INR 31 (Rupees thirty one only) each aggregating INR 919,426,386 (Rupees nine hundred nineteen million four hundred twenty six thousand three hundred eighty six only) with power to increase and reduce the capital of the Company or to divide the shares in the capital for the time being into several classes and to attach thereto respectively any preferential, deferred, qualified or special rights, privileges or conditions as may be determined by or in accordance with the Articles of Association of the Company and to vary, modify or abrogate any such rights, privileges or conditions in such manner as may be for the time being provided by the Articles of Association of the Company and the legislative provisions for the time being in force.”

- (i) It is clarified that for the purposes of Clause 16(g) and 16(h) above, the consent of the shareholders of the Transferee Company to this Scheme shall be sufficient for the purposes of effecting the above amendment or increase in the authorised share capital of the Transferee Company, and no further resolution under Section 16, Section 31, Section 94 or any other applicable provisions of the Act, would be required to be separately passed. The stamp duties and fees (including registration fee) paid on the authorised share capital of the Transferor Companies shall be utilized and applied to the increased authorised share capital of the Transferee Company and there would be no requirement for any further payment of stamp duty and/or fee (including registration fee) by the Transferee Company for increase in the authorised share capital to that extent.
- (j) The shares issued to the members of the Transferor Companies by the Transferee Company pursuant to Clauses 16(a) to 16(e) above shall be credited to the depository account of the members, unless otherwise notified in writing by any member of any of the Transferor Companies to the Transferee Company on or before such date as may be determined by the Board of Directors of the Transferee Company or a committee thereof. In the event that such notice has not been received by the Transferee Company in respect of any of the members of any Transferor Company, the shares shall be credited to the depository account of the members provided that the members of the Transferor Companies shall be required to have an account with a depository participant and shall be required to provide details thereof and such other confirmations as may be required. It is only thereupon that the Transferee Company shall issue and directly credit to the account of such member the relevant shares of the Transferee Company. In the event that the Transferee Company has received notice from any member that shares are to be issued in certificate form or if any member has not provided the requisite details relating to his/ her/ its account with a depository participant or other confirmations as may be required, then the Transferee Company shall issue shares in certificate form to such member.

- (k) In the event of there being any pending share transfers, whether lodged or outstanding, of any member of any of the Transferor Companies, the Board of Directors of the Transferee Company shall be empowered in appropriate cases, prior to or even subsequent to the Record Date, to effectuate such a transfer as if such changes in registered holder were operative as on the Record Date, in order to remove any difficulties arising to the transferor/transferee of the shares in the Transferor Companies and in relation to the shares issued by the Transferee Company after the effectiveness of this Scheme. The Board of Directors of the Transferee Company shall be empowered to remove such difficulties as may arise in the course of implementation of this Scheme and registration of new shareholders in the Transferee Company.
- (l) Equity shares to be issued by the Transferee Company pursuant to Clauses 16(a) to 16(e) above in respect of such of the equity shares of the Transferor Companies which are held in abeyance under the provisions of Section 206A of the Act or otherwise shall, pending allotment or settlement of dispute by order of Court or otherwise, also be kept in abeyance by the Transferee Company.
- (m) The equity shares issued and allotted by the Transferee Company in terms of this Scheme shall rank *pari passu* in all respects with the then existing equity shares of the Transferee Company.
- (n) The equity shares of the Transferee Company issued in terms of this Scheme will be listed and/or admitted to trading on the Stock Exchanges. The shares allotted pursuant to this Scheme shall remain frozen in the depositories system till relevant directions in relation to listing/trading are given by the Stock Exchanges.
- (o) In case any shareholder's holding in any Transferor Company is such that the shareholder becomes entitled to a fraction of an equity share of the Transferee Company, the Transferee Company shall not issue fractional shares to such shareholder but shall consolidate such fractions and issue consolidated equity shares to a trustee nominated by the Transferee Company in that behalf, who shall sell such shares and distribute the net sale proceeds (after deduction of applicable taxes and other expenses incurred) to the shareholders respectively entitled to the same in proportion to their fractional entitlements.

PART III – DISSOLUTION OF TRANSFEROR COMPANIES AND OTHER GENERAL TERMS AND CONDITIONS

17. Accounting and Tax Treatment

(a) Accounting

Save as hereinafter provided, the reserves of the Transferor Companies shall be accounted for, while incorporating the assets and liabilities of the Transferor Companies in the accounts of the Transferee Company, in accordance with Accounting Standard 14 (Accounting for Amalgamations) issued by the Institute of Chartered Accountants of India in consultation with the National Advisory Committee on Accounting Standards as per Section 211(3C) of the Act. Upon the Scheme becoming effective and with effect from the Appointed Date:

- (i) The Transferee Company shall record the assets and liabilities of the Transferor Companies pursuant to this Scheme at their respective book values as appearing in the books of the Transferor Companies. In case of conflicting accounting policies between the entities, a uniform policy will be adopted on merger and effect on the financial statements of such change in policy will be reported as per Accounting Standard 5 (Net Profit or Loss for the Period, Prior Period Items and Changes in Accounting Policies) and the same shall be dealt with in accordance with prevailing accounting standards and Generally Accepted Accounting Principles in India;
- (ii) The Transferee Company shall credit its issued and paid up share capital account with the aggregate face value of the shares issued pursuant to Clause 16 of this Scheme;
- (iii) All the reserves relating to and reflecting in the books of the Transferor Companies shall appear in the books of the Transferee Company in the same form in which they appeared in the books of the Transferor Companies after giving effect to 17(a)(i) above;
- (iv) The balance in the Statement of Profit and loss appearing in the books of the Transferor Companies shall be dealt with in the books of the Transferee Company in accordance with Accounting Standard 14 (Accounting for Amalgamations);
- (v) The difference between the amount recorded as share capital issued (plus any additional consideration in the form of cash or other assets) and the amount of share capital of the Transferor Companies is adjusted in reserves in the financial statements of the Transferee Company;
- (vi) To the extent that there are inter-corporate loans, debentures, debt securities or balances between the Transferor Companies and the Transferee Company inter se, or the Transferor Companies inter se, the obligation in respect thereof shall come to an end and the corresponding effect shall be given in the books of account and the records of the Transferee Company for the reduction of any assets or liabilities, as the case may be. The difference, if any, arising upon such cancellation, shall be credited or debited, as the case may be, to the General Reserve of the Transferee Company. For the removal of doubts, there would be no

accrual of interest or other charges in respect of any such inter-company loans, debentures, debt securities or balances with effect from the Appointed Date;

- (vii) Notwithstanding the above, the Board of the Transferee Company is authorized to account any of these balances in any manner whatsoever, as may be deemed fit in accordance with the Accounting Standards issued by the Institute of Chartered Accountants of India in consultation with the National Advisory Committee on Accounting Standards as per Section 211(3C) of the Act and Generally Accepted Accounting Principles in India.

(b) Tax

- (i) Upon the Scheme coming into effect, all taxes (direct and/or indirect)/ cess/ duties payable by or on behalf of the Transferor Companies from the Appointed Date onwards including all or any refunds and claims, including refunds or claims pending with any Governmental Authority and including the right to claim credit for minimum alternate tax and carry forward of accumulated losses, and unutilized CENVAT credit, VAT credit etc shall, for all purposes, be treated as the tax/ cess/ duty, liabilities or refunds, claims, accumulated losses and unutilized CENVAT credits, VAT credit and rights to claim credit or refund etc of the Transferee Company. Accordingly, upon the Scheme becoming effective, the Transferee Company shall be permitted to revise, if it becomes necessary, its income tax returns, wealth tax returns, sales tax returns, excise and CENVAT returns, service tax returns, other statutory returns, and to claim refunds/ credits, pursuant to the provisions of this Scheme.
- (ii) The Transferee Company shall also be permitted to claim refunds / credits in respect of any transaction between or amongst the Transferor Companies inter se and the Transferor Companies and the Transferee Company. Without prejudice to the generality of Clause 17(b)(i) above, upon the Scheme becoming effective, the Transferee Company shall be permitted to revise, if it becomes necessary, its income tax returns and related withholding tax certificates, including withholding tax certificates relating to transactions between or amongst the Transferor Companies inter se and the Transferor Companies and the Transferee Company, and to claim refunds, advance tax and withholding tax credits, benefit of credit for minimum alternate tax and carry forward of accumulated losses etc., pursuant to the provisions of this Scheme.
- (iii) The withholding tax/ advance tax/ minimum alternate tax, if any, paid by the Transferor Companies under the Income Tax Act, 1961 or any other statute in respect of income of the Transferor Companies assessable for the period commencing from the Appointed Date shall be deemed to be the tax deducted from/advance tax paid by the Transferee Company and credit for such withholding tax/advance tax/minimum alternate tax shall be allowed to the Transferee Company notwithstanding that certificates or challans for withholding tax/ advance tax are in the name of the Transferor Companies and not in the name of the Transferee Company.
- (iv) The service tax paid by the Transferor Companies under the Finance Act, 1994 in respect of services provided by the Transferor Companies for the period commencing from the Appointed Date shall be deemed to be the service tax paid by the Transferee Company and credit for such service tax shall be allowed to the Transferee Company notwithstanding that challans for service tax payments are in the name of the Transferor Companies and not in the name of the Transferee Company.

18. Conditions Precedent

(a) The effectiveness of the Scheme is conditional upon and subject to:

- (i) receipt of approval from the Competition Commission of India for this Scheme in form and substance reasonably satisfactory to the Transferor Companies and the Transferee Company or on the expiry of any statutory time period pursuant to which such approval is deemed to have been granted;
- (ii) receipt of approval from the Bundeskartellamt for this Scheme in form and substance reasonably satisfactory to the Transferor Companies and the Transferee Company or the expiry of any statutory time period pursuant to which such approval is deemed to have been granted;
- (iii) receipt of approval of Foreign Investment Promotion Board/ Reserve Bank of India for the issue of shares by the Transferee Company to the non-resident shareholders of the Transferor Company 5 in consideration of the merger of the Transferor Company 5 into the Transferee Company;
- (iv) receipt of approval of the Reserve Bank of India for the divestment of shares of the Transferor Company 3 by the resident shareholder(s) of Transferor Company 3 pursuant to the merger;
- (v) this Scheme being approved by the respective requisite majorities of the various classes of shareholders and/or creditors (where applicable) of each of the Transferor Companies and the Transferee Company as required under the Act and the requisite orders of the High Court being obtained;
- (vi) transfer of the MUSCO Real Estate and the MUSCO Investments by M&M or its subsidiary (not being a Mahindra Systech Company or a subsidiary of such company) together with all liabilities thereto;

- (vii) approval of the Scheme by the public shareholders of the Transferor Company 2 and the Transferee Company in accordance with the provisions of the SEBI Circulars;
 - (viii) receipt of pre-filing and post sanction approvals of the relevant Stock Exchange and the SEBI in terms of the SEBI Circulars, as applicable;
 - (ix) receipt of such lender approvals, as may be required, for the release of all corporate guarantees, comfort letters and repayment of loans (outstanding as of the Effective Date) provided by the M&M Group to the Transferor Company 3 or its subsidiaries, such release or repayment to occur on the Effective Date;
 - (x) the certified copies of the court orders approving the Scheme being filed with the Registrar of Companies;
 - (xi) the certificate of merger for dissolution without winding up of the Transferor Company 3 having been registered with the relevant Governmental Authority of Mauritius according to the relevant Mauritian law in force;
 - (xii) the dissolution without winding up of the Transferor Company 5 having been registered with the Commercial Registry of Bizkaia (Spain) according to the relevant Spanish law in force;
 - (xiii) purchase of the shares of Gears India OpCo by the Transferor Company 4 from M&M in terms of the Gears India OpCo SPA; and
 - (xiv) such other approvals and sanctions as may be required by Applicable Law in respect of this Scheme being obtained.
- (b) On the approval of this Scheme by the shareholders of each of the Transferor Companies and the Transferee Company such shareholders shall also be deemed to have resolved and accorded all relevant consents under the Act or otherwise to the same extent applicable in relation to the amalgamation set out in this Scheme, related matters and this Scheme itself.
- (c) In the event of the Scheme failing to take effect by June 30, 2015 or such later date as may be agreed by the respective Boards of Directors of the Transferor Companies and the Transferee Company, this Scheme shall stand cancelled and be of no effect and become null and void, and in that event, no rights and liabilities shall accrue to or be incurred inter-se the Transferor Companies and the Transferee Company or their shareholders or creditors or employees or any other person. In such case, each of the Transferor Company and the Transferee Company shall bear its own costs and expenses or as may be mutually agreed.

19. Applications

The Transferor Companies and the Transferee Company shall with all reasonable dispatch make application(s) under Sections 391 and 394 and other applicable provisions of the Act to the High Court for sanctioning this Scheme and for dissolution of the Transferor Companies without winding up, as applicable.

The Transferor Company 3 shall undertake such acts as are necessary for the purpose of giving effect to the Scheme (including applying for the registration of its dissolution without winding-up with the relevant Governmental Authority of Mauritius according to the relevant Mauritian law in force).

The Transferor Company 5 shall undertake such acts as are necessary for the purpose of giving effect to the Scheme (including applying for the registration of its dissolution without winding-up with the Commercial Registry of Bizkaia (Spain) according to the relevant Spanish law in force).

20. Dissolution of the Transferor Companies

Upon the coming into effect of this Scheme, each of the Transferor Companies shall stand dissolved without winding-up without any further act or deed.

21. Dividends

- (a) The Transferor Companies and the Transferee Company shall be entitled to declare and pay dividends, whether interim or final, to their respective shareholders in respect of the accounting period prior to the Effective Date, provided that the shareholders of the Transferor Companies shall not be entitled to dividend, if any, declared and paid by the Transferee Company to its shareholders for the accounting period prior to the Effective Date.
- (b) The shareholders of the Transferor Companies and the Transferee Company shall, save as expressly provided otherwise in this Scheme, continue to enjoy their existing rights under their respective Articles of Association including the right to receive dividends.
- (c) It is clarified that the aforesaid provisions in respect of declaration of dividends are enabling provisions only and shall not be deemed to confer any right on any shareholder of the Transferor Companies and/or the Transferee Company to demand or claim any dividends which, subject to the provisions of the Act, shall be entirely at the discretion of the respective Boards of Directors of the Transferor Companies and the Transferee Company respectively, and subject to the approval, if required, of the shareholders of the Transferor Companies and the Transferee Company respectively.

22. Resolutions

- (a)** Upon the coming into effect of this Scheme, the resolutions, if any, of the Transferor Companies, which are valid and subsisting on the Effective Date, shall continue to be valid and subsisting and be considered as resolutions of the Transferee Company and if any such resolutions have any monetary limits approved under the provisions of the Act, or any other applicable statutory provisions, then the said limits shall be added to the limits, if any, under like resolutions passed by the Transferee Company and shall constitute the aggregate of the said limits in the Transferee Company.
- (b)** Upon the coming into effect of this Scheme, the borrowing limits of the Transferee Company in terms of Section 293 (1) (d) of the Act shall be deemed, without any further act or deed, to have been enhanced by the aggregate limits of the Transferor Companies which are being transferred to the Transferee Company pursuant to the Scheme, such limits being incremental to the existing limits of the Transferee Company, with effect from the Appointed Date.

23. Modifications to the Scheme

- (a)** Each of the Transferor Companies (by its respective Board of Directors) and the Transferee Company (by its Board of Directors), may, in their full and absolute discretion, assent to any alteration or modification to this Scheme which the respective Boards of Directors of each of the Transferor Companies or the Board of Directors of the Transferee Company, as the case may be, deem fit, or which the High Court and/or any other Governmental Authority may deem fit to approve or impose.
- (b)** Each of the Transferor Companies (by its respective Board of Directors) and the Transferee Company (by its Board of Directors), may give such directions as they may consider necessary to settle any question or difficulty arising under this Scheme or in regard to and of the meaning or interpretation of this Scheme or implementation hereof or in any matter whatsoever connected therewith (including any question or difficulty arising in connection with any deceased or insolvent security holders of the respective companies), or to review the position relating to the satisfaction of various conditions to this Scheme and if necessary, to waive any of those (to the extent permissible under law).
- (c)** The Transferor Companies (by its respective Board of Directors) and the Transferee Company (by its Board of Directors) may in any manner at any time, determine jointly whether any asset, liability, employee, legal or other proceedings pertains to the Transferor Companies or not, on the basis of any evidence that they may deem relevant for this purpose.

24 The Transferee Company shall be entitled, pending the sanction of this Scheme, to apply to any Governmental Authority, if required, under any law for such consents and approvals which the Transferee Company may require to carry on the business of the Transferor Companies.

25. Severability

If any part of this Scheme is found to be unworkable for any reason whatsoever, the same shall not, subject to the decision of the Transferor Companies and the Transferee Company, affect the validity or implementation of the other parts and/or provisions of this Scheme.

26. Upon this Scheme becoming effective, the accounts of the Transferor Companies and the Transferee Company (as applicable), as on the Appointed Date, shall be reconstructed in accordance with the terms of this Scheme.

27. The Transferee Company shall be entitled to file/revise its income tax returns, TDS certificates, TDS returns, wealth tax returns and other statutory returns, if required, and shall have the right to claim refunds, advance tax credits, credit of all taxes paid/withheld (whether Indian or foreign), if any, as may be required consequent to implementation of this Scheme.

28. Costs

Subject to the provisions of Clause 18(c) of this Scheme, all costs, charges and expenses (including, but not limited to, any taxes and duties, stamp duty, registration charges, etc.) of /payable by the Transferor Companies and the Transferee Company in relation to or in connection with the Scheme and incidental to the completion of the amalgamation of the Transferor Companies with the Transferee Company in pursuance of this Scheme shall be borne and paid by the Transferee Company.

ANNEXURE II

COMPLAINTS REPORT

Company Name: Mahindra Forgings Limited

Part A

Sr. No.	Particulars	Number
1.	Number of complaints received directly	Nil
2.	Number of complaints forwarded by Stock Exchange	1
3.	Total Number of complaints/comments received (1+2)	1
4.	Number of complaints resolved	1
5.	Number of complaints pending	Nil

Part B

Sr. No.	Name of complainant	Date of complaint	Status (Resolved/Pending)
1.	Mr. Prem Kumar Rastogi	28 th June, 2013	Resolved

For and on behalf of Mahindra Forgings Limited



Sanjay Joglekar
Authorised Signatory



ANNEXURE III

BSE Limited Registered Office : Floor 25, P J Towers, Dalal Street, Mumbai 400 001 India
T: +91 22 2272 1234 / 33 F: +91 22 2272 1003 www.bseindia.com



DCS/AMAL/BS/24(f)/406/2013-14

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 Draft Scheme of Amalgamation involving merger of Mahindra Hindoday Industries Limited (MHIL), Mahindra Gears International Limited (MGIL), Mahindra Investments (India) Limited (MIIL), Participaciones Internacionales Autometal Tres, S.L. (PIA3) and Mahindra Ugine Steel Company Limited (MUSCL) with Mahindra Forgings Limited (MFL) (Integrated Scheme).

We refer to your draft Scheme of Amalgamation under Sections 391 to 394 of the Companies Act, 1956 involving merger of Mahindra Hindoday Industries Limited, Mahindra Gears International Limited, Mahindra Investments (India) Limited, Participaciones Internacionales Autometal Tres, S.L. and Mahindra Ugine Steel Company Limited (Transferor Companies) with 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 following shall be displayed on the website of the listed company from the date of receipt of this letter:*
 - a) Audited results of PIA3 as on September 30, 2013 submitted by the company vide letter dated December 20, 2013, Audited results of MIIL and MGIL as on September 30, 2013 submitted by the company vide email dated January 24, 2014 and Audited results of MHIL as on September 30, 2013 submitted by the company vide email dated February 20, 2014.*
 - b) Annexure to the valuation report submitted by MFL vide letter dated December 3, 2013.*
- 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.

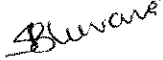
Further you are also advised to bring the contents of this letter to the notice of your shareholders, all relevant authorities as deemed fit, and also mention the same in your application for approval of the scheme of arrangement submitted to the Hon'ble High Court.

....2

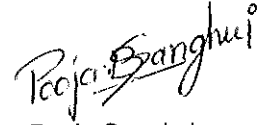
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The Exchange reserves its right to withdraw its No-objection/approval at any stage if the information submitted to the Exchange is found to be incomplete / incorrect / misleading / false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, Listing Agreement, Guidelines/Regulations issued by statutory authorities.

Yours faithfully,



Bhuvana Sriram
Dy. Manager



Pooja Sanghvi
Asst. Manager

ANNEXURE IV



Ref: NSE/LIST/232553-Q

March 07, 2014

The Company Secretary
Mahindra CIE Automotive Limited
(Formerly known as 'Mahindra Forgings Limited')
Mahindra Towers,
P.K.Kurme Chowk, Worli
Mumbai - 400018

Kind Attn.: Mr. Krishnan Shankar

Dear Sir,

Sub.: Observation letter for Integrated Scheme of Amalgamation of Mahindra Hinoday Industries Limited and Mahindra Ugin Steel Company Limited and Mahindra Gears International Limited and Mahindra Investments (India) Private Limited and Participaciones Internaciones Autometal TRES, S. L with Mahindra Forgings Limited.

We are in receipt of the draft Integrated Scheme of Amalgamation under Sections 391 to 394 of the Companies Act, 1956 of Mahindra Hinoday Industries Limited ("MHIL") and Mahindra Ugin Steel Company Limited ("MUSCO") and Mahindra Gears International Limited ("MGIL") and Mahindra Investments (India) Private Limited ("MIPL") and Participaciones Internaciones Autometal TRES, S. L ("PIA3") with Mahindra Forgings Limited.

We have perused the draft Integrated Scheme of Amalgamation and the related documents/details submitted by Mahindra Forgings Limited including the confirmation of the Company Secretary of Mahindra Forgings Limited that the scheme so submitted does not in any way violate, over-ride or circumscribe the provisions of Securities Laws or the Stock Exchange requirements.

Pursuant to SEBI Circular No. CIR/CFD/DIL/5/2013 dated February 4, 2013 and SEBI Circular No. CIR/CFD/DIL/8/2013 dated May 21, 2013, SEBI vide its letter dated March 07, 2014, has given following comments on the draft scheme of amalgamation:

"a) Company to ensure that following additional information submitted by Mahindra Forgings Limited after filing the scheme with the stock exchange shall be displayed from the date of receipt of this letter on the website of the listed company:

- i) Audited results of PIA3 as on September 30, 2013 submitted by the company vide letter dated December 20, 2013, audited results of MIPL and MGIL as on September 30, 2013 submitted by the company vide email dated January 24, 2014 and audited results of MHIL as on September 30, 2013 submitted by the company vide email dated February 20, 2014.
 - ii) Annexure to the valuation report submitted by Mahindra Forgings Limited vide letter dated December 03, 2013.
- b) The company, Mahindra Forgings Limited to ensure compliance with the minimum public shareholding requirements, in accordance with the undertaking submitted by the company vide letter dated February 24, 2014
- c) The company shall duly comply with various provisions of the Circulars."



Ref:NSE/LIST/232553-Q

March 07, 2014

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

However, the Exchange reserves its right to withdraw this 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.

The validity of the "Observation Letter" shall be six months from March 07, 2014, within which the scheme shall be submitted to the Hon'ble High Court. Further pursuant to the above SEBI circulars upon sanction of the Scheme by the Hon'ble High Court, the listed company shall submit to the stock exchange the following:

- a. Copy of the High Court approved Scheme;
- b. Result of voting by shareholders for approving the Scheme;
- c. Statement explaining changes, if any, and reasons for such changes carried out in the Approved Scheme vis-à-vis the Draft Scheme
- d. Status of compliance with the Observation Letter/s of the stock exchanges
- e. The application seeking exemption from Rule 19(2)(b) of SCRR, 1957, wherever applicable; and
- f. Complaints Report as per Annexure II of this Circular.

Yours faithfully,
For National Stock Exchange of India Limited

Kamlesh Patel
Manager

This Document is Digitally Signed

Signer : Patel Kamlesh
Date: Fri, Mar 7, 2014 18:32:43 IST
Location: NSE



ANNEXURE V



June 15th, 2013

To,

The Board of Directors
Mahindra Forgings Limited
Mahindra Towers,
P.K. Kurne Chowk,
Worli, Mumbai - 400018

Sub: Fairness opinion on the Merger Equity Share Entitlement Ratio for the proposed merger of Mahindra Composites Ltd., Mahindra UGINE Steel Co. Ltd., Mahindra Hinoday Industries Ltd., Mahindra Investments India Pvt. Ltd., Mahindra Gears International Ltd. and Participaciones Internacionales Autometal Tres with Mahindra Forgings Ltd.

This has reference to our engagement letter dated June 3, 2013 wherein Mahindra Forgings Ltd. (hereinafter collectively referred to as "you" or "the Company" or "MFL") has requested ICICI Securities ('I-Sec') to provide fairness opinion on swap ratio for proposed merger of Mahindra Composites Ltd. ("MCL"), Mahindra UGINE Steel Co. Ltd. ("MUSCO"), Mahindra Hinoday Industries Ltd. ("MHIL"), Mahindra Investments India Pvt. Ltd. ("MIIL"), Mahindra Gears International Ltd. ("MGIL") and Participaciones Internacionales Autometal Tres ("PIA3") into MFL.

BACKGROUND, PURPOSE AND USE OF THIS REPORT

We understand that the Managements of MCL, MUSCO, MHIL, MIIL, MGIL, PIA3 and MFL (referred to as "Companies") are proposing to merge MCL, MUSCO, MHIL, MIIL, MGIL and PIA3 into MFL, with effect from the Appointed Date of October 1, 2013. This is proposed to be achieved by a Scheme of Amalgamation under the provisions of Sections 391-394 of the Companies Act, 1956 (hereinafter referred to as the "Scheme of Amalgamation"). As part of the proposed merger, MCL, MUSCO, MHIL, MIIL, MGIL, PIA3 would be merged with MFL and cease to exist. We understand from the management that the shareholders of MCL, MUSCO, MHIL, MIIL, MGIL, PIA3 will be issued shares of MFL as consideration for the proposed merger of MCL, MUSCO, MHIL, MIIL, MGIL, PIA3 in MFL.

For the aforesaid purpose, the Management of MCL, MUSCO, MHIL, MIIL, MGIL, PIA3 and MFL have appointed S. R. Battiboi & Co. LLP ("SRBC") and N M Rajji and Company ("NM Rajji") (referred as "Valuers") to prepare a valuation report on the fair exchange ratio for distribution of MFL shares to the shareholders of MCL, MUSCO, MHIL, MIIL, MGIL and PIA3, to be placed before the audit committees of the Companies, as per the requirement of SEBI Circular CIR/CFD/DIL/5/2013 dated February 5, 2013.

Page 1 of 5

ICICI Securities Limited

Registered Office & Institutional Service : ICICI Centre, H. T. Parekh Marg, Churchgate,
Mumbai 400 020, India. Tel (91 22) 2288 2460/70 · Fax (91 22) 2282 6580

Member of National Stock Exchange of India Ltd. & Bombay Stock Exchange Ltd.
Capital Market : NSE Regn. No. INB 230773037, BSE Regn. No. INB 011286854
Futures & Options : NSE Regn. No. INF 230773037, BSE Regn. No. INF 010773035



In this connection we have been requested by the Companies to render our professional services by way of a fairness opinion on swap ratio from a financial point of view to the Board of Directors of MFL through audit committee of the board as to whether the Merger Equity Share Entitlement Ratio, as recommended by the SRBC & NM Rajji, in their report dated June 15 2013 and based on the valuation analysis carried out by them, which forms the basis for the Merger as per the aforesaid Scheme is fair and reasonable.

This report is intended only for the sole use and information of the Companies, and only in connection with the Merger including for the purpose of obtaining judicial and regulatory approvals for the Merger. We are not responsible in any way to any other person / party for any decision of such person or party based on this report. Any person / party intending to provide finance / invest in the shares / business of any of the Companies or their subsidiaries/joint ventures/associates shall do so after seeking their own professional advice and after carrying out their own due diligence procedures to ensure that they are making an informed decision. It is hereby notified that any reproduction, copying or otherwise quoting of this report or any part thereof, other than in connection with the Merger as aforesaid can be done only with our prior permission in writing. We acknowledge that this report will be shared to the extent as may be required, with the relevant High Court, stock exchanges, advisors of the Companies in relation to the Scheme, as well as with the statutory authorities and it can be uploaded on the website of the Company and stock exchanges as required by extant regulations.

As per Valuers' recommendation, the holders of outstanding equity shares of MCL will receive 90 fully paid up equity shares of MFL with the face value of Rs. 10 (Ten) each for every 100 fully paid up equity shares of MCL with the face value of Rs. 10 (Ten) each ("Share Exchange Ratio")

As per Valuers' recommendation, the holders of outstanding equity shares of MUSCO will receive 284 fully paid up equity shares of MFL with the face value of Rs. 10 (Ten) each for every 100 fully paid up equity shares of MUSCO with the face value of Rs. 10 (Ten) each ("Share Exchange Ratio")

As per Valuers' recommendation, the holders of outstanding equity shares of MHIL will receive 110 fully paid up equity shares of MFL with the face value of Rs. 10 (Ten) each for every 100 fully paid up equity shares of MHIL with the face value of Rs. 10 (Ten) each ("Share Exchange Ratio")

As per Valuers' recommendation, the holders of outstanding equity shares of MIIL will receive 17 fully paid up equity shares of MFL with the face value of Rs. 10 (Ten) each for every 100 fully paid up equity shares of MIIL with the face value of Rs. 10 (Ten) each ("Share Exchange Ratio")

As per Valuers' recommendation, the holders of outstanding equity shares of MGIL will receive 20 fully paid up equity shares of MFL with the face value of Rs. 10 (Ten) each for every 100 fully paid up equity shares of MGIL with the face value of Euro 1 (One) each ("Share Exchange Ratio")

As per Valuers' recommendation, the holders of outstanding equity shares of PIA3 will receive 105 fully paid up equity shares of MFL with the face value of Rs. 10 (Ten) each for every 100 fully paid up equity shares of PIA3 with the face value of Euro 1 (One) each ("Share Exchange Ratio")

SOURCES OF INFORMATION

In arriving at the opinion set forth below, we have relied on:

- (a) Discussions and valuation workings of SRBC & NM Rajji,
- (b) Annual reports for the year ending 31 March 2012, 2013 of MFL, MHIL;
- (c) Audited proforma profit and loss account and balance sheet of MCL, MUSCO for the year ended March 31, 2013 with the underlying schedules
- (d) Unaudited proforma profit and loss account and balance sheet of MIIL, MGIL, PIA 3 for the year ended March 31, 2013 without the underlying schedules
- (e) Discussions with management of companies regarding current operations of companies, future plans, capital expenditure; and
- (f) Information, discussions (including orally) and documents as provided by Companies as well as SRBC & NM Rajji for purpose of this engagement;
- (g) Financial projections of MFL from April 01, 2013 to March 31, 2017
- (h) Financial projections of MCL from April 01, 2013 to March 31, 2017
- (i) Financial projections of MUSCO from April 01, 2013 to March 31, 2017
- (j) Financial projections of MHIL from April 01, 2013 to March 31, 2017
- (k) Financial projections of MIIL from April 01, 2013 to March 31, 2017
- (l) Financial projections of MGIL from April 01, 2013 to March 31, 2017
- (m) Financial projections of PIA3 from April 01, 2013 to March 31, 2017

SCOPE LIMITATIONS

Our report is subject to the scope limitations detailed hereinafter. As such the report is to be read in totality, and not in parts, in conjunction with the relevant documents referred to therein.

Our work does not constitute an audit, due diligence or certification of the historical financial statements including the working results of the Companies or their businesses referred to in this report. Accordingly, we are unable to and do not express an opinion on the accuracy of any financial information referred to in this report.

Our analysis and results are specific to the purpose of the exercise of giving our fairness opinion on the Equity Share Exchange Ratio for the Proposed Merger. It may not be valid for any other purpose or if done on behalf of any other entity.

Our analysis and results are also specific to the date of this report and based on information as at June 15, 2013. An exercise of this nature involves consideration of various factors. This report is issued on the understanding that the Companies have drawn our attention to all the matters, which they are aware of concerning the financial position of the Companies, their businesses, and any other matter, which may have an impact on our opinion, on the Equity Share Exchange Ratio for the Proposed Merger, including any significant changes that have taken place or are likely to take place in the financial position of the Companies or their businesses subsequent to the proposed Appointed Date for the Proposed Merger. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

In the course of the present exercise, we were provided with both written and verbal information, including financial data. The terms of our engagement were such that we were entitled to rely upon the information provided by the Company without detailed inquiry. With respect to the financial forecasts relating to the MCL, MUSCO, MHIL, MIIL, MGIL, PIA3 and MFL we have assumed, that they have been reasonably prepared on bases reflecting the best currently available estimates and good faith judgments of the management of the MCL, MUSCO, MHIL, MIIL, MGIL, PIA3 and MFL, respectively, as to the future financial performance of each of the company. Also, we have been given to understand by the management of the Company that it has not omitted any relevant and material factors. Accordingly, we do not express any opinion or offer any form of assurance regarding its accuracy and completeness. We assume no responsibility whatsoever for any errors in the above information furnished by the Company and their impact on the present exercise.

We express no opinion whatever and make no recommendation at all to MCL, MUSCO, MHIL, MIIL, MGIL, PIA3 and MFL's underlying decision to effect the Proposed Merger or as to how the holders of equity shares or preference shares or secured or unsecured creditors of the Companies should vote at their respective meetings held in connection with the Proposed Merger. We do not express and should not be deemed to have expressed any views on any other term of the Proposed Merger. We also express no opinion and accordingly accept no responsibility or as to the prices at which the equity shares of MFL will trade following the announcement of the Proposed Merger or as to the financial performance of MFL following the consummation of the Proposed Merger.

No investigation of the Companies' claim to title of assets has been made for the purpose of this exercise and the Companies' claim to such rights has been assumed to be valid. No consideration has been given to liens or encumbrances against the assets, beyond the loans disclosed in the accounts. Therefore, no responsibility whatsoever is assumed for matters of a legal nature. Our report is not and should not be construed as our opining or certifying the compliance of the Proposed Merger with the provisions of any law including companies,

taxation and capital market related laws or as regards any legal implications or issues arising from such proposed merger.

We have not conducted or provided an analysis of due diligence or appraisal of the assets and liabilities of the Companies and have wholly relied on information provided by the Companies in that regard.

In the ordinary course of business, ICICI Securities Limited and its affiliates is engaged in securities trading, securities brokerage and investment activities, as well as providing investment banking and investment advisory services. In the ordinary course of its trading, brokerage and financing activities, any member of the ICICI Securities Limited may at any time hold long or short positions, and may trade or otherwise effect transactions, for its own account or the accounts of customers, in debt or equity securities or senior loans of any company that may be involved in the Scheme.

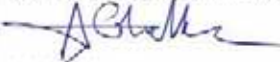
It is understood that this letter is for the benefit of and confidential use by the Board of Directors / Shareholders of MFL for the purpose of this Proposed Merger and may not be relied upon by any other person and may not be used or disclosed for any other purpose without obtaining our prior written consent.

RATIONALE & CONCLUSION

We are given to understand by the Companies that the Merger Equity Share Entitlement Ratio has been recommended by SRBC & NM Rajji, after keeping in mind various factors such as the serviceability of capital of the Proposed merged company taking into account the potential earning capacity of the business that would be carried on by the proposed company once the Scheme comes into effect;

In the circumstances, having regard to all relevant factors and on the basis of information and explanations given to us, we are of the opinion on the date hereof, that the proposed Equity Share Exchange Ratio as recommended by SRBC & NM Rajji, which forms the basis for the Proposed Merger, is fair and reasonable.

Yours faithfully,
For ICICI Securities Limited,



Abhijit Ghalke
Vice President
Investment Banking
ICICI Securities
Mumbai

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Mahindra CIE

MAHINDRA CIE AUTOMOTIVE LIMITED (Formerly known as Mahindra Forgings Limited)

[CIN: L27100MH1999PLC121285]

Registered Office: Mahindra Towers, P. K.Kurane Chowk, Worli, Mumbai 400 018

Website: www.mahindra-cie.com • **E-mail:** mcie.investors@mahindra.com

POSTAL BALLOT FORM

Postal Ballot No.

1. Name(s) of Member(s) :
(including joint holder(s), if any)

2. Registered address of the :
Sole/First named Member

3. Registered Folio No./DP ID :
No.*/Client ID No.*
(*Applicable to shareholders holding
Shares in dematerialised form)

4. Number of Share(s) held :

I/We hereby exercise my/our vote in respect of the Resolution as proposed to be passed through Postal Ballot including E-voting for the business stated in the Notice dated 10th May, 2014 by conveying my/our assent or dissent to the said resolution by placing the tick (✓) mark in the appropriate box below:

Description	No. of Shares	I / We assent to the Resolution (FOR)	I / We dissent to the Resolution (AGAINST)
Approval to the Integrated Scheme of Amalgamation between Mahindra Hinoday Industries Limited, Mahindra Ugine Steel Company Limited, Mahindra Gears International Limited, Mahindra Investments (India) Private Limited and Participaciones Internacionales Autometal Tres, S.L (together referred to as the "Transferor Companies") and the Company and their respective shareholders and creditors, for amalgamation of the Transferor Companies with the Company.			

Place :

Date :

Signature of the Member

ELECTRONIC VOTING PARTICULARS (Applicable for individual members only)

EVEN (Electronic Voting Event Number)	User ID	Password

Note: Please read the instructions printed overleaf carefully before exercising your vote

INSTRUCTIONS

PROCESS FOR SHAREHOLDERS OPTING FOR VOTING BY POSTAL BALLOT (IN PAPER FORM)

1. A Member desirous of exercising vote by Postal Ballot should complete this Postal Ballot Form (no other form or copy of the form will be permitted) in all respects and send it to the Scrutinizer in the attached self-addressed envelope. However, envelopes containing Postal Ballot Form, if sent by registered post / courier at the expense of the Member or if deposited with the Company in person will also be accepted.
2. The Postal Ballot Form should be completed and signed by the Member (as per specimen signature registered with the Company / furnished by the Depositories). In case, shares are jointly held, this form should be completed and signed by the first named Member and, in his/her absence, by the next named Member. Holder(s) of Power of Attorney ("PoA") on behalf of a Member may vote on the Postal Ballot mentioning the Registration No. of the PoA with the Company or enclosing a copy of the PoA authenticated by a Notary.
3. In case of shares held by corporate and institutional shareholder (i.e. companies, societies etc.) the duly completed Postal Ballot Form should be accompanied by a Certified Copy of the Board Resolution/ appropriate authorization giving the requisite authority to the person voting on the Postal Ballot Form.
4. The self-addressed envelope bears the name and postal address of the Scrutinizer appointed by the Board of Directors of the Company.
5. Incomplete, unsigned, improperly or incorrectly tick marked Postal Ballot Forms will be rejected.
6. The Members holding Equity Shares in dematerialised form are advised, in their own interest, to get their signatures verified by their Bankers/ Depository Participants (DP). The signature should be verified by the Banker/DP by affixing a rubber stamp/seal mentioning name and address of the Banker /DP and name, stamp and signature of the Authorized Signatory.
7. A Member need not cast all his/her votes in the same manner.
8. The Members are requested not to send any document (other than the Resolution/Authority as mentioned above) along with the Postal Ballot Form in the enclosed self- addressed postage pre-paid envelope as all such envelopes will be sent to the Scrutinizer and if any extraneous matter be found in such envelope, this will not be considered and would be destroyed by the Scrutinizer.
9. The duly completed and signed form (no other form or photocopy thereof is permitted) should reach the Scrutinizer on or before the closure of working hours (i.e. 6.00 p.m. IST) on Monday, 16th June, 2014. **The Ballot received after the stipulated day and time will be strictly treated as if no reply has been received from the member.**

PROCESS FOR SHAREHOLDERS OPTING FOR E-VOTING

I. In case of shareholders receiving email from NSDL:

- (a) Open the email and open the PDF file with your Client ID or Folio Number as password. The said PDF file contains your user ID and password for e-voting. Please note that the password is an initial password.
- (b) Launch the internet browser by typing the following URL <https://www.evoting.nsdl.com>
- (c) Click on "Shareholder-Login".
- (d) Put User ID and Password noted in step (a) above as the initial password and click Login. If you are already registered with NSDL for e-voting then you can use your existing User ID and Password for Login.
- (e) If you are logging in for the first time, password change menu will appear. Change the password with new password of your choice with minimum 8 digits/characters or a combination thereof. Please note the new password for all the future e-voting cycles offered on NSDL e-voting platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (f) Home page of "e-voting" opens. Click on "e-voting": Active Voting Cycles.
- (g) Select "EVEN (E-Voting Event Number)" of Mahindra CIE Automotive Limited. For an EVEN, you can login any number of times on e-voting platform of NSDL till you have voted on the resolution or till the end of voting period i.e. upto closure of working hours (5.00 p.m.) on Monday, 16th June, 2014, whichever is earlier.
- (h) Now you are ready for "e-voting" as "Cast Vote" Page opens.
- (i) Cast your vote by selecting appropriate option and click "Submit" and also "Confirm" when prompted. Kindly note that vote once cast cannot be modified.
- (j) Institutional Shareholders (i.e. Shareholders other than individuals, HUF, NRIs etc.) are also required to send scanned copy (PDF/JPG format) of the relevant board resolution/ authority letter, etc., together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the scrutinizer through email at: scrutinizer@snaco.net with a copy marked to evoting@nsdl.co.in
- (k) In case of any queries you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the "downloads" section of <https://www.evoting.nsdl.com> or contact NSDL by email at evoting@nsdl.co.in or call on: (022) 24994600.

II. In case of shareholders receiving Postal Ballot Form by post and voting electronically:

- (a) User ID and Initial Password is provided in the Postal Ballot Form
- (b) Please follow the steps from Serial Nos. (b) to (k) mentioned in I above, to cast your vote

III. If you are already registered with NSDL for e-voting, then you can use your existing user id and password for Login. Thereafter please follow the steps from Serial Nos. (f) to (k) mentioned in I above, to cast your vote.

IV. The period of e-voting starts on 17th May, 2014 and ends on 16th June, 2014. E-voting shall be disabled by NSDL at 05.00 p.m. on 16th June, 2014.

GENERAL INSTRUCTIONS

1. There will be only one Postal Ballot Form/E-Voting for every Registered Folio / Client ID irrespective of the number of Joint Member(s).
2. Voting rights shall be reckoned in proportion to the paid up value of equity shares registered in the name of the Members as on 9th May, 2014.
3. Voting rights in the Postal Ballot/E-Voting cannot be exercised by proxy.
4. **If a member has opted for e-voting, then he/she should not submit the Postal Ballot form and vice-versa. However, in case members cast their vote both via postal ballot form and e-voting, then voting through postal ballot form shall prevail and voting done by e-voting shall be treated as invalid, irrespective which is cast first.**
5. The Scrutinizer's decision on the validity of the vote shall be final.
6. Any query in relation to the process of Postal Ballot or Resolution proposed to be passed by the Postal Ballot may be addressed to The Company Secretary of the Company at the Registered Office address of the Company or at mcie.investors@mahindra.com
7. A Member may request for a duplicate Postal Ballot Form, if so required. However, the duly filled in duplicate Postal Ballot Form should reach the Scrutinizer not later than close of working hours on 16th June, 2014.