

Mahindra CIE

MAHINDRA CIE AUTOMOTIVE LIMITED

[CIN: L27100MH1999PLC121285]

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

Website: www.mahindrachie.com • E-mail: mcie.investors@mahindrachie.com • Tel: +91 22 24901860 Fax: +91 22 24915890

To,
The Shareholders,
Mahindra CIE Automotive Limited (the “Company”)

Pursuant to Section 110 and other applicable provisions if any, of the Companies Act, 2013, (the Act), read with the Companies (Management and Administration) Rules, 2014, including any statutory modification or re-enactment thereof for the time being in force, that the item of business set out below is proposed to be transacted by means of voting through Postal Ballot Form or remote e-voting facility (**Postal Ballot**). An Explanatory Statement setting out material facts concerning the item of business contained in the Notice annexed herewith. A Postal Ballot form is also enclosed.

In accordance with provisions of the Companies Act, 2013 (the Act) and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the “Listing Regulations”), the Company has engaged the services of Karvy Computershare Private Limited (“Karvy”) to provide the members remote e-voting facility i.e. the facility of voting by electronic mode. A member may opt to cast vote by remote e-voting facility instead of casting the vote through Postal Ballot Form.

The Company has appointed Mr. Sachin Bhagwat, Practicing Company Secretary (Membership No. ACS 10189) as the scrutinizer for conducting the Postal Ballot process in a fair and transparent manner.

If you intend to cast vote through the Postal Ballot Form, please read the instructions printed in the postal ballot form for casting of vote and return the form duly completed and signed in the self-addressed postage pre-paid envelope, which is being forwarded herewith, so as to reach the Scrutinizer on or before Monday, 17th October, 2016. Postal Ballot Forms received after the said date will not be valid and shall be treated as if the reply from the member had not been received. If you intend to cast vote by electronic mode, please do so in accordance with the instructions for e-voting as set out in the Notes to this Notice. The e-voting shall start at 9.00 a.m. on Sunday 18th September, 2016 and shall be closed at 5.00 p.m. on Monday 17th October, 2016.

The Scrutinizer will submit his report to the Chairman after completion of the scrutiny of the votes cast through postal ballot forms and the votes cast by electronic mode. 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 18th October, 2016 at 5.00 p.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 and website of the Company www.mahindrachie.com besides being communicated to the stock exchanges on which the Company’s equity shares are listed. The results will be displayed on the website of the Company viz. www.mahindrachie.com. In the event the draft resolution as set out in the notice are assented to by the requisite majority by means of E-voting or Postal Ballot (whichever method the Shareholder opts for), they shall be deemed to have been passed as Special Business at an Extraordinary General Meeting.

By Order of the Board
For Mahindra CIE Automotive Limited

Krishnan Shankar
Company Secretary and Head – Legal
Membership Number – F3482

Date: 12th September, 2016
Place: Mumbai

NOTICE OF POSTAL BALLOT

NOTICE is hereby given to the Members of Mahindra CIE Automotive Limited (the Company) pursuant to Section 110 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 that the Company seeks consent of the Members, for the following item of business by way of Postal Ballot:

To consider and if thought fit, to pass, the following as **Special Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Section 186 and other applicable provisions of the Companies Act 2013, if any, and the Rules made there under (including any statutory modification thereof for the time being in force and as may be enacted from time to time) (The ‘Act’), subject to such approvals, consents, sanctions and permissions, as may be necessary, and all other provisions of applicable laws, the Company be and is hereby authorised to give loans to any of the subsidiaries of the Company, to give guarantee or provide security in connection with a loan made by any person to any of the subsidiaries of the company, to acquire by way of subscription, purchase or otherwise, the securities of any body corporate upto an aggregate amount not exceeding ₹ 50,000 Million (Rupees Fifty Thousand Million) including the existing loans / guarantees / securities provided or investments made by the Company,

notwithstanding that the aggregate of the loans or guarantees or securities so far given or to be given and/ or securities so far acquired or to be acquired by the Company may collectively exceed the limits prescribed under Section 186 of the Companies Act, 2013.

RESOLVED FURTHER THAT for the purpose of giving effect to the above resolution, approval of the Company be accorded to the Board of Directors of the Company (hereinafter referred to as Board which expression shall include any committee thereof or persons authorized by the Board) to do all such acts, matters and things and to take all such steps as may be required in this connection and to settle any questions, difficulties or doubts that may arise in this regard and to execute such documents, deeds, writings, papers and/ or agreements as may be required as it may in its absolute discretion, deem fit, necessary or appropriate.”

By Order of the Board
For Mahindra CIE Automotive Limited

Krishnan Shankar

Company Secretary and Head – Legal
 Membership Number – F3482

Date: 12th September, 2016
 Place: Mumbai

Notes:

1. An explanatory statement 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 self-addressed postage pre-paid envelope are being sent to you for your consideration.
2. The Members are informed that in accordance with Rule 22(16)(j) of the Companies (Management and Administration) Rules, 2014, the item of business set out in the Notice shall be transacted only by means of voting through Postal Ballot.
3. This Notice is being sent to all 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 Friday, 9th September, 2016.
4. The voting rights of Shareholders shall be in proportion to their share of the paid up equity share capital of the Company as on 9th September, 2016 (cut-off Date).
5. The Company has appointed Mr. Sachin Bhagwat, Practicing Company Secretary (Membership No. ACS 10189) as the scrutinizer to conduct the Postal Ballot process in a fair and transparent manner.
6. You are requested to carefully read the instructions printed on the postal ballot form attached hereto, and if you are not voting electronically, fill up the Form, indicate your assent or dissent on the resolution at the place indicated in the form and return the duly completed and signed form (no other form 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. 5.00 p.m. IST) on Monday, 17th October, 2016. Envelope containing postal ballot form, if sent by courier or by registered post at the expense of the member will also be accepted. However, the postal ballot forms received after the stipulated day and time will be strictly treated as if no reply has been received from the member.
7. The Company is pleased to offer remote e-voting facility as an alternate, for its members to enable them to cast their votes electronically instead of casting the vote through postal ballot form. The e-voting facility is provided through Karvy Computershare Private Limited (“Karvy”).
8. The e-voting starts at 9.00 a.m. on Sunday 18th September, 2016 and ends on the close of working hours (i.e. 17:00 hours), Monday, 17th October, 2016. The e-voting module shall also be disabled by Karvy for voting thereafter.
9. The procedure and instructions for E-Voting are as follows:
 - I. **In case of shareholders receiving email from Karvy:**
 - (i) Open your web browser during the voting period and navigate to ‘https://evoting.karvy.com’.
 - (ii) Enter the login credentials, i.e. user-id & password, mentioned on the Postal Ballot Form / Email forwarded through the electronic notice:

User-ID	For shareholder(s)/ Beneficial Owner(s) holding Shares In Demat Form:- a) For NSDL:- 8 Characters DP ID Followed By 8 Digits Client ID b) For CDSL:- 16 Digits Beneficiary ID For Members holding shares in Physical Form:- Folio Number registered with the Company
Password	Your Unique password is printed on the Postal Ballot Form / sent via email forwarded through the electronic notice.
Captcha	Enter the Verification code for Security reasons, i.e. please enter the alphabets and numbers in the exact way as they are displayed.

- (iii) After entering these details appropriately, click on “LOGIN”.
- (iv) Members holding shares in Demat / Physical form will now reach password change menu wherein they are required to mandatorily change their login password in the new password field. The new password has to be minimum eight characters consisting of at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character (like *, #, @, etc.). Kindly note that this password can be used by the Demat holders for voting for resolution of any other company on which they are eligible to vote, provided that such company opts for e-voting through Karvy's e-Voting platform. System will prompt you to change your password and update any contact details like mobile #, email ID., etc on first login. You may also enter the Secret Question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Kindly ensure that you note down your password for future reference.
- (v) You need to login again with the new credentials.
- (vi) On successful login, system will prompt to select the ‘Event’, i.e. ‘Mahindra CIE Automotive Limited’
- (vii) If you are holding shares in Demat form and had logged on to <https://evoting.karvy.com> and casted your vote earlier for any other company, then your existing login id and password are to be used.
- (viii) On the voting page, you will see Resolution Description and against the same the option ‘FOR/AGAINST/ABSTAIN’ for voting. Enter the number of shares under ‘FOR/AGAINST/ABSTAIN’ or alternatively you may partially enter any number in ‘FOR’ and partially in ‘AGAINST’, but the total number in ‘FOR/AGAINST’ taken together should not exceed your total shareholding. If you do not want to cast a vote, you may select ‘ABSTAIN’.
- (ix) After selecting the resolution if you have decided to cast vote on the same, click on “SUBMIT” and a confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (x) Once you ‘CONFIRM’ your vote on the resolution, you will not be allowed to modify your vote.
- (xi) Corporate / Institutional Members (corporate / FIs / FIIs / Trust / Mutual Funds / Banks, etc.) are required to send scanned copy (PDF format) of the relevant Board resolution to the Scrutinizer through e-mail to sbhagwatcs@yahoo.co.in with a copy to evoting@karvy.com. The file scanned image / pdf file of the Board Resolution should be in the naming format “Corporate Name”. Please note that proxies are not allowed to cast their vote through Postal Ballot.
- (xii) Members can download Postal Ballot Form from the link URL: <https://evoting.karvy.com> or <http://www.mahindracie.com/investors/downloads/notices.html#notice-of-postal-ballot> or can obtain duplicate Form by sending request to the Company's Registrar and Share Transfer Agents, Karvy Computershare Private Limited, Unit: Mahindra CIE Automotive Limited, Karvy Computershare Pvt. Ltd., Karvy Selenium, Tower B, Plot number 31 & 32, Financial District, Gachibowli, Hyderabad 500008 or to Company at its registered office or at mcie.investors@mahindracie.com

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

- (i) Initial password is provided as per the below format at the bottom of the Postal Ballot Form.

EVEN (E Voting Event Number)	USER ID	PASSWORD / PIN

- (ii) Please follow all steps from Sl. No. (i) to Sl. No. (xi) above, to cast vote.

- III. 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 download section of <https://evoting.karvy.com> or contact Mr. Prem Kumar of Karvy Computershare Private Limited at 040-67162222/67161509; or at 1800-3454-001 (toll free). In case of any grievances connected with the voting by postal ballot including voting by electronic means can be addressed to the Company Secretary at the registered office address of the Company or through e-mail sent at mcie.investors@mahindracie.com
- IV. The period of e-voting starts at 9.00 a.m. on Sunday, 18th September, 2016 and ends at 5.00 p.m. on 17th day, October, 2016. E-voting shall be disabled by Karvy at 05.00 p.m. on Monday, 17th October, 2016.
- V. The date of declaration of results of the postal ballot, i.e. Tuesday 18th October, 2016, shall be the date on which the resolution would be deemed to have been passed, if approved by requisite majority.
- VI. Please note that Voting rights through Postal Ballot Form / E-Voting cannot be exercised by proxy.
- VII. The Scrutinizer's decision on the validity of the vote shall be final.

10. 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.***
11. 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 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 organised through Karvy, such Member may send a request for obtaining the Notice and a physical postal ballot form from the Company by sending a request to Company's Registrar and Share Transfer Agents, Karvy Computershare Private Limited, Unit: Mahindra CIE Automotive Limited, Karvy Selenium Tower B, Plot No.31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad – 500 032, or to the Company at the registered office address of the Company or through e-mail sent at mcie.investors@mahindracie.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 members may also download Postal Ballot Form from the link URL: <https://evoting.karvy.com>.
12. All the documents referred to in the accompanying Notice and explanatory Statement are open for inspection between 10.00 a.m. to 5.00 p.m. on all working days at the registered office of the Company situated at Mahindra Towers, P.K. Kurne Chowk, Worli, Mumbai – 400018, Maharashtra up to 17th October, 2016.

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

Item No. 1

Pursuant to Section 186 of the Companies Act, 2013 (the Act), the Company cannot directly or indirectly (a) give any loan to any person or other body corporate; (b) give any guarantee or provide security in connection with a loan to any other body corporate or person; and (c) acquire by way of subscription, purchase or otherwise, the securities of any other body corporate, exceeding 60% of its paid-up share capital, free reserves and securities premium account or 100% of its free reserves and securities premium account, whichever is more, except with the prior approval by means of a special resolution of its Shareholders.

The said limits were exhausted post effectiveness of the Integrated and Composites Schemes and thereafter the Company had obtained Shareholders approval on 27th March, 2015 to give loan or provide guarantee or provide security in connection with a loan made to the subsidiaries of the Company, to acquire by way of subscription, purchase or otherwise, the securities of any body corporate upto an aggregate amount not exceeding ₹ 25,000 million (Rupees Twenty Five Thousand Million only) including the existing loans/ guarantees / securities provided or investments made by the Company.

Considering the Investments Company already have made, the balance limits available with the Company is around ₹ 8,500 Million.

At its meeting held on 12th September, 2016, the Board has approved the acquisition of 100% of Bill Forge Private Limited. The sale consideration payable for the acquisition is ₹13,312 Million which exceeds the available limits under Section 186 of the Companies Act, 2013.

The Company continues to evaluate all growth options, organic, and from time to time, otherwise. In view of the proposed acquisition and to enable the company to pursue its stated strategy of inorganic growth the Shareholders are requested to consider the increase in the existing investment limits of the Company from ₹ 25,000 million (Rupees Twenty Five Thousand Million only) to not exceeding ₹ 50,000 Million (Rupees Fifty Thousand Million).

As per the provisions of Rule 22(16)(j) of the Companies (Management and Administration) Rules, 2014, the resolution for giving loan or extending guarantee or providing security in excess of the limit as specified under Section 186(2) of the Act has to be passed through Postal Ballot (which includes e-voting).

None of the Directors and/or Key Managerial Personnel of the Company and/or their respective relatives are in any way concerned or interested in the aforesaid Special Resolution save and except to the extent of their directorship /shareholding, if any, in any of the entities mentioned in the resolution.

The Board recommends the resolution as set out at Item No. 1 of the Notice for approval of shareholders by way of a special resolution.

Registered Office:

Mahindra CIE Automotive Limited
CIN: L27100MH1999PLC121285
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Worli, Mumbai – 400 018.
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By Order of the Board
For Mahindra CIE Automotive Limited

Krishnan Shankar
Company Secretary and Head – Legal
Membership Number – F3482

Date: 12th September, 2016
Place: Mumbai