DCS/AMAL/CS/24(f)/308/2014-15   February 26, 2015

The Company Secretary
Electrosteel Castings Ltd.
Rathod Colony, Sundergarh,
Rajgangpur- 770 017,
Orissa.

Dear Sir / Madam,

Sub: Observation letter regarding the Scheme of Arrangement involving Amalgamation of Mahadev Vyapaar Private Limited with Electrosteel Castings Limited.

We are in receipt of Scheme of Amalgamation involving merger of Mahadev Vyapaar Private Limited with Electrosteel Castings Limited.

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 vide its letter February 24, 2015 has inter alia given the following comment(s) on the draft scheme of arrangement:

> *Additional information submitted by the company with respect to pre-scheme and post-scheme shareholding, which was received by SEBI on January 5, 2015, comments on entries found in SEBI ATR database which was received by SEBI on January 14, 2015, and audited financials of MVPL for nine months ended September 30, 2014 which was received by SEBI on February 20, 2015 is displayed from the date of receipt of this letter on the website of the company along with various documents submitted pursuant to the said Circulars.*

> *Company shall duly comply with various provisions of the Circulars."*

Accordingly, based on aforesaid comments offered by SEBI, the company is hereby advised:

> To provide with pre-scheme and post-scheme shareholding received by SEBI on December January 5, 2015, comments on entries found in SEBI ATR database which was received by SEBI on January 14, 2015, and audited financials of MVPL for nine months ended September 30, 2014 which was received by SEBI on February 20, 2015 along with various documents to the Exchange for further dissemination on Exchange website.

> To ensure that pre-scheme and post-scheme shareholding received by SEBI on December January 5, 2015, comments on entries found in SEBI ATR database which was received by SEBI on January 14, 2015, and audited financials of MVPL for nine months ended September 30, 2014 which was received by SEBI on February 20, 2015 (as stated aforesaid) along with various documents are disseminated on their website.

> To duly comply with various provisions of the Circulars

In light of the above, we hereby advise that we have no adverse observations with limited reference to those matters having a bearing on listing/de-listing/continuous listing requirements within the provisions of Listing Agreement, so as to enable the company to file the scheme with 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. Copy of the observation letter issued by all the Stock Exchanges where Company is listed.
e. Status of compliance with the Observation Letter/s of the stock exchanges;
f. The application seeking exemption from Rule 19(2)(b) of SCRR, 1957, wherever applicable; and
g. Complaints Report as per Annexure II of this Circular.
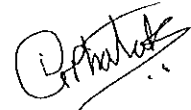h. Any other document/disclosure as informed by the Exchange.

The Exchange reserves its right to withdraw its observation 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.

Please note that the aforesaid observations does not preclude the Company from complying with any other requirements.

Yours faithfully,

Nitin Pujari
Manager

Lalit Phatak
Asst. Manager