

National Stock Exchange Of India Limited

Ref: NSE/LIST/31234

February 10, 2022

The Company Secretary
Wheels India Limited
21, Patullos Road,
Chennai – 600 002.

Kind Attn.: Ms. K. V Lakshmi

Dear Madam,

Sub: Observation Letter for draft Scheme of Amalgamation of Sundaram Hydraulics Limited with Wheels India Limited and their respective shareholders.

We are in receipt of draft Scheme of Amalgamation of Sundaram Hydraulics Limited (“Transferor Company”) with Wheels India Limited (“Transferee Company”) and their respective shareholders.

Based on our letter reference no. NSE/LIST/29504 submitted to SEBI and pursuant to SEBI Circular no. CFD/DIL3/CIR/2017/21 dated March 10, 2017 (“Circular”), kindly find following comments on the draft scheme:

- a. *Company shall ensure disclosure of all details of ongoing adjudication & recovery proceedings prosecution initiated and all other enforcement action taken, if any, against the company, its promoters and directors, before Hon’ble NCLT and shareholders, while seeing approval of the scheme.*
- b. *Company shall ensure additional information, if any, submitted by the Company, after filing the Scheme with the Stock Exchanges, and from the date of receipt of this letter is displayed on the websites of the listed company and the Stock Exchanges*
- c. *The entities involved in the scheme shall duly comply with various provisions of the said Circular.*
- d. *The Company shall ensure that the new equity shares to be issued & allotted by the transferee company only in demat form to the respective shareholders of the Transferor Companies.*
- e. *The Company should ensure that the information pertaining to all the unlisted companies involved in the scheme shall be included in the format specified for abridged prospectus as provided in Part E of Schedule VI of the ICDR Regulations, 2018 in the explanatory statement or notice or proposal accompanying resolution to be passed, which is sent to the shareholders for seeking approval.*
- f. *Company shall ensure that all details mentioned in their letter dated January 03, 2021 shall be disclosed to the shareholders for enabling them to take an informed decision on the scheme under consideration.*
- g. *The Company shall ensure that the financials in the scheme including financials considered for valuation report are not for period more than 6 months old.*
- h. *Company is advised that the observations of SEBI/Stock Exchanges shall be incorporated in the petition to be filed before National Company Law Tribunal (NCLT) and the company is obliged to bring the observations to the notice of NCLT.*

It is to be noted that the petitions are filed by the company before NCLT after processing and communication of comments/observations on draft scheme by SEBI/ stock exchange. Hence, the company is not required to send notice for representation as mandated under section 230(5) of Companies Act, 2013 to National Stock Exchange of India Limited again for its comments/observations/representations.

Further, where applicable in the explanatory statement of the notice to be sent by the company to the shareholders, while seeking approval of the scheme, it shall disclose information about unlisted companies involved in the format prescribed for abridged prospectus as specified in the Circular.

Based on the draft scheme and other documents submitted by the Company, including undertaking given in terms of Regulation 11 of SEBI (LODR) Regulations, 2015, we hereby convey our “No objection” in terms of Regulation 94 of SEBI (LODR) Regulations, 2015, so as to enable the Company to file the draft scheme with NCLT.

However, the Exchange reserves its rights to raise objections 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 Regulations, Guidelines/ Regulations issued by statutory authorities.

The validity of this “Observation Letter” shall be six months from February 10, 2022 within which the scheme shall be submitted to NCLT.

The Company shall ensure filing of compliance status report stating the compliance with each point of Observation Letter on draft scheme of arrangement on the following path: NEAPS > Issue > Scheme of arrangement > Reg 37(1) of SEBI LODR, 2015> Seeking Observation letter to Compliance Status.

Yours faithfully,
For National Stock Exchange of India Limited

Harshad Dharod
Manager

P.S. Checklist for all the Further Issues is available on website of the exchange at the following URL:
<https://www.nseindia.com/companies-listing/raising-capital-further-issues-main-sme-checklist>