

DCS/AMAL/BS/24(f)/7/2014-15

May 2, 2014

The Company Secretary
Pricol Limited
CPM Towers,
109 Race Course, ,
Coimbatore -641018.

Dear Sir / Madam,

Sub: Observation letter regarding the Scheme of Amalgamation involving merger of Xenos Automotive Limited(XAL)with Pricol Limited (PI).

We are in receipt of draft Scheme of Amalgamation involving merger of the company with Xenos Automotive Limited (XAL) with Pricol Limited (PI).

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 April 30, 2014 given the following comment(s) on the draft scheme of arrangement:

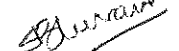
- ***The company shall duly comply with various provisions of the Circulars.***
- ***Listed Company shall ensure that the following facts are clearly informed to the shareholders by way of prominent inclusion in explanatory statement to the notice to the shareholders for their approval :***
 - i) ***Negative net-worth of transferor company and corresponding reduction in the net-worth of amalgamated entity pursuant to scheme.***
 - ii) ***Inter-company transaction worth Rs.36.1 crore which was a receivable in books of PI will come to an end upon amalgamation.***
- ***Listed Company to ensure that "fairness opinion" submitted by the company, PI is displayed on its website from the date of receipt of this letter alongwith the various documents submitted pursuant to the circulars.***


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

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

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

Yours faithfully,


Bhuvana Sriram
Deputy Manager


Pooja Sanghvi
Asst. Manager