# SWARAJ AUTOMOTIVES LIMITED

Regd. Office: Phase IV, Industrial Area, S.A.S. Nagar (Mohali), Punjab - 160 055

Recommendation of Committee of Independent Directors (IDC) on the Voluntary Open Offer to Equity Shareholders of Swaraj Automotives Limited ("Target Company") by Mahindra & Mahindra Limited ("Acquirer") for acquisition of upto 647,382 equity shares under Regulation 26(7) of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011

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| 1. | Date | 22-Dec-2011 |
| 2. | Name of the Target Company (TC) | Swaraj Automotives Limited |
| 3. | Details of the Offer pertaining to TC | The Voluntary Open Offer is being made by the Acquirer to equity shareholders of the TC for acquiring upto 6,47,382 fully paid-up equity shares of face value of Rs. 10/- of the TC constituting 27% of Voting Share Capital of the TC at a price of Rs. 90/- (Rupees ninety only) per equity shares, payable in cash, in order to consolidate its holding in TC in accordance with the Regulation 6(1) of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended. |
| 4. | Name of the Acquirer and PAC with the Acquirer | Mahindra & Mahindra Limited is the Acquirer.<br>There is no Person Acting in Concert with the Acquirer. |
| 5. | Name of the Manager to the Offer | Religare Capital Markets Limited, 4th Floor, ING House, Plot No.: C-12, G Block, Bandra Kurla Complex, Bandra (E), Mumbai 400 051, India. Telephone: +91 22 6766 3663 / +91 22 6766 3596; Facsimile: +91 22 6766 3575; Email ID: sal.openoffer@religare.com; Website: www.religarecm.com |
| 6. | Members of the Committee of Independent Directors (IDC) | 1) Sh. S.C.Bhargava, 2) Sh. Hardeep Singh, 3) Sh. Devi Singh. Sh. S.C.Bhargava is Chairman of the Committee. |
| 7. | IDC Member's relationship with the TC (Director, Equity shares owned, any other contract / relationship), if any | 1) Sh. S.C. Bhargava is Director and holds no equity shares of TC. 2) Sh. Hardeep Singh is Director and holds no equity shares of TC. 3) Sh. Devi Singh is Director and represents General Insurers' (Public Sector) Association of India Member Companies and the GIC). Equity shares held by GIC & its Subsidiary Companies in the TC are 40,843 (1.7% of total equity share capital of TC). |
| 8. | Trading in the Equity Shares / Other Securities of the TC by IDC Members | None of the IDC Members have done any trading in Equity Shares / other securities of the TC since their appointment. |
| 9. | IDC Member's relationship with the Acquirer (Director, Equity shares owned, any other contract / relationship), if any | None of the IDC Members is Director in Acquirer. Sh. S.C. Bhargava holds 400 equity shares of Acquirer. Shri Hardeep Singh and Shri Devi Singh do not hold any equity shares of Acquirer.<br>None of the IDC Members have any relationship with Acquirer. |
| 10. | Trading in the Equity Shares / Other Securities of the Acquirer by IDC Members. | None of the IDC Members have done any trading in Equity Shares / other securities of the Acquirer since their appointment. |
| 11. | Recommendation to the Open Offer, as to whether the Offer is fair and reasonable. | IDC believes that Open Offer is fair and reasonable. |
| 12. | Summary of reasons for recommendation | IDC recommends acceptance of the Voluntary Open Offer given by Acquirer and believes that the Voluntary Open Offer is fair and reasonable based on the following reasons : (A) The Voluntary Open Offer price of Rs.90/- (Rupees Ninety only) per equity share of the TC is attractive to shareholders, in the light of the following facts : The book value per equity share of the TC as per the last Audited Balance Sheet of the TC as on 31-March-2011 is Rs.86.86 (Rupees Eight Six and Paisa eight six only) per equity share of the TC (refer to the Audited Balance Sheet available on the TC's website www.swarajenterprise.com) and the table titled "Other Financial Data" in paragraph 4.7 of the Letter of Offer (LOR) dated 16-Dec-2011 which is lower than the Offer Price of Rs.90/- per equity share of the TC being offered by the Acquirer; and The fair price per equity share of the TC as per the independent valuation certificate of dated 14-Nov-2011 submitted by Mr. Nimesh Jambusaria, Partner, Haribhakti & Co., Chartered Accountants, 42, Free Press House, 215, Nariman Point, Mumbai 400021, (Membership No. 38979) is Rs.83/- (Rupees Eighty Three only) per equity share of the TC (refer to para 5.1.4 of the LOR dated 16-Dec-2011) which is also lower than the offer price of Rs.90/- (Rupees Ninety only) per equity share of the TC offered by the Acquirer. (B) The equity shares of the TC are illiquid because there has been no trading on the TC equity shares on the Delhi Stock Exchange (only Stock Exchange where the TC equity shares are listed) since March 1995. |
| 13. | Details of Independent Advisors, if any. | Nil |
| 14. | Any other matter(s) to be highlighted. | Nil |

To the best of our knowledge and belief, after making proper enquiry, the information contained in or accompanying this statement is, in all material respect, true and correct and not misleading, whether by omission of any information or otherwise, and includes all the information required to be disclosed by the TC under the Takeover Code.

For Swaraj Automotives Limited

(S.C.Bhargava)

Chairman – Committee of Independent Directors

Place : New Delhi
Date : 22.12.2011