

M&M to raise additional resources through FCDs

Brand

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Mumbai: The Board of Directors of Mahindra & Mahindra Limited at its Meeting held on 3rd May, 2008 have approved raising additional resources through issuance of Unsecured Fully and Compulsorily Convertible Debentures to Golboot Holdings Limited, an entity controlled by Goldman Sachs, details whereof are given below and the same intimation has been sent by the Company to the Stock Exchanges.

Outcome of Board Meeting of Mahindra & Mahindra Limited held on 3rd May, 2008:

1. This is to inform you that the Board of Directors of the Company at its Meeting held on 3rd May, 2008 has inter alia, subject to receipt of requisite approvals approved raising additional resources through issuance of 93,95,974, 9.25% p.a. Unsecured Fully and Compulsorily Convertible Debentures ('FCD' or 'FCDs') of the Face Value of Rs.745 each aggregating Rs.700,00,00,630 to Golboot Holdings Limited, an entity controlled by Goldman Sachs, each FCD being convertible into one Equity Share of Rs.10 each in the Company at a price of Rs.745 per Share (including premium of Rs.735 per Share) in accordance with Chapter XIII of the Securities and Exchange Board of India (Disclosure & Investor Protection) Guidelines, 2000.

The FCDs shall be convertible into Equity Shares at anytime within 18 months from the date of allotment of FCDs at the option of the Investor, and mandatorily convertible into Equity Shares on the date falling 18 months from the date of allotment.

The issue price represents a premium of over 7.91% to the closing price of Rs.690.35 per share traded on Bombay Stock Exchange Limited on 2nd May, 2008. With this investment, Golboot Holdings Limited shall own 3.68% of the post issue paid up equity share capital of the Company. The Company will utilise the amount raised through preferential offer towards its auto and tractor businesses. Kotak Mahindra Capital Company Limited was the exclusive financial advisor for the

above transaction.

2. The Company would be seeking consent of the Shareholders for the aforesaid by a Postal Ballot in accordance with section 192A of the Companies Act, 1956 read with the Companies (Passing of the Resolution by Postal Ballot) Rules, 2001.

The Board has fixed 3rd May, 2008 as the cut off date for ascertaining the list of Shareholders to whom Notice and Postal Ballot Form will be sent.

The results of the Postal Ballot will be declared on 11th June, 2008 at the Corporate Office of the Company situated at Mahindra Towers, Dr. G. M. Bhosale Marg, P. K. Kurne Chowk, Worli, Mumbai - 400 018.

About The Mahindra Group

The US \$6 billion Mahindra Group is among the top 10 industrial houses in India. Mahindra & Mahindra is the only Indian company among the top tractor brands in the world. Mahindra's Farm Equipment Sector has recently won the Japan Quality Medal, the only tractor company worldwide to be bestowed this honour. It also holds the distinction of being the only tractor company worldwide to win the Deming Prize. Mahindra is the market leader in multi-utility vehicles in India. It made a milestone entry into the passenger car segment with the Logan.

The Group has a leading presence in key sectors of the Indian economy, including the financial services, trade and logistics, automotive components, information technology, and infrastructure development.

With over 62 years of manufacturing experience, the Mahindra Group has built a strong base in technology, engineering, marketing and distribution which are key to its evolution as a customer-centric organization. The Group employs over 50,000 people and has several state-of-the-art facilities in India and overseas.

The Mahindra Group has ambitious global aspirations and has a presence on five continents. Mahindra products are today available on every continent except Antarctica. M&M has one tractor manufacturing plant in China, three assembly plants in the United States and one at Brisbane, Australia. It has made strategic acquisitions across the globe including Stokes Forgings (UK), Jeco

Holding AG (Germany) and Schoneweiss & Co GmbH (Germany). Its global subsidiaries include Mahindra Europe Srl. based in Italy, Mahindra USA Inc. and Mahindra South Africa.

Tags :
FCDs