



Mahindra & Mahindra Limited

Registered Office: Gateway Building, Apollo Bunder, Mumbai – 400 001.

CIN: L65990MH1945PLC004558

website: www.mahindra.com • email: investors@mahindra.com • Tel: +91 22 22895500

IN THE NATIONAL COMPANY LAW TRIBUNAL

MUMBAI BENCH – II

C.A.(CAA)67/(MB)/2022

In the matter of the Companies Act, 2013 and in the matter of section 230-232 and other applicable provisions of the Companies Act, 2013 and in the matter of Scheme of Merger by Absorption of Mahindra Electric Mobility Limited (“MEML” or “Transferor Company”) with Mahindra and Mahindra Limited (“M&M” or “Transferee Company”) and their respective shareholders (“Scheme”).

Mahindra and Mahindra Limited

[CIN: L65990MH1945PLC004558] is a Public Limited Company incorporated under the Indian Companies Act, VII of 1913 having its registered office at Gateway Building, Apollo Bunder, Mumbai – 400 001

} ... Applicant Company 2/Transferee Company

NOTICE TO UNSECURED CREDITORS

To,
The Unsecured Creditor

Notice is hereby given that as directed by the Divisional Bench of the National Company Law Tribunal at Mumbai (‘Tribunal’) by an Order dated 10th June, 2022, the meeting of the unsecured creditors of Mahindra & Mahindra Limited to consider the Scheme of Merger by Absorption of Mahindra Electric Mobility Limited (“MEML” or “Transferor Company”) with Mahindra and Mahindra Limited (“M&M” or “Transferee Company”) and their respective shareholders (“Scheme”) has been dispensed with. The Tribunal has further directed the Transferee Company to issue notices to its concerned unsecured creditors.

A copy of the Order of the Tribunal (Annexure 1) and the notice of meeting of the equity shareholders of the Company with explanatory statement alongwith the Scheme and other annexures (Annexure 2) are enclosed.

You being an unsecured creditor of Mahindra & Mahindra Limited as on 31st October 2021, are hereby informed that, representations, if any, in connection with the proposed Scheme may be made to the Tribunal within 30 days from the date of receipt of this notice. The address of the Tribunal is 4th Floor, MTNL Building, Cuffe Parade Telephone Exchange, GD Somani Marg, Cuffe Parade, Colaba, Mumbai – 400005. Copy of such representations may simultaneously be sent to Mahindra & Mahindra Limited at its registered office at Gateway Building, Apollo Bunder, Mumbai – 400001.

In case no representation is received within a period of thirty (30) days, it shall be presumed that you have no representation to make on the proposed Scheme.

We would also like to take this opportunity to inform you that the liability to creditors of the Transferee Company is neither being reduced nor being extinguished and as such there is no impact of the proposed Scheme on the creditors.

For Mahindra & Mahindra Limited

Narayan Shankar
Company Secretary

Mumbai, 15th July, 2022

- Enclosures: 1. Copy of Order of the Tribunal – Annexure 1
2. Notice of meeting of the equity shareholders of the Company with explanatory statement alongwith the Scheme and other annexures – Annexure 2



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C.A.(CAA) 67/(MB)/2022

In the matter of
Companies Act, 2013;

And

In the matter of
Section 230-232 and other applicable provisions of the
Companies Act, 2013;

And

In the matter of
Scheme of Merger by Absorption of Mahindra Electric
Mobility Limited ("MEML" or "Transferor
Company") with Mahindra and Mahindra Limited
("M&M" or "Transferee Company") and their
respective shareholders ("Scheme").

Mahindra Electric Mobility Limited

[CIN: U34101MH1996PLC325507] is a Public Limited Company incorporated under the Companies Act, 1956 having its registered office at Mahindra Towers, Dr. G.M. Bhosale Marg, P.K. Kurne Chowk, Worli, Mumbai 400018.

... Applicant Company 1/

Transferor Company

Mahindra and Mahindra Limited

[CIN: L65990MH1945PLC004558] is a Public Limited Company incorporated under the Indian Companies Act, VII of 1913





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having its registered office at Gateway
Building, Apollo Bunder, Mumbai – 400 001

... Applicant Company 2 /
Transferee Company

(Collectively referred as the "Applicant Companies")

Order Delivered on 10.06.2022

Coram:

Hon'ble Member (Judicial) : Justice P. N. Deshmukh (Retd.)
Hon'ble Member (Technical) : Mr. Shyam Babu Gautam

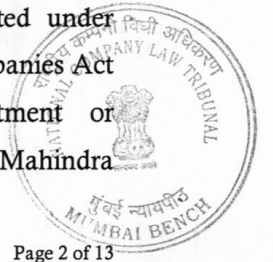
Appearances (via videoconferencing):

For the Petitioners : Mr. Hemant Sethi a/w Ms. Vidisha
Poonja i/b Hemant Sethi & Co.
Mumbai.

ORDER

Per: Shyam Babu Gautam, Member (Technical)

1. The Court is convened by videoconference today.
2. The Counsel for the Applicant Companies submits that the present Scheme of Merger by Absorption ('the Scheme') is presented under Sections 230 to 232 and other applicable provisions of the Companies Act 2013 (including any statutory modification or re-enactment or amendment thereof), as may be applicable, for the merger of Mahindra



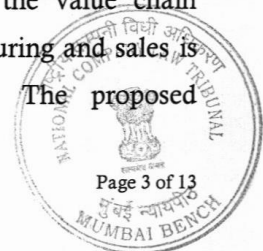


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Electric Mobility Limited (“MEML”) with Mahindra and Mahindra Limited (“M&M”) and their respective shareholders.

3. The Counsel for the Applicant Companies further submits that, the Applicant Company 1 is currently engaged in designing and manufacturing of electrically powered vehicles alongwith designing and development of related technology for end use vehicles and the Applicant Company 2 is inter alia, engaged in the business of manufacture and sale of tractors, general purpose utility vehicles, light commercial vehicles, three-wheelers and trucks and buses.
4. The Counsel for the Applicant Companies further submits that the proposed Scheme will be beneficial to the Applicant Companies, their respective shareholders and creditors, employees and other stakeholders. The rationale of the Scheme is as follows –
 - Global automobile industry is accelerating the adoption of Electric Vehicles (“EV”) and its share to total Automobile market is expected to increase rapidly. The Indian Government has also been encouraging this migration with various timeline linked incentives. Future readiness will require increased investment, reconfiguration of value chain, faster launch of new EV products and remapping of managerial skill sets.
 - MEML has expertise in EV technology while M&M has expertise in automotive design, engineering and manufacturing, sourcing network and sales, marketing & service channels. Thus, the value chain required for end to end EV development, manufacturing and sales is currently spread between M&M and MEML. The proposed





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consolidation will bring this entire value chain under one umbrella driving sharper focus for smooth and efficient management of the value chain requirements with scale and agility required to meet the increasing focus on EVs.

- M&M also envisages significant investments in the EV business to scale up the business and develop a robust EV product pipeline for which the proposed consolidation will be critical. Further, M&M's better credit rating will also provide significant savings in finance costs for funding the investment.
 - The consolidation of MEML with M&M will also result in:
 - i. Optimizing capital investments for manufacturing EVs by leveraging manufacturing and R&D infrastructure of M&M and hence lower EV costs.
 - ii. Leveraging M&M Sales & Marketing channel to increase EV penetration, optimize price points for customers and improve dealer viability.
 - iii. Rationalization of number of identified operating entities thereby reducing the legal and regulatory compliances.
 - The proposed scheme will be beneficial, advantageous and not prejudicial to the interests of the shareholders, creditors and other stakeholders of MEML and M&M.
5. The Counsel for the Applicant Companies submits that the proposed Merger by Absorption was approved unanimously by the Board of Directors of the respective Applicant Companies on 28th May, 2021. A certified true copy of Board Resolution of respective Applicant Companies approving the Scheme are annexed with Company Scheme



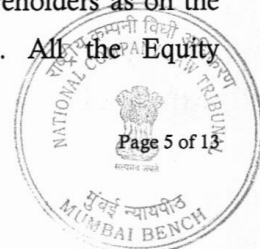


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Application. The Board of Directors of the respective Applicant Company believe that the Scheme is in the best interests of the respective entities and their respective stakeholders including its shareholders, employees, and creditors.

6. The Appointed Date for the Scheme of Merger by Absorption is 01.04.2021.
7. The Counsel for the Applicant Companies further submits that the shares of Applicant Company 2 are listed on BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE"). The Global Depository Receipts (GDRs) of the Transferee Company are listed on the Luxembourg Stock Exchange and are also admitted for trading on International Order Book (IOB) of the London Stock Exchange. Pursuant to the Securities Exchange Board of India ("SEBI") Master Circular No. SEBI/HO/CFD/DIL1/CIR/P/2020/249 dated December 22, 2020, as amended from time to time ("SEBI Circular") read with Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("LODR Regulations"), Applicant Company 2 had applied to BSE and NSE for their "Observation Letter" to file the Scheme for sanction of the Tribunal. BSE by its letter dated 13th January 2022 and NSE by its letter dated 14th January 2022 have respectively given their "No Objection" to Applicant Company 2.
8. The Counsel for the Applicant Companies respectfully submits that, the Applicant Company 1 has Fifty-Five (55) Equity Shareholders as on the date of filing the application with this Tribunal. All the Equity



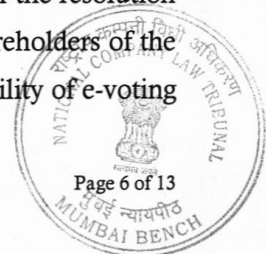


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Shareholders have given their Consent Affidavit which are annexed as "Annexure G1 to G55" to the Joint Company Scheme Application. In view of the fact that, the Applicant Company 1 has obtained the Consent Affidavits from all its Shareholders, the meeting of the Equity Shareholders of the Applicant Company 1 is hereby dispensed with.

9. This Bench directs the conduct of meeting of the Applicant Company 2 as follows:-
- (i) That the meeting of the Equity Shareholders of the Applicant Company 2 will be convened and held as follows on 19th August, 2022 at 3.00 pm (Indian Standard Time). The meeting will be convened and held for the purpose of considering and, if thought fit, approving with or without modification(s) the Scheme of Merger by Absorption through video conferencing or other audio-visual means, and not in physical presence of shareholders, as in case of the physical presence it shall not be possible to maintain the current COVID-19 environment related social distancing norms.
 - (ii) In view of provisions of Section 230(4) read with Section 108 of the Companies Act, 2013 read with Rule 20 and other applicable provisions of the Companies (Management and Administration) Rules, 2014 and in accordance with Regulation 44(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Applicant Company 2 proposes to provide the facility of remote e-voting to its Equity Shareholders in respect of the resolution to be passed at the aforesaid meeting. The Equity Shareholders of the Applicant Company 2 are also allowed to avail the facility of e-voting



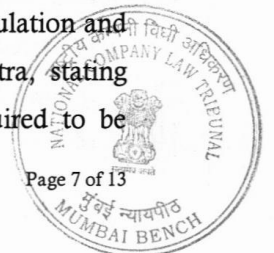


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during the aforesaid meeting to be held through video conferencing and/or other audio-visual means on 19th August, 2022 at 3.00 pm. The e-voting facility for the Equity Shareholders of the Applicant Company 2 shall be provided in compliance with the conditions specified under the Companies (Management and Administration) Rules, 2014, Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings (SS2) issued by the Institute of Company Secretaries of India, as applicable.

- (iii) That at least 30 (thirty) days before the said Meeting of the Equity Shareholders of the Applicant Company 2 to be held as aforesaid, a Notice convening the said Meeting at the day, date and time as aforesaid, together with a copy of the Scheme, a copy of Explanatory Statement disclosing all material facts as required under Section 230(3) of the Companies Act, 2013 read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 notified on 14th December, 2016 shall be sent either by Air Mail/Courier/Registered Post/Speed Post/Hand Delivery/through Email (where e-mail ID is available) to all those Equity Shareholders of the Applicant Company 2.
- (iv) That at least 30 (thirty) days before the said Meeting of the Equity Shareholders to be held as aforesaid, a Notice convening the said Meeting at the day, date and time as aforesaid be published once each in 'Business Standard' in English having nation-wide circulation and 'Navshakti' in Marathi having circulation in Maharashtra, stating that copies of the Scheme and the said statement required to be



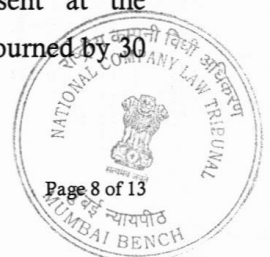


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furnished pursuant to section 230 (3) of the Companies Act, 2013 can be obtained free of charge by emailing to the Applicant Company 2 at investors@mahindra.com.

- (v) This Bench hereby appoints Mr. Anand G. Mahindra, Non-Executive Chairman of the Applicant Company 2 and failing him Mr. Dr. Anish Shah, Managing Director and Chief Executive Officer of the Applicant Company 2, and failing him Mr. Rajesh Jejurikar, Executive Director, Auto and Farm Sectors of the Applicant Company 2, as Chairperson for the meeting of the Equity Shareholder of the Applicant Company 2.
- (vi) This Bench hereby appoints Mr. Sachin Bhagwat, Practicing Company Secretary (Membership No. ACS 10189) or in his absence Mr. Prashant Vaishampayan (Membership No. FCS 4251) as Scrutinizer for the meetings of the Equity Shareholder of the Applicant Company 2. The fee of the professional appointed as Scrutinizer for the meetings of the Equity shareholders of the Applicant Company 2 shall be Rs. 30,000/- excluding applicable taxes.
- (vii) The quorum for the aforesaid meeting of the Equity Shareholders of Applicant Company 2 shall be as prescribed under Section 103 of the Companies Act, 2013 and would include Equity Shareholders present through video conferencing and/or other audio-visual means. In case the required quorum as stated above is not present at the commencement of the meeting, the meeting shall be adjourned by 30



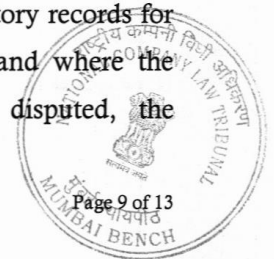


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(thirty) minutes and thereafter the persons present shall be deemed to constitute the quorum.

- (viii) The voting by proxy shall not be permitted as the meeting would be held through video conferencing and/or other audio-visual means. However, voting by authorised representative in case of body corporate be permitted, provided that the prescribed form/authorization is filed with the Applicant Company 2 at investors@mahindra.com not later than 48 hours before the start of the aforesaid meeting as required under Rule 10 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016.
- (ix) That the Chairperson appointed for the aforesaid meeting of the Applicant Company 2 to issue the notice of the meeting referred to above. The said Chairperson shall have all powers pursuant to sections 230 and 232 read with other applicable provisions of the Companies Act, 2013, the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 and Companies (Management and Administration) Rules, 2014, to the extent necessary and applicable, in relation to the conduct of the meeting including for deciding procedural questions that may arise at or at any adjournment thereof or any other matter including, an amendment to the Scheme or resolution, if any, proposed at the meeting by any person(s).
- (x) That the value and number of the shares of each shareholder shall be in accordance with the register of Members or depository records for Equity Shareholders of the Applicant Company 2 and where the entries in the register / depository records are disputed, the





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Chairperson of the meeting shall determine the value and the number for the purpose of the aforesaid meeting and his/her decision in that behalf would be final.

(xi) That the Chairperson shall file a compliance report not less than 7 (Seven) days before the date fixed for the holding of the meeting of the Equity Shareholders of the Applicant Company 2 to this Tribunal that the directions regarding the issue of notices and advertisements have been duly complied with as per Rule 12 of Companies (Compromises, Arrangements and Amalgamations) Rules, 2016.

(xii) That the Chairman of the meeting to report to this Tribunal, the results of the said meeting of the Equity Shareholders of the Applicant Company 2 within 30 (Thirty) days of the conclusion of the meetings.

10. The Counsel for the Applicant Companies submits that the Applicant Company 1 had one (1) Secured Creditor as on 31st October 2021. The Applicant Company 1 has obtained the consent Affidavit from its sole Secured Creditor which is annexed as "Annexure I" to the Joint Company Scheme Application. In view of the fact that, the Applicant Company 1 has obtained the Consent Affidavit from its sole Secured Creditor, the meeting of the Secured Creditors of the Applicant Company 1 is hereby dispensed with. Further, the Applicant Company 2 does not have any Secured Creditors, therefore, the question of convening and holding of the meeting of Secured Creditors of the Applicant Company 2 does not arise.

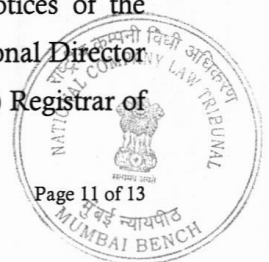




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11. The Counsel for the Applicant Companies submits that Applicant Company 1 has 846 Unsecured Creditors of the value of Rs.4,85,79,62,474/- and Applicant Company 2 has 43,596 Unsecured Creditors of the value of Rs.165,350,995,308/- as on 31st October 2021. The Counsel for the Applicant Companies further submits that the present Scheme is a Scheme of Merger by Absorption of the Applicant Companies and their respective Shareholders as contemplated under Section 230(1)(b) of the Companies Act, 2013 and not in accordance with the provisions of Section 230(1)(a) of the Companies Act, 2013 as there is no compromise and/or arrangements with the creditors as no sacrifice is called for. There-fore, the meeting of the Unsecured Creditors of the Applicant Companies be dispensed with. However, this bench hereby directs the Applicant Company 1 to issue notice to its Unsecured Creditors having outstanding amount of more than Rs.25,00,000/- constituting more than 95% in value and Applicant Company 2 to issue notice to its Unsecured Creditors having outstanding amount of more than Rs.1,00,00,000/- constituting more than 95% in value by Air Mail or Registered Post or Registered Post Acknowledgement Due (RPAD) or Speed Post or Courier or Hand Delivery or through E-mail (to those creditors whose email addresses are duly registered with the respective Applicant Companies), at their last known addresses as per the records of the respective Applicant Companies, as may be feasible in view of the Covid-19 pandemic.
12. The Applicant Companies are hereby directed to serve notices of the present Application along with the Scheme on – (1) the Regional Director (Western region), Ministry of Corporate Affairs, Mumbai; (2) Registrar of





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Companies, Maharashtra, Mumbai; (3) Income Tax Authority within whose jurisdiction the Applicant Companies are assessed to tax, for Applicant Company 1 bearing PAN AABCR2858R having jurisdiction at Circle 4(1)(1), BMTC Building, Koramangala, Bangalore, Karnataka, 560095 and for Applicant Company 2 bearing PAN AAACM3025E having jurisdiction at Circle 2(2)(1), Room No 545, 5th Floor, Aayakar Bhavan, Maharishi Karve Road, Mumbai, Maharashtra, 400020; (4) Official Liquidator, High Court Bombay by the Transferor Company; and (5) BSE Limited (BSE), National Stock Exchange of India Limited (NSE) and Securities and Exchange Board of India (SEBI) by the Transferee Company, pursuant to Section 230(5) of the Companies Act, 2013 and Rule 8 of the Companies (Compromises Arrangements and Amalgamations) Rules, 2016. If no response is received by the Tribunal from such authorities within 30 days of the date of receipt of the notice, it will be presumed that they have no objection to the proposed Scheme.

13. The Tribunal appoints, CA Avinash Jagdish Purohit, Chartered Accountants, having their office at Office No. 32, D-Wing, Rahul Complex, Kothrud – 411038, Mobile No. 7588053127 to assist the Official Liquidator to scrutinize the books of accounts of the Transferor Company for the last five (5) years. The consolidated fee of the Chartered Accountant to be fixed as Rs. 3,00,000/- to be paid by the Transferor Company. The Official Liquidator may submit his representations, if any, within a period of thirty (30) days from the date of the receipt of such notice to the Tribunal with copy of such representations shall simultaneously be served upon the respective Transferor Company.





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14. The Applicant Companies shall file compliance report with the registry in regard to the directions given in this Order in lieu of customary affidavit of service, due to COVID-19 situation prevailing now, proving dispatch of notices to the Equity Shareholders of the Applicant Company 2, and service of notice to the regulatory authorities and creditors as stated above and do report to this Tribunal that the directions regarding the issue of notices have been duly complied with.

Sd/-

SHYAM BABU GAUTAM

MEMBER (TECHNICAL)

10.06.2022
SAM

Sd/-

JUSTICE P. N. DESHMUKH

MEMBER (JUDICIAL)



Certified True Copy

Copy Issued "Free of cost"

On 22.6.2022.

P. S. Somnath
Deputy Registrar

22.6.22
National Company Law Tribunal Mumbai Bench
Government of India



Mahindra & Mahindra Limited

Registered Office: Gateway Building, Apollo Bunder, Mumbai - 400 001.

CIN: L65990MH1945PLC004558

website: www.mahindra.com • email: investors@mahindra.com • Tel: +91 22 22895500

NOTICE CONVENING MEETING OF THE EQUITY SHAREHOLDERS OF MAHINDRA & MAHINDRA LIMITED [convened pursuant to Order dated 10th June, 2022 of the National Company Law Tribunal, Mumbai Bench]

Day	Friday
Date	19 th August, 2022
Time	3:00 p.m. (IST)
Mode and Deemed Venue of Meeting	As per the directions of the National Company Law Tribunal, Mumbai Bench, the Meeting shall be conducted only through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM"). The proceedings of the Meeting shall be deemed to be conducted at the Registered Office of the Company at Gateway Building, Apollo Bunder, Mumbai – 400 001 which shall be the deemed venue of the Meeting.
Remote e-voting start date and time	Monday, 15 th August, 2022 at 9:00 a.m. (IST)
Remote e-voting end date and time	Thursday, 18 th August, 2022 at 5:00 p.m. (IST)
E-voting during the Meeting	E-voting through VC/OAVM facility shall also be available to the Equity Shareholders of the Company during the Meeting.

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The Notice of the Meeting, Explanatory Statement under sections 230 and 232 read with section 102 and other applicable provisions of the Companies Act, 2013 read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 and SEBI Master Circular No. SEBI/HO/CFD/DIL1/CIR/P/2021/0000000665 dated 23rd November, 2021 and Annexures A to G constitute a single and complete set of documents and should be read together as they form an integral part of this document.

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In the matter of Companies Act, 2013;

AND

In the matter of section 230-232 and other applicable provisions of the Companies Act, 2013;

AND

In the matter of Scheme of Merger by Absorption of Mahindra Electric Mobility Limited ("MEML" or "Transferor Company") with Mahindra and Mahindra Limited ("M&M" or "Transferee Company") and their respective shareholders ("Scheme").

MAHINDRA AND MAHINDRA LIMITED

[CIN: L65990MH1945PLC004558] is a Public Limited Company incorporated under the Indian Companies Act, VII of 1913 having its registered office at Gateway Building, Apollo Bunder, Mumbai – 400 001 } ... Applicant Company 2 / Transferee Company

FORM NO. CAA. 2

[Pursuant to section 230(3) of the Companies Act, 2013 and Rules 6 and 7 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016]

NOTICE CONVENING THE MEETING OF EQUITY SHAREHOLDERS OF MAHINDRA & MAHINDRA LIMITED

To,
The Equity Shareholders of Mahindra & Mahindra Limited

Notice is hereby given that by an Order dated 10th June, 2022 ("Order"), the Mumbai Bench of the Hon'ble National Company Law Tribunal ("NCLT" or "Tribunal") has directed a Meeting to be held of the Equity Shareholders of the Company, for the purpose of considering, and if thought fit, approving, with or without modification(s), the Scheme of Merger by Absorption of Mahindra Electric Mobility Limited ("MEML" or "Transferor Company") with Mahindra & Mahindra Limited ("M&M" or "Transferee Company" or "the Company") and their respective shareholders ("Scheme").

In pursuance of the said Order and as directed therein, further Notice is hereby given that a Meeting of the Equity Shareholders of the Company is scheduled to be held on Friday, 19th August, 2022 at 3:00 p.m. (IST) (hereinafter referred to as the "Meeting") through Video Conferencing ("VC")/ Other Audio Visual Means ("OAVM"), at which time the said Equity shareholders of the Company are requested to attend the Meeting, to consider and, if thought fit, to pass the following Resolution with requisite majority:

"RESOLVED that pursuant to the provisions of sections 230 to 232 and other applicable provisions of the Companies Act, 2013, the rules, circulars and notifications issued thereunder, and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with the circulars and notifications issued thereunder, [including any statutory modification(s) or amendment(s) thereto or re-enactment(s) thereof, for the time being in force] and Clause 3 of the Memorandum of Association of the Company and subject to the approval of the Hon'ble National Company Law Tribunal, Mumbai Bench ("NCLT" or "Tribunal") and approvals of such other Statutory/Government authority(ies), as may be necessary or as may be directed by the NCLT or such other competent authority(ies), as the case may be, approval of the Company be accorded to the merger of Mahindra Electric Mobility Limited ("MEML" or "Transferor Company"), a subsidiary of the Company, having its Registered Office situated at Mahindra Towers, Dr. G.M. Bhosale Marg, P.K. Kurne Chowk, Worli, Mumbai – 400 018, with the Company with appointed date as 1st April, 2021 ("the Appointed Date"), as per the Scheme of Merger by Absorption of MEML with the Company and their respective shareholders ("Scheme") circulated with the Notice of the Meeting of the Equity Shareholders of the Company.

FURTHER RESOLVED that approval of the Company be accorded to the Board of Directors of the Company (including any Committee thereof) to do all such acts, deeds, matters and things, including making any modifications to the Scheme or choosing to withdraw the Scheme at any stage, as may be considered requisite, desirable, appropriate or necessary in relation to the Scheme, and to accept such modification(s), amendment(s), limitation(s) and/or condition(s), if any, which may be required and/or imposed by the NCLT and/or any other authority(ies) or as may be required for the purpose of resolving any questions or doubts or difficulties that may arise for giving effect to the Scheme including passing of such accounting entries and/or making such adjustments in the books of accounts as considered necessary, as the Board may deem fit and proper."

TAKE FURTHER NOTICE that pursuant to the Order and in compliance with the provisions of (i) section 230(4) read with sections 108 of the Companies Act, 2013; (ii) Rule 6(3)(xi) of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016; (iii) Rule 20 and other applicable provisions of the Companies (Management and Administration) Rules, 2014; (iv) Regulation 44 and other applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), (v) Securities and Exchange Board of India ("SEBI") Master Circular No. SEBI/HO/CFD/DIL1/CIR/P/2021/0000000665 dated 23rd November, 2021 and (vi) Secretarial Standard – 2 on General Meetings issued by the Institute of the Company Secretaries of India; each as amended from time to time (to the extent applicable), the Company has provided the facility of remote e-voting (prior to as well as during the Meeting) using the facility offered by KFin Technologies Limited, Registrar & Transfer Agent of the Company (earlier known as KFin Technologies Private Limited) ("KFin" or "KFintech") so as to enable the Equity Shareholders, to consider and if thought fit, approve the Scheme by way of the aforesaid Resolution. The equity shareholders shall have the facility and option of voting on the Resolution for approval of the Scheme by casting their votes (a) through e-voting system available at the Meeting to be held virtually or (b) by remote electronic voting ("remote e-voting") during the period as stated below:

REMOTE E-VOTING PERIOD	
Commencement of remote e-voting	Monday, 15 th August, 2022 at 9:00 a.m. (IST)
End of remote e-voting	Thursday, 18 th August, 2022 at 5:00 p.m. (IST)

The Voting Rights of the Equity Shareholder shall be in proportion to their share in the paid-up equity share capital of the Company as on 12th August, 2022, being the Cut-off date. The Shareholders may refer to the Notes to this Notice for further details on e-voting.

TAKE FURTHER NOTICE that each Equity Shareholder can opt for only one mode of voting. If the shareholders opt for remote e-voting, they will be entitled to attend and participate in the Meeting but will not be entitled to vote again during the Meeting.

TAKE FURTHER NOTICE that pursuant to the Order, the Meeting does not require physical presence of Equity Shareholders at a common venue, as in case of physical presence it shall not be possible to maintain the COVID-19 environment related social distancing norms and Equity Shareholders are requested to attend the Meeting through VC/OAVM.

The Tribunal has appointed Mr. Anand G. Mahindra, Chairman and failing him, Dr. Anish Shah, Managing Director and Chief Executive Officer and failing him, Mr. Rajesh Jejurikar, Executive Director, Automotive and Farm Sectors of the Company to act as Chairman of the Meeting, including any adjournment(s) thereof. The above mentioned Scheme if approved at the Meeting, will be subject to the subsequent approval of the Tribunal.

Further, the Tribunal has appointed Mr. Sachin Bhagwat, Practicing Company Secretary (Membership No. ACS 10189) or in his absence Mr. Prashant Vaishampayan (Membership No. FCS 4251) as a Scrutiniser for the purpose of scrutinising the process for voting and remote e-voting for the Meeting, including for any adjournment(s) thereof.

Copies of the Scheme and the Explanatory Statement along with all Annexures as indicated in the Index are enclosed with this Notice and can be obtained free of charge from the Registered Office of the Company and/or at the Corporate Office of the Company at Mahindra Towers, 5th Floor, Secretarial Department, Dr. G. M. Bhosale Marg, P. K. Kurne Chowk, Worli, Mumbai – 400 018, or at the office of its Advocates, M/s. Hemant Sethi & Co., 309 New Bake House, Maharashtra Chamber of Commerce Lane, Kala Ghoda, Fort, Mumbai – 400 023, between 10:00 a.m. (IST) and 12:00 noon (IST) on all working days (except Saturdays, Sundays and Public Holidays), upto the date of the Meeting.

This Notice convening the Meeting along with the requisite documents are also placed on the website of the Company viz. www.mahindra.com; the website of KFin <https://evoting.kfintech.com>, being the agency appointed by the Company to provide the e-voting and other facilities for convening the Meeting; and the website of the Stock Exchanges where the shares of the Company are listed i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively.

ANAND G. MAHINDRA

DIN : 00004695

Chairman appointed for the Meeting

Dated this 15th day of July, 2022

Registered Office: Gateway Building, Apollo Bunder, Mumbai – 400 001.

CIN : L65990MH1945PLC004558

e-mail : investors@mahindra.com

Website : <https://www.mahindra.com>

Tel. : +91 22 22895500

NOTES:

1. Pursuant to the directions of the Hon'ble National Company Law Tribunal, Mumbai Bench ("NCLT" or "Tribunal") vide its Order dated 10th June, 2022 ("Order") read with Ministry of Corporate Affairs ("MCA") General Circular No. 3/2022 dated 5th May, 2022 read with MCA General Circular Nos. 14 & 17/2020 dated 8th April, 2020 and 13th April, 2020 respectively ("MCA Circulars"), Securities and Exchange Board of India ("SEBI") Master Circular No. SEBI/HO/CFD/DIL1/CIR/P/2021/0000000665 dated 23rd November, 2021, and in compliance with the applicable provisions of the Companies Act, 2013 ("the Act") [including any statutory modification(s) or amendment(s) thereto or re-enactment(s) thereof, for the time being in force] read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time, and pursuant to Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), the Meeting of the Equity Shareholders of the Company is scheduled to be held on Friday, 19th August, 2022 at 3:00 p.m. (IST) through VC/ OAVM and voting for the item to be transacted in the Notice to this Meeting shall be only through e-voting.

KFin Technologies Limited, Registrar & Transfer Agent of the Company (earlier known as KFin Technologies Private Limited) ("KFin" or "KFintech") shall be providing facility for voting through remote e-voting, for participation in the Meeting through VC/OAVM facility and e-voting during the Meeting. The procedure for participating in the Meeting through VC/OAVM is explained at Note No. 16 below.

2. The Explanatory Statement pursuant to sections 230, 232 and 102 of the Act read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 (as amended from time to time) in respect of the Resolution set out in this Notice is annexed hereto.
3. Pursuant to the provisions of the Act, a Member entitled to attend and vote at a meeting is entitled to appoint a Proxy to attend and vote on his/her behalf and the Proxy need not be a Member of the Company. In compliance with the Order and MCA Circulars, since the Meeting is being held through VC/OAVM, pursuant to the MCA Circulars and SEBI Circular No. SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated 13th May, 2022, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the Meeting and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
4. Equity shareholders attending the Meeting through VC/OAVM shall be reckoned for the purpose of quorum. Quorum for the Meeting shall be in terms of the Order and section 103 of the Act.
5. Corporate/Institutional Members are entitled to appoint authorised representatives to attend the Meeting through VC/ OAVM on their behalf and cast their votes through remote e-voting or at the Meeting. Corporate/ Institutional Members intending to authorise their representatives to participate and vote at the Meeting are requested to send a certified copy of the Board resolution/authorisation letter to the Scrutiniser at e-mail ID sbhagwatcs@yahoo.co.in with a copy marked to evoting@kfintech.com and to the Company at investors@mahindra.com, authorizing its representative(s) to attend through VC/ OAVM and vote on their behalf at the Meeting, not later than 48 hours before the commencement of the Meeting in terms of the Order and as required under Rule 10 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 i.e. Wednesday, 17th August, 2022 (3:00 p.m. IST).
6. Members of the Company under the category of Institutional Shareholders are encouraged to attend and participate in the Meeting through VC/OAVM and vote.
7. In accordance with the Secretarial Standard - 2 on General Meetings issued by the Institute of Company Secretaries of India ("ICSI") read with Clarification/ Guidance on applicability of Secretarial Standards - 1 and 2 dated 15th April, 2020 issued by the ICSI, the proceedings of the Meeting shall be deemed to be conducted at the Registered Office of the Company which shall be the deemed venue of the Meeting. Since the Meeting will be held through VC/OAVM, the Route Map is not annexed to this Notice.
8. The Company's Registrar & Transfer Agent ("RTA") for its Share Registry Work (Physical and Electronic) is KFin having their office at Selenium, Tower-B, Plot No. 31 & 32, Gachibowli, Financial District, Nanakramguda, Hyderabad, Telangana – 500032.

9. DISPATCH OF NOTICE:

In compliance with the Order and MCA Circulars, Notice convening the Meeting along with the Annexures therein is being sent through electronic mode to those Members whose e-mail addresses are registered with the Company/ KFin / the Depository Participant(s) ("DPs") and through Air Mail/Courier/Registered Post/Speed Post/Hand Delivery for those Members whose e-mail addresses are not registered with the Company/ KFin/DP.

Members are requested to register/update their email addresses in respect of electronic holdings with the Depository through the concerned DPs and in respect of physical holdings with KFintech by following due procedure.

Members may note that the Notice convening this Meeting and the Annexures thereat will be available on the Company's website at <https://www.mahindra.com>, website of the Stock Exchanges where the shares of the Company are listed i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively and on the website of KFin at <https://evoting.kfintech.com>. Copies of the Scheme and the Explanatory Statement along with

all annexures as indicated in the Index are enclosed with this Notice and can be obtained free of charge from the Registered Office of the Company and/or at the Corporate Office of the Company at Mahindra Towers, 5th Floor, Secretarial Department, Dr. G. M. Bhosale Marg, P. K. Kurne Chowk, Worli, Mumbai – 400 018, or at the office of its Advocates, M/s. Hemant Sethi & Co., 309 New Bake House, Maharashtra Chamber of Commerce Lane, Kala Ghoda, Fort, Mumbai – 400 023, between 10:00 a.m. (IST) and 12:00 noon (IST) on all working days (except Saturdays, Sundays and Public Holidays), upto the date of the Meeting.

10. Members are requested to:

- a) intimate to KFin/Company, changes, if any, pertaining to their postal address, e-mail address, telephone/ mobile numbers, Permanent Account Number (PAN), mandates, nominations, in prescribed Form ISR-1 and other forms pursuant to SEBI Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2021/655 dated 3rd November, 2021, in case of Shares held in physical form;
- b) intimate to the respective DP, changes, if any, in their registered addresses at an early date, in case of Shares held in dematerialised form;
- c) quote their folio numbers/Client ID/DP ID in all correspondence;
- d) consolidate their holdings into one folio in case they hold Shares under multiple folios in the identical order of names;
- e) register their PAN with their DPs, in case of Shares held in dematerialised form; and
- f) refer to Frequently Asked Questions (“FAQs”) section on Company’s website <https://www.mahindra.com> for all requisite formats and procedures.

11. All the relevant documents referred to in this Notice and Explanatory Statement and other documents shall also be available electronically for inspection without any fee by the Members from the date of circulation of this Notice up to the date of the Meeting. Members seeking to inspect such documents can send an e-mail to ccm.inspection@mahindra.com from their registered e-mail address.

12. The Notice convening the Meeting will be published through advertisements in ‘Business Standard’ in English having nation-wide circulation and ‘Navshakti’ in Marathi having circulation in Maharashtra.

13. SCRUTINISER FOR E-VOTING:

The Tribunal has appointed Mr. Sachin Bhagwat, Practicing Company Secretary (Membership No. ACS 10189) or in his absence Mr. Prashant Vaishampayan, Practicing Company Secretary (Membership No. FCS 4251) as the Scrutiniser to scrutinise the e-voting process in a fair and transparent manner.

14. SUBMISSION OF QUESTIONS / QUERIES PRIOR TO MEETING:

- a. For ease of conduct of Meeting, members who wish to ask questions/express their views on the proposed Resolution are requested to write to the Company’s email-id investors@mahindra.com, at least 48 hours before the time fixed for the Meeting i.e. by 3:00 p.m. (IST) on Wednesday, 17th August, 2022, mentioning their name, demat account number/folio number, registered email ID, mobile number, etc. The queries may be raised precisely and in brief with respect to the proposed Resolution, to enable the Company to answer the same suitably depending on the availability of time at the Meeting.
- b. Alternatively, Members holding shares as on the cut-off date i.e. Friday, 12th August, 2022, may also visit <https://emeetings.kfintech.com> and click on the tab “Post Your Queries” and post their queries/ views with respect to the proposed Resolution, in the window provided, by mentioning their name, demat account number/ folio number, email ID and mobile number. The window shall be closed 48 hours before the time fixed for the Meeting i.e. at 3:00 p.m. (IST) on Wednesday, 17th August, 2022.
- c. Members can also post their questions during the Meeting through the “Ask A Question” tab, which is available in the VC/OAVM.

The Company will, at the Meeting, endeavour to address the queries received till 3:00 p.m. (IST) on Wednesday, 17th August, 2022 from those Members who have sent queries from their registered email IDs. Please note that Members’ questions will be answered only if they continue to hold shares as on the cut-off date.

15. SPEAKER REGISTRATION BEFORE MEETING:

Members of the Company who would like to speak or express their views or ask questions during the Meeting may register themselves as speakers by visiting <https://emeetings.kfintech.com> and clicking on “Speaker Registration” during the period from Monday, 8th August, 2022 (9:00 a.m. IST) upto Wednesday, 10th August, 2022 (5:00 p.m. IST). Those Members who have registered themselves as a speaker will only be allowed to speak/express their views/ask questions with respect to the proposed Resolution, during the Meeting provided they hold shares as on the cut-off date i.e. Friday, 12th August, 2022. The Company reserves the right to restrict the number of speakers depending on the availability of time at the Meeting.

16. INSTRUCTIONS FOR MEMBERS ATTENDING THE MEETING THROUGH VC/OAVM ARE AS UNDER:

- a) **ATTENDING THE MEETING:** Members will be provided with a facility to attend the Meeting through video conferencing platform provided by KFin. Members are requested to login at <https://emeetings.kfintech.com> and click on the “Video Conference” tab to join the Meeting by using the remote e-voting credentials.

- b) Please note that Members who do not have the User ID and Password for e-voting or have forgotten the User ID and Password may retrieve the same by following the instructions provided in Note No. 17(A) & (B).
- c) Members may join the Meeting through Laptops, Smartphones, Tablets or iPads for better experience. Further, Members will be required to use Internet with a good speed to avoid any disturbance during the Meeting. Members will need the latest version of Chrome, Safari, MS Edge or Firefox. Please note that participants connecting from Mobile Devices or Tablets or through Laptops connecting via mobile hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any glitches. Members are encouraged to join the Meeting through Laptops with latest version of Google Chrome for better experience.
- d) Members can join the Meeting in the VC/OAVM mode 30 minutes before the scheduled time of the commencement of the Meeting by following the procedure mentioned at point No. a above and this mode will be available throughout the proceedings of the Meeting.
- e) In case of any query and/or help, in respect of attending Meeting through VC/OAVM mode, Members may refer to the "How it Works" Section of <https://emeetings.kfintech.com> or contact at investors@mahindra.com, or Ms. Sheetal Doba, Manager - Corporate Registry, KFinTech at Selenium, Tower B, Plot No. 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad, Telangana-500032 or at the email ID evoting@kfintech.com or on phone No.: 040-6716 1509 or call KFin's toll free No.: 1800-3094-001 for any further clarifications.

17. PROCEDURE FOR REMOTE E-VOTING:

In terms of the Order and in compliance with the provisions of section 230(4) read with section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended and in accordance with Regulation 44 of Listing Regulations read with SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 9th December, 2020 and Secretarial Standard – 2 on General Meetings issued by the Institute of Company Secretaries of India, Members are provided with the facility to cast their vote electronically, through the e-voting services provided by KFin on Resolution set forth in this Notice, through remote e-voting.

It is hereby clarified that it is not mandatory for a Member to vote using the remote e-voting facility. A Member may avail of the facility at his/her/its discretion, as per the instructions provided herein:

Information and instructions for Remote e-voting by Individual Shareholders holding shares of the Company in demat mode:

Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 9th December, 2020 on "e-Voting facility provided by Listed Companies", e-Voting process has been enabled to all the individual demat account holders, by way of single login credential, through their demat accounts / websites of Depositories / DPs in order to increase the efficiency of the voting process.

Individual demat account holders would be able to cast their vote without having to register again with the e-Voting service provider (ESP) thereby not only facilitating seamless authentication but also ease and convenience of participating in e-Voting process. Shareholders are advised to update their mobile number and e-mail ID with their DPs to access e-voting facility.

The procedure to login and access remote e-voting, as devised by the Depositories/ Depository Participant(s), is given below:

A) Login method for remote e-Voting for Individual shareholders holding securities in demat mode.

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL	<p>1. User already registered for IDeAS facility:</p> <ul style="list-style-type: none"> I. Visit URL: https://eservices.nsd.com II. Click on the "Beneficial Owner" icon under "Login" under 'IDeAS' section. III. On the new page, enter User ID and Password. IV. Post successful authentication, click on "Access to e-Voting" V. You will see Company Name: "Mahindra & Mahindra Limited" on the next screen. Click on the e-Voting link available against Mahindra & Mahindra Limited or select e-Voting service provider "KFinTech" and you will be re-directed to the e-Voting page of KFinTech to cast your vote without any further authentication. <p>2. User not registered for IDeAS e-Services</p> <ul style="list-style-type: none"> I. To register click on link : https://eservices.nsd.com II. Select "Register Online for IDeAS" or click at https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp III. Proceed with completing the required fields. IV. Follow steps given in point 1.

Type of shareholders	Login Method
	<p>3. Alternatively by directly accessing the e-Voting website of NSDL</p> <ol style="list-style-type: none"> I. Open URL: https://www.evoting.nsdl.com/ II. Click on the icon "Login" which is available under 'Shareholders/Members' section. III. On the login page, enter User ID (that is, 16-character demat account number held with NSDL, starting with IN), Login Type, that is, through typing Password (in case you are registered on NSDL's e-voting platform)/ through generation of OTP (in case your mobile/e-mail address is registered in your demat account) and Verification Code as shown on the screen. IV. On successful authentication, you will enter the e-voting module of NSDL. Click on "Active E-voting Cycles / VC or OAVMs" option under E-voting. You will see Company Name: "Mahindra & Mahindra Limited" on the next screen. Click on the e-Voting link available against Mahindra & Mahindra Limited or select e-Voting service provider "KFintech" and you will be re-directed to the e-Voting page of KFintech to cast your vote without any further authentication.
<p>Individual Shareholders holding securities in demat mode with CDSL</p>	<ol style="list-style-type: none"> 1. Existing user who have opted for Easi / Easiest <ol style="list-style-type: none"> I. Visit URL: https://web.cdslindia.com/myeasi/home/login or URL: www.cdslindia.com and click on New System Myeasi / Login to My Easi option under Quick Login. II. Enter your User ID and Password for accessing Easi / Easiest. III. You will see Company Name: "Mahindra & Mahindra Limited" on the next screen. Click on the e-Voting link available against Mahindra & Mahindra Limited or select e-Voting service provider "KFintech" and you will be re-directed to the e-Voting page of KFintech to cast your vote without any further authentication. 2. User not registered for Easi/Easiest <ol style="list-style-type: none"> I. Option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration II. Proceed with completing the required fields. III. Follow the steps given in point 1. 3. Alternatively, by directly accessing the e-Voting website of CDSL <ol style="list-style-type: none"> I. Visit URL: www.cdslindia.com II. Click on e-Voting tab and provide your demat Account Number and PAN. III. System will authenticate user by sending OTP on registered Mobile & Email as recorded in the demat Account. IV. On successful authentication, you will enter the e-voting module of CDSL. Click on the e-Voting link available against Mahindra & Mahindra Limited or select e-Voting service provider "KFintech" and you will be re-directed to the e-Voting page of KFintech to cast your vote without any further authentication.
<p>Individual Shareholders holding securities in demat mode – Login through demat accounts / Website of Depository Participant</p>	<ol style="list-style-type: none"> I. Individual shareholders holding shares of the Company in Demat mode can access e-Voting facility provided by the Company using login credentials of their demat accounts (online accounts) through their demat accounts / websites of Depository Participants registered with NSDL/CDSL. II. An option for "e-Voting" will be available once they have successfully logged-in through their respective logins. Click on the option "e-Voting" and they will be redirected to e-Voting modules of NSDL/CDSL (as may be applicable). III. Click on the e-Voting link available against Mahindra & Mahindra Limited or select e-Voting service provider "KFintech" and they will be re-directed to the e-Voting page of KFintech to cast their vote without any further authentication.

Members who are unable to retrieve User ID / Password are advised to use “Forgot user ID” and “Forgot Password” option available at respective websites.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL:

Login type	Helpdesk details
Securities held with NSDL	Please contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Securities held with CDSL	Please contact CDSL helpdesk by sending a request at helpdesk.evoting@cDSLindia.com or contact at 022-23058738 or 022-23058542/43

B) Login method for e-Voting for shareholders other than Individual shareholders holding securities in demat mode and for all shareholders holding securities in physical mode.

- a. Member will receive an e-mail from KFin [for Members whose e-mail IDs are registered with the Company/ Depository Participant(s)] which includes details of E-Voting Event Number (“EVEN”), USER ID and password:
 - (i) Launch internet browser by typing the URL: <https://evoting.kfintech.com>.
 - (ii) Enter the login credentials (i.e. User ID and password). In case of physical folio, User ID will be EVEN followed by folio number. In case of Demat account, User ID will be your DP ID and Client ID. However, if you are already registered with KFin for e-voting, you can login by using your existing User ID and password for casting your vote.
 - (iii) After entering these details appropriately, click on “LOGIN”.
 - (iv) You will now reach password change Menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character (@,#,\$, etc.). The system will prompt you to change your password and update your contact details like mobile number, email ID etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.
 - (v) You need to login again with the new credentials.
 - (vi) On successful login, the system will prompt you to select the “EVENT” i.e. Mahindra & Mahindra Limited.
 - (vii) On the voting page, enter the number of shares (which represents the number of votes) as on the cut-off date under “FOR/AGAINST” or alternatively, you may partially enter any number in “FOR” and partially “AGAINST” but the total number in “FOR/AGAINST” taken together shall not exceed your total shareholding as on the cut-off date. You may also choose the option ABSTAIN. If the Member does not indicate either “FOR” or “AGAINST” it will be treated as “ABSTAIN” and the shares held will not be counted under either head.
 - (viii) Members holding multiple folios/ demat accounts shall vote separately for each folio/ demat account.
 - (ix) You may then cast your vote by selecting an appropriate option and click on “Submit”.
 - (x) A confirmation box will be displayed. Click “OK” to confirm else “CANCEL” to modify. Once you have voted on the resolution, you will not be allowed to modify your vote.
 - (xi) Corporate/Institutional Members (i.e. other than Individuals, HUF, NRI etc.) are required to send scanned certified true copy (PDF Format) of the Board Resolution/Authority Letter etc., duly authorising their authorised representative(s) to attend the Meeting through VC/OAVM on its behalf and to vote through remote e-voting to the Scrutiniser at his e-mail ID sbhagwatcs@yahoo.co.in with a copy marked to evoting@kfintech.com and to the Company at investors@mahindra.com. It should reach the Scrutiniser & the Company by email not later than 48 hours before the commencement of the Meeting i.e. Wednesday, 17th August, 2022 (3:00 p.m. IST). In case if the authorised representative attends the Meeting, the above-mentioned documents shall be submitted before the commencement of Meeting.
- b. In case e-mail ID of a Member is not registered with the Company/ Depository Participant(s), then such Member is requested to register/ update their e-mail addresses with the Depository Participant (in case of Shares held in dematerialised form) and inform KFin at the email ID evoting@kfintech.com (in case of Shares held in physical form):

- (i) Upon registration, Member will receive an e-mail from KFin which includes details of E-Voting Event Number (EVEN), USER ID and password.
- (ii) Please follow all steps from Note No. 17 (B) (a) (i) to (xi) above to cast your vote by electronic means.

18. OTHER INSTRUCTIONS:

- a. In case of any query and/or grievance, in respect of voting by electronic means, Members may refer to the Help & Frequently Asked Questions (FAQs) and E-voting user manual available at the download Section of <https://evoting.kfintech.com> or contact at investors@mahindra.com, or Ms. Sheetal Doba, Manager - Corporate Registry, KFin at KFinTech, Selenium, Tower B, Plot No. 31- 32, Gachibowli, Financial District, Nanakramguda, Hyderabad, Telangana – 500 032 or at the email ID evoting@kfintech.com or on phone No.: 040-6716 1509 or call KFin's toll free No.: 1800-3094-001 for any further clarifications.
- b. You can also update your mobile number and e-mail ID in the user profile details of the folio which may be used for sending future communication(s).
- c. The remote e-voting period commences on Monday, 15th August, 2022 (9:00 a.m. IST) and ends on Thursday, 18th August, 2022 (5:00 p.m. IST). During this period, Members of the Company, holding shares either in physical form or in dematerialised form, as on the cut-off date Friday, 12th August, 2022 may cast their votes electronically. The remote e-voting module shall be disabled for voting thereafter. Once the vote on the resolution is cast by the Member, the Member shall not be allowed to change it subsequently.

A person who is not a Member as on the cut-off date should treat this Notice for information purposes only.

- d. The voting rights of Members shall be in proportion to their share in the paid-up equity share capital of the Company as on Friday, 12th August, 2022 being the cut-off date. Members are eligible to cast vote only if they are holding shares as on that date.
- e. Members holding securities in physical mode and non-individual shareholders holding securities in demat mode who become Members of the Company after dispatch of Notice of the Meeting but on or before the cut-off date for e-Voting, i.e. Friday, 12th August, 2022, may obtain the User ID and Password in the manner as mentioned below:
 - (i) If the mobile number of the Member is registered against Folio No./DP ID Client ID, the Member may send SMS: MYEPWD Folio No. or DP ID Client ID to +91 9212993399. In case of physical holding, prefix Folio No. with EVEN.

Example for NSDL:
MYEPWD <SPACE> IN12345612345678
Example for CDSL:
MYEPWD <SPACE> 1402345612345678
Example for Physical:
MYEPWD <SPACE> XXXX1234567890
(XXXX being EVEN)
 - (ii) If e-mail address or mobile number of the Member is registered against Folio No./ DP ID Client ID, then on the home page of <https://evoting.kfintech.com>, the member may click "Forgot Password" and enter Folio No. or DP ID Client ID and PAN to generate a password.
 - (iii) Member may call KFin toll free number 1800-3094-001.
 - (iv) Member may send an e-mail request to evoting@kfintech.com.

KFin shall send User ID and Password to those new Members whose e-mail IDs are available.

19. VOTING AT THE MEETING:

- a. The procedure for e-voting during the Meeting is same as the instructions mentioned above for remote e-voting since the Meeting is being held through VC/OAVM.
- b. The e-voting window shall be activated upon instructions of the Chairman of the Meeting during the Meeting.
- c. E-voting during the Meeting is integrated with the VC/OAVM platform and no separate login is required for the same.
- d. Only those Members/ Shareholders, who will be present in the Meeting through VC/OAVM facility and have not cast their vote on the Resolution through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system in the Meeting.

- e. Members who have already cast their votes by remote e-voting are eligible to attend the Meeting through VC/OAVM; however, these Members are not entitled to cast their vote again during the Meeting. A Member can opt for only single mode of voting i.e. through Remote e-voting or voting through VC/OAVM mode during the Meeting.
20. The results shall be declared not later than forty-eight hours from conclusion of the Meeting which is within the time stipulated under the applicable laws. The results declared along with the Scrutiniser's Report will be placed on the website of the Company at <https://www.mahindra.com> and the website of KFin: <https://evoting.kfintech.com> immediately after the results are declared and will simultaneously be forwarded to BSE Limited and National Stock Exchange of India Limited, where Equity Shares of the Company are listed and shall be displayed at the Registered Office as well as at the Corporate Office of the Company.
21. Subject to receipt of requisite majority of votes in favour of the Scheme i.e., majority in number representing three-fourth in value (as per sections 230 and 232 of the Act), the Resolution proposed in the Notice shall be deemed to have been passed on the date of the Meeting (specified in the Notice).
- 22. PROCEDURE FOR REGISTERING THE EMAIL ADDRESSES AND OBTAINING THE NOTICE OF MEETING AND E-VOTING INSTRUCTIONS BY THE MEMBERS WHOSE EMAIL ADDRESSES ARE NOT REGISTERED WITH THE DEPOSITORIES (IN CASE OF MEMBERS HOLDING SHARES IN DEMAT FORM) OR WITH KFIN (IN CASE OF MEMBERS HOLDING SHARES IN PHYSICAL FORM):**
- I. Those Members who have not yet registered their email addresses are requested to get their email addresses registered by following the procedure given below:
- Members holding shares in demat form can get their email ID registered by contacting their respective Depository Participant.
 - Members holding shares in physical form may register their email address and mobile number with KFin Technologies Limited by sending Form ISR-1 and other relevant forms to KFinTech at Selenium, Tower-B, Plot No. 31 & 32, Gachibowli, Financial District, Nanakramguda, Hyderabad, Telangana – 500 032 or at the email ID ris@kfintech.com for receiving the Notice of Meeting and the e-voting instructions.
- II. To facilitate Members to receive this Notice electronically and cast their vote electronically, the Company has made special arrangements with KFin for registration of email addresses of the Members in terms of the MCA Circulars. Eligible Members who have not submitted their email address to the Company or KFin are required to provide their email address to KFin, on or before 5:00 p.m. (IST) on Friday, 12th August, 2022.
- The process for registration of email address with KFin for receiving the Notice of Meeting and login ID and password for e-voting is as under:
- Visit the link: <https://ris.kfintech.com/clientservices/mobilereg/mobileemailreg.aspx>
 - Select the Company name viz. Mahindra & Mahindra Limited.
 - Enter the DP ID & Client ID/Physical Folio Number and PAN details. In the event the PAN details are not available on record for Physical Folio, Member shall enter one of the Share Certificate numbers.
 - Upload a self-attested copy of the PAN card for authentication. If PAN details are not available in the system, the system will prompt the Member to upload a self-attested copy of the PAN card for updation.
 - Enter your email address and mobile number.
 - The system will then confirm the email address for receiving this Notice of Meeting.
- The Members may also visit the website of the Company <https://www.mahindra.com> and click on the "email registration" and follow the registration process as guided thereafter.
- Please note that in case of shareholding in dematerialised form, the updation of email address will be temporary only upto the Meeting.
- III. After successful submission of the email address, KFin will email a copy of this Notice of Meeting along with the e-voting user ID and password. In case of any queries, Members are requested to write to KFin.
- IV. Those Members who have already registered their email addresses are requested to keep their email addresses validated/updated with their DPs/ KFin to enable serving of notices/ documents/ Annual Reports and other communications electronically to their email address in future.
23. Equity shareholders are requested to carefully read all the Notes set out herein and in particular, instructions for joining the Meeting, manner of casting vote through remote e-voting or e-voting at the Meeting.

IN THE NATIONAL COMPANY LAW TRIBUNAL

MUMBAI BENCH - II

C.A.(CAA) 67/(MB)/2022

In the matter of Companies Act, 2013;

AND

In the matter of section 230-232 and other applicable provisions of the Companies Act, 2013;

AND

In the matter of Scheme of Merger by Absorption of Mahindra Electric Mobility Limited ("MEML" or "Transferor Company") with Mahindra and Mahindra Limited ("M&M" or "Transferee Company") and their respective shareholders ("Scheme").

MAHINDRA AND MAHINDRA LIMITED

[CIN: L65990MH1945PLC004558] is a Public Limited Company incorporated under the Indian Companies Act, VII of 1913 having its registered office at Gateway Building, Apollo Bunder, Mumbai – 400 001

} Applicant Company 2 / Transferee Company

EXPLANATORY STATEMENT TO THE NOTICE OF THE MEETING OF EQUITY SHAREHOLDERS OF MAHINDRA & MAHINDRA LIMITED UNDER SECTIONS 230 AND 232 READ WITH SECTION 102 OF THE COMPANIES ACT, 2013, READ WITH RULE 6 OF THE COMPANIES (COMPROMISES, ARRANGEMENTS AND AMALGAMATIONS) RULES, 2016 AND THE SECURITIES AND EXCHANGE BOARD OF INDIA ("SEBI") MASTER CIRCULAR NO. SEBI/HO/CFD/DIL1/CIR/P/2021/0000000665 DATED 23RD NOVEMBER, 2021

1. Pursuant to the Order dated 10th June, 2022 ("Order") passed by the Hon'ble National Company Law Tribunal, Mumbai Bench ("NCLT" or "Tribunal"), in the Company Scheme Application No. C.A.(CAA) 67/(MB)/2022, the Meeting of the Equity Shareholders of the Company is being convened on Friday, 19th August, 2022 at 3:00 p.m. (IST) (hereinafter referred to as the "Meeting") through Video Conferencing or Other Audio Visual Means ("VC/OAVM") for the purpose of considering and, if thought fit, approving, with or without modification(s), the Scheme of Merger by Absorption of Mahindra Electric Mobility Limited ("MEML" or "Transferor Company") with Mahindra & Mahindra Limited ("M&M" or "Transferee Company" or "the Company") and their respective shareholders ("Scheme") under sections 230 to 232 and other applicable provisions of the Companies Act, 2013 ("Act") and rules framed thereunder (including any statutory modification(s) or amendment(s) thereto or re-enactment(s) thereof, for the time being in force).

2. A copy of the Scheme, which has been approved by the Board of Directors of the Company at its meeting held on 28th May, 2021, is attached to this Explanatory Statement and forms part of this statement as Annexure A.

Capitalised terms not defined herein and used in the Notice and in this Explanatory Statement shall have the same meaning as ascribed to them in the Scheme, unless otherwise stated.

3. Details of Mahindra & Mahindra Limited are as under:

3.1. The Company was incorporated under the name and style of 'Mahindra and Mohammed Limited' on 2nd October, 1945 under the provisions of Indian Companies Act, VII of 1913. Its name was changed from Mahindra and Mohammed Limited to Mahindra & Mahindra Limited with effect from 13th January, 1948.

3.2. The registered office of the Company is situated at Gateway Building, Apollo Bunder, Mumbai – 400 001.

3.3. The Company is a public company within the meaning of the Act. The Company is accordingly registered with the Registrar of Companies, Mumbai having Corporate Identification Number (CIN) L65990MH1945PLC004558. Its Permanent Account Number with the Income Tax Department is AAACM3025E.

3.4. The email address of the Company is investors@mahindra.com and website is www.mahindra.com.

3.5. The equity shares of the Company are listed on the BSE Limited ("BSE") and the National Stock Exchange of India Limited ("NSE"). The Global Depository Receipts (GDRs) of the Transferee Company are listed on the Luxembourg Stock Exchange and are also admitted for trading on International Order Book (IOB) of the London Stock Exchange. The privately placed non-convertible debentures of the Company are listed on the debt segment of BSE.

3.6. The objects of the Company are set out in the Memorandum of Association of the Company. The objects *inter alia* are as under:

"3. The objects with which the Company is established are:-

(i) To buy, sell, import, export, manufacture, treat, prepare and deal in merchandise, commodities, machinery, tools, goods and articles of all kinds and generally to carry on the business as merchants, contractors, importers and exporters.

(ii) To carry on the business of the iron founders, mechanical engineers, and manufacturers of agricultural implements and other machinery, tool-makers, brass-founders, iron masters, metal-workers, boiler-makers, millwrights, machinists, iron and steel converters, smiths, coke manufacturers, wood-workers, builders, painters, metallurgists, electrical engineers, water supply engineers, gas-makers, smelters, iron plate makers, farmers, printers, carriers and merchants, and to buy, sell, manufacture, repair, convert, alter, let on hire, and deal in machinery, implements, rolling stock and hardware of all kinds, and to carry on any other business (manufacturing or otherwise) which may seem to the Company capable of being conveniently carried on in connection with the above, or otherwise calculated, directly or indirectly, to enhance the value of any of the Company's property and rights for the time being.

(iii) To carry on any business relating to the winning and working of minerals, the production and working of metals, and the production, manufacture, and preparation of any other materials which may be usefully of conveniently combined with the engineering or manufacturing business of the Company, or any contracts undertaken by the Company, an either for the purpose only of such contracts or as an independent business.
.....”

3.7. The Company is *inter alia*, engaged in the business of manufacture and sale of tractors, general-purpose utility vehicles, light commercial vehicles, three-wheelers and trucks and buses.

3.8. During the last five years, there has been no change in the name, registered office and objects of the Company.

3.9. The details of the authorised, issued, subscribed and paid-up share capital of the Company as on the date of this Notice, are as under:

Particulars	Amount (in Rs.)
Authorised Share Capital	
2,031,30,00,000 Ordinary (Equity) Shares of Rs. 5 each	10,156,50,00,000
25,00,000 Unclassified Shares of Rs. 100 each	25,00,00,000
150,00,00,000 Preference Shares of Rs. 10 each	1500,00,00,000
Total	11,681,50,00,000
Issued, Subscribed and Paid-up Share Capital	
124,31,92,544 Ordinary (Equity) Shares of Rs. 5 each	621,59,62,720
Total	621,59,62,720

3.10. Names of Directors and Promoters of the Company (as on the date of the Notice) along with their addresses are mentioned herein below:

Sr. No.	Name of Directors	Designation	DIN	Address
1.	Mr. Anand G. Mahindra	Chairman	00004695	Gateway Building, Apollo Bunder, Mumbai - 400 001
2.	Dr. Anish Shah	Managing Director & CEO	02719429	Mahindra Towers, Dr. G. M. Bhosale Marg, Worli, Mumbai - 400 018
3.	Mr. Rajesh Jejurikar	Executive Director (Automotive and Farm Sectors)	00046823	Mahindra Towers, Akurli Road, Kandivali East, Mumbai - 400 101
4.	Mr. Vikram Singh Mehta	Lead Independent Director	00041197	23, Friends Colony, West, New Delhi - 110 065
5.	Dr. Vishakha N. Desai	Independent Director	05292671	490 Riverside Drive, MLK Building, 5 th Floor, Suite 519 New York, NY 10027. United States of America
6.	Mr. T. N. Manoharan	Independent Director	01186248	No. 27, Subramaniam Street, Abhiramapuram, Chennai - 600 018
7.	Mr. Haigreve Khaitan	Independent Director	00005290	Khaitan & Co., One World Centre, 13 th Floor, Tower 1, 841, Senapati Bapat Marg, Mumbai - 400 013

Sr. No.	Name of Directors	Designation	DIN	Address
8.	Ms. Shikha Sharma	Independent Director	00043265	4402, South Tower, The Imperial, B. B. Nakashe Marg, Tardeo, Mumbai - 400 034
9.	Ms. Nisaba Godrej	Independent Director	00591503	Godrej One, 4 th floor, Pirojshanagar, Eastern Express Highway, Vikhroli (East), Mumbai - 400 079
10.	Mr. Muthiah Murugappan	Independent Director	07858587	"Coromandel House", 14 , Boat Club Road, R.A Puram, Chennai - 600 028
11.	Mr. Vijay Kumar Sharma	Non-Executive Non-Independent Director (Nominee Director of Life Insurance Corporation of India)	02449088	101 Agnes Villa, Tower B, Church Road, Vile Parle (West), Mumbai - 400 056
12.	Mr. CP Gurnani	Non-Executive Non-Independent Director	00018234	Tech Mahindra Limited, Plot 58 A&B NSEZ Noida, Phase – II, Noida - 201 305 UP

Sr. No.	Name of Promoters	Address
1.	Mr. Keshub Mahindra	Gateway Building, Apollo Bunder, Mumbai – 400 001
2.	Mr. Anand G. Mahindra	Gateway Building, Apollo Bunder, Mumbai – 400 001

4. Details of Mahindra Electric Mobility Limited are as under:

- 4.1. Mahindra Electric Mobility Limited ("MEML" or "Transferor Company") was incorporated on 2nd April, 1996 under the Companies Act, 1956.
- 4.2. MEML was incorporated as Maini-Amerigon Car Company Private Limited. The name was changed to Reva Electric Car Company Private Limited on 13th May, 1999. The name was then changed to Mahindra Reva Electric Vehicles Private Limited on 31st July, 2010. The name was then changed to Mahindra Reva Electric Vehicles Limited on 30th December, 2015 consequent upon its conversion to public company. The name was then changed to Mahindra Electric Mobility Limited on 15th February, 2017.
- 4.3. The registered office of MEML is at Mahindra Towers, Dr. G.M. Bhosale Marg, P.K. Kurne Chowk, Worli, Mumbai - 400018.
- 4.4. MEML is a public company within the meaning of the Act. MEML is accordingly registered with the Registrar of Companies, Mumbai having Corporate Identification Number (CIN) U34101MH1996PLC325507. Its Permanent Account Number with the Income Tax Department is AABCR2858R.
- 4.5. The email address of MEML is parikh.jignesh@mahindra.com and website is www.mahindraelectric.com
- 4.6. The equity shares of MEML are not listed on any stock exchange.
- 4.7. The objects of MEML are set out in the Memorandum of Association of MEML. The objects *inter alia* are as under:
- "III. The Objects for which the Company is established are as under*
- (A) *THE OBJECTS TO BE PURSUED BY THE COMPANY:*
- To carry on the business of manufacturers, fabricators, assemblers, importers, exporters, manufacturers' representatives, traders, stockists and dealers of motor cars, vans, buses, auto-rickshaws, jeeps, boats and vehicles of all kinds and description used for transporting passengers, goods and animals.*
 - To carry on all or any of the businesses of owners, lessors, lessees, managers and keeper of garages, workshops, tyre- retreading units, battery- servicing units, service stations, fuel stations, upholstery units, body- building units of buses, car and other vehicles and/or service units of all kinds and description required by automobiles and the automobile industry.*

3. *To carry on the business of manufacturers, fabricators, assemblers, importers, exporters, manufacturers' representatives, traders, stockists and dealers of tyres, tubes, pistons, crank-shafts, rings, seat-covers, shock-absorbers, fuel tanks, batteries, springs, of all kinds and description, fanbelts, radiators, bushes, bolts, nuts, bulbs and/or other items required for automobiles or by the automobile industry."*

MEML is currently engaged in designing and manufacturing of electrically powered vehicles along with designing and development of related technology for end use vehicles.

- 4.8. During the last five years, there has been no change in the objects of MEML, except that at its 23rd Annual General Meeting held on 25th July, 2019, the shareholders of MEML had passed a Special Resolution approving the alteration of Clause III of the Memorandum of Association of MEML i.e. its "Objects Clause", to align it with the provisions of the Act, by bifurcating it into "The Objects to be pursued by the Company" and "Matters considered necessary for furtherance of the above Objects". The details of change of name of MEML are given in Para 4.2 above. The registered office of MEML was changed from the State of Karnataka to the State of Maharashtra i.e. to Mahindra Towers, Dr. G.M. Bhosale Marg, P.K. Kurne Chowk, Worli, Mumbai - 400 018, Maharashtra on 17th May, 2019.
- 4.9. The details of authorised, issued, subscribed and paid-up share capital of the MEML as on the date of this Notice are as under:

Particulars	Amount in Rs.
Authorised Share Capital	
100,00,00,000 equity shares of Rs. 10 each	1,000,00,00,000
Total	1,000,00,00,000
Issued, Subscribed and Paid – up Share Capital	
35,97,86,252 equity shares of Rs. 10 each	359,78,62,520
Total	359,78,62,520

- 4.10. Names of Directors and Promoters of MEML (as on the date of the Notice) along with their addresses are mentioned herein below:

Sr. No.	Name of Directors	Designation	DIN	Address
1.	Mr. Rajesh Jejurikar	Non-Executive Chairman	00046823	Mahindra Towers, Akurli Road, Kandivali East, Mumbai - 400 101
2.	Ms. Suman Mishra	Whole Time Director and CEO	06727958	LMM office, K-Shed, Phase 2, Gate No. 2, Farm Division, Akurli Road, Kandivali East, Mumbai - 400 101
3.	Mr. Ruzbeh Irani	Non-Executive Director	01831944	Mahindra Towers, Dr. G. M. Bhosale Marg, Worli, Mumbai - 400 018
4.	Mr. Vijay Nakra	Non-Executive Director	02638616	Mahindra Towers, Akurli Road, Kandivali East, Mumbai - 400 101
5.	Mr. Amit Kumar Sinha	Non-Executive Director	09127387	Mahindra Towers, Dr. G. M. Bhosale Marg, Worli, Mumbai - 400 018
6.	Mr. Ravindra Dhariwal	Independent Director	00003922	Aashray Farm, Sub. P.O. S P. School, Bhatti Mines, Asola Village, New Delhi - 110 074
7.	Mr. Nikhilesh Panchal	Independent Director	00041080	Khaitan and Co., One World Centre, 13 th Floor, Tower 1, 841 Senapati Bapat Marg, Mumbai - 400 013

Sr. No.	Name of Promoter	Address
1.	Mahindra & Mahindra Limited	Gateway Building, Apollo Bunder, Mumbai – 400 001

5. Relationship between the companies, Description, Rationale, Salient Features & Benefits of the Scheme

5.1. Relationship between the companies:

MEML is a subsidiary of the Company. Currently, the Company holds 98.97% of the equity share capital of MEML.

5.2. Description of the Scheme:

The Scheme of Merger by Absorption of Mahindra Electric Mobility Limited with Mahindra & Mahindra Limited and their respective shareholders is presented under sections 230 to 232 and other applicable provisions of the Act and rules framed thereunder (including any statutory modification(s) or amendment(s) thereto or re-enactment(s) thereof, for the time being in force) for the merger of Mahindra Electric Mobility Limited with Mahindra & Mahindra Limited.

5.3. Rationale for Merger:

- a) Global automobile industry is accelerating the adoption of Electric Vehicles ("EV") and its share to total Automobile market is expected to increase rapidly. The Indian Government has also been encouraging this migration with various timeline linked incentives. Future readiness will require increased investment, reconfiguration of value chain, faster launch of new EV products and remapping of managerial skill sets.
- b) MEML has expertise in EV technology while M&M has expertise in automotive design, engineering and manufacturing, sourcing network and sales, marketing & service channels. Thus, the value chain required for end to end EV development, manufacturing and sales is currently spread between M&M and MEML. The proposed consolidation will bring this entire value chain under one umbrella driving sharper focus for smooth and efficient management of the value chain requirements with scale and agility required to meet the increasing focus on EVs.
- c) M&M also envisages significant investments in the EV business to scale up the business and develop a robust EV product pipeline for which the proposed consolidation will be critical. Further, M&M's better credit rating will also provide significant savings in finance costs for funding the investment.
- d) The consolidation of MEML with M&M will also result in:
 - i. Optimizing capital investments for manufacturing EVs by leveraging manufacturing and R&D infrastructure of M&M and hence lower EV costs.
 - ii. Leveraging M&M Sales & Marketing channel to increase EV penetration, optimize price points for customers and improve dealer viability.
 - iii. Rationalization of number of identified operating entities thereby reducing the legal and regulatory compliances.
- e) The proposed Scheme will be beneficial, advantageous and not prejudicial to the interests of the shareholders, creditors and other stakeholders of MEML and M&M.

5.4. Salient Features of the Scheme

- a) 'Appointed Date' means the 1st day of April, 2021 or such other date as may be directed or approved by the National Company Law Tribunal or any other appropriate authority.
- b) The Scheme duly approved by the NCLT, with or without modifications, shall be effective from the Appointed Date but shall be operative from the Effective Date (as defined in the Scheme).
- c) Upon the coming into effect of the Scheme and with effect from the Appointed Date, the Undertaking as defined in the Scheme (including all the assets, properties, debts, borrowings, obligations, duties, liabilities, permits, quotas, rights, entitlements, industrial and other licences, incentives, deductions, exemptions, statutory licenses, permissions, registrations, approvals, consents, subsidies, tax entitlements (including but not limited to incentives and/or credits under applicable indirect tax laws), sundry debtors, receivables, branches, contracts, encumbrances, employees, proceedings, etc.) and entire business of MEML shall stand vested in or be deemed to have been vested in the Company, as a going concern without any further act, instrument, deed, matter or thing so as to become, as and from the Appointed Date, as the undertaking of the Company by virtue of and in the manner provided in the Scheme.
- d) All inter-company balances between the Company and MEML will stand cancelled as a result of merger.
- e) The Scheme provides for combining the Authorised Share Capital of MEML with the Company.
- f) There is no capital/debt restructuring envisaged in the Scheme.
- g) The Scheme provides for issue of Equity Shares of the Company to the equity shareholders of MEML (other than the Company or its subsidiaries holding shares directly or jointly with its nominee shareholders) as on the

Record Date in the following proportion viz.:

"480 (Four Hundred Eighty) Ordinary (Equity) Shares of the face value of Rs. 5 each of M&M shall be issued and allotted as fully paid up for every 10,000 (Ten Thousand) Equity share of the face value of Rs. 10 each fully paid up held in MEML".

Fractional entitlements, if any, shall be rounded off to the next higher whole number.

- h) The Scheme also provides for issue of Employee Stock Options ('ESOPs') by the Company to the eligible ESOP holders of MEML as on the Record Date in the proportion as stated in the Scheme, as under:

Sr. No.	Exercise Price for Transferor Company Stock Options (Rs.)	Ratio of ESOPs of Transferee Company per 10,000 Transferor Company Stock Options
1.	24.90	168
2.	25.17	165
3.	25.91	156

- i) In the event, any of the sanctions and approvals referred to in the Scheme is not being obtained, the Scheme shall stand cancelled and be of no effect.
- j) Dissolution of the Transferor Company without winding up and without any further act or deed.
- k) The Scheme is in compliance with the conditions relating to "Merger" as specified under section 2(1B) of the Income-tax Act, 1961.
- l) The costs, charges, expenses, taxes including duties, levies in connection with the Scheme would be borne by the Company.
- m) Equity shares issued by the Company to the shareholders of MEML pursuant to the Scheme would be listed on BSE and NSE.

THE FEATURES SET OUT ABOVE BEING ONLY THE SALIENT FEATURES OF THE SCHEME, THE EQUITY SHAREHOLDERS OF THE COMPANY ARE REQUESTED TO READ THE ENTIRE TEXT OF THE SCHEME TO GET THEMSELVES FULLY ACQUAINTED WITH THE PROVISIONS THEREOF.

6. Benefits of the merger to the Company as perceived by the Board of directors to the company, members, creditors and others (as applicable):

As provided in the rationale for Merger in Clause B of the Scheme and as stated in Para 5.3 of the Explanatory Statement.

7. Amounts due to unsecured creditors

The amount due to unsecured creditors of the Company as on 31st March, 2022 is Rs. 18,775,94,76,927. The amount due to unsecured creditors of MEML as on 31st March, 2022 is Rs. 685,08,72,011.

8. Summary of Valuation Report and Fairness Opinion

8.1. The Valuation Reports dated 28th May, 2021, specifying the share exchange ratio and ESOP exchange ratio issued by M/s. BDO Valuation Advisory LLP, Registered Valuer are enclosed herewith as Annexure B-1. The Valuer has considered the Discounted Cash Flow Method ('DCF') under Income Approach, Summation Method under Asset/Cost Approach and the Market Price Method ('MPM') and Comparable Companies Multiple Method ('CCMM') under Market Approach for determining the relative value of the shares/ESOPs of the Company and MEML in order to arrive at the share exchange ratio and ESOP exchange ratio for the Scheme.

However, considering that the Company is having its shares listed on recognised stock exchanges, the Valuer is of the opinion that the Income and Cost Approach are of limited relevance and have based their valuation on MPM method for the Company and have also considered Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 ('ICDR Regulations') which provide guidelines to estimate the market price. In case of MEML, the Valuers have not considered MPM as the shares of MEML are not listed on any recognised stock exchange or Comparable Companies Multiple Method ('CCM') and Comparable Transactions Multiple Method ('CTM') under the Market Approach in absence of exact comparable companies to business of MEML and non-availability of comparable transactions for similar business. The Valuer has considered the DCF Method as the true worth of the MEML's business would be reflected in its future earnings potential.

The share exchange ratio and ESOP exchange ratio have been arrived at on the basis of a relative equity valuation of the businesses based on the methodologies explained in the said Valuation Reports and various qualitative factors relevant to each business. The recommendation of the share exchange ratio and ESOP exchange ratio have been approved by the Boards of the Company and MEML.

8.2. In terms of the SEBI Master Circular No. SEBI/HO/CFD/DIL1/CIR/P/2021/0000000665 dated 23rd November, 2021 ('SEBI Master Circular'), Fairness Opinion dated 28th May, 2021 issued by M/s. SBI Capital Markets Limited, a SEBI Registered Category – I Merchant Banker, on the fairness of the share exchange ratio and ESOP exchange ratio recommended by M/s. BDO Valuation Advisory LLP, Registered Valuer for the Scheme is enclosed herewith as Annexure B-2.

9. Board Approvals

9.1. The Scheme was approved by the Board of Directors of the Company at its meeting held on 28th May, 2021, based on the recommendations of the Loans and Investment Committee, Committee of Independent Directors and Audit Committee of the Company. Details of Directors of the Company who voted in favour / against / did not vote or participate in the resolution approving the Scheme passed at the aforesaid meeting are given below:

Sr. No.	Names of Directors	Voted in favour/ against/ did not vote or participate
1.	Mr. Anand G. Mahindra	Voted in favour
2.	Dr. Anish Shah	Voted in favour
3.	Mr. Rajesh Jejurikar	Neither voted nor participated being a common director between the Company and MEML
4.	Mr. Vikram Singh Mehta	Voted in favour
5.	Dr. Vishakha N. Desai	Voted in favour
6.	Mr. T. N. Manoharan	Voted in favour
7.	Mr. Haigreve Khaitan	Voted in favour
8.	Ms. Shikha Sharma	Voted in favour
9.	Ms. Nisaba Godrej	Voted in favour
10.	Mr. Muthiah Murugappan	Voted in favour
11.	Mr. Vijay Kumar Sharma	Voted in favour
12.	Mr. CP Gurnani	Voted in favour

9.2. The Scheme was approved by the Board of Directors of MEML at its meeting held on 28th May, 2021, based on recommendation of the Audit Committee of MEML. Details of Directors of MEML who voted in favour / against / did not vote or participate in the resolution approving the Scheme passed at the aforesaid meeting are given below:

Sr. No.	Names of Directors	Voted in favour/ against/ did not vote or participate
1.	Mr. Rajesh Jejurikar	Neither voted nor participated being a common director between the Company and MEML
2.	Mr. Ravindra Dhariwal	Voted in favour
3.	Ms. Sonali Kulkarni*	Voted in favour
4.	Mr. Ruzbeh Irani	Voted in favour
5.	Mr. Vijay Nakra	Voted in favour
6.	Ms. Suman Mishra**	Not Applicable
7.	Mr. Amit Kumar Sinha	Voted in favour
8.	Mr. Nikhilesh Panchal#	Not Applicable
9.	Mr. Mahesh Babu##	Voted in favour

* Ms. Sonali Kulkarni resigned as an Independent Director on 26th April, 2022

** Ms. Suman Mishra was appointed as an Additional Director w.e.f. 13th July, 2021 and as a Whole time Director and Chief Executive Officer w.e.f. 14th August, 2021

Mr. Nikhilesh Panchal was appointed as an Independent Director w.e.f. 26th April, 2022

Mr. Mahesh Babu resigned as a Managing Director and Chief Executive Officer w.e.f. the closing of business hours of 13th August, 2021

10. Approvals and intimations in relation to the Scheme

10.1. Pursuant to the SEBI Master Circular read with Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company had filed the necessary applications before BSE and NSE seeking their no-objections to the Scheme. BSE was appointed as the designated stock exchange by the Company for the purpose of co-ordinating with SEBI, pursuant to the SEBI Master Circular.

10.2. The Company has received the Observation Letters from BSE and NSE dated 13th January, 2022 and 14th January, 2022 respectively, conveying their no-objection to the Scheme ("Observation Letters"). Copies of the aforesaid Observation Letters are enclosed herewith as Annexure C.

- 10.3. Further, in terms of the said SEBI Master Circular, the Company has not received any complaint relating to the Scheme and "NIL" Complaints Reports dated 7th September, 2021 and 21st September, 2021, were filed by the Company with NSE and BSE respectively and also uploaded on the Company's website viz. www.mahindra.com, copies of which are enclosed herewith as Annexure D.
- 10.4. A copy of the Scheme has been filed by the Company and MEML respectively with the Registrar of Companies Maharashtra, Mumbai.
- 10.5. The Scheme shall require approval of the Tribunal for which an application has been filed by the Company and MEML with the Tribunal on 2nd February, 2022.
- 10.6. In addition to approval of the Tribunal, the Company and MEML would obtain such necessary approvals/ sanctions/ no objection(s) from the regulatory or other government authorities in respect of the Scheme in accordance with law, as may be required.
- 10.7. Information pertaining to MEML, being an unlisted entity involved in the Scheme in the format prescribed for abridged prospectus as specified in Part E of Schedule VI of the ICDR Regulations read with SEBI Circular No. SEBI/HO/CFD/SSEP/CIR/P/2022/14 dated 4th February, 2022 is enclosed herewith as Annexure E.
- 10.8. No investigation proceedings have been instituted and/or are pending against the Company and MEML under the Act.

11. Capital Structure Pre and Post Merger

The Pre-Merger capital structure of the Company and MEML is mentioned in Para 3 and 4 above respectively. Post-merger capital structure of MEML is not applicable as MEML will be merged with the Company pursuant to the Scheme. The indicative Post-Merger capital structure of the Company shall be as follows:

Particulars	Amount (in Rs.)
Authorised Share Capital	
2,231,30,00,000 Ordinary (Equity) Shares of Rs. 5 each	111,56,50,00,000
25,00,000 Unclassified Shares of Rs. 100 each	25,00,00,000
1,50,00,00,000 Preference Shares of Rs. 10 each	1,50,00,00,000
Total	12,681,50,00,000
Issued, Subscribed and Paid-up Share Capital@	
1,24,33,68,632 Ordinary (Equity) Shares of Rs. 5 each	6,21,68,43,160
Total	6,21,68,43,160

@ Based on the shareholding as of 31st March, 2022 and after rounding off fractional entitlement at each shareholder level in terms of the Scheme.

In addition to the above, the Transferor Company had 48,02,787 outstanding ESOPs as on 31st March 2022 which, if exercised, would result in issue of new equity shares by Transferor Company. In such case Transferee Company shall be required to issue additional equity shares to such shareholders of Transferor Company pursuant to merger basis the Share Exchange Ratio provided in the Scheme. Accordingly, the number of shares & % of voting rights of Transferee Company post-amalgamation disclosed above may undergo a change to such extent.

12. Equity Shareholding Pattern Pre and Post Merger

The Equity Shareholding pattern of MEML Pre and Post merger is as follows:

Sr. No.	Name of Shareholders	Shareholding as on 31 st March, 2022 (Pre Scheme)		Shareholding as on 31 st March, 2022 (Post Scheme)	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
1.	Promoter - Mahindra & Mahindra Limited	35,60,82,447	98.98	NA	NA
2.	Public	36,68,020	1.02	NA	NA
3.	Non Promoter Non Public	0	0.00	NA	NA
	Total	35,97,50,467	100.00	NA	NA

The Equity Shareholding pattern of the Company Pre and Post merger is as follows:

Sr. No.	Category of shareholder	Shareholding Pattern as on 31 st March 2022 (Pre-scheme)		Shareholding Pattern as on 31 st March 2022@ (Post-scheme)	
		No. of Shares	%	No. of Shares	%
A	Promoter and Promoter Group				
	1) Indian				
	a) Individuals/Hindu undivided Family	73,21,574	0.59	73,21,574	0.59
	Keshub Mahindra	8,84,592	0.07	8,84,592	0.07
	Anand Gopal Mahindra	14,30,008	0.12	14,30,008	0.12
	Anjali K Mahindra	2,12,208	0.02	2,12,208	0.02
	Anuradha Mahindra	4,57,090	0.04	4,57,090	0.04
	Deveshwar Jagat Sharma	30,000	0.00	30,000	0.00
	Dhruv S Sharma	30,000	0.00	30,000	0.00
	Gautam P Khandelwal	4,600	0.00	4,600	0.00
	Leena S Labroo	12,51,884	0.10	12,51,884	0.10
	Nisheeta Labroo	1,60,500	0.01	1,60,500	0.01
	Aneesha Labroo	1,60,000	0.01	1,60,000	0.01
	Radhika Nath	93,616	0.01	93,616	0.01
	Sanjay Labroo	1,45,440	0.01	1,45,440	0.01
	Sudha Keshub Mahindra	14,52,032	0.12	14,52,032	0.12
	Uma R Malhotra	10,09,604	0.08	10,09,604	0.08
	Anuja P Sharma	0	0.00	0	0.00
	b) Central Government/State Government(s)	0	0.00	0	0.00
	c) Financial Institutions/Banks	0	0.00	0	0.00
	d) Any Other (specify)	22,67,27,200	18.24	22,67,27,200	18.23
	i. Bodies Corporate	14,22,56,772	11.44	14,22,56,772	11.44
	Prudential Management & Services Private Limited	14,15,21,940	11.38	14,15,21,940	11.38
	Kema Services International Private Limited	7,34,832	0.06	7,34,832	0.06
	ii. M&M Benefit Trust (Bharat N Doshi, A.K. Nanda, Uday Kotak, M.M. Murugappan and Padmini Khare - Trustees)	8,44,70,428	6.80	8,44,70,428	6.79
	iii. Anand Mahindra Family Trust (Anand Gopal Mahindra and Anuradha Mahindra - Trustees)	0	0.00	0	0.00
	iv. Mahindra Family Trust - I (Anuradha Mahindra - Trustee)	0	0.00	0	0.00
	v. Yuthica Mahindra Family Trust (Sudha Mahindra - Trustee)	0	0.00	0	0.00
	Sub-Total (A)(1)	23,40,48,774	18.83	23,40,48,774	18.82
	Foreign				
	a) Individuals (Non-Resident Individuals/Foreign Individuals)	7,16,744	0.06	7,16,744	0.06
	Yuthica Keshub Mahindra	7,16,744	0.06	7,16,744	0.06
	b) Government	0	0.00	0	0.00
	c) Institutions	0	0.00	0	0.00
	d) Foreign Portfolio Investor	0	0.00	0	0.00
	e) Any Other (specify)	0	0.00	0	0.00
	Sub-Total (A)(2)	7,16,744	0.06	7,16,744	0.06
	Total Shareholding of Promoter and Promoter Group (A)=(A)(1)+(A)(2)	23,47,65,518	18.89	23,47,65,518	18.88
B	Public Shareholding				
	1. Institutions				
	(a) Mutual Funds	16,70,82,840	13.44	16,70,82,840	13.44
	ICICI Prudential Value Discovery Fund along with its sub accounts	5,63,72,641	4.53	5,63,72,641	4.53
	SBI-ETF Nifty 50 Along with its sub accounts	4,01,19,088	3.23	4,01,19,088	3.23
	Kotak Flexicap Fund Along with its sub accounts	1,23,70,008	1.00	1,23,70,008	0.99
	(b) Venture Capital Funds	0	0.00	0	0.00
	(c) Alternate Investment Funds	45,01,452	0.36	45,01,452	0.36
	(d) Foreign Venture Capital Investors	0	0.00	0	0.00

Sr. No.	Category of shareholder	Shareholding Pattern as on 31 st March 2022 (Pre-scheme)		Shareholding Pattern as on 31 st March 2022@ (Post-scheme)	
		No. of Shares	%	No. of Shares	%
	(e) Foreign Portfolio Investors (including FII's & FPC's)	44,96,82,198	36.17	44,96,82,198	36.17
	First Sentier Investors ICVC - Stewart Investors Asia Pacific Leaders Sustainability Fund	5,35,97,328	4.31	5,35,97,328	4.31
	Government pension fund global	1,95,63,136	1.57	1,95,63,136	1.57
	Kuwait Investment Authority Fund along with its sub accounts	1,45,75,238	1.17	1,45,75,238	1.17
	Caisse De Depot Et Placement Du Quebec along with its sub accounts	1,27,76,568	1.03	1,27,76,568	1.03
	Vanguard Emerging Markets Stock Index Fund, A Series of Vanguard International Equity Index Funds	1,27,43,182	1.03	1,27,43,182	1.02
	(f) Financial Institutions/Banks	42,77,768	0.34	42,77,768	0.34
	(g) Insurance Companies	10,74,80,624	8.65	10,74,80,624	8.64
	Life Insurance Corporation of India along with sub accounts	8,55,54,624	6.88	8,55,54,624	6.88
	(h) Provident Funds/Pension Funds	0	0.00	0	0.00
	(i) Any Other (specify)	6,37,18,962	5.13	6,37,18,962	5.12
	Qualified Institutional Buyers	6,37,18,962	5.13	6,37,18,962	5.12
	NPS Trust- A/C LIC Pension Fund Scheme along with its sub accounts	1,42,13,310	1.14	1,42,13,310	1.14
	ICICI Prudential Life Insurance Company Limited	1,33,82,775	1.08	1,33,82,775	1.08
	Sub Total (B)(1)	79,67,43,844	64.09	79,67,43,844	64.07
	2. Central Government/State Government(s)/President of India	8,84,264	0.07	8,84,264	0.07
	Sub Total (B)(2)	8,84,264	0.07	8,84,264	0.07
	3. Non-Institutions				
	(a) Individuals				
	i. Individual shareholders holding nominal share capital up to Rs. 2 lakhs	8,98,87,349	7.23	8,98,48,970	7.23
	ii. Individual shareholders holding nominal share capital in excess of Rs. 2 Lakhs	1,70,25,316	1.37	1,72,34,608	1.39
	(b) NBFCs Registered with RBI	7,145	0.00	7,145	0.00
	(c) Employee Trusts	0	0.00	0	0.00
	(d) Overseas Depositories (Holding DRs)(Balancing figure)	0	0.00	0	0.00
	(e) Any Other (specify)	1,84,59,437	1.48	1,84,64,612	1.49
	i. Trusts	2,59,912	0.02	2,59,912	0.02
	ii. Overseas Corporate Bodies	6,52,664	0.05	6,52,664	0.05
	iii. Non Resident Indians	51,14,288	0.40	51,14,288	0.40
	iv. Clearing Members	14,44,945	0.12	14,44,945	0.12
	v. Bodies Corporates	79,17,096	0.64	79,22,271	0.65
	vi. Foreign Corporate Bodies	51,070	0.00	51,070	0.00
	vii. Foreign Nationals	1,610	0.00	1,610	0.00
	viii. Investor Education and Protection Fund Authority Ministry of Corporate Affairs	24,57,866	0.20	24,57,866	0.20
	ix. Unclaimed Suspense Account	5,59,986	0.05	5,59,986	0.05
	Sub Total (B)(3)	12,53,79,247	10.08	12,55,55,335	10.11
	Total Public Shareholding (B) = (B)(1)+(B)(2)+(B)(3)	92,30,07,355	74.24	92,31,83,443	74.25
	C. Non Promoter-Non Public				
	C1. Shares underlying DRs				
	Custodian/DR Holder	3,75,50,630	3.02	3,75,50,630	3.02
	JP Morgan Chase Bank, NA (Shares held as Custodians against which Global Depository Receipts have been issued)	3,75,50,630	3.02	3,75,50,630	3.02
	C2. Employee Benefit Trusts (under SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021)	4,78,69,041	3.85	4,78,69,041	3.85

Sr. No.	Category of shareholder	Shareholding Pattern as on 31 st March 2022 (Pre-scheme)		Shareholding Pattern as on 31 st March 2022@ (Post-scheme)	
		No. of Shares	%	No. of Shares	%
	Mahindra and Mahindra Employees Stock Option Trust	4,65,91,301	3.75	4,65,91,301	3.75
	Total Non-Promoter-Non Public Shareholding (C) = (C)(1)+(C)(2)	8,54,19,671	6.87	8,54,19,671	6.87
	Grand Total (A+B+C)	1,24,31,92,544	100.00	1,24,33,68,632	100.00

@ Based on the shareholding as of 31st March, 2022 and after rounding off fractional entitlement at each shareholder level in terms of the Scheme.

In addition to the above, the Transferor Company had 48,02,787 outstanding ESOPs as on 31st March, 2022 which if exercised would result in issue of new equity shares by Transferor Company. In such case Transferee Company shall be required to issue additional equity shares to such shareholders of Transferor Company pursuant to merger basis the Share Exchange Ratio provided in the Scheme. Accordingly, the number of shares & % of voting rights of Transferee Company post-amalgamation disclosed above may undergo a change to such extent.

13. **Disclosure about the effect of the Scheme on the material interests of directors, key managerial personnel ('KMPs') and debenture trustees**

None of the Directors and KMPs of the Company and their respective relatives have any material interests, financial or otherwise in the Scheme, except to the extent of their shareholding in the companies forming part of the Scheme, and / or to the extent said Director(s) and / or KMPs, if any are the partners, directors, KMPs, members of the companies, firms, association of persons, bodies corporate and/or beneficiary of trust, that hold shares in any of the said companies.

The details of the present Directors and KMPs of M&M and their respective shareholdings in M&M and MEML as on the date of this notice are as follows:

Names of Director/KMP	Designation	Equity Shares in MEML	Equity Shares in the Company
Mr. Anand G. Mahindra	Chairman	Nil	14,30,008
Dr. Anish Shah	Managing Director & CEO	52,568	1,54,935
Mr. Rajesh Jejurikar	Executive Director (Automotive and Farm Sectors)	Nil	39,955
Mr. Vikram Singh Mehta	Lead Independent Director	Nil	20,000
Dr. Vishakha N. Desai	Independent Director	Nil	12,500
Mr. T. N. Manoharan	Independent Director	Nil	Nil
Mr. Haigreve Khaitan	Independent Director	Nil	Nil
Ms. Shikha Sharma	Independent Director	Nil	Nil
Ms. Nisaba Godrej	Independent Director	Nil	Nil
Mr. Muthiah Murugappan	Independent Director	Nil	Nil
Mr. Vijay Kumar Sharma	Non-Executive Non-Independent Director (Nominee of Life Insurance Corporation of India)	Nil	Nil
Mr. CP Gurnani	Non-Executive Non-Independent Director	Nil	2,290
Mr. Manoj Bhat	Chief Financial Officer	Nil	Nil
Mr. Narayan Shankar	Company Secretary	55,262*	37,720

* In addition, also holds 1 share jointly with the Company.

None of the Directors and KMPs of MEML and their respective relatives have any material interests, financial or otherwise in the Scheme, except to the extent of their shareholding in the companies forming part of the Scheme, and / or to the extent said Director(s) and / or KMPs, if any are the partners, directors, KMPs, members of the companies, firms, association of persons, bodies corporate and/or beneficiary of trust, that hold shares in any of the said companies.

The details of the present Directors and KMPs of the MEML and their respective shareholdings in M&M and MEML as on the date of this notice are as follows:

Names of Director/KMP	Designation	Equity Shares in MEML	Equity Shares in the Company
Mr. Rajesh Jejurikar	Non-Executive Chairman	Nil	39,955
Ms. Suman Mishra	Whole Time Director and CEO	Nil	30,846
Mr. Ruzbeh Irani	Non-Executive Director	58,248	97,807

Names of Director/KMP	Designation	Equity Shares in MEML	Equity Shares in the Company
Mr. Vijay Nakra	Non-Executive Director	75,722	34,449
Mr. Amit Kumar Sinha	Non-Executive Director	Nil	Nil
Mr. Ravindra Dhariwal	Independent Director	Nil	1,328
Mr. Nikhilesh Panchal	Independent Director	Nil	1,100
Mr. Ashish Lath	Chief Financial Officer	Nil	Nil
Mr. Jignesh Parikh	Company Secretary	Nil	2,104

There is no effect of the Scheme on the material interests of debenture trustees of the Company. MEML does not have debenture trustees.

14. Effect of the Scheme on stakeholders:

In compliance with the provisions of section 232(2)(c) of the Act, the Board of Directors of the Company and MEML, in their respective board meetings held on 28th May, 2021, have adopted a report, *inter alia*, explaining effect of the Scheme on each class of shareholders, KMPs, promoters and non-promoter shareholders. The same is enclosed herewith as Annexure F.

Sr. No.	Disclosure about effect of the Scheme on	MEML	Company
1	Promoter and Non-Promoter Shareholders	<p>Upon the Scheme becoming effective, no shares of the Company shall be allotted in lieu of or in exchange of the shareholding of the Company or its subsidiary(ies) in MEML (held directly and jointly with the nominee shareholders).</p> <p>In consideration of the shares held by the Non-Promoter shareholders in MEML, they will be allotted equity shares of the Company as per the Share Exchange Ratio and such equity shares will form part of public shareholders of the Company.</p> <p>In addition, the Scheme also provides for issue of Employee Stock Options ('ESOPs') by the Company to the eligible ESOP holders of MEML as on the Record Date in the proportion as stated in the Scheme.</p>	<p>The Promoters of the Company do not hold any shares in MEML and hence, there will be dilution in their percentage of shareholding in the Company to the extent of shares that will be allotted under the Scheme.</p> <p>In case of Non-Promoter Shareholders of the Company, there will be increase in the percentage of the "Public" shareholding to the extent of shares that will be allotted under the Scheme.</p>
2	Directors and KMPs	The Directors and KMPs of MEML will cease to be Directors and KMPs of MEML from the Effective date as MEML will cease to exist.	In case of Directors and KMPs of the Company, there would be change in the percentage of shareholding in the Company to the extent of shares that will be allotted under the Scheme.
3	Employees	Under the Scheme, no rights of the staff and employees of MEML are being affected. Upon the coming into effect of the Scheme, all employees on the payroll of MEML as on the Effective Date, shall become the employees of the Company without any break in or interruption of service.	There is no effect of the Scheme on employees of the Company.
4	Creditors	Creditors of MEML shall become the Creditors of the Company and paid off in the ordinary course of business.	The Scheme does not have any impact on the Creditors of the Company.
5	Depositors, Debenture holders and Debenture trustee	MEML does not have any depositors, debenture holders, deposit trustee and debenture trustee.	The Scheme does not have any adverse impact on the depositors, debenture holders, and debenture trustees of the Company. Further, the Company does not have a deposit trustee.
6	Other Stakeholders	The Scheme does not have any adverse impact on the other Stakeholders of MEML.	The Scheme does not have any adverse impact on the other Stakeholders of the Company.

15. Documents available for inspection:

The following documents will be available electronically for inspection by the Equity Shareholders of the Company upto and including the date of the Meeting.

- i. Copy of the Order passed by NCLT in Company Scheme Application No. C.A.(CAA) 67/(MB)/2022 dated 10th June, 2022 directing the Company to, *inter alia*, convene the Meeting of its Equity Shareholders;
- ii. Copy of the Scheme;
- iii. Copy of the Report from the Committee of Independent Directors dated 28th May, 2021 recommending the Scheme;
- iv. Copy of the Report from the Audit Committee dated 28th May, 2021 recommending the Scheme;
- v. Copy of the Reports dated 28th May, 2021 adopted by the Board of Directors of the Company and MEML pursuant to the provisions of section 232(2)(c) of the Act;
- vi. Copy of the Valuation Reports dated 28th May, 2021 specifying the share exchange ratio and ESOP exchange ratio issued by M/s. BDO Valuation Advisory LLP, Registered Valuer;
- vii. Copy of the Fairness Opinion dated 28th May, 2021 issued by M/s. SBI Capital Markets Limited, SEBI Registered Category-I Merchant Banker on the fairness of the share exchange ratio and ESOP exchange ratio;
- viii. Copy of Statutory Auditors' Certificate dated 28th May, 2021 and addendum dated 15th November, 2021 issued by B S R & Co. LLP, Statutory Auditors of the Company certifying the accounting treatment proposed in the Scheme is in conformity with section 133 of the Act and applicable accounting standards;
- ix. Copy of Information in the format prescribed for Abridged Prospectus pertaining to the unlisted entity i.e. MEML, involved in the Scheme as per the format specified in Part E of Schedule VI of the ICDR Regulations read with SEBI Circular No. SEBI/HO/CFD/SSEP/CIR/P/2022/14 dated 4th February, 2022 along with a copy of certificate from the Merchant Banker confirming the adequacy and accuracy of the information contained in above document in terms of the SEBI Master Circular;
- x. Copy of Observation Letters dated 13th January, 2022 issued by BSE and dated 14th January, 2022 issued by NSE;
- xi. Copy of Complaints Reports dated 7th September, 2021 and 21st September, 2021, filed by the Company with NSE and BSE respectively;
- xii. Copy of Form No. GNL-1 along with challan filed by the Company with the Registrar of Companies, Mumbai evidencing filing of the Scheme with the Registrar of Companies, Mumbai;
- xiii. Copy of the Memorandum and Articles of Association of the Company and MEML; and
- xiv. Copy of the Annual Reports of the Company and MEML for the financial years ended 31st March, 2022, 31st March, 2021 and 31st March, 2020.

There are no contracts or agreements material to the Scheme.

Members seeking to inspect the above documents can send an e-mail to ccm.inspection@mahindra.com from their registered e-mail address.

The Extract of Audited Financial Statements of the Transferor Company and Transferee Company for the year ended 31st March, 2022 is attached to this Explanatory Statement and forms part of this statement as Annexure G. The Audited Financial Statements of the Transferor Company and Transferee Company for the year ended 31st March, 2022 are available on the website of the Company at <https://www.mahindra.com/resources/investor-reports/FY23/Scheme-of-Merger-by-Absorption-of-Mahindra-Electric-Mobility-Limited/Audited-Financial-Statements-FY-2022.pdf> and <https://www.mahindra.com/resources/investor-reports/FY22/Annual-Reports/MM-Annual-Report-2021-22.pdf>.

Based on the above and considering the rationale and benefits, in the opinion of the Board, the Scheme will be of advantage to, beneficial and in the interest of the Company, its shareholders, creditors and other stakeholders and the terms thereof are fair and reasonable. The Board of Directors of the Company recommends the Scheme for approval of the shareholders. The Directors and KMPs, as applicable, of the Company and of MEML, and their relatives do not have any concern or interest, financially or otherwise, in the Scheme except as shareholders in general.

This statement may be treated as an Explanatory Statement under sections 230(3) and 102 and any other applicable provisions of the Act read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016.

ANAND G. MAHINDRA

DIN : 00004695

Chairman appointed for the Meeting

Dated this 15th day of July, 2022

Registered Office: Gateway Building, Apollo Bunder, Mumbai – 400 001.

CIN : L65990MH1945PLC004558

e-mail : investors@mahindra.com

Website : <https://www.mahindra.com>

Tel. : +91 22 22895500

SCHEME OF MERGER BY ABSORPTION
OF
Mahindra Electric Mobility LimitedTransferor Company
WITH
Mahindra and Mahindra LimitedTransferee Company
AND
THEIR RESPECTIVE SHAREHOLDERS

UNDER SECTIONS 230 TO 232 AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013

This Scheme of Merger by Absorption (the Scheme) is presented under Sections 230 to 232 of the Companies Act, 2013 and other applicable provisions of the Companies Act 2013 (including any statutory modification or re-enactment or amendment thereof), as may be applicable, for the merger of Mahindra Electric Mobility Limited with Mahindra and Mahindra Limited and their respective shareholders.

A. DESCRIPTION OF THE COMPANIES:

Transferor Company

- a. Mahindra Electric Mobility Limited is a public limited company incorporated on 2nd April, 1996 under the Companies Act, 1956 having its registered office at Mahindra Towers, Dr. G.M. Bhosale Marg, P.K. Kurne Chowk, Worli, Mumbai 400018, India ("**Transferor Company**" or "**MEML**") [CIN: U34101MH1996PLC325507]. The shares of MEML are not listed on any stock exchange and it is a subsidiary of Transferee Company. MEML is currently engaged in designing and manufacturing of electrically powered vehicles along with designing and development of related technology for end use vehicles.

Transferee Company

- b. Mahindra and Mahindra Limited is a public limited company incorporated on 2nd October, 1945 under the Indian Companies Act, VII of 1913 having its registered office at Gateway Building, Apollo Bunder, Mumbai – 400 001, Maharashtra, India ("**Transferee Company**" or "**M&M**") [CIN : L65990MH1945PLC004558]. The Transferee Company is inter alia, engaged in the business of manufacture and sale of tractors, general-purpose utility vehicles, light commercial vehicles, three-wheelers and trucks and buses. The equity shares of the Transferee Company are listed on the BSE Limited ("**BSE**") and the National Stock Exchange of India Limited ("**NSE**"). The Global Depository Receipts (GDRs) of the Transferee Company are listed on the Luxembourg Stock Exchange and are also admitted for trading on International Order Book (IOB) of the London Stock Exchange.

B. RATIONALE OF THE SCHEME:

- Global automobile industry is accelerating the adoption of Electric Vehicles ("EV") and its share to total Automobile market is expected to increase rapidly. The Indian Government has also been encouraging this migration with various timeline linked incentives. Future readiness will require increased investment, reconfiguration of value chain, faster launch of new EV products and remapping of managerial skill sets.
- MEML has expertise in EV technology while M&M has expertise in automotive design, engineering and manufacturing, sourcing network and sales, marketing & service channels. Thus, the value chain required for end to end EV development, manufacturing and sales is currently spread between M&M and MEML. The proposed consolidation will bring this entire value chain under one umbrella driving sharper focus for smooth and efficient management of the value chain requirements with scale and agility required to meet the increasing focus on EVs.
- M&M also envisages significant investments in the EV business to scale up the business and develop a robust EV product pipeline for which the proposed consolidation will be critical. Further, M&M's better credit rating will also provide significant savings in finance costs for funding the investment.
- The consolidation of MEML with M&M will also result in:
 - i. Optimizing capital investments for manufacturing EVs by leveraging manufacturing and R&D infrastructure of M&M and hence lower EV costs.
 - ii. Leveraging M&M Sales & Marketing channel to increase EV penetration, optimize price points for customers and improve dealer viability.
 - iii. Rationalization of number of identified operating entities thereby reducing the legal and regulatory compliances.
- The proposed scheme will be beneficial, advantageous and not prejudicial to the interests of the shareholders, creditors and other stakeholders of MEML and M&M.

C. PARTS OF THE SCHEME:

The Scheme of Merger by Absorption is divided into following three parts:

- (i) **Part I** – Deals with the definitions, interpretations and share capital;
- (ii) **Part II** – Deals with Merger by Absorption of MEML with M&M; and
- (iii) **Part III** – Deals with the dissolution of the Transferor Company and General Clauses, Terms and Conditions applicable to the Scheme.

**PART I
DEFINITIONS, INTERPRETATION AND SHARE CAPITAL**

1) DEFINITIONS AND INTERPRETATION

In this Scheme, unless repugnant to the meaning or context thereof, (i) terms defined in the introductory paragraphs and recitals shall have the same meanings throughout this Scheme and (ii) the following words and expressions, wherever used (including in the recitals and the introductory paragraphs above), shall have the following meanings:

- 1.1. **'Act' or 'the Act'** means the Companies Act, 2013 and any rules, regulations, notifications, circulars or guidelines issued thereunder including any statutory modifications, re-enactments or amendments thereof for the time being in force.
- 1.2. **'Applicable Law(s)'** means any statute, notification, bye laws, rules, regulations, guidelines, rule or common law, policy, code, directives, ordinance, schemes, notices, orders or instructions or law enacted or issued or sanctioned by any Appropriate Authority including any modification or re-enactment thereof for the time being in force.
- 1.3. **'Appointed Date'** means the 1st day of April, 2021 or such other date as may be directed or approved by the National Company Law Tribunal or any other appropriate authority.
- 1.4. **'Appropriate Authority'** means any governmental, statutory, regulatory, departmental or public body or authority of India including Securities and Exchange Board of India, Stock Exchanges, Registrar of Companies or the National Company Law Tribunal.
- 1.5. **"Board of Directors" or "Board"** in relation to the Transferor Company and the Transferee Company, as the case may be, means the board of directors of such company, and shall include a committee duly constituted and authorized or individuals authorized for the purposes of matters pertaining to the merger, this Scheme and/or any other matter relating thereto;
- 1.6. **"Business Day"** means a day (excluding Saturdays, Sundays and public holidays) on which banks are generally open in Mumbai for the transaction of normal banking business.
- 1.7. **'Effective Date'** means the last of the dates on which the conditions mentioned in Clause 22(a) are satisfied.
- 1.8. **"Employees"** means all the employees of the Transferor Company who are on the pay-roll of the Transferor Company as on the Effective Date;
- 1.9. **"Encumbrance"** means any mortgage, pledge, equitable interest, assignment by way of security, conditional sales contract, hypothecation, right of other persons, claim, security interest, encumbrance, title defect, title retention agreement, voting trust agreement, interest, option, lien, charge, commitment, restriction or limitation of any nature whatsoever, including restriction on use, voting rights, transfer, receipt of income or exercise of any other attribute of ownership, right of setoff, any arrangement (for the purpose of, or which has the effect of, granting security), or any other security interest of any kind whatsoever, or any agreement, whether conditional or otherwise, to create any of the same and the term "Encumbered" shall be construed accordingly;
- 1.10. **"Employee Stock Options" or "ESOPs"** means stock options to be issued by the Transferee Company under the existing Transferee Company ESOP Scheme or a revised stock option plan for the ESOP Holders of the Transferor Company, as may be decided by the Board of Directors of the Transferee Company in their absolute discretion;
- 1.11. **"ESOP Exercise Price"** shall mean an exercise price of Rs. 5/- per equity share, being the face value per share of the Transferee Company, payable on exercise of ESOPs of the Transferee Company;
- 1.12. **"ESOP Holder"** means any person holding Transferor Company Stock Options under the Transferor Company ESOP Scheme as on the Record Date;
- 1.13. **"Governmental Authority"** means (i) a national or state government, political subdivision thereof; (ii) an instrumentality, board, commission, court, or agency, whether civilian or military, of any of the above, however constituted; and (iii) a government-owned/ government-controlled association, organization in the Republic of India;

- 1.14. **“MVML”** means Mahindra Vehicle Manufacturers Limited, a public limited company incorporated on 25th May, 2007 under the Companies Act, 1956 with CIN U34100MH2007PLC171151 having its registered office at Mahindra Towers, P.K. Kurne Chowk, Worli, Mumbai 400018, India;
- 1.15. **“MVML Scheme”** means Scheme of Merger by Absorption of MVML with Transferee Company and their respective shareholders which has been approved by NCLT basis its Pronouncement of Order on 26th April, 2021;
- 1.16. **“Retail Scheme”** means Scheme of Merger by Absorption of Mahindra Engineering and Chemical Products Limited, Retail Initiative Holdings Limited and Mahindra Retail Limited with the Transferee Company and their respective shareholders, as approved by the Board of Directors of the Transferee Company on 28th May, 2021;
- 1.17. **“Record Date”** means the date to be fixed by the Board of Directors of Transferee Company for the purpose of reckoning the names of the equity shareholders of Transferor Company and ESOP Holders who shall be entitled to receive equity shares of Transferee Company or ESOPs, as the case may be, pursuant to and as contemplated in this Scheme;
- 1.18. **‘Scheme’ or ‘the Scheme’ or ‘this Scheme’** means this Scheme of Merger by Absorption in its present form as submitted to the Tribunal with any modification(s) made under Clause 25 of the Scheme as approved or directed by the Tribunal or such other competent authority, as may be applicable.
- 1.19. **‘SEBI’** means the Securities and Exchange Board of India established under the Securities and Exchange Board of India Act, 1992;
- 1.20. **‘SEBI Circular’** shall mean the circular issued by SEBI, being Master Circular No. SEBI/HO/CFD/DIL1/CIR/P/2020/249 dated December 22, 2020 and any other circulars issued by SEBI applicable to schemes of Merger and amendments thereof.
- 1.21. **“Share Exchange Ratio”** has the meaning assigned to such a term in Clause 13;
- 1.22. **‘Stock Exchanges’** means BSE Limited and National Stock Exchange of India Limited;
- 1.23. **“Transferee Company” or “M&M”** means Mahindra and Mahindra Limited, a listed company incorporated on 2nd October, 1945 under the Indian Companies Act, VII of 1913 with CIN L65990MH1945PLC004558 having its registered office at Gateway Building, Apollo Bunder, Mumbai – 400 001, Maharashtra, India;
- 1.24. **“Transferee Company ESOP Scheme”** means the existing Employees Stock Option Scheme – 2010 of the Transferee Company;
- 1.25. **“Transferor Company” or “MEML”** means Mahindra Electric Mobility Limited, a public limited company incorporated on 2nd April, 1996 under the Companies Act, 1956 with CIN U34101MH1996PLC325507 having its registered office at Mahindra Towers, Dr. G.M. Bhosale Marg, P.K. Kurne Chowk, Worli, Mumbai 400018, India;
- 1.26. **“Transferor Company ESOP Scheme”** means the MEML Employees Stock Option Scheme – 2017 of MEML;
- 1.27. **“Transferor Company Stock Options”** means stock options under Transferor Company ESOP Scheme;
- 1.28. **“Tribunal” or “NCLT”** means the National Company Law Tribunal, Mumbai Bench, having jurisdiction in relation to Transferee Company and Transferor Company, being constituted and authorized as per the applicable provisions of the Companies Act, 2013 for approving any scheme of arrangement, compromise or reconstruction of companies under Section 230 to 240 of the Companies Act, 2013, if applicable.
- 1.29. **“Undertaking”** means all the undertakings and entire business, activities and operations of the Transferor Company in India and abroad, as a going concern, including, without limitation:
- a. all the assets and properties (whether movable or immovable, tangible or intangible, real or personal, in possession or reversion, corporeal or incorporeal, present, future or contingent of whatsoever nature) of the Transferor Company, whether situated in India or abroad including, without limitation, all land whether freehold or leasehold or otherwise, buildings and structures, offices, branches, residential and other premises, capital work-in-progress, machines and equipment, furniture, fixtures, office equipment, computers, information technology equipment, laptops, server, vehicles, appliances, accessories, power lines, stocks, current assets (including inventories, sundry debtors, bills of exchange, loans and advances), investments of all kinds (including shares, scrips, stocks, bonds, debenture stocks, units or pass through certificates, investment in subsidiaries), cash and bank accounts (including bank balances), contingent rights or benefits, benefits of any deposits, earnest monies, receivables, advances or deposits paid by or deemed to have been paid by the Transferor Company, financial assets, benefit of any bank guarantees, performance guarantees and letters of credit, leases (including lease rights), hire purchase contracts and assets, lending contracts, rights and benefits under any agreement, benefit of any security arrangements or under any guarantees, reversions, powers, tenancies in relation to the office and/or residential properties, rights to use and avail of telephones, telexes, facsimile, email, internet, leased line connections and installations, utilities, electricity and other services, reserves, provisions, funds, benefits of assets or properties or other interest held in trust, registrations, contracts, engagements, arrangements of all kind, privileges and all other rights, easements, privileges, liberties and advantages of whatsoever nature and

wheresoever situate belonging to or in the ownership, power or possession and in the control of or vested in or granted in favour of or enjoyed by the Transferor Company or in connection with or relating to the Transferor Company and all other interests of whatsoever nature belonging to or in the ownership, power, possession or the control of or vested in or granted in favour of or held for the benefit of or enjoyed by the Transferor Company, whether in India or abroad;

- b. all permits, quotas, rights, entitlements, industrial and other licences, contracts, agreements, bids, tenders, letters of intent, expressions of interest, memorandums of understanding, offer letters, approvals, consents, subsidies, privileges, lease rights granted by the Karnataka Industrial Areas Development Board for various leasehold land parcels including any license(s) and approval, incentives, deductions, exemptions, rebates, allowances, amortization, tax credits [including but not limited to advance tax, self-assessment tax, regular tax, securities transaction tax, deferred tax assets/liabilities, Foreign Tax Credit, tax deducted at source, tax collected at source, accumulated losses under Income-tax Act, allowance for unabsorbed depreciation under Income-tax Act, carried forward allowance u/s. 35(4) of Income-tax Act, tax refunds, tax losses and exemptions in respect of the profits of the undertaking of the Transferor Company for the residual period, i.e., for the period remaining as on the Appointed Date out of the total period for which the benefit or exemption is available in law if the merger pursuant to this Scheme does not take place, the input credit balances (including, State Goods & Service Tax ("SGST"), Integrated Goods and Services Tax ("IGST") and Central Goods and Service Tax ("CGST") credits) under the Goods and Service Tax ("GST") laws, CENVAT/ MODVAT credit balances under Central Excise Act, 1944, sales tax law], all other rights including sales tax deferrals and exemptions and other benefits, duty drawback claims, rebate receivables, all customs duty benefits and exemptions, export and import incentives and benefits or any other benefits/ incentives/ exemptions/ given under any policy announcements issued or promulgated by the government of India or state government or any other government body or authority or any other like benefits under any statute) receivables, and liabilities related thereto, licenses, powers and facilities of every kind, nature and description whatsoever provisions and benefits of all agreements, contracts and arrangements and all other interests in connection with or relating to the Transferor Company, whether or not so recorded in the books of accounts of the Transferor Company;
- c. all debts, borrowings, obligations, duties and liabilities, both present and future, current and non-current (including deferred tax liabilities, contingent liabilities and the Liabilities and obligations under any licenses or permits or schemes) of every kind, nature and description whatsoever and howsoever arising, raised or incurred or utilized, whether secured or unsecured, whether in Rupees or foreign currency, whether provided for or not in the books of accounts or disclosed in the balance sheet of the Transferor Company; and
- d. all trade and service names and marks, patents, copyrights, goodwill, designs and other intellectual property rights of any nature whatsoever, books, records, files, papers, engineering and process information, software licenses (whether proprietary or otherwise), drawings, computer programs, manuals, data, catalogues, quotations, sales and advertising material, lists of present and former customers and suppliers, other customer information, customer credit information, customer pricing information and all other records and documents, whether in physical or electronic form relating to business activities and operations of the Transferor Company.
- e. all staff and employees and other obligations of whatsoever kind, including liabilities of the Transferor Company with regard to its employees, with respect to the payment of gratuity, superannuation, pension benefits and the provident fund or compensation or benefits, if any, in the event of resignation, death, voluntary retirement or retrenchment or otherwise.
- f. any statutory licenses, permissions, registrations or approvals or consents held by the Transferor Company required to carry on the operations shall stand vested in or transferred to the Transferee Company without any further act or deed and shall be appropriately mutated by the statutory authorities concerned therewith in favour of the Transferee Company and the benefit of all the statutory and regulatory permissions, environmental approvals and consents, registration or other licenses and consents shall vest in and become available to the Transferee Company as if they were originally obtained by the Transferee Company. In so far as the various incentives, subsidies, rehabilitation scheme, special status and other benefits or privileges enjoyed, granted by any Governmental Authority or by any other person, or availed by the Transferor Company, are concerned, the same shall vest with and be available to the Transferee Company on the same terms and conditions as applicable to the Transferor Company, as if the same had been allotted and/ or granted and/ or sanctioned and/ or allowed to the Transferee Company.

All terms and words not defined in this Scheme shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under the Act and other applicable laws, rules, regulations, bye-laws, as the case may be or any statutory modification or re-enactment thereof for the time being in force.

References to clauses and recitals, unless otherwise provided, are to clauses and recitals of and to this Scheme.

The headings herein shall not affect the construction of this Scheme.

Unless the context otherwise requires:

- i. the singular shall include the plural and vice versa, and references to one gender include all genders.
- ii. references to a person include any individual, firm, body corporate (whether incorporated), government, state or agency of a state or any joint venture, association, partnership, works council or employee representatives body (whether or not having separate legal personality).
- iii. reference to any law or to any provision thereof or to any rule or regulation promulgated thereunder includes a reference to such law, provision, rule or regulation as it may, from time to time, be amended, supplemented or re-enacted, or to any law, provision, rule or regulation that replaces it.

2) DATE OF TAKING EFFECT AND OPERATIVE DATE

The Scheme set out herein in its present form with or without any modification(s) approved or imposed or directed by the Tribunal or any other competent authority, or made as per the Scheme, shall be effective from the Appointed Date but shall be operative from the Effective Date.

Any references in the Scheme to 'upon the Scheme becoming effective' or 'upon this Scheme becoming effective' or 'effectiveness of the Scheme' shall mean the Effective Date.

3) SHARE CAPITAL

3.1. The share capital of Transferor Company as at 31st March, 2021 is as under:

Particulars	Amount (Rupees)
Authorized Capital	
100,00,00,000 equity shares of Rs. 10 each	1,000,00,00,000
Total	1,000,00,00,000
Issued, Subscribed and Paid – up Capital	
35,84,16,345 equity shares of Rs.10 each	358,41,63,450
Total	358,41,63,450

The equity shares of the Transferor Company are not listed on any Stock Exchange. As on 31st March 2021, MVML holds 99.35% stake in the Transferor Company. Further, MVML is a wholly owned subsidiary of the Transferee Company and is in the process of being merged into the Transferee Company and NCLT basis its Pronouncement of Order on 26th April, 2021, has approved the Scheme of Merger by Absorption of MVML with the Transferee Company.

Once the MVML Scheme is made effective, shares held by MVML in the Transferor Company shall be transferred to and held by the Transferee Company. In lieu thereof, the Transferee Company shall become the shareholder as well as holding company of Transferor Company.

Certain employee stock option granted to ESOP Holders under the Transferor Company ESOP Scheme may get exercised to the extent not lapsed or cancelled or forfeited before the Record Date. The details of unexercised employee stock options (net of cancellation) of MEML as on 31st March, 2021 are set out below:

Sr. No.	Name of the Scheme	Status as on 31 st March 2021			
		Options granted	Exercised	Lapsed/ Cancelled/ Forfeited	Outstanding grants
1	MEML Employees Stock Option Scheme – 2017	1,24,17,871	4,73,111	29,14,007	90,30,753 (of which 33,94,426 ESOPs are vested and balance 56,36,327 ESOPs are not yet vested)

3.2. The share capital of Transferee Company as at 31st March, 2021 is as under:

Particulars	Amount (Rupees)
Authorized Capital*	
810,00,00,000 Ordinary (Equity) Shares of Rs. 5 each	4050,00,00,000
25,00,000 Unclassified Shares of Rs. 100 each	25,00,00,000
Total	4075,00,00,000
Issued, Subscribed and Paid – up Capital	
124,31,92,544 Ordinary (Equity) Shares of Rs. 5 each	621,59,62,720
Total	621,59,62,720

- * Upon the MVML Scheme becoming effective, the Authorised Share Capital of the Transferee Company shall be increased to Rs. 10,575,00,00,000 (Rupees Ten Thousand Five Hundred and Seventy Five Crores only) divided into 1810,00,00,000 (One Thousand Eight Hundred and Ten Crore) Ordinary (Equity) Shares of Rs. 5 (Rupees Five) each and 25,00,000 (Twenty Five Lacs) Unclassified shares of Rs. 100 (Rupees Hundred) each and 150,00,00,000 (One Hundred and Fifty Crore) Preference Shares of the face value of Rs. 10/- (Rupees Ten) each.

Further, in case both MVML Scheme and Retail Scheme becomes effective prior to the Effective Date, the Authorised Share Capital of the Transferee Company shall be increased to Rs. 11,681,50,00,000 (Rupees Eleven Thousand Six Hundred Eighty One Crores and Fifty Lacs) divided into 2031,30,00,000 (Two Thousand Thirty One Crores and Thirty Lacs) Ordinary (Equity) Shares of Rs. 5 (Rupees Five) each and 25,00,000 (Twenty Five Lacs) Unclassified shares of Rs. 100 (Rupees Hundred) each and 150,00,00,000 (One Hundred and Fifty Crore) Preference Shares of the face value of Rs. 10/- (Rupees Ten) each.

The equity shares of the Transferee Company are listed on BSE and NSE. Subsequent to 31st March, 2021 and up to the date of approval of this Scheme by the Board of the Transferee Company, there has been no change in the Authorised Share Capital, issued, subscribed and paid-up share capital of the Transferee Company. The Global Depository Receipts (GDRs) of the Transferee Company are listed on the Luxembourg Stock Exchange and are also admitted for trading on International Order Book (IOB) of the London Stock Exchange. 3,58,41,803 GDRs were outstanding as on 31st March, 2021.

There are no existing commitments, obligations or arrangements by the Transferee Company as on the date of approval of this Scheme by the Board of Directors to issue any further shares or convertible securities.

PART II

MERGER OF MEML WITH M&M

Section 1 – Transfer and vesting

- 4) Upon the coming into effect of this Scheme and with effect from the Appointed Date, pursuant to the sanction of this Scheme by the Tribunal or any other competent authority and pursuant to the provisions of Sections 230 to 232 and other applicable provisions, if any, of the Act, the entire business and whole of the Undertaking of the Transferor Company shall be and stand vested in or be deemed to have been vested in the Transferee Company, as a going concern without any further act, instrument, deed, matter or thing so as to become, as and from the Appointed Date, the undertaking of the Transferee Company by virtue of and in the manner provided in this Scheme.

5) TRANSFER AND VESTING OF ASSETS

Without prejudice to the generality of Clause 4 above, upon this Scheme becoming effective and with effect from the Appointed Date:

- a. All the estate, assets, properties, rights, claims, title, interest and authorities including accretions and appurtenances comprised in the Undertaking of whatsoever nature and where so ever situate shall, under the provisions of Sections 230 to 232 of the Act and all other applicable provisions of Applicable Law, if any, without any further act or deed, be and stand transferred to and vested in the Transferee Company and/or be deemed to be transferred to and vested in the Transferee Company as a going concern so as to become, as and from the Appointed Date, the estate, assets, properties, rights, claims, title, interest and authorities of the Transferee Company.
- b. All immovable properties of the Transferor Company, if any, including land together with the buildings and structures standing thereon and rights and interests in immovable properties of the Transferor Company, whether freehold or leasehold or otherwise, and all documents of title, rights and easements in relation thereto shall be vested in and/or be deemed to have been vested in the Transferee Company by operation of law pursuant to sanctioning of the Scheme and upon the Scheme becoming effective, without any further act or deed done or being required to be done by the Transferor Company and/or the Transferee Company. Such assets shall stand vested in Transferee and shall be deemed to be and become the property as an integral part of the Transferee Company by operation of law. The Transferee Company shall be entitled to exercise all rights and privileges attached to such immovable properties and shall be liable to pay the ground rent and Taxes and fulfil all obligations in relation to or applicable to such immovable properties. The mutation or substitution of the title to the immovable properties shall, upon this Scheme becoming effective, be made and duly recorded in the name of the Transferee Company by the appropriate authorities pursuant to the sanction of this Scheme by the Tribunal and upon the coming into effect of this Scheme in accordance with the terms hereof. Further the mere filing thereof with the appropriate registrar or sub-registrar or with the relevant Government Authority shall suffice as a record of continuing title with Transferee Company and shall be constituted as a deemed mutation and substitution thereof. The Transferee Company shall upon the Scheme becoming effective be entitled to the delivery and possession of all documents of title to such immovable property in this regard. Further, at the discretion of Transferee Company, such immovable properties including leasehold rights can be vested pursuant to a separate conveyance or any other agreement as well.

- c. Without prejudice to the provisions of Clause 5(a) and 5(b) above, in respect of such of the assets and properties of the Transferor Company as are movable in nature or incorporeal property or are otherwise capable of vesting or transfer by delivery or possession, or by endorsement and/or delivery, the same shall stand so transferred or vested by the Transferor Company upon the coming into effect of this Scheme, and shall, become the assets and property of the Transferee Company with effect from the Appointed Date pursuant to the provisions of Sections 230 to 232 of the Act, without requiring any deed or instrument of conveyance for transfer or vesting of the same.
- d. In respect of such of the assets and properties belonging to the Transferor Company (other than those referred to in Clause (c) above) including sundry debtors, receivables, bills, credits, loans and advances, if any, whether recoverable in cash or in kind or for value to be received, bank balances, investments, earnest money and deposits with any government, quasi government, local or other authority or body or with any company or other person, the same shall stand transferred to and vested in the Transferee Company and/or be deemed to have been transferred to and vested in the Transferee Company, without any further act, instrument or deed, cost or charge and without any notice or other intimation to any third party, upon the coming into effect of this Scheme and with effect from the Appointed Date pursuant to the provisions of Sections 230 to 232 of the Act.
- e. All assets, rights, title, interest, investments and properties of the Transferor Company as on the Appointed Date, whether or not included in the books of the Transferor Company, and all assets, rights, title, interest, investments and properties, which are acquired by the Transferor Company on or after the Appointed Date but prior to the Effective Date, shall be deemed to be and shall become the assets, rights, title, interest, investments and properties of the Transferee Company, and shall under the provisions of Sections 230 to 232 and all other applicable provisions, if any, of the Act, without any further act, instrument or deed, be and stand transferred to and vested in and be deemed to have been transferred to and vested in the Transferee Company upon the coming into effect of this Scheme and with effect from the Appointed Date or from the date of their acquisition (after the Appointed Date but before the Effective Date) as the case may be, pursuant to the provisions of Sections 230 to 232 of the Act.
- f. All the profits or costs, charges, or expenditure accruing to the Transferor Company in India and abroad or expenditure or losses arising or incurred or suffered by the Transferor Company shall for all purpose be treated and be deemed to be and accrue as the profits, costs, charges, expenditure or losses of Transferee Company, as the case may be.
- g. All taxes (including but not limited to advance tax, self-assessment tax, regular tax, securities transaction tax, deferred tax assets/liabilities, Foreign Tax Credit, tax deducted at source, tax collected at source, accumulated losses under Income-tax Act, allowance for unabsorbed depreciation under Income-tax Act, carried forward allowance u/s. 35(4) of Income-tax Act, value added tax, sales tax, service tax, customs duty, CGST, IGST, SGST, etc.), including any interest, penalty, surcharge and cess, if any, paid / payable by or refunded / refundable to the Transferor Company, including all or any refunds or claims shall be treated as the tax paid / payable by the Transferee Company, or as the case may be, refunds/claims, of the Transferee Company, and any tax incentives, advantages, privileges, accumulated losses under Income-tax Act, allowance for unabsorbed depreciation under Income-tax Act, carried forward allowance u/s. 35(4) of Income-tax Act, deductions otherwise admissible such as under Section 40, 40A, 43B, etc. of the Income-tax Act, exemptions, credits, deductions / holidays, remissions, reductions etc., as would have been available to the Transferor Company, shall pursuant to this Scheme becoming effective, be available to the Transferee Company; and
- h. All the benefits under the various incentive schemes and policies that the Transferor Company is entitled to, including tax credits, tax deferral, exemptions, holidays and benefits, subsidies, tenancy rights, liberties, special status and other benefits or privileges enjoyed or conferred upon or held or availed by the Transferor Company, rights of any claim not made by the Transferor Companies in respect of any refund of tax, duty, cess or other charge, including any erroneous or excess payment thereof made by the Transferor Companies and any interest thereon and all rights or benefits that have accrued or which may accrue to the Transferor Company, whether on, before or after the Appointed Date, shall upon this Scheme becoming effective and with effect from the Appointed Date be transferred to and vest in the Transferee Company and all benefits, entitlements and incentives of any nature whatsoever, shall be claimed by the Transferee Company and these shall relate back to the Appointed Date as if the Transferee Company was originally entitled to all benefits under such incentive schemes and/or policies.
- i. All the licenses, permits, registrations, quotas, entitlements, approvals, permissions, registrations, incentives, tax deferrals, exemptions and benefits, subsidies, concessions, grants, rights, claims, leases, tenancy rights, liberties, special status and other benefits or privileges enjoyed or conferred upon or held or availed of by the Transferor Company and all rights and benefits that have accrued or which may accrue to the Transferor Company, whether on, before or after the Appointed Date, including income tax benefits and exemptions, shall, under the provisions of Sections 230 to 232 of the Act and all other applicable provisions, if any, without any further act, instrument or deed, cost or charge be and stand transferred to and vest in and/or be deemed to be transferred to and vested in and be available to the Transferee Company so as to become the licenses, permits, registrations, quotas, entitlements, approvals, permissions, registrations, incentives, tax deferrals, exemptions and benefits, subsidies,

concessions, grants, rights, claims, leases, tenancy rights, liberties, special status and other benefits or privileges of the Transferee Company and shall remain valid, effective and enforceable on the same terms and conditions.

6) CONTRACTS, DEEDS ETC.

- a. Upon the coming into effect of this Scheme, and subject to the provisions of this Scheme, all contracts, deeds, bonds, agreements, schemes, arrangements, insurance, letters of Intent, memorandums of understanding, offer letters, undertaking, policies and other instruments of whatsoever nature, to which the Transferor Company is a party or to the benefit of which Transferor Company may be eligible, and which are subsisting or have effect immediately before the Effective Date, shall continue in full force and effect on or against or in favour of, as the case may be, the Transferee Company and may be enforced as fully and effectually as if, instead of the Transferor Company concerned, the Transferee Company had been a party or beneficiary or obligee thereto or thereunder.
- b. Without prejudice to the other provisions of this Scheme and notwithstanding that vesting of the Undertaking occurs by virtue of this Scheme itself, the Transferee Company may, at any time after the coming into effect of this Scheme, in accordance with the provisions hereof, if so required under any law or otherwise, take such actions and execute such deeds (including deeds of adherence), confirmations or other writings or arrangements with any party to any contract or arrangement to which the Transferor Company is a party or any writings as may be necessary in order to give formal effect to the provisions of this Scheme. The Transferee Company shall, after the Effective Date, under the provisions of this Scheme, be deemed to be authorised to execute any such writings on behalf of the Transferor Company and to carry out or perform all such formalities or compliances referred to above on the part of the Transferor Company to be carried out or performed.
- c. Without prejudice to the generality of the foregoing, upon the coming into effect of this Scheme and with effect from the Appointed Date, all consents, permissions, licences, certificates, clearances, authorities, powers of attorney given by, issued to or executed in favour of the Transferor Company shall stand transferred to the Transferee Company as if the same were originally given by, issued to or executed in favour of the Transferee Company, and the Transferee Company shall be bound by the terms thereof, the obligations and duties thereunder, and the rights and benefits under the same shall be available to the Transferee Company.

7) TRANSFER AND VESTING OF LIABILITIES

- a. Upon the coming into effect of this Scheme and with effect from the Appointed Date all debts and liabilities of the Transferor Company including all secured and unsecured debts (in whatsoever currency), liabilities (including contingent liabilities), duties and obligations of the Transferor Company of every kind, nature and description whatsoever whether present or future, and howsoever arising, along with any charge, encumbrance, lien or security thereon (herein referred to as the "Liabilities") shall, pursuant to the sanction of this Scheme by the Tribunal and under the provisions of Sections 230 to 232 of the Act and other applicable provisions, if any, of the Act, without any further act, instrument, deed, matter or thing, be and stand transferred to and vested in and be deemed to have been transferred to and vested in the Transferee Company, to the extent they are outstanding on the Effective Date so as to become as and from the Appointed Date the Liabilities of the Transferee Company on the same terms and conditions as were applicable to the Transferor Company, and the Transferee Company shall meet, discharge and satisfy the same and further it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such Liabilities have arisen in order to give effect to the provisions of this Clause 7.
- b. Where any such debts, liabilities, duties and obligations of the Transferor Company as on the Appointed Date have been discharged by such Transferor Company on or after the Appointed Date and prior to the Effective Date, such discharge shall be deemed to be for and on account of the Transferee Company upon the coming into effect of this Scheme.
- c. All loans raised and utilised and all liabilities, duties and obligations incurred or undertaken by the Transferor Company on or after the Appointed Date and prior to the Effective Date shall be deemed to have been raised, used, incurred or undertaken for and on behalf of the Transferee Company and to the extent they are outstanding on the Effective Date, shall, upon the coming into effect of this Scheme and under the provisions of Sections 230 to 232 of the Act, without any further act, instrument or deed be stand transferred to and vested in and be deemed to have been transferred to and vested in the Transferee Company and shall become the loans and liabilities, duties and obligations of the Transferee Company which shall meet, discharge and satisfy the same.
- d. Loans, advances and other obligations (including any guarantees, letters of credit, letters of comfort or any other instrument or arrangement which may give rise to a contingent liability in whatever form), if any, due or which may at any time from the Appointed Date to the Effective Date become due between the Transferor Company and the Transferee Company shall, ipso facto, stand discharged and come to an end and there shall be no liability in that behalf on any party and the appropriate effect shall be given in the books of accounts and records of the Transferee Company.

8) ENCUMBRANCES

- a. The transfer and vesting of the assets comprised in the Undertaking to the Transferee Company under Clause 4, Clause 5 and Clause 6 of this Scheme shall be subject to the Encumbrances, if any, affecting the same as hereinafter provided.
- b. All Encumbrances, if any, existing prior to the Effective Date over the assets of the Transferor Company shall, after the Effective Date, without any further act, instrument or deed, continue to relate and attach to such assets or any part thereof to which they are related or attached prior to the Effective Date, provided that if any of the assets of the Transferor Company have not been Encumbered, such assets shall remain unencumbered and the existing Encumbrance referred to above shall not be extended to and shall not operate over such assets. Further, such Encumbrances shall not relate or attach to any of the other assets of the Transferee Company. The absence of any formal amendment which may be required by a lender or trustee or third party shall not affect the operation of the above. Furthermore, no duty (including stamp duty), levy, cess of any nature will be payable by the Transferee Company at the time of transfer of the encumbrance, charge and/or right covered above with respect to the immovable property.
- c. The existing Encumbrances over the other assets and properties of the Transferee Company or any part thereof which relate to the Liabilities of the Transferee Company prior to the Effective Date shall continue to relate to such assets and properties and shall not extend or attach to any of the assets and properties of the Transferor Company transferred to and vested in the Transferee Company by virtue of this Scheme.
- d. Any reference in any security documents or arrangements (to which the Transferor Company is a party) to the Transferor Company and their respective assets and properties, shall be construed as a reference to the Transferee Company and the assets and properties of the Transferor Company transferred to the Transferee Company by virtue of this Scheme. Without prejudice to the foregoing provisions, the Transferee Company may execute any instruments or documents or do all the acts and deeds as may be considered appropriate, including the filing of necessary particulars and/or modification(s) of charge, with the Registrar of Companies to give formal effect to the above provisions, if required.
- e. Upon the coming into effect of this Scheme, the Transferee Company shall be liable to perform all obligations in respect of the Liabilities, which have been transferred to it in terms of this Scheme.
- f. It is expressly provided that, save as herein provided, no other term or condition of the Liabilities transferred to the Transferee Company is amended by virtue of this Scheme except to the extent that such amendment is required statutorily.
- g. The provisions of this Clause 8 shall operate notwithstanding anything to the contrary contained in any instrument, deed or writing or the terms of sanction or issue or any security document; all of which instruments, deeds or writings or the terms of sanction or issue or any security document shall stand modified and/or superseded by the foregoing provisions.

9) EMPLOYEES OF TRANSFEROR COMPANY

- a. Upon the coming into effect of this Scheme, all Employees of the Transferor Company in India and abroad shall, become the employees of the Transferee Company, on same terms and conditions and shall not be less favorable than those on which they are engaged by the Transferor Company and without any interruption of or break in service as a result of the merger of the Transferor Company with the Transferee Company. For the purpose of payment of any compensation, gratuity and other terminal benefits, the past services of such Employees with the Transferor Company and such benefits to which the Employees are entitled in the Transferor Company shall also be taken into account, and paid (as and when payable) by the Transferee Company.
- b. It is clarified that save as expressly provided for in this Scheme, the Employees who become the employees of the Transferee Company by virtue of this Scheme, shall not be entitled to the employment policies and shall not be entitled to avail of any schemes and benefits that may be applicable and available to any of the other employees of the Transferee Company, unless otherwise determined by the Transferee Company. The Transferee Company undertakes to continue to abide by any agreement/settlement, if any, entered into or deemed to have been entered into by the Transferor Company with any employee of the Transferor Company.
- c. Insofar as the provident fund, gratuity fund, superannuation fund, retirement fund and any other funds or benefits created by the Transferor Company for its Employees or to which the Transferor Company is contributing for the benefit of its Employees (collectively referred to as the "Funds") are concerned, the Funds or such part thereof as relates to the Employees (including the aggregate of all the contributions made to such Funds for the benefit of the Employees, accretions thereto and the investments made by the Funds in relation to the Employees) shall be transferred to the Transferee Company and shall be held for the benefit of the concerned Employees. In the event the Transferee Company has its own funds in respect of any of the employee benefits referred to above, the Funds shall, subject to the necessary approvals and permissions and at the discretion of the Transferee Company, be merged with the relevant funds of the Transferee Company. In the event that the Transferee Company does

not have its own funds in respect of any of the above or if deemed appropriate by the Transferee Company, the Transferee Company may, subject to necessary approvals and permissions, maintain the existing funds separately and contribute thereto until such time that the Transferee Company creates its own funds, at which time the Funds and the investments and contributions pertaining to the Employees shall be merged with the funds created by the Transferee Company.

- d. In relation to those Employees for whom the Transferor Company is making contributions to the government provident fund or other employee benefit fund, the Transferee Company shall stand substituted for the Transferor Company, for all purposes whatsoever, including relating to the obligation to make contributions to the said fund in accordance with the provisions of such fund, bye laws, etc. in respect of such Employees, such that all the rights, duties, powers and obligations of the Transferor Company as the case may be in relation to such schemes/ Funds shall become those of the Transferee Company.

10) LEGAL, TAXATION AND OTHER PROCEEDINGS

- a. Upon the coming into effect of this Scheme, all suits, actions, and other proceedings including legal and taxation proceedings, (including before any statutory or quasi-judicial authority or tribunal) by or against the Transferor Company pending on the Effective Date shall be continued and/ or enforced by or against the Transferee Company as effectually and in the same manner and to the same extent as if the same had been instituted by or against the Transferee Company.
- b. If any suit, appeal or other proceeding of whatever nature by or against the Transferor Company is pending, the same shall not abate or be discontinued or in any way be prejudicially affected by reason of or by anything contained in this Scheme, but the said suit, appeal or other legal proceedings may be continued, prosecuted and enforced by or against Transferee Company, as the case may be, in the same manner and to the same extent as it would or might have been continued, prosecuted and enforced by or against the Transferor Company as if this Scheme had not been made.
- c. In case of any litigation, suits, recovery proceedings which are to be initiated or may be initiated against the Transferor Company, Transferee Company shall be made party thereto and any payment and expenses made thereto shall be the liability of Transferee Company.

11) ESOPs

- a. As of 2 Business Days prior to Record Date, all Transferor Company Stock Options which have not been granted under the Transferor Company ESOP Scheme shall lapse automatically without any further act, instrument or deed by Transferor Company or its ESOP Holders and without any approval or acknowledgement of any third party.
- b. Further, 2 Business Days prior to the Record Date, all Transferor Company Stock Options held by ESOP Holders, who are not employees of the Transferor Company or Transferee Company or subsidiaries of Transferee Company, as on the Record Date shall lapse automatically without any further act, instrument or deed by Transferor Company or its ESOP Holders and without any approval or acknowledgement of any third party. In such a situation, the Board of Directors of the Transferor Company shall in its absolute discretion, settle the claims, if any, for such ESOP Holders in any manner as it may deem fit.
- c. In respect of the Transferor Company Stock Options, other than the options that have lapsed as per Clause 11(a) and 11(b) above, upon the effectiveness of this Scheme, the same shall be substituted by such number of ESOPs as arrived at after taking into account the ESOP Exchange Ratio as under:

Sr. No.	Exercise Price for Transferor Company Stock Options (Rs.)	Ratio of ESOPs of Transferee Company per 10,000 Transferor Company Stock Options
1.	24.90	168
2.	25.17	165
3.	25.91	156

Further it is clarified that, ESOPs shall be issued to such ESOP Holders on terms and conditions not less favourable than those proposed under the Transferor Company ESOP Scheme. Fractional entitlement, if any, arising pursuant to the above adjustments shall be rounded off to the next higher whole number.

- d. The issue of ESOPs to ESOP Holders pursuant to the provisions of this Clause 11 shall be effected as an integral part of the Scheme. The approval granted to this Scheme by the shareholders of the Transferor Company and Transferee Company, Stock Exchange, SEBI, and, or other relevant Governmental Authorities shall be deemed to be their approval in relation to all matters pertaining to the Transferor Company ESOP Scheme and ESOPs, including without limitation, for the purposes of undertaking any modifications / cancellation made or required to be made to the Transferor Company ESOP Scheme, revising the Transferee Company ESOP scheme by Transferee Company, substituting the employee stock options as contemplated under this Clause 11 and all related matters, including in terms of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014.

- e. In relation to ESOPs issued by the Transferee Company to the ESOP Holders pursuant to this Clause 11, the period during which the Transferor Company Stock Options were held by the ESOP Holders shall be taken into account for determining the minimum vesting period required under applicable law, the Transferor Company ESOP Scheme and the Transferee Company ESOP Scheme.
- f. The Boards of Directors of the Transferor Company and the Transferee Company, shall take such actions and execute such documents as may be necessary or desirable, for the purpose of giving effect to the provisions of this Clause 11 of the Scheme.

Section 2 – Conduct of Business

- 12) From the date on which the Boards of Directors of the Transferor Company and the Transferee Company approve this Scheme until the Effective Date:
- a. the Transferor Company shall carry on and be deemed to have carried on all business and activities and shall hold and stand possessed of and shall be deemed to hold and stand possessed of all its estates, assets, rights, title, interest, authorities, contracts and investments for and on account of, and in trust for, the Transferee Company;
 - b. The Transferor Company shall carry on its business and activities with due business prudence and diligence and shall not, without prior written consent of the Transferee Company or pursuant to any preexisting obligation, sell transfer or otherwise alienate, charge, mortgage, encumber or otherwise deal with any part of its assets nor incur or accept or acknowledge any debt, obligation or liability except as is necessary in the ordinary course of business.
 - c. all profits and income accruing or arising to the Transferor Company, and losses and expenditure arising or incurred by them (including taxes, if any, accruing or paid in relation to any profits or income) for the period commencing from the Appointed Date shall, for all purposes, be treated as and be deemed to be the profits, income, losses or expenditure (including taxes), as the case may be, of the Transferee Company;
 - d. any of the rights, powers, authorities or privileges exercised by the Transferor Company shall be deemed to have been exercised by the Transferor Company for and on behalf of, and in trust for and as an agent of the Transferee Company. Similarly, any of the obligations, duties and commitments that have been undertaken or discharged by the Transferor Company shall be deemed to have been undertaken for and on behalf of and as an agent for the Transferee Company; and
 - e. all taxes (including, without limitation, income tax, sales tax, service tax, VAT, excise and custom duties, Central Goods and Service Tax law (CGST), State Goods and Service Tax law (SGST) and Integrated Goods and Service Tax law (IGST), foreign taxes, etc.) paid or payable by the Transferor Company in respect of the operations and/or the profits of the Transferor Company before the Appointed Date, shall be on account of the Transferor Company and, insofar as it relates to the tax payment (including, without limitation, income tax, sales tax, service tax, VAT, excise and custom duties, CGST, SGST, IGST, foreign taxes, etc.), whether by way of deduction at source, tax collected at source, advance tax, self-assessment tax, regular tax, or otherwise howsoever, by the Transferor Company in respect of the profits or activities or operation of the Transferor Company with effect from the Appointed Date, the same shall be deemed to be the corresponding item paid by the Transferee Company, and, shall, in all proceedings, be dealt with accordingly.
 - f. If and to the extent there are inter-corporate loans, deposits, balances or agreements as between the Transferor Company and Transferee Company, the obligations in respect thereof shall, on and from the Appointed Date, stand cancelled and there shall be no obligation/ outstanding balance in that behalf.
 - g. Pending sanction of the Scheme, the Transferor Company shall not, except by way of issue of shares / convertible securities to the Transferee Company or pursuant to the Transferor Company ESOP Scheme, increase its capital (by fresh issue of shares, convertible securities or otherwise).
 - h. Without prejudice to the provisions of Clauses 4 to 11, with effect from the Appointed Date, all inter-party transactions between the Transferor Company and the Transferee Company shall be considered as intra-party transactions for all purposes from the Appointed Date.
 - i. For the avoidance of doubt, it is hereby clarified that nothing in the scheme shall prevent the Transferee Company and / or the Transferor Company from declaring and paying dividends, whether interim or final, to its equity and preference shareholders.
 - j. For the avoidance of doubt, it is hereby further clarified that nothing in the scheme shall prevent the Transferee Company from issuance of bonus shares, rights issue, splitting or consolidation of its shares, making investments or undertaking merger or demerger or any other mode of restructuring.

Section 3 – Discharge of Consideration

13) ISSUANCE OF SHARES

- a. Upon this Scheme becoming effective and upon Merger of MEML with M&M in terms of this Scheme, M&M shall, following such transfer and vesting of the Undertaking of MEML into M&M without any application or deed, issue and allot Equity shares, credited as fully paid up, to the extent indicated below, to the equity shareholders of Transferor Company whose names appear in the register of members of Transferor Company (except Transferee Company or its subsidiaries held directly or jointly with its nominee shareholders), on the Record Date or to such of their respective heirs, executors, administrators or other legal representatives or other successors in title in the following proportion viz.:

“480 (Four Hundred Eighty) Ordinary (Equity) Shares of the face value of Rs. 5 each of M&M shall be issued and allotted as fully paid up for every 10,000 (Ten Thousand) Equity share of the face value of Rs. 10 each fully paid up held in MEML” (“Share Exchange Ratio”)

- b. Upon this Scheme becoming effective, the Equity Shares of Transferee Company to be issued and allotted to the equity shareholders of the Transferor Company pursuant to Clause 13(a) above shall be subject to the provisions of the memorandum of association and articles of association of the Transferee Company and shall rank *pari passu* from the date of allotment in all respects with the existing equity shares of Transferee Company including entitlement in respect of dividends. The issue and allotment of Equity Shares by the Transferee Company to the equity shareholders of the Transferor Company as provided in this Scheme is an integral part hereof and shall be deemed to have been carried out pursuant to the Act.
- c. The Equity Shares shall be issued free from all liens, charges, equitable interests, encumbrances and other third party rights of any nature whatsoever to respective equity shareholder of Transferor Company whose name is recorded in the register of members of Transferor Company as of the Record Date.
- d. The Transferee Company shall, if and to the extent required, apply for and obtain any approvals from concerned regulatory authorities for the issue and allotment of Equity shares to the shareholders of Transferor Company under the Scheme.
- e. Under and pursuant to the Scheme, no fractional shares shall be issued by M&M in respect of the fractional entitlements, if any, of the shareholders of MEML and such fractional entitlement, if any, shall be rounded off to the next higher whole number.
- f. In the event of any increase in the issued, subscribed or paid up share capital of the Transferor Company or the Transferee Company or issuance of any instruments convertible into equity shares or restructuring of its equity share capital including by way of share split/ consolidation/ issue of bonus shares, free distribution of shares or instruments convertible into equity shares or other similar action in relation to share capital of the Transferor Company or the Transferee Company at any time as of the Record Date, then there shall be an appropriate adjustment to the Share Exchange Ratio arrived at in Clause 13(a) above to take into account the effect of such issuance or corporate action assuming conversion of any such issued instruments into equity shares and the same shall be approved by the Boards of both Transferor Company or the Transferee Company.
- g. The equity shares issued by the Transferee Company pursuant to Clause 13(a) above, shall be issued in dematerialized form, provided that the members of the Transferor Company have an account with a depository participant and provided details thereof and such other confirmations as may be required are furnished by such members of the Transferor Company to the Transferee Company on or before the Record Date. Upon the Scheme being effective and upon the equity shares of the Transferee Company being allotted to the shareholders of the Transferor Company whose names appear on the Register of Members of the Transferor Company on the Record Date, the Equity Shares of the Transferor Company both in electronic form and in the physical form, shall be deemed to have been automatically cancelled and be of no effect on and from the Record Date.
- h. Approval of this Scheme by the shareholders of the Transferee Company shall be deemed to be the due compliance with the provisions of section 62 of the Companies Act, 2013 and other relevant and applicable provisions of the Act for the issue and allotment of Equity Shares by the Transferee Company, as provided in this Scheme.
- i. The Transferee Company shall apply for listing of its equity shares issued in terms of Clause 13(a) above with the Stock Exchanges in terms of and in compliance of the SEBI Circular. The equity shares issued by the Transferee Company in terms of Clause 13 (a) above, pursuant to the Scheme, shall remain frozen in the depository system till listing/ trading permission is given by the Stock Exchanges.

14) CANCELLATION OF SHARES

- a. In relation to the equity shares held by the Transferee Company or its subsidiary(ies), in Transferor Company (held directly and jointly with the nominee shareholders), upon the Scheme becoming effective, no shares of the Transferee Company shall be allotted in lieu or exchange of the holding of the Transferee Company or its subsidiary(ies) in the Transferor Company (held directly and jointly with the nominee shareholders) and the issued and paid-up capital of the Transferor Company shall stand cancelled on the Effective Date without any further act, instrument or deed and to that extent no shares will be issued by the Transferee Company.

Section 4 - Increase in Authorised Share Capital of Transferee Company

- 15) As a part of this Scheme, and, upon the coming into effect of this Scheme, the authorised share capital of the Transferee Company shall automatically stand increased, without any further act, instrument or deed on the part of the Transferee Company, if any, including payment of stamp duty and fees payable to Registrar of Companies, by the aggregate authorised share capital of the Transferor Company.
- 16) In case both MVML Scheme and Retail Scheme becomes effective prior to the Effective Date, the capital Clause 5 of the Memorandum of Association of the Transferee Company shall, as a part of and, upon this Scheme becoming effective and without any further act or deed, be replaced by the clause mentioned in Para 1 of Schedule I.

However, in case MVML Scheme becomes effective but Retail Scheme does not become effective prior to the Effective Date, the capital Clause 5 of the Memorandum of Association of the Transferee Company shall, as a part of and, upon this Scheme becoming effective and without any further act or deed, be replaced by the clause mentioned in Para 2 of Schedule I.

- 17) It is clarified that for the purposes of Clause 15 and 16 above, the stamp duties and fees (including registration fee) paid on the authorised share capital of the Transferor Company shall be utilized and applied to the increased authorised share capital of the Transferee Company and there would be no requirement for any further payment of stamp duty and/or fee (including registration fee) by the Transferee Company for increase in the authorised share capital to that extent. The Transferee Company shall file requisite forms with the concerned Registrar of Companies.

It is also clarified that the consents of the shareholders of Transferor Company and Transferee Company to this Scheme shall be sufficient for the purposes of effecting the aforesaid additions in the Memorandum of Association of the Transferee Company and that no further resolutions under the applicable provisions of the Act shall be required to be separately passed. All actions taken in accordance with this Clause shall be deemed to be in full compliance of Sections 61 and 64 and other applicable provisions of the Act and rules and regulations issued thereunder and no further resolutions or actions under any other provisions of the Act or the rules or regulations issued thereunder would be required to be separately passed or undertaken by the Transferee Company.

PART III

DISSOLUTION OF TRANSFEROR COMPANY, GENERAL

CLAUSES, TERMS AND CONDITIONS APPLICABLE TO THE SCHEME

18) ACCOUNTING AND TAX TREATMENT

a. Applicability of provisions of Income Tax Act

- i. The provisions of this Scheme as they relate to the merger of Transferor Company with Transferee Company has been drawn up to comply with the conditions relating to 'amalgamation' as defined under Section 2(1B) of the (Indian) Income-tax Act, 1961 (hereinafter referred to as Income Tax Act). If any terms or provisions of the Scheme are found or interpreted to be inconsistent with the provisions of the said Section of the Income-tax Act, at a later date including resulting from an amendment of law or for any other reason whatsoever, the provisions of the said Section of the Income-tax Act, shall prevail and the Scheme shall stand modified to the extent determined necessary to comply with Section 2(1B) of the Income-tax Act. Such modification will, however, not affect the other parts of the Scheme.
- ii. Upon the Scheme becoming effective, the Transferee Company is expressly permitted to revise its financial statements and returns along with prescribed forms, filings and annexures under the Income Tax Act (including for purposes of carry forward and set-off of tax losses, unabsorbed depreciation, unabsorbed allowance u/s. 35(4) and tax benefits), service tax, sales tax, VAT, excise and customs laws, as may be applicable, CGST, SGST, IGST and other tax laws and to claim refunds and/or credits for taxes paid by Transferor Company, and to claim tax benefits, under the Income Tax Act and other tax laws etc. and for matters incidental thereto, if required to give effect to the provisions of this Scheme. The order of the Tribunal sanctioning this Scheme shall be deemed to be an order permitting the Transferee Company to prepare and/or revise its financial statements and books of accounts on and from the Appointed Date and no further act shall be required to be undertaken by the Transferee Company.

- iii. All tax assessment proceedings/appeals of whatsoever nature by or against the Transferor Company pending and/or arising at the Appointed Date and relating to the Transferor Company shall be continued and/or enforced until the Effective Date by the Transferor Company. In the event of the Transferor Company failing to continue or enforce any proceeding/appeal, the same may be continued or enforced by the Transferee Company, at the cost of the Transferee Company. As and from the Effective Date, the tax proceedings shall be continued and enforced by or against the Transferee Company in the same manner and to the same extent as would or might have been continued and enforced by or against the Transferor Company.
- iv. Further, the aforementioned proceedings shall not abate or be discontinued nor be in any way prejudicially affected by reason of the amalgamation of the Transferor Company with the Transferee Company or anything contained in the Scheme.
- v. All taxes (including but not limited to advance tax, self-assessment tax, regular tax, dividend distribution tax, securities transaction tax, deferred tax assets/liabilities, Foreign Tax Credit, tax deducted at source, tax collected at source, value added tax, sales tax, service tax, customs duty, CGST, IGST, SGST, etc.), including any interest, penalty, surcharge and/or cess, paid / payable by or refunded / refundable to the Transferor Company with effect from the Appointed Date, including all or any refunds or claims shall be treated as the tax liability or refunds/ claims/credits, etc. as the case may be, of the Transferee Company, and any tax incentives, advantages, privileges, accumulated losses under Income-tax Act, allowance for unabsorbed depreciation under Income-tax Act, carried forward allowance u/s. 35(4) of Income-tax Act, including payment admissible on actual payment or on deduction of appropriate taxes or on payment of tax deducted at source such as under Sections 40, 40A, 43B, etc. of the Income-tax Act, exemptions, credits, deductions / holidays, remissions, reductions, service tax input credits, GST input credits, export benefits, central value added tax credits, value added/ sales tax/ entry tax credits or set-offs etc., as would have been available to the Transferor Company, pursuant to this Scheme becoming effective, be available to the Transferee Company and the relevant authority shall be bound to transfer to the account of and give credit for the same to the Transferee Company upon coming into effect of this Scheme.
- vi. The Transferee Company shall also be permitted to claim refunds / credits in respect of any transaction between the Transferor Company and the Transferee Company. Without prejudice to the generality of Clause 18(a)(iii) above, upon the Scheme becoming effective, the Transferee Company shall be permitted to revise, if it becomes necessary, its income tax returns and related withholding tax certificates, including withholding tax certificates, relating to transactions between the Transferor Company and the Transferee Company, and to claim refunds, advance tax and withholding tax credits, foreign taxes and carry forward of accumulated losses, unabsorbed depreciation etc., pursuant to the provisions of this Scheme.
- vii. The taxes (including but not limited to advance tax, self-assessment tax, regular tax, dividend distribution tax, securities transaction tax, tax deducted at source, tax collected at source, service tax, value added tax, sales tax, excise and custom duties, CGST, SGST, IGST), including any interest, penalty, surcharge and/or cess,, if any, paid by the Transferor Company under the Income Tax Act, 1961, Central Goods and Service Tax Act, Integrated Goods and Service Tax Act and Union Territory Goods and Service Tax Act, or any other statute for the period commencing from the Appointed Date shall be deemed to be the taxes paid by the Transferee Company and credit for such taxes shall be allowed to the Transferee Company notwithstanding that certificates or challans for such taxes are in the name of the Transferor Company and not in the name of the Transferee Company.

b. Accounting Treatment

Notwithstanding anything to the contrary herein, upon this Scheme becoming effective, the Transferee Company shall give effect to the accounting treatment in the books of accounts in accordance with the accounting standards specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, or any other relevant or related requirement under the Act, as applicable on the Appointed Date.

Accordingly, the Transferor Company and Transferee Company both being entities under common control, the accounting would be done at Transferor Company carrying amounts as on the Appointed Date for all the assets and liabilities acquired by the Transferee Company of the Transferor Company by applying the principles as set out in Appendix C of IND AS 103 'Business Combinations' and inter-company balances and inter-company investments, if any, between Transferor Company and Transferee Company shall stand cancelled.

Additionally, the Transferee Company shall pass such accounting entries which are necessary in connection with the Scheme to comply with the other applicable Accounting Standards such as Ind AS 8, Ind AS 10, Ind AS 102, etc.

In respect of accounting for subsequent events, the Transferee Company shall solely follow the requirements of Ind AS 10 – 'Events after the Reporting Period' in order to give effect to the scheme. Accordingly, if the approval of NCLT for the scheme of merger is received after the balance sheet date but before the approval of the financial statements for issue by the Board of Directors, it shall be treated as an adjusting event under Ind AS 10 – 'Events after the Reporting Period' and shall be given effect to in the financial statements with effect from the Appointed Date.

19) RESOLUTIONS

- a. Upon the coming into effect of this Scheme, the resolutions, if any, of the Transferor Company, which are valid and subsisting on the Effective Date, shall continue to be valid and subsisting and be considered as resolutions of the Transferee Company and deemed to have authorized any Director of the Transferee Company or such other person(s) as authorized by any two Directors of the Transferee Company to do all acts, deeds, things as may be necessary to give effect to these Resolutions, without any further acts to be done by the Transferee Company and if any such resolutions have any monetary limits approved under the provisions of the Act, or any other applicable statutory provisions, then the said limits shall be added to the limits, if any, under like resolutions passed by the Transferee Company and shall constitute the aggregate of the said limits in the Transferee Company.

Upon the coming into effect of this Scheme, the borrowing limits of the Transferee Company in terms of Section 180 of the Act shall be deemed, without any further act or deed, to have been enhanced by the aggregate limits of the Transferor Company which are being transferred to the Transferee Company pursuant to the Scheme, such limits being incremental to the existing limits of the Transferee Company, with effect from the Appointed Date.

20) SAVINGS OF CONCLUDED TRANSACTIONS

The transfer and vesting of undertaking under Clause 4 to 9 above and the continuance of proceedings by or against the Transferee Company under Clause 10 above shall not affect any transaction or proceedings already concluded by the Transferor Company on or after the Appointed Date till the Effective Date, to the end and intent that the Transferee Company accepts and adopts all acts, deeds and things done and executed by the Transferor Company in respect thereto, as if done and executed on its behalf.

21) DISSOLUTION OF THE TRANSFEROR COMPANY

Upon the coming into effect of this Scheme, the Transferor Company shall stand dissolved without winding-up without any further act or deed.

22) CONDITIONALITY TO THE SCHEME

- a. The effectiveness of the Scheme is conditional upon and subject to:
 - i. The requisite sanction or approval from Securities and Exchange Board of India, Stock Exchanges, Registrar of Companies, Regional Director, Official Liquidator as may be applicable or as may be directed by the Tribunal.
 - ii. This Scheme being approved by the respective requisite majorities of the shareholders of the Transferor Company and the Transferee Company if required under the Act and/ or as may be directed by the Tribunal and the requisite orders of the Tribunal being obtained;
 - iii. The certified copy of the order of the Tribunal under Section 230 to 232 and other applicable provisions of the Act sanctioning the scheme being filed with the Registrar of Companies, Maharashtra at Mumbai by the Transferor and Transferee Companies.
- b. On the approval of this Scheme by the shareholders of the Transferor Company and the Transferee Company, if required, such shareholders shall also be deemed to have resolved and accorded all relevant consents under the Act or otherwise to the same extent applicable in relation to the merger set out in this Scheme, related matters and this Scheme itself.

23) EFFECT OF NON RECEIPT OF APPROVALS/SANCTIONS

In the event of any of the said sanctions and approvals referred to in the preceding Clause not being obtained and / or the Scheme not being sanctioned by the Appropriate Authority and / or the Order not being passed as aforesaid within such period or periods as may be agreed upon between the Transferor Company and the Transferee Company by their Board of Directors (and which the Board of Directors of the Transferor Company and Transferee Company are hereby empowered and authorized to agree to and extend the Scheme from time to time without any limitation) this Scheme shall stand revoked, cancelled and be of no effect, save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any rights and/ or liabilities which might have arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out as is specifically provided in the Scheme or as may otherwise arise in law.

If any part of this Scheme hereof is invalid, held illegal or unenforceable, under any present or future laws, then it is the intention of the parties that such part shall be severable from the remainder of the Scheme, and the Scheme shall not be affected thereby, unless the deletion of such part shall cause this Scheme to become materially adverse to any party, in which case the parties shall attempt to bring about a modification in the Scheme, as will best preserve for the parties the benefits and obligations of the Scheme, including but not limited to such part.

24) APPLICATIONS

Transferor Company and the Transferee Company, if required shall, with all reasonable dispatch, make applications/petitions to the Tribunal under Section 230 to 232 and other applicable provisions, of the Act, for sanctioning of this Scheme.

The Transferor Company shall take all necessary steps for sanctioning of this Scheme and for its dissolution without winding up, and apply for and obtain such other approvals, if any, required under the law.

25) MODIFICATIONS OR AMENDMENTS TO THE SCHEME

- a) The Transferor Company and the Transferee Company, through their respective Board of Directors, may assent from time to time on behalf of all the persons concerned to any modifications or amendments or additions to this Scheme subject to approval of the Tribunal or to any conditions or limitations which the Tribunal and/or any other competent authorities, if any, under the law may deem fit and approve of or impose and which the Transferor Company and the Transferee Company may in their discretion deem fit and may resolve all doubts or difficulties that may arise for carrying out this Scheme and do and execute all acts, deeds, matters and things necessary for bringing this Scheme into effect. The aforesaid powers of the Transferor Company and the Transferee Company may be exercised by their respective Boards of Directors.
- b) For the purpose of giving effect to this Scheme or to any modifications or amendments thereof or additions thereto, the Board of Directors of the Transferor Company or the Transferee Company may give and is hereby authorized to determine and give all such directions as are necessary including directions for settling or removing any question of doubt or difficulty that may arise and such determination or directions, as the case may be, shall be binding on all parties in the same manner as if the same were specifically incorporated in this Scheme.

26) COSTS, CHARGES AND EXPENSES

All costs, charges, taxes, including stamp duties, levies and all other expenses, if any (save as expressly otherwise agreed) of the Transferor Company and the Transferee Company arising out of or incurred in carrying out and implementing this Scheme and matters incidental thereto shall be borne and paid by the Transferee Company.

1. MEMORANDUM OF ASSOCIATION

Upon MVML Scheme, Retail Scheme and this Scheme becoming effective Clause 5 of Memorandum of Association of Transferee Company to be replaced as under:

"5. The Authorised Share Capital of the Company is Rs. 12,681,50,00,000 (Rupees Twelve Thousand Six Hundred Eighty One Crores and Fifty Lacs) divided into 2,231,30,00,000 (Two Thousand Two Hundred Thirty One Crores and Thirty Lacs) Ordinary (Equity) Shares of Rs. 5 (Rupees Five) each and 25,00,000 (Twenty Five Lacs) Unclassified shares of Rs. 100 (Rupees Hundred) each and 150,00,00,000 (One Hundred and Fifty Crore) Preference Shares of Rs. 10 (Rupees Ten) each, with such ordinary preferential or deferred rights, privileges and other conditions attaching thereto as may be provided by the regulations of the Company for the time being in force and operation with power to increase or reduce the capital of the Company and to divide the shares in the capital for the time being original or increased into different classes and to consolidate or sub-divide such Shares and to convert Shares into Stock and reconvert the Stock into Shares and to attach to such Shares or Stock such ordinary preferential or deferred rights, privileges and other conditions as may be provided by the regulations of the Company for the time being in force and operation."

2. MEMORANDUM OF ASSOCIATION

Upon MVML Scheme and this Scheme becoming effective but Retail Scheme not becoming effective Clause 5 of Memorandum of Association of Transferee Company to be replaced as under:

"5. The Authorised Share Capital of the Company is Rs. 11,575,00,00,000 (Rupees Eleven Thousand Five Hundred and Seventy Five Crores) divided into 2,010,00,00,000 (Two Thousand Ten Crores) Ordinary (Equity) Shares of Rs. 5 (Rupees Five) each and 25,00,000 (Twenty Five Lacs) Unclassified shares of Rs. 100 (Rupees Hundred) each and 150,00,00,000 (One Hundred and Fifty Crore) Preference Shares of Rs. 10 (Rupees Ten) each, with such ordinary preferential or deferred rights, privileges and other conditions attaching thereto as may be provided by the regulations of the Company for the time being in force and operation with power to increase or reduce the capital of the Company and to divide the shares in the capital for the time being original or increased into different classes and to consolidate or sub-divide such Shares and to convert Shares into Stock and reconvert the Stock into Shares and to attach to such Shares or Stock such ordinary preferential or deferred rights, privileges and other conditions as may be provided by the regulations of the Company for the time being in force and operation."

Annexure B-1



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BDO Valuation Advisory LLP
 The Ruby, Level 9, North East Wing
 Senapati Bapat Marg, Dadar (W)
 Mumbai 400028, India

Ref. No.: LM/May28-20/2021

May 28, 2021

To,

The Board of Directors
Mahindra & Mahindra Limited
 Gateway Building, Apollo Bunder,
 Fort, Mumbai 400 001.

The Board of Directors
Mahindra Electric Mobility Limited
 Mahindra Towers, Dr. G. M. Bhosale Marg,
 P. K. Kurne Chowk,
 Worli, Mumbai 400 018.

Dear Sir(s)/ Madam(s),

Sub: Fair Equity Share Exchange Ratio in relation to the Proposed Scheme of Merger by Absorption

We, BDO Valuation Advisory LLP ('BDO Val' or 'We' or 'Us'), have been appointed vide letter dated April 26, 2021 bearing reference number LM/Apr261/2021 to recommend the fair equity share exchange ratio for merger of Mahindra Electric Mobility Limited ('MEML') with Mahindra & Mahindra Limited ('M&M Ltd') (together referred to as 'Client(s)' or 'Companies') on a going concern basis, as per the Proposed Scheme of Merger by Absorption pursuant to provisions of Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 ('Proposed Scheme').

We are pleased to present herewith our report on the same.

The cut-off date for the present valuation exercise has been considered as at March 31, 2021 and the market factors have been considered till May 27, 2021. The attached report details the valuation methodologies, calculations and conclusions with respect to this valuation.

We believe that our analysis must be considered as a whole. Selected portions of our analysis or the factors we considered, without considering all factors and analysis together could create a misleading view of the process underlying the valuation conclusions. The preparation of valuation is a complex process and is not necessarily susceptible to partial analysis or summary description. Any attempt to do so could lead to undue emphasis on any particular factor or analysis.

This letter should be read in conjunction with the attached report.

Regards,

For BDO Valuation Advisory LLP

IBBI No.: IBBI/RV-E/02/2019/103



Lata R. Gujar More

IBBI Regn No.: IBBI/RV/06/2018/10488

Partner

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1. Brief Background of the Companies

Mahindra & Mahindra Limited ('M&M Ltd' or 'Transferee')

- 1.1. M&M Ltd (CIN: L65990MH1945PLC004558) is an Indian multinational corporation headquartered in Mumbai, Maharashtra, India. It was established in 1945 as Muhammad & Mahindra Limited and later renamed as Mahindra and Mahindra Limited. It is the flagship company of Mahindra group ('Group'), an Indian conglomerate. The Group operates in various segments including Trucks & Buses, Two Wheelers, Vehicle & Equipment Finance, Aerospace, Aftermarket, Agri industry, Automotive, Boats, Clean energy, Construction equipment, Consulting, Defence, Farm Equipment, Hospitality, Information Technology, Insurance Broking, Logistics, Power Backup, Real Estate & Infrastructure, Retail, Rural Housing Finance and Steel.
- 1.2. M&M Ltd brands its products as "Mahindra" and is engaged in the manufacturing of SUVs, saloon cars, pickups, lightweight commercial vehicles, heavyweight commercial vehicles, two-wheeled motorcycles, and tractors. M&M Ltd also manufactures agricultural implements, internal combustion engines, industrial petrol engines, spare parts, machine tools, etc.
- 1.3. M&M Ltd is one of the largest vehicle manufacturers by production in India and the largest manufacturer of tractors in the world.
- 1.4. The ordinary equity shares of M&M Ltd are listed on National Stock Exchange of India Limited ('NSE') & BSE Limited ('BSE'). The Global Depository Receipts (GDRs) of M&M Ltd are listed on the Luxembourg Stock Exchange and are also admitted for trading on International Order Book (IOB) of the London Stock Exchange.
- 1.5. The issued, subscribed and paid-up share capital of M&M Ltd as on March 31, 2021 was INR 6,216.0 Mn divided into 1,24,31,92,544 ordinary equity shares of INR 5/- each.
- 1.6. The summarized shareholding pattern of M&M Ltd as on March 31, 2021 is as follows:

Shareholder Category	No. of Equity Shares	% Holding
I. Promoter and Promoter Group	23,48,24,018	18.89%
II. Public	92,28,24,820	74.23%
III. Non Promoter-Non Public	8,55,43,706	6.88%
Total	1,24,31,92,544	100.00%

Mahindra Electric Mobility Limited ('MEML')

- 1.7. MEML (CIN: U34101MH1996PLC325507) operates as an automotive company. MEML designs, develops, and manufactures electric powertrains, motor controllers, systems integration, and electric vehicles. MEML is engaged in the business of manufacturing, assembling and selling of electric vehicles and components for electric vehicles and is a step-down subsidiary of M&M Ltd.



- 1.8. Mahindra Vehicle Manufacturers Limited (“MVML”) which is a 100% subsidiary of M&M Ltd, holds 99.35% stake (35,60,82,447 equity shares) in MEML as on March 31, 2021 which is currently in the process of being merged with M&M Ltd.
- 1.9. The issued, subscribed and paid-up share capital of MEML is INR 3,584.2 Mn divided into 35,84,16,345 equity shares of Rs. 10 each as on March 31, 2021.

2. Purpose of Valuation

2.1. We understand that following is the Proposed Scheme of Merger by Absorption (“Proposed Scheme”):

- Merger of MEML into M&M Ltd on a going concern basis.
- Under Proposed Scheme, as consideration for the merger of MEML with M&M Ltd, the minority equity shareholders of MEML will be issued ordinary equity shares of M&M Ltd and shares held by M&M Ltd or its subsidiaries held directly and jointly with its nominee shareholders shall be cancelled.

Companies under the Proposed Scheme and their respective shareholders will comply with the provisions of section 230 to 232 and other relevant provisions of the Companies Act, 2013, along with the applicable provisions of Securities and Exchange Board of India (‘SEBI’) - if any.

2.2. In this regard, we have been appointed to undertake the valuation to recommend the fair equity share exchange ratio for the Proposed Scheme as required under the Master Circular on (i) Scheme of Arrangement by Listed Entities and (ii) Relaxation under sub-rule (7) of rule 19 of the Securities Contracts (Regulation) Rules, 1957.



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3. Exclusions and Limitations

- 3.1. Our report is subject to the limitations detailed hereinafter. This report is to be read in totality, and not in parts, in conjunction with the relevant documents referred to therein.
- 3.2. The scope of work is restricted to recommendation of fair equity share exchange ratio for merger of MEML into M&M Ltd.
- 3.3. This report, its contents, and the analysis herein are specific to (i) the purpose of valuation agreed as per the terms of our engagement, (ii) the Report date and (iii) are based on the audited financial statements of MEML as at March 31, 2021. The management of the Companies have represented that the business activities of the Companies have been carried out in the normal and ordinary course till the Report date and that no material changes are expected in their respective operations and financial position to occur post March 31, 2021 and the Report date.
- 3.4. This report and the information contained herein are absolutely confidential and are intended for the use of management and representatives of the companies for providing select information and only in connection with the purpose mentioned above or for sharing with shareholders, creditors, Regional Directors, Registrar of Companies, SEBI (including disclosures required under the SEBI Regulations on the Companies' website), Stock Exchanges, National Company Law Tribunal and office of other regulatory or statutory authorities. It should not be copied, disclosed, circulated, quoted or referred to, either in whole or in part, in correspondence or in discussion with any other person except to whom it is issued without our written consent. In the event, the companies or their management or their representatives intend to extend the use of this report beyond the purpose mentioned earlier in the report, with or without our consent, we will not accept any responsibility to any other party to whom this report may be shown or who may acquire a copy of the report.
- 3.5. The scope of our assignment did not involve us performing audit tests for the purpose of expressing an opinion on the fairness or accuracy of any financial or analytical information that was provided and used by us during the course of our work. The assignment did not involve us to conduct the financial or technical feasibility study. We have not done any independent technical valuation or appraisal or due diligence or legal title search of the assets or liabilities of the Companies or any of its subsidiaries or associated companies and have considered them at the value as disclosed by the Companies in their regulatory filings or in submissions, oral or written, made to us.
- 3.6. In rendering this report, we have not provided legal, regulatory, tax, accounting or actuarial advice and accordingly we do not assume any responsibility or liability in respect thereof.
- 3.7. Any matters related to legal title and ownership are outside the purview and scope of this valuation exercise. Further, no legal advice regarding the title and ownership of the subject property has



been obtained while conducting this valuation exercise. Valuation may be significantly influenced by adverse legal, title or ownership, encumbrance issues.

- 3.8. This report is based on the information received from the sources mentioned herein and discussions with the representatives of the Companies. We have assumed that no information has been withheld that could have influenced the purpose of our report.
- 3.9. We have assumed and relied upon the truth, accuracy and completeness of the information, data and financial terms provided to us or used by us, we have assumed that the same are not misleading and do not assume or accept any liability or responsibility for any independent verification of such information or any independent technical valuation or appraisal of any of the assets, operations or liabilities of the companies. Nothing has come to our knowledge to indicate that the material provided to us was mis-stated or incorrect or would not afford reasonable grounds upon which to base our report.
- 3.10. During the course of our work, we have relied upon the certain opinion documents made available by the management and representatives of the Companies. Though we have reviewed it, we have not independently verified the same. As these opinions/assumptions require the exercise of judgment and are subject to uncertainties, there can be no assurance that these assumptions are accurate.
- 3.11. For the present valuation exercise, we have also relied upon information available in the public domain; however, the accuracy and timeliness of the same has not been independently verified by us.
- 3.12. In addition, we do not take any responsibility for any changes in the information used by us to arrive at our conclusion as set out here in which may occur subsequent to the date of our report or by virtue of fact that the details provided to us are incorrect or inaccurate.
- 3.13. Further, this report is necessarily based on financial, economic, monetary, market and other conditions as in effect on, and the information made available to us or used by us up to, the date hereof. Subsequent developments in the aforementioned conditions may affect this report and the assumptions made in preparing this report and we shall not be obliged to update, revise or reaffirm this report if the information provided to us changes.
- 3.14. We have considered relevant valuation approaches based on our analysis. Any transaction price may however be significantly different and would depend on the negotiating ability and motivations of the respective buyers and sellers in the transaction.
- 3.15. Our scope is limited to the purposes stated hereinabove. The Report should not be construed as, our opinion or certifying the compliance of the Proposed Scheme with the provisions of any law



including the Companies Act 2013, taxation related laws, capital market related laws, any accounting, taxation or legal implications or issues arising from the Proposed Scheme.

- 3.16. Valuation is not a precise science and the conclusions arrived at in many cases will be subjective and dependent on the exercise of individual judgment. There is therefore no indisputable single value. While we have provided an assessment of the value based on an analysis of information available to us and within the scope of our engagement, others may place a different value on this business.
- 3.17. Valuation is based on estimates of future financial performance or opinions, which represent reasonable expectations taking into consideration the economic, social and market patterns existing at that point in time but such information, estimates or opinions are not offered as predictions or as assurances that a particular level of income or profit will be achieved, a particular event will occur or that a particular price will be offered or accepted. Actual results achieved during the period covered by the prospective financial analysis will vary from these estimates and the variations may be material.
- 3.18. Whilst all reasonable care has been taken to ensure that the factual statements in the report are accurate, neither us, nor any of our partners, officers or employees shall in any way be liable or responsible either directly or indirectly for the contents stated herein. Accordingly, we make no representation or warranty, express or implied, in respect of the completeness, authenticity or accuracy of such factual statements. We expressly disclaim any and all liabilities, which may arise based upon the information used in this report. We are not liable to any party in relation to the issue of this report.
- 3.19. BDO Val owes responsibility to only the Boards of Directors of MEML and M&M Ltd; with reference to terms of engagement letter and nobody else. We will not be liable for any losses, claims, damages or liabilities arising out of the actions taken, omissions of or advice given by any other to the Clients. In no event shall we be liable for any loss, damages, cost or expenses arising in any way from fraudulent acts, misrepresentations or willful default on part of the Companies, their directors, employees or agents. In no circumstances shall the liability of a Valuer, its partners, its directors or employees, relating to the services provided in connection with the engagement set out in this Report shall exceed the amount paid to such Valuer in respect of the fees charged by it for these services.
- 3.20. This Report does not look into the business/commercial reasons behind the Proposed Scheme nor the likely benefits arising out of the same. Similarly, it does not address the relative merits of the Proposed Scheme as compared with any other alternative business transaction or any other alternatives, whether or not such alternatives could be achieved or are available.
- 3.21. Further this Report does not in any manner address the prices at which the equity shares of the Companies will trade following the announcement of the Scheme and we express no opinion or



recommendation as to how the shareholders of the Companies should vote at any shareholders' meeting to be held in connection with the Proposed Scheme.

- 3.22. The recommendation(s) rendered in this report only represent our recommendation(s) based upon information furnished by the Clients (or its representatives) and other sources and the said recommendation(s) shall be considered to be in the nature of non-binding advice, (our recommendation will however not be used for advising anybody to take buy or sell decision, for which specific opinion needs to be taken from expert advisors). We have no obligation to update this report.
- 3.23. Further, after declaration of Covid-19 as a pandemic by World Health Organization and consequent imposition of lockdown in India has caused a widespread disruption in businesses as well as on financial markets in India and globally alike. Our assumptions for the valuation is surrounded by these unprecedented uncertainty across all the industries and sectors including the time period over which these circumstances could prevail. The valuation assumptions, the underlying projections and the outcome of the valuation analysis could materially change as a result of the continued or increased uncertainty around the prevalence of Covid-19 circumstances and hence a reliance on our valuation must be placed considering these unprecedented circumstances.

4. Sources of Information

- 4.1. For the purpose of undertaking this valuation exercise, we have relied on the following sources of information provided by the management representatives of the Companies:
- Audited financial statements of MEML for the year ended March 31, 2020;
 - Audited financial statements of MEML for the year ended March 31, 2021 along with details of contingent liabilities outstanding as on March 31, 2021;
 - Shareholding pattern of MEML as at March 31, 2021;
 - Projected financial statements of MEML for the period starting from FY22 to FY30;
 - Income Tax Return (ITR) of MEML for FY20;
 - Details of carried forward losses and unabsorbed depreciation of MEML from Assessment Year (“AY”) 2003 to AY21;
 - Details of actual sales volume of MEML for FY20 and forecasted sales volumes for the period from FY21 to FY30;
 - Details with respect to outstanding Employee Stock Option Plans (“ESOPs”) of MEML;
 - Details with respect to borrowings and cost of borrowings of MEML as on March 31, 2021;



- Relevant data and information provided to us by the management and representatives of the Clients either in written or oral form or in form of soft copy and information available in public domain;
- Draft Composite Scheme of Merger by Absorption; and
- Management Representation Letter.

5. Procedures Adopted

5.1. In connection with this exercise, we have adopted the following procedures to carry out the valuation:

- Requested and received financial information;
- Obtained data available in public domain;
- Undertook industry analysis such as researching publicly available market data including economic factors and industry trends that may impact the valuation;
- Detailed analysis of Comparable Companies for the business;
- Discussions (over call/emails/conferences) with the management to understand the business and fundamental factors that could affect its earning-generating capability including strengths, weaknesses, opportunity and threats analysis and historical financial performance;
- Selection of valuation methodology/(ies) as per internationally accepted valuation methodologies;
- Presentation to Executive Committee consisting of independent director on underlying assumptions of business model, approach & methodology, and valuation of MEML and M&M Ltd. Determined the fair equity share exchange ratio based on the selected methodology.

For the purpose of arriving at the valuation of the Companies/businesses we have considered the valuation base as 'Fair Value' and the premise of value is 'Going Concern Value'. Any change in the valuation base, or the premise could have significant impact on our valuation exercise, and therefore, this report.

The Companies have been provided with the opportunity to review the draft Report (excluding the recommended fair equity share exchange ratio) as part of our standard practice to make sure that factual inaccuracies/omissions are avoided in our final Report.



6. Valuation Approaches

- 6.1. It is pertinent to note that the valuation of any company or its assets is inherently imprecise and is subject to certain uncertainties and contingencies, all of which are difficult to predict and are beyond our control. In performing our analysis, we made numerous assumptions with respect to industry performance and general business and economic conditions, many of which are beyond the control of the companies. In addition, this valuation will fluctuate with changes in prevailing market conditions, and prospects, financial and otherwise, of the companies/businesses, and other factors which generally influence the valuation of the companies, its businesses and assets.
- 6.2. The application of any particular method of valuation depends on the purpose for which the valuation is done. Although different values may exist for different purposes, it cannot be too strongly emphasized that a valuer can only arrive at one value for one purpose. Our choice of methodology of valuation has been arrived at using usual and conventional methodologies adopted for transactions of a similar nature and our reasonable judgment, analysis of businesses, in an independent and bona fide manner based on our previous experience of assignments of a similar nature.
- 6.3. It may be noted that BDO Valuation Advisory LLP is enrolled with IOV Registered Valuers Foundation, which has recommended to follow International Valuation Standards (“IVS”) for undertaking valuation and accordingly we have considered the International Valuation Standards issued by International Valuation Standards Council (‘IVSC’) in carrying out the valuation exercise.
- 6.4. The Report Date is the valuation date (**‘Valuation Date’**). For valuation exercise, market parameters have been considered up to and including May 27, 2021.
- 6.5. There are three generally accepted approaches to valuation:
- (a) “Asset” / “Cost” Approach
 - (b) “Income” Approach
 - (c) “Market” Approach

Within these three basic approaches, several methods may be used to estimate the value. An overview of these approaches is as follows:

Asset / Cost Approach

Summation Method

The summation method, also referred to as the underlying asset method, is typically used for investment companies or other types of assets or entities for which value is primarily a factor of the values of their holdings.



This valuation approach is mainly used in case where the assets base dominates earnings capability. Since the current valuation analysis is on a going concern basis, we have not used the asset / cost approach for the valuation of equity shares of MEML and M&M Ltd.

Income Approach

The income approach is widely used for valuation under "Going Concern" basis. It focuses on the income generated by the company in the past as well as its future earning capability. The Discounted Cash Flow Method under the income approach seeks to arrive at a valuation based on the strength of future cash flows.

Discounted Cash Flow Method

Under the Discounted Cash Flow ('DCF') method, the value of the undertaking is based on expected 'cash flows for future, discounted at a rate, which reflects the expected returns and the risks associated with the cash flows as against its accounting profits. The value of the undertaking is determined as the present value of its future free cash flows.

Free cash flows are discounted for the explicit forecast period and the perpetuity value thereafter. Free cash flows represent the cash available for distribution to both, the owners and creditors of the business.

Discount rate is the Weighted Average Cost of Capital ('WACC'), based on an optimal vis-à-vis actual capital structure. It is appropriate rate of discount to calculate the present value of future cash flows as it considers equity-debt risk and also debt-equity ratio of the firm.

The perpetuity (terminal) value is calculated based on the business's potential for further growth beyond the explicit forecast period. The "constant growth model" is applied, which implies an expected constant level of growth (for perpetuity) in the cash flows over the last year of the forecast period.

The discounting factor (rate of discounting the future cash flows) reflects not only the time value of money, but also the risk associated with the business's future operations.

The Business/Enterprise Value so derived, is further reduced by value of debt, if any, (net of cash and cash equivalents) to arrive at value to the owners of business. The surplus assets / non-operating assets are also adjusted.

In case of free cash flows to equity, the cash available for distribution to owners of the business is discounted at the Cost of Equity and the value so arrived is the Equity Value before surplus/ non-operating assets. The surplus assets / non-operating assets are further added to arrive at the Equity Value.

MEML is engaged in the business of manufacturing and selling of electric vehicle and its components, which is an emerging sector globally and in India. The process of building ecosystem

around electric vehicle is in process. Therefore, the future earning capability of the business is important. Accordingly, we have considered DCF Method under Income Approach for valuation of MEML.

Market Approach

Under the Market approach, the valuation is based on the market value of the company in case of listed companies and comparable companies trading or transaction multiples for unlisted companies. The Market approach generally reflects the investors' perception about the true worth of the company.

i. Market Price Method

Under this method, the market price of an equity shares of the company as quoted on a recognized stock exchange is normally considered as the fair value of the equity shares of that company where such quotations are arising from the trading. The market value reflects the investors' perception about the true worth of the company.

ii. Comparable Companies Multiple Method

Under the Comparable Companies Multiple ('CCM') method, the value is determined on the basis of multiples derived from valuations of comparable companies, as manifest through stock market valuations of listed companies. This valuation is based on the principle that market valuations, taking place between informed buyers and informed sellers, incorporate all factors relevant to valuation. Relevant multiples need to be chosen carefully and adjusted for differences between the circumstances.

To the value of the business so arrived, adjustments need to be made for the value of contingent assets/liabilities, surplus Asset and dues payable to preference shareholders, if any, in order to arrive at the value for equity shareholders.

iii. Comparable Transactions Multiple Method

Under the Comparable Transactions Multiple ('CTM') method, the value of a company can be estimated by analyzing the prices paid by purchasers of similar companies under similar circumstances. This is a valuation method where one will be comparing recent market transactions in order to gauge current valuation of target company. Relevant multiples have to be chosen carefully and adjusted for differences between the circumstances. This valuation approach is based on the principle that market valuations, taking place between informed buyers and informed sellers, incorporate all factors relevant to valuation.

Under Market Approach, we have considered Market Price Method for valuation of M&M Ltd. The equity shares of MEML are not listed on any recognized stock exchange in India. Further, in absence of availability of comparable companies exactly comparable to business of MEML and non-

availability of comparable transactions for similar business, we have not considered CCM / CTM method for valuation of MEML.

7. Conclusion on Valuation Approach

7.1. In order to consider reasonable methods for the valuation exercise, we have referred to the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulation 2018 as amended from time to time ('ICDR Regulations') and the specific information/explanations available of MEML and M&M Ltd. We have considered the following respective methods for the valuation:

M&M Ltd: Market Price Method under the Market Approach have been considered for valuation of M&M Ltd as M&M Ltd is listed on Indian stock exchange. We considered ICDR Regulations which provide guidelines to estimate the market price.

In a going concern scenario, the earning power, as reflected under the Income and Market approaches, is of greater importance to the basis of merger, than the values arrived at on the net asset basis being of limited relevance. Therefore, we have not considered Asset / Cost approach for valuation since the asset / cost approach does not reflect the intrinsic value of the business in a "going concern scenario".

Further, Discounted Cash Flow Method under the Income Approach has not been considered as M&M Ltd is a listed entity and the management has not provided us the information related to future profit and loss account, balance sheet and cash flows being price sensitive.

MEML: Comparable Companies Multiple Method ('CCM') and Comparable Transactions Multiple Method ('CTM') under the Market Approach have not been considered for the valuation of MEML in absence of exact comparable companies to business of MEML and non-availability of comparable transactions for similar business. We have not considered market price method as the shares of MEML are not listed on recognized stock exchange.

We have considered the Discounted Cash Flow Method under Income Approach to MEML as the true worth of the MEML's business would be reflected in its future earnings potential.

DCF Method

7.2. We have relied on the projected financial statements and projected capex requirements of MEML as provided by the Management for the purpose of Valuation. The Management has provided us with the going concern projections for the period from April 1, 2021 to March 31, 2030 for the purpose of current valuation exercise and the same has been considered as the explicit period for current valuation exercise.



- 7.3. The key assumption considered in DCF method is determination of an appropriate rate to discount the future cash flows. The Free Cash Flows to Firm (“FCFF”) have been calculated for MEML as on the Valuation Date based on the financial projections provided by the Management.
- 7.4. FCFF refers to cash flows that are available to all the providers of capital, i.e., equity shareholders, preference shareholders and lenders.
- 7.5. In FCFF, the free cash flows available to the firm are discounted by Weighted Average Cost of Capital (“WACC”) to arrive the net present value and terminal period cash flows. We have considered, Capital Asset Pricing Model (CAPM) for the calculation of Cost of Equity.
- 7.6. We have considered a WACC of 17.2% for the current valuation exercise. Olectra Greentech Limited is in a different segment of manufacturing of electric buses with different customer segments and margins and hence not comparable to MEML however we have considered the beta of the same to represent the volatility of the equity shares in the electric vehicles segment.
- 7.7. We have discounted the projected net cash flows to their present value using mid-year discounting convention. The use of mid-year convention better reflects the assumption that net cash flows will be generated throughout the year, rather than at the beginning or at the end of each year.
- 7.8. We have considered a terminal growth rate of 4.0% to calculate the cash flows arising post explicit period, taking into account the growth estimated in explicit period. We have used Gordon Growth Model to arrive at the terminal value.
- 7.9. Based on above, the Enterprise Value (“EV”) of MEML, determined as an aggregate of the present value of explicit period and terminal period cash flows, is arrived at INR 17,387.9 Mn.
- 7.10. The Enterprise Value so arrived at above is then adjusted for debt outstanding, surplus cash & bank balances, contingent liabilities and surplus assets as at the Valuation Date to arrive at the Equity Value of MEML.
- 7.11. Based on above, the Equity Value of MEML is arrived at INR 14,019.2 Mn.
- 7.12. The number of equity shares of MEML have been considered based on fully diluted basis for outstanding Employee Stock Option Plans (ESOPs).
- 7.13. Based on above, the value per Equity share of MEML for the merger of MEML into M&M Ltd, is arrived at INR 38.19/-.



8. Basis of Fair Equity Share Exchange Ratio

- 8.1. The basis of the fair equity share exchange ratio for the Proposed Scheme would have to be determined after taking into consideration all the factors and methods mentioned hereinabove including various qualitative factors relevant to the company / undertaking and the business dynamics and growth potentials of the businesses, having regard to information base, key underlying assumptions and limitations.
- 8.2. The equity shares of M&M Ltd are traded on BSE and NSE. In the present case, the share price of M&M Ltd on the NSE has been considered, as the trading volumes are higher at NSE as compared to BSE as per the requirements of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2018 and Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations 2011 guidelines, as applicable, on a recognized stock exchange during the twelve calendar months preceding the relevant date.
- 8.3. Attention may also be drawn to Regulation 158 of ICDR Regulations which specifies that issue of equity shares to shareholders of an unlisted entity pursuant to a National Company Law Tribunal approved scheme shall conform with the pricing provisions of preferential issue specified under Regulation 164 of the said regulations. Further it may be noted that Regulation 164 specifies the minimum price for issue of shares on a preferential basis. The Pricing Formula provided in Regulations 164 (1) has been considered for arriving at the value per equity share of M&M Ltd under the Market Price Method. The market price is considered as higher of following:
- (a) average of the weekly high and low of the volume weighted average price during the 26 weeks preceding May 27, 2021; or
 - (b) average of weekly high and low of the volume weighted average price during the 2 weeks preceding May 27, 2021.
- 8.4. Further as discussed earlier we have used Market Price Method under Market Approach to arrive at valuation of M&M Ltd, whereas MEML is valued as per Discounted Cash Flow Method under Income Approach.
- 8.5. We have independently applied methods discussed above, as considered appropriate, and arrived at a fair equity share exchange ratio.
- 8.6. As per the scheme of merger by absorption, we understand that the ESOP holders of MEML will be issued Employee Stock Options of M&M ('M&M ESOPs') under the existing Transferee Company ESOP scheme having an M&M ESOP exercise price of INR 5 and accordingly, the Transferee Company's board of directors or any committee thereof, in the interest of the employees, shall issue such number of M&M ESOPs to the ESOP holders of MEML as arrived at after taking into account the share exchange ratio adjusted for the existing exercise price and M&M ESOP exercise price or any other method as it may, in its absolute discretion, deem fit.



9. Conclusion

9.1. In the ultimate analysis, valuation will have to involve the exercise of judicious discretion and judgment taking into account all the relevant factors. There will always be several factors, e.g. present and prospective competition, yield on comparable securities and market sentiments etc. which are not evident from the face of the balance sheets, but which will strongly influence the worth of a share. This concept is also recognized in judicial decisions. For example, Viscount Simon Bd in Gold Coast Selection Trust Ltd. vs. Humphrey reported in 30 TC 209 (House of Lords) and quoted with approval by the Honorable Supreme Court of India in the case reported in 176 ITR 417 as under:

"If the asset takes the form of fully paid shares, the valuation will take into account not only the terms of the agreement but a number of other factors, such as prospective yield, marketability, the general outlook for the type of business of the company which has allotted the shares, the result of a contemporary prospectus offering similar shares for subscription, the capital position of the company, so forth. There may also be an element of value in the fact that the holding of the shares gives control of the company. If the asset is difficult to value, but is nonetheless of a money value, the best valuation possible must be made. Valuation is an art, not an exact science. Mathematical certainty is not demanded, nor indeed is it possible".

9.2. In the light of the above, and on consideration of all the relevant factors and circumstances as discussed and outlined hereinabove, in our opinion the fair equity share exchange ratio for the merger of MEML into M&M Ltd would be as follows (recommendation):

a) In the event of merger of MEML into M&M Ltd:

Valuation Approach	Valuation Method	MEML		M&M Ltd	
		Value Per Share (INR)	Weights	Value Per Share (INR)	Weights
Income Approach	DCF Method	38.19	100%	NA	NA
Market Approach	Market Price Method	NA	NA	796.64	100%
Asset/Cost Approach	Summation Method	NA	NA	NA	NA
Relative Value Per Share		38.19		796.64	
Share Exchange Ratio		0.048		NA	
Share Exchange Ratio (Rounded Off) (No. of ordinary equity shares of M&M Ltd per 10,000 equity shares of MEML)		480			

NA= Not Adopted/Not Applicable

b) In a going concern scenario, the earning power, as reflected under the Income and Market approaches, is of greater importance to the basis of merger, than the values arrived at on the net asset basis being of limited relevance. Therefore, we have not considered Asset / Cost



approach for valuation of M&M Ltd as well as MEML since the asset / cost approach does not reflect the intrinsic value of the business in a “going concern scenario”.

- c) Further, Discounted Cash Flow Method under the Income Approach has not been considered for M&M Ltd as M&M Ltd is a listed entity and the management has not provided us the information related to future profit and loss account, balance sheet and cash flows being price sensitive.
- d) Comparable Companies Multiple Method (‘CCM’) and Comparable Transactions Multiple Method (‘CTM’) under the Market Approach have not been considered for the valuation of MEML in absence of exact comparable companies to business of MEML and non-availability of comparable transactions for similar business. We have not considered market price method as the shares of MEML are not listed on recognized stock exchange.

9.3. Recommendation:

Therefore, the following is the recommended Fair Equity Share Exchange Ratio:

1. 480 ordinary equity shares of face value INR 5/- each fully paid up of M&M Ltd for every 10,000 equity shares of face value of INR 10/- each fully paid of MEML for the merger of MEML into M&M Ltd.



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BDO Valuation Advisory LLP
The Ruby, Level 9, North East Wing
Senapati Bapat Marg, Dadar (W)
Mumbai 400028, India

Ref: LM/May28-21/2021

May 28, 2021

To,
The Board of Directors
Mahindra & Mahindra Limited
Gateway Building, Apollo Bunder,
Fort, Mumbai 400 001.

To,
The Board of Directors
Mahindra Electric Mobility Limited
Mahindra Towers, Dr. G. M. Bhosale Marg,
P. K. Kurne Chowk,
Worli, Mumbai 400 018.

Dear Sir(s)/Madam(s),

Sub: ESOP Exchange Ratio in relation to the proposed issue of Employee Stock Option (“M&M ESOPs”) by Mahindra & Mahindra Limited (“M&M Ltd”) to Employee Stock Option (“ESOP”) holders of Mahindra Electric Mobility Limited (“MEML”) in accordance with the Scheme of Merger by Absorption of MEML into M&M

We, BDO Valuation Advisory LLP (“BDO Val” or “We” or “Us”), have been appointed vide letter dated April 26, 2021 bearing reference number LM/Apr261/2021 (“Engagement Letter”) and addendum to Engagement Letter dated May 3, 2021 bearing reference number LM/May31/2021, to recommend the fair exchange ratio (“ESOP Exchange Ratio”) for the proposed issue of Employee Stock Option (“M&M ESOPs”) to the Employee Stock Option (“ESOP”) holders of Mahindra Electric Mobility Limited (“MEML”) by Mahindra & Mahindra Limited (“M&M Ltd”) (together referred to as “Clients” or “Companies”) on a going concern basis (“Proposed Transaction”), as per the Proposed Scheme of Merger by Absorption of MEML with M&M Ltd pursuant to provisions of Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 (“Proposed Scheme”).

We hereby confirm that we have no present or planned future interest in the Company, except to the extent of our appointment as a registered valuer for this Report.

Find enclosed the Report providing our opinion on the fair equity exchange ratio as at May 28, 2021 (“Valuation Date”) for the Proposed Transaction. A summary of the analysis is presented in the accompanying report, as well as description of the methodology and procedure used, and the factors considered in formulating the opinion. In addition, listed the sources of information used in this Report and the scope of work in the course of the assignment, noting any limitations on the assignment. This Report is subject to the attached exclusions & limitations and to all terms and conditions in the engagement letter for this assignment.

We believe that our analysis must be considered as a whole. Selecting portions of our analysis or the factors we considered, without considering all factors and analysis together could create a misleading view of the process underlying the valuation conclusions. The preparation of a valuation is a complex process and is not necessarily susceptible to partial analysis or summary description. Any attempt to do so could lead to undue emphasis on any particular factor or analysis.



BDO Valuation Advisory LLP, an Indian limited liability partnership firm, is a member of BDO International Limited, a UK company limited by guarantee and forms part of the International BDO network of independent member firms.



This Report should be read in conjunction with our Registered Valuer's Report titled 'Fair Equity Share Exchange Ratio in relation to the 'Scheme of Merger by Absorption'' dated May 28, 2021 bearing the reference number LM/May28-20/2021 ("**Merger Report**").

This letter should be read in conjunction with the attached report.

Regards,

For BDO Valuation Advisory LLP
IBBI Regn No.: IBBI/RV-E/02/2019/103



Lata R. Gujar More
Partner
Regn No.: IBBI/RV/06/2018/10488

Encl: As above



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1. Brief Background of the Companies

Mahindra & Mahindra Limited (“M&M Ltd”)

- 1.1. M&M Ltd (CIN: L65990MH1945PLC004558) is an Indian multinational corporation headquartered in Mumbai, Maharashtra, India. It was established in 1945 as Muhammad & Mahindra Limited and later renamed as Mahindra and Mahindra Limited. It is the flagship company of Mahindra group (“Group”), an Indian conglomerate. The Group operates in various segments including Trucks & Buses, Two Wheelers, Vehicle & Equipment Finance, Aerospace, Aftermarket, Agri industry, Automotive, Boats, Clean energy, Construction equipment, Consulting, Defence, Farm Equipment, Hospitality, Information Technology, Insurance Broking, Logistics, Power Backup, Real Estate & Infrastructure, Retail, Rural Housing Finance and Steel.
- 1.2. M&M Ltd brands its products as “Mahindra” and is engaged in the manufacturing of SUVs, saloon cars, pickups, lightweight commercial vehicles, heavyweight commercial vehicles, two-wheeled motorcycles, and tractors. M&M Ltd also manufactures agricultural implements, internal combustion engines, industrial petrol engines, spare parts, machine tools, etc.
- 1.3. The ordinary equity shares of M&M Ltd are listed on National Stock Exchange of India Limited (“NSE”) & BSE Limited (“BSE”). The Global Depository Receipts (GDRs) of M&M Ltd are listed on the Luxembourg Stock Exchange and are also admitted for trading on International Order Book (IOB) of the London Stock Exchange.
- 1.4. The issued, subscribed and paid-up share capital of M&M Ltd as on March 31, 2021 was INR 6,216.0 Mn divided into 1,24,31,92,544 ordinary equity shares of INR 5/- each.
- 1.5. The summarized shareholding pattern of M&M Ltd as on March 31, 2021 is as follows:

Shareholder Category	No. of Equity Shares	% Holding
I. Promoter and Promoter Group	23,48,24,018	18.89%
II. Public	92,28,24,820	74.23%
III. Non-Promoter-Non Public	8,55,43,706	6.88%
Total	1,24,31,92,544	100.00%

- 1.6. The management of M&M Ltd has informed that under Employees Stock Option Scheme - 2010 of M&M Ltd, Employee Stock Options (“M&M ESOPs”) have been issued to its employees at an exercise price of INR 5/- each. Under the same scheme, ESOPs of M&M Ltd are proposed to be issued in exchange of options available under MEML’s Employees Stock Option Scheme - 2017 (“ESOP”) to ESOP holders.

Mahindra Electric Mobility Limited (“MEML”)

- 1.7. MEML (CIN: U34101MH1996PLC325507) operates as an automotive company. MEML designs, develops, and manufactures electric powertrains, motor controllers, systems integration, and electric vehicles. MEML is engaged in the business of manufacturing, assembling and selling of





electric vehicles and components for electric vehicles and is a step-down subsidiary of M&M Ltd.

- 1.8. Mahindra Vehicle Manufacturers Limited which is a 100% subsidiary of M&M Ltd, holds 99.35% stake (35,60,82,447 equity shares) in MEML as on March 31, 2021, which is currently in the process of being merger with M&M Ltd.
- 1.9. The issued, subscribed and paid-up share capital of MEML is INR 3,584.2 Mn divided into 35,84,16,345 equity shares of Rs. 10 each as on March 31, 2021.
- 1.10. MEML has granted options to its eligible employees under the MEML Employee Stock Option 2017 (“ESOP”) which was issued with an exercise price of INR 24.90, INR 25.17 and INR 25.91 respectively. Currently ESOPs outstanding stood at 8,646,944 as at May 12, 2021 held as under:

Sr No.	Exercise Price	Options Outstanding
1	INR 24.90	7,406,959
2	INR 25.17	1,071,624
3	INR 25.91	168,361
Total		8,646,944





2. Purpose of Valuation

- 2.1. As per the Proposed Scheme, M&M Ltd shall issue M&M ESOPs in exchange of the ESOPs held by ESOP holders of MEML. The proposed recommended exchange ratio as mentioned in Merger Report, cannot be directly applied because of difference in exercise price. Therefore, we have been appointed to recommend ESOP Exchange Ratio i.e. number of M&M ESOPs to be issued to existing eligible ESOP holders of MEML (“**Proposed Transaction**”).
- 2.2. Further, Companies under the Proposed Scheme and their respective shareholders will comply with the provisions of section 230 to 232 and other relevant provisions of the Companies Act, 2013, along with the applicable provisions of Securities and Exchange Board of India (“SEBI”) - if any.
- 2.3. In this regard, we have been appointed to undertake the valuation as on May 28, 2021 to recommend the fair exchange ratio for the Proposed Transaction. (“**Purpose**”).



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3. Exclusions and Limitations

- 3.1. Our report is subject to the limitations detailed hereinafter. This report is to be read in totality, and not in parts, in conjunction with the relevant documents referred to therein.
- 3.2. The scope of work is restricted to recommendation of ESOP exchange ratio in accordance with the Proposed Scheme.
- 3.3. This report, its contents, and the analysis herein are specific to (i) the purpose of valuation agreed as per the terms of our engagement, (ii) the Report date and (iii) are based on the audited financial statements of MEML as at March 31, 2021. The management of the Companies have represented that the business activities of the Companies have been carried out in the normal and ordinary course till the Report date and that no material changes are expected in their respective operations and financial position to occur post March 31, 2021 and the Report date.
- 3.4. This report and the information contained herein are absolutely confidential and are intended for the use of management and representatives of the Companies for providing select information and only in connection with the purpose mentioned above or for sharing with shareholders, creditors, Regional Directors, Registrar of Companies, SEBI (including disclosures required under the SEBI Regulations on the Companies' website), Stock Exchanges, National Company Law Tribunal and office of other regulatory or statutory authorities as may be required to give effect to the Proposed Scheme. It should not be copied, disclosed, circulated, quoted or referred to, either in whole or in part, in correspondence or in discussion with any other person except to whom it is issued without our written consent. In the event, the companies or their management or their representatives intend to extend the use of this report beyond the purpose mentioned earlier in the report, with or without our consent, we will not accept any responsibility to any other party to whom this report may be shown or who may acquire a copy of the report.
- 3.5. The scope of our assignment did not involve us performing audit tests for the purpose of expressing an opinion on the fairness or accuracy of any financial or analytical information that was provided and used by us during the course of our work. The assignment did not involve us to conduct the financial or technical feasibility study. We have not done any independent technical valuation or appraisal or due diligence or legal title search of the assets or liabilities of the Companies or any of its subsidiaries or associated companies and have considered them at the value as disclosed by the Companies in their regulatory filings or in submissions, oral or written, made to us.
- 3.6. In rendering this report, we have not provided legal, regulatory, tax, accounting or actuarial advice and accordingly we do not assume any responsibility or liability in respect thereof.
- 3.7. Any matters related to legal title and ownership are outside the purview and scope of this valuation exercise. Further, no legal advice regarding the title and ownership of the subject





property has been obtained while conducting this valuation exercise. Valuation may be significantly influenced by adverse legal, title or ownership, encumbrance issues.

- 3.8. This report is based on the information received from the sources mentioned herein and discussions with the representatives of the Companies. We have assumed that no information has been withheld that could have influenced the purpose of our report.
- 3.9. We have assumed and relied upon the truth, accuracy and completeness of the information, data and financial terms provided to us or used by us, we have assumed that the same are not misleading and do not assume or accept any liability or responsibility for any independent verification of such information or any independent technical valuation or appraisal of any of the assets, operations or liabilities of the companies. Nothing has come to our knowledge to indicate that the material provided to us was mis-stated or incorrect or would not afford reasonable grounds upon which to base our report.
- 3.10. During the course of our work, we have relied upon the certain opinion documents made available by the management and representatives of the Companies. Though we have reviewed it, we have not independently verified the same. As these opinions/assumptions require the exercise of judgment and are subject to uncertainties, there can be no assurance that these assumptions are accurate.
- 3.11. For the present valuation exercise, we have also relied upon information available in the public domain; however, the accuracy and timeliness of the same has not been independently verified by us.
- 3.12. In addition, we do not take any responsibility for any changes in the information used by us to arrive at our conclusion as set out here in which may occur subsequent to the date of our report or by virtue of fact that the details provided to us are incorrect or inaccurate.
- 3.13. Further, this report is necessarily based on financial, economic, monetary, market and other conditions as in effect on, and the information made available to us or used by us up to, the date hereof. Subsequent developments in the aforementioned conditions may affect this report and the assumptions made in preparing this report and we shall not be obliged to update, revise or reaffirm this report if the information provided to us changes.
- 3.14. Our scope is limited to the purposes stated hereinabove. The Report should not be construed as, our opinion or certifying the compliance of the Proposed Scheme with the provisions of any law including the Companies Act 2013, taxation related laws, capital market related laws, any accounting, taxation or legal implications or issues arising from the Proposed Scheme.
- 3.15. Whilst all reasonable care has been taken to ensure that the factual statements in the report are accurate, neither us, nor any of our partners, officers or employees shall in any way be liable or responsible either directly or indirectly for the contents stated herein. Accordingly, we make no representation or warranty, express or implied, in respect of the completeness, authenticity or accuracy of such factual statements. We expressly disclaim any and all





liabilities, which may arise based upon the information used in this report. We are not liable to any party in relation to the issue of this report.

- 3.16. BDO Val owes responsibility to only the Boards of Directors of MEML and M&M Ltd; with reference to terms of engagement letter and nobody else. We will not be liable for any losses, claims, damages or liabilities arising out of the actions taken, omissions of or advice given by any other to the Clients. In no event shall we be liable for any loss, damages, cost or expenses arising in any way from fraudulent acts, misrepresentations or willful default on part of the Companies, their directors, employees or agents. In no circumstances shall the liability of a Valuer, its partners, its directors or employees, relating to the services provided in connection with the engagement set out in this Report shall exceed the amount paid to such Valuer in respect of the fees charged by it for these services.
- 3.17. This Report does not look into the business/commercial reasons behind the Proposed Scheme nor the likely benefits arising out of the same. Similarly, it does not address the relative merits of the Proposed Scheme as compared with any other alternative business transaction or any other alternatives, whether or not such alternatives could be achieved or are available.
- 3.18. Further this Report does not in any manner address the prices at which the equity shares of the Companies will trade following the announcement of the Scheme and we express no opinion or recommendation as to how the shareholders of the Companies should vote at any shareholders' meeting to be held in connection with the Proposed Scheme.
- 3.19. The recommendation(s) rendered in this report only represent our recommendation(s) based upon information furnished by the Clients (or its representatives) and other sources and the said recommendation(s) shall be considered to be in the nature of non-binding advice, (our recommendation will however not be used for advising anybody to take buy or sell decision, for which specific opinion needs to be taken from expert advisors). We have no obligation to update this report.
- 3.20. Further, after declaration of Covid-19 as a pandemic by World Health Organization and consequent imposition of lockdown in India has caused a widespread disruption in businesses as well as on financial markets in India and globally alike. Our assumptions for the valuation is surrounded by these unprecedented uncertainty across all the industries and sectors including the time period over which these circumstances could prevail. The valuation assumptions, the underlying projections and the outcome of the valuation analysis could materially change as a result of the continued or increased uncertainty around the prevalence of Covid-19 circumstances and hence a reliance on our valuation must be placed considering these unprecedented circumstances.





4. Sources of Information

4.1. For the purpose of undertaking this valuation exercise, in addition to the data and sources of information mentioned in the Merger Report, we have relied on the following sources of information provided by the Management and representatives of the Clients:

- Exercise price of M&M ESOPs proposed to be issued by M&M Ltd; and
- Other relevant data and information provided to us, whether in oral or physical form or in soft copy, and discussions with the representatives of the Clients.





5. Procedures Adopted for the purpose of Valuation

In connection with this exercise, we have adopted the following procedures to carry out the valuation:

- 5.1. To arrive at the ESOP Exchange Ratio in accordance with the Proposed Scheme, following steps have been undertaken:
- 5.2. Step 1: As mentioned in the letter attached to this Report, this Report should be read in conjunction with our Registered Valuer’s Report titled ‘Fair Equity Share Exchange Ratio in relation to the ‘Scheme of Merger by Absorption’ dated May 28, 2021 bearing reference number LM/May28-20/2021 (“**Merger Report**”)
- 5.3. Based on the Merger Report, we have derived the fair value per share of M&M Ltd and MEML of INR 796.64 and INR 38.19 respectively for recommending the share exchange ratio.
- 5.4. Step 2: We understand from the Management of MEML that ESOPs issued by MEML (“**MEML ESOPs**”) has exercise price of INR 24.90, INR 25.17 and INR 25.91 respectively.
- 5.5. Step 3: Based on above, for simplicity of calculation we have considered an ESOP holder holding 1 MEML ESOPs, the benefit to be received upon exercising the ESOPs on May 28, 2021 (“**benefit on exercising the MEML ESOPs on May 28, 2021**”), computed as the difference between fair value of 1 shares of MEML and exercise price of 1 MEML ESOPs, shall be as follows:

Sr no.	Fair Value per share of MEML (A)	Exercise Price for MEML ESOPs (INR) (B)	Benefit on exercising 1 MEML ESOP (INR) (C = A - B)
1	38.19	24.90	13.29
2	38.19	25.17	13.02
3	38.19	25.91	12.28

- 5.6. Step 4: We have then arrived at the benefit to the holder of 1 ESOP of M&M Ltd on May 28, 2021 (“**benefit on exercising M&M ESOPs on May 28, 2021**”) of INR 791.64 arrived at by reducing the exercise price per M&M ESOP of INR 5.0 from the fair value per share of M&M Ltd i.e. INR 796.64.
- 5.7. Step 5: In order to arrive at the fair exchange ratio resulting in the same amount of benefit to the MEML ESOP holders, pursuant to the issue of ESOPs of M&M Ltd, we have divided the benefit on exercising the MEML ESOPs on May 28, 2021 with the benefit on exercising M&M ESOPs on May 28, 2021 and rounded up the resultant ratio of M&M ESOPs for every 10,000 MEML ESOPs. (Refer Annexure I)
- 5.8. Based on above, fair share exchange for each tranche is arrived as below:

Sr no.	Exercise Price for MEML ESOPs (INR)	Ratio of M&M ESOPs per 10,000 MEML ESOPs
1	24.90	168
2	25.17	165
3	25.91	156





Annexure 1 - Fair Exchange Report Workings

Sr no.	Fair Value per share of MEML (A)	Exercise Price for MEML ESOPs (INR) (B)	Benefit on exercising 1 MEML ESOP (INR) (C = A - B)	Benefit on exercising 1 M&M ESOP (D = Fair Value per share of M&M Ltd - Exercise Price per M&M ESOP)	Ratio of M&M ESOPs per 10,000 ESOPs ("Fair Exchange Ratio") (E= ROUNDUP(((C*10000)/D),0)
1	38.19	24.90	13.29	791.64	168
2	38.19	25.17	13.02	791.64	165
3	38.19	25.91	12.28	791.64	156





CONFIDENTIAL

May 28, 2021

To,

The Board of Directors
Mahindra and Mahindra Limited
Gateway Building,
Apollo Bunder,
Mumbai-400001

The Board of Directors
Mahindra Electric Mobility Limited
Mahindra Towers, Dr. G. M. Bhosale Marg,
P. K. Kurne Chowk, Worli,
Mumbai-400018

Dear Members of the Board:

Subject: Fairness Opinion Report on the Equity Share Exchange Ratio for the Scheme of Merger by Absorption of Mahindra Electric Mobility Limited with Mahindra and Mahindra Limited

We, SBI Capital Markets Limited ("SBICAP") understand that the Board of Directors of Mahindra and Mahindra Limited ("M&M" or the "Company" or the "Transferee Company") is contemplating a merger of Mahindra Electric Mobility Limited ("MEML" or "Transferor Company") with Mahindra and Mahindra under a Scheme of Merger by absorption under section 230-232 and other applicable provisions of the Companies Act, 2013 ("Proposed Business Transaction") and has initiated an exercise to determine Fair Equity Share Exchange Ratio by appointing BDO Valuation Advisory LLP (hereinafter referred to as "BDO" or "Valuer").

D.S.





In consideration of the merger of the Transferor Company into the Transferee Company pursuant to the Scheme of Merger by absorption,

for every 10,000 equity share of the face value of Rs. 10 each held by the minority shareholders of the Transferor Company, the Transferee Company shall issue and allot 480 ordinary equity shares of the face value of Rs. 5 each fully paid up (hereinafter referred to as the **"Equity Share Exchange Ratio"**).

In this regard, the Company seeks a Fairness Opinion Report from SBICAP on the Equity Share Exchange Ratio as recommended by the Valuer.

SBICAP has not undertaken the valuation of MEML. Our Opinion and analysis is limited to the extent of review of documents as provided to us by the Transferee Company and Transferor Company including the Valuation Report prepared by BDO dated May 28, 2021. We have relied upon the accuracy and completeness of all information and documents provided to us including the audited Balance sheet of the transferor company as on March 31, 2020 and forward-looking projections till FY30 as provided by the company. We have relied upon publicly available data of M&M including documents available on their website.

In addition to the above, we had discussions with the Company officials on the business operations of the businesses concerned.

Further, we have had discussions with BDO on such matters that we believe are necessary or appropriate for the purpose of issuing the Fairness Opinion Report.

We assume no responsibility for the legal, tax, accounting or structuring matters including, but not limited to, legal or title concerns. Title to all subject assets is assumed to be good and marketable and we would urge the Company to carry out an independent assessment of the same prior to entering into any transaction, after giving due weightage to the results of such assessment.

We have assumed and relied upon, without independent verification, the accuracy and completeness of all information supplied or otherwise made available to us either in oral or written form, discussed with or reviewed by or for us, or publicly available. We have been informed that all information relevant for the purpose of issuing the Fairness Opinion Report has been disclosed to us and we are not aware of any material information that has been omitted or that remains undisclosed. This being so, no representation or warranty, expressed or implied, is or will be made, and no responsibility or liability is or will be accepted by



D.S.



SBICAP and its affiliates, directors, employees, agents or representatives, in relation to the accuracy or adequacy of information, contained in the Fairness Report or any other written or oral information made available to any party or their advisors. We do not accept any liability to any third party in relation to the issuance of the Fairness Opinion Report.

We have not conducted any evaluation of the solvency or fair value of the Company, under any laws relating to bankruptcy, insolvency or similar matters. In addition, we have not assumed any obligation to conduct any physical inspection of the properties or facilities of MEML. We have assumed and relied upon the truth, accuracy and completeness of the information, data and financial terms provided to us or publicly available; we have assumed that the same are not misleading and do not assume or accept any liability or responsibility for any independent verification of such information or any independent technical valuation or appraisal of any of the assets, operations or liabilities of MEML.

Our Fairness Opinion Report does not factor overall economic environment risk and other risks and is purely based on the information and representations provided to us. We have not assumed the risk of any material adverse change having an impact on the business of MEML.

We express no view as to, and our Fairness Opinion Report does not address, the underlying business decisions of any company to effect the Proposed Business Transaction nor does it constitute any kind of recommendation to any shareholder or creditor of M&M as regards to the Proposed Business Transaction or any matter related thereto. In addition, this Fairness Opinion Report does not address the fairness to, or any other consideration of, the holders of any class of securities, creditors or other constituencies of M&M. Our Fairness Opinion Report, as set forth herein relates to fairness of the Equity Share Exchange Ratio for issuance of M&M's own ordinary equity shares to the minority shareholders of MEML. We are not expressing any suggestions or opinion herein as to the price at which the shares of M&M will trade following the announcement of consummation of the Proposed Business Transaction or as to the prices at which the shares of M&M may be transacted.

D.S.





Our Fairness Opinion Report is not and does not purport to be an appraisal or otherwise reflective of the prices at which any business or security actually could be ideally bought or sold by any party and is not indicative of actual value or actual future results that might be achieved, which value may be higher or lower than those indicated, and any investment decision shall not be based solely on this Fairness Opinion Report and the buyer shall carry out their own due diligence.

Our Fairness Opinion Report is not necessarily based on economic, market and other conditions as in effect on the date of issuing this Fairness Opinion Report, and the information made available to us as of, the date thereof. It should be understood that in the case of any subsequent developments we do not have any obligation to update, revise, or reaffirm this Fairness Opinion Report.

To the extent that the conclusions are based on the projections, SBICAP expresses no opinion on the achievability of those forecasts.

In the ordinary course of business, we and our affiliates may actively trade or hold securities of the company that may be the subject matter of this transaction for our own account or for the account of our customers and accordingly, may at any time hold long or short position in such securities. In addition, we and our affiliates maintain relationships with M&M, MEML and their respective affiliates.

This Fairness Opinion Report is provided solely for the benefit of the Board of Directors of M&M and MEML and shall not confer rights and remedies upon, any shareholder of M&M or MEML, or any other person other than the members of the Board of Directors of M&M and MEML or be used for any other purpose.

This Fairness Opinion Report is only a free and fair opinion and does not constitute a commitment by SBICAP to underwrite, subscribe for or place any securities or to extend or arrange credit or to provide any other services.





Disputes, if any regarding this Fairness Opinion Report will be governed by and construed in accordance with the laws of India and the Courts in Mumbai, India shall have exclusive jurisdiction in this regard.

On the basis and subject to the foregoing, to the best of our knowledge and belief, it is our view that, as of the date hereof, the proposed Equity Share Exchange Ratio is fair, from a financial point of view.

Thanking you,

Yours faithfully,

For SBI Capital Markets Limited

A handwritten signature in cursive script, appearing to read 'Debrato Sen'.



Name: Debrato Sen

Designation: Dy Head- Investment Banking



Disclaimer:

This Fairness Opinion Certificate ("Certificate" or "This Certificate" or "this certificate") contains proprietary and confidential information regarding Mahindra and Mahindra Limited and Mahindra Electric Mobility Limited (the "Company" or "companies"). This certificate is issued for the exclusive use and benefit of the companies as the per Engagement letter dated May 16, 2021. This certificate has been issued by SBI Capital Markets ("SBICAP"), on the basis of information available in public domain and sources believed to be reliable and the information provided by the Company, Valuer and for the purpose to facilitate the Company to comply with, if applicable, the SEBI Listing Obligations and Disclosure Regulations, 2015 as amended, ("Listing Regulations") and it shall not be valid for any other purpose or as at any other date. This certificate is issued by SBICAP in the capacity of an independent merchant banker, on the valuation of assets/shares of the company done by BDO Valuation Advisory LLP.

This Certificate is issued by SBICAP without regard to specific objectives, suitability, financial situations and needs of any particular person and does not constitute any recommendation, and should not be construed as an offer to sell or the solicitation of an offer to buy, purchase or subscribe to any securities mentioned therein. Nothing in these materials is intended by SBICAP to be construed as legal, accounting, technical or tax advice. Past performance is not a guide for future performance. Forward-looking statements are not predictions and may be subject to change without notice. Actual results may differ materially from these forward-looking statements due to various factors. This certificate has not been and may not be approved by any statutory or regulatory authority in India or by any Stock Exchange in India. This certificate may not be all inclusive and may not contain all the information that the recipient may consider material.

This certificate and information contained herein or any part of it does not constitute or purport to constitute investment advice in publicly accessible media and should not be printed, reproduced, transmitted sold, distributed or published by the recipient without the prior written approval of SBICAP except for regulatory purposes and to effect the Proposed Business Transaction. The distributing/taking/sending/dispatching/transmitting of this document in certain foreign jurisdictions may be restricted by law, and persons into whose possession this document comes should inform themselves about, and observe, any such restrictions.



D.S.

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Registered Office: 202, Maker Tower 'E', Cuffe Parade, Mumbai 400 005. Tel: +91 22 22178300, Fax: +91 22 22188332
Email: corporate.office@sbicaps.com Web: www.sbicaps.com CIN: U99999MH1986PLC040298

A Subsidiary of State Bank of India



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SBICAP has not carried out any due diligence independently in verifying the accuracy or veracity of data provided by the Company and/or Valuer and SBICAP assumes no liability for the accuracy, authenticity, completeness or fairness of the data provided by the Company and/or Valuer. SBICAP has also assumed that the business continues normally without any disruptions.

Neither SBICAP nor State Bank of India or any of its associates, nor any of their respective Directors, officers, employees, agents or advisors or affiliate of any such person or such persons make any expressed or implied representation or warranty and no responsibility or liability is accepted by any of them and is expressly disclaimed with respect to the accuracy, completeness, authenticity or reasonableness of the facts, opinions, estimates, forecasts, projections, or other information set forth in this certificate, or the underlying assumptions on which they are based and nothing contained herein is or shall be relied upon as a promise or representation regarding the historic or current position or performance of the Company or any future events or performance of the Company.

This Certificate may be divided into chapters & sub-sections only for the purpose of reading convenience. Any partial reading of this certificate may lead to inferences, which may be at divergence with the conclusions and opinions based on the entirety of this certificate.

The opinion of SBICAP ("Opinion") under this certificate is not intended to and does not constitute a recommendation to any shareholders as to how such shareholder should vote or act in connection with the Proposed Business Transaction or any matter related therein. The opinion is not, nor should it be construed as our opining or certifying the compliance of the Proposed Business Transaction with the provisions of any law including company law, taxation and capital market related laws or as regards any legal implications or issued arising thereon. SBICAP assumes no responsibility for updating or revising our opinion based

D.S.





on circumstances or events occurring after the date hereof. SBICAP does not express any

opinion as to the price at which the shares of M&M may trade at any time,

including subsequent to the date of this opinion. In rendering the opinion, SBICAP has assumed, that the Proposed Business Transaction will be implemented on the terms described in the business agreement, without any waiver or modification of any material terms or conditions, and that in the course of obtaining any necessary regulatory or third party approvals for the merger, no delay, limitation, restriction or condition will be imposed that would have an adverse effect on the entities under the Proposed Business Transaction and/or its holding or subsidiaries or affiliates and their respective shareholders.

In the past, SBICAP may have provided, and may currently or in the future provide, investment banking services to the entities under the Proposed Business Transaction and/or its holding or subsidiaries or affiliates and their respective shareholders, for which services SBICAP has received or may receive customary fees. In addition, in the ordinary course of their respective businesses, affiliates of SBICAP may actively trade securities of the entities under the Proposed Business Transaction and/or its holding or subsidiaries or affiliates and their respective shareholders for their own accounts or for the accounts of their customers and accordingly, may at any time hold position in such securities. SBICAP engagement and the opinion expressed herein are for the benefit of the Board of Directors of the entities under the Proposed Business Transaction and for no other purposes. Neither SBICAP nor its affiliates, partners, directors, shareholders, managers, employees or agents of any of them, makes any representation or warranty, express or implied, as to the information or documents provided to us, based on which the opinion has been issued. All such parties and entities expressly disclaim any and all liability for, or based on relating to any such information contained therein.

By accepting a copy of this certificate, the recipient accepts the terms stated above, which form an integral part of this certificate.

D.S.





CONFIDENTIAL

May 28, 2021

To,

The Board of Directors
Mahindra and Mahindra Limited
Gateway Building,
Apollo Bunder,
Mumbai-400001

The Board of Directors
Mahindra Electric Mobility Limited
Mahindra Towers, Dr. G. M. Bhosale Marg,
P. K. Kurne Chowk, Worli,
Mumbai-400018

Dear Members of the Board:

Subject: Fairness Opinion Report on the ESOP Exchange Ratio in relation to the proposed issue of Employee Stock Options ("ESOPs") by Mahindra & Mahindra Ltd. ("M&M") to Employee Stock Option ("ESOP") Holders of Mahindra Electric Mobility Limited ("MEML") in accordance with the Scheme of Merger by absorption of MEML into M&M

We, SBI Capital Markets Limited ("SBICAP") understand that the Board of Directors of Mahindra and Mahindra Limited ("M&M" or the "Company") is contemplating a merger of Mahindra Electric Mobility Limited ("MEML") with Mahindra and Mahindra under a Scheme of Merger by absorption under section 230-232 and other applicable provisions of the Companies Act, 2013 and has initiated an exercise to determine ESOP Exchange Ratio for the proposed issue of M&M ESOPs to Employee Stock Option ("ESOP") Holders of Mahindra Electric Mobility Limited ("Proposed Transaction") by appointing BDO Valuation Advisory LLP (hereinafter referred to as "BDO" or "Valuer").

D.S.





The management of M&M Ltd has informed there is an Employee Stock Option Scheme-2010 presently available to its employees wherein ESOPs have been issued to its employees at an exercise price of INR 5/- each. Under the same scheme it is proposed M&M Ltd shall issue ESOPs in exchange to the ESOPs held by MEML ESOP holders.

MEML has granted options to its eligible employees under the MEML Employee Stock Option Plan 2017 ("ESOP") which were issued with an exercise price of INR 24.90, INR 25.17 and INR 25.91 respectively. Currently, ESOPs outstanding stood at 8,646,944 as at May 12, 2021 held as under:

Sr. No	Exercise Price	Options Outstanding
1	24.90	7,406,959
2	25.17	1,071,624
3	25.91	168,361
	TOTAL	8,646,944

In consideration of the Proposed Transaction, the ESOP Exchange Ratio is as below:

Sr. No	Exercise Price	Ratio of M&M ESOPs for every 10,000 MEML ESOPs
1	24.90	168
2	25.17	165
3	25.91	156

D.S.





In this regard, the Company seeks a Fairness Opinion Report from SBICAP on the ESOP Exchange Ratio as recommended by the Valuer.

Our Opinion and analysis is limited to the extent of review of documents and information as provided to us by the Company including the Valuation Report prepared by BDO dated May 28, 2021. We have relied upon the accuracy and completeness of all information and documents provided to us.

In addition to the above, we had discussions with the Company officials and BDO on such matters that we believe are necessary or appropriate for the purpose of issuing the Fairness Opinion Report.

We have assumed and relied upon, without independent verification, the accuracy and completeness of all information supplied or otherwise made available to us either in oral or written form, discussed with or reviewed by or for us, or publicly available. We have been informed that all information relevant for the purpose of issuing the Fairness Opinion Report has been disclosed to us and we are not aware of any material information that has been omitted or that remains undisclosed. This being so, no representation or warranty, expressed or implied, is or will be made, and no responsibility or liability is or will be accepted by SBICAP and its affiliates, directors, employees, agents or representatives, in relation to the accuracy or adequacy of information, contained in the Fairness Report or any other written or oral information made available to any party or their advisors. We do not accept any liability to any third party in relation to the issuance of the Fairness Opinion Report.

We express no view as to, and our Fairness Opinion Report does not address, the underlying business decision of the company to effect the Proposed Transaction nor does it constitute any kind of recommendation to any shareholder of M&M as regards to the Proposed Transaction or any matter related thereto. We are not expressing any suggestions or opinion herein as to the price at which the shares of M&M will trade following the announcement of consummation of the Proposed Transaction or as to the prices at which the shares of M&M may be transacted.

D.S.





Our Fairness Opinion Report is not and does not purport to be an appraisal or otherwise reflective of the prices at which any business or security actually could be ideally bought or sold by any party and is not indicative of actual value or actual future results that might be achieved, which value may be higher or lower than those indicated, and any investment decision shall not be based solely on this Fairness Opinion Report and the buyer shall carry out their own due diligence.

Our Fairness Opinion Report is not necessarily based on economic, market and other conditions as in effect on the date of issuing this Fairness Opinion Report, and the information made available to us as of, the date thereof. It should be understood that in the case of any subsequent developments we do not have any obligation to update, revise, or reaffirm this Fairness Opinion Report.

In the ordinary course of business, we and our affiliates may actively trade or hold securities of the company that may be the subject matter of this transaction for our own account or for the account of our customers and accordingly, may at any time hold long or short position in such securities. In addition, we and our affiliates maintain relationships with M&M, MEML and their respective affiliates.

This Fairness Opinion Report is provided solely for the benefit of the Board of Directors of M&M and MEML and shall not confer rights and remedies upon, any shareholder of M&M or MEML, or any other person other than the members of the Board of Directors of M&M and MEML or be used for any other purpose. This certificate and information contained herein or any part of it does not constitute or purport to constitute investment advice in publicly accessible media and should not be printed, reproduced, transmitted sold, distributed or published by the recipient without the prior written approval of SBICAP except for regulatory purposes and to effect the Proposed Transaction.





This Fairness Opinion Report is only a free and fair opinion and does not constitute a commitment by SBICAP to underwrite, subscribe for or place any securities or to extend or arrange credit or to provide any other services.

Disputes, if any regarding this Fairness Opinion Report will be governed by and construed in accordance with the laws of India and the Courts in Mumbai, India shall have exclusive jurisdiction in this regard.

On the basis and subject to the foregoing, to the best of our knowledge and belief, it is our view that, as of the date hereof, the proposed ESOP Exchange Ratio is fair, from a financial point of view.

Thanking you,

Yours faithfully,

A handwritten signature in blue ink, appearing to read 'Debrato Sen'.



For SBI Capital Markets Limited

Name: Debrato Sen

Designation: Dy. Head – Investment Banking

BSE Limited Registered Office: Floor 25, P J Towers, Dalal Street, Mumbai – 400 001, India
 T : +91 22 2272 8045 / 8055 F : +91 22 2272 3457 www.bseindia.com
 Corporate Identity Number: L67120MH2005PLC155188



DCS/AMAL/PB/R37/2191/2020-21

“E-Letter”

January 13 ,2022

The Company Secretary,
Mahindra and Mahindra Limited.
 Gateway Building, Apollo Bunder,
 Mumbai, Maharashtra, 400001

Dear Sir,

Sub: Observation letter regarding the Scheme of Merger by Absorption of Mahindra Electric Mobility Limited with Mahindra and Mahindra Limited and their respective shareholders.

We are in receipt of the Draft Scheme of Merger by Absorption of Mahindra and Mahindra Limited as required under SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017; SEBI vide its letter dated January 13, 2022 has inter alia given the following comment(s) on the draft scheme of Arrangement:

- “Company shall ensure that additional information and undertakings, if any, submitted by the Company, after filing the scheme with the stock exchange, and from the date of receipt of this letter is displayed on the websites of the listed company and the stock exchanges.”
- “Company shall duly comply with various provisions of the Circular”
- “Company shall ensure that no changes to the draft scheme except those mandated by the regulators/ authorities / tribunals shall be made without specific written consent of SEBI.”
- “Company shall ensure that the undertaking as submitted by the company to BSE wherein it was declared and confirmed that no material event (as defined under SEBI LODR Regulations) has occurred in the Companies, post the date of issuance of the valuation report dated May 28, 2021 as submitted in the Application under Regulation 37 for filing of Draft Scheme of Arrangement’, which might have an impact on the valuation; shall be brought to the notice of NCLT”
- Company shall ensure that suitable disclosure about the latest financials of the companies involved in the Scheme being not more than 6 months old is done before filing the same with the Hon'ble National Company Law Tribunal”
- “Company is advised that the observations of SEBI/Stock exchange(s) shall be incorporated in the petition to be filed before Hon'ble National Company Law Tribunal (‘NCLT’) and the company is obliged to bring the observations to the notice of Hon'ble 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 SEBI again for its comments / observations / representations.”

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

- To provide additional information, if any, (as stated above) along with various documents to the Exchange for further dissemination on Exchange website.
- To ensure that additional information, if any, (as stated aforesaid) along with various documents are disseminated on their (company) 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 NCLT.

BSE Limited Registered Office: Floor 25, P J Towers, Dalal Street, Mumbai – 400 001, India
T : +91 22 2272 8045 / 8055 F : +91 22 2272 3457 www.bseindia.com
Corporate Identity Number: L67120MH2005PLC155188

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 company involved in the format prescribed for abridged prospectus as specified in the circular dated March 10, 2017.

Kindly note that as required under Regulation 37(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the validity of this Observation Letter shall be six months from the date of this Letter, within which the scheme shall be submitted to the NCLT.

The Exchange reserves its right to withdraw its 'No adverse 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.

Further, it may be noted that with reference to Section 230 (5) of the Companies Act, 2013 (Act), read with Rule 8 of Companies (Compromises, Arrangements and Amalgamations) Rules 2016 (Company Rules) and Section 66 of the Act read with Rule 3 of the Company Rules wherein pursuant to an Order passed by the Hon'ble National Company Law Tribunal, a Notice of the proposed scheme of compromise or arrangement filed under sections 230-232 or Section 66 of the Companies Act 2013 as the case may be **is required to be served upon the Exchange seeking representations or objections if any.**

In this regard, with a view to have a better transparency in processing the aforesaid notices served upon the Exchange, the Exchange has **already introduced an online system of serving such Notice along with the relevant documents of the proposed schemes through the BSE Listing Centre.**

Any service of notice under Section 230 (5) or Section 66 of the Companies Act 2013 seeking Exchange's representations or objections if any, **would be accepted and processed through the Listing Centre only and no physical filings would be accepted.** You may please refer to circular dated February 26, 2019 issued to the company.

Yours faithfully,

Sd/-

Prasad Bhide
Manager



National Stock Exchange Of India Limited

Ref: NSE/LIST/27766_III

January 14, 2022

The Company Secretary
Mahindra & Mahindra Limited
Gateway Building, Apollo Bunder,
Mumbai – 400001.

Kind Attn.: Mr. Narayan Shankar

Dear Sir,

Sub: Observation Letter for draft scheme of merger by absorption of Mahindra Electric Mobility Limited (“MEML”) with Mahindra & Mahindra Limited (“M&M”) and their respective shareholders

We are in receipt of draft scheme of merger by absorption of Mahindra Electric Mobility Limited (“MEML”) with Mahindra & Mahindra Limited (“M&M”) and their respective shareholders vide application dated July 28, 2021.

Based on our letter reference no. NSE/LIST/27766 submitted to SEBI and pursuant to SEBI Master Circular dated December 22, 2020 (“Circular”), kindly find following comments on the draft scheme:

- a. *Company shall ensure that 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.*
- b. *The entities involved in the scheme shall duly comply with various provisions of the said Circular.*
- c. *Company shall ensure that no changes are made to the draft scheme except those mandated by the regulators/ authorities / tribunals shall be made without specific written consent of SEBI.*
- d. *The Company shall ensure that the undertaking as submitted by the company to the Exchanges wherein it was declared and confirmed that no material event (as defined under SEBI LODR Regulations) has occurred in the Companies, post the date of issuance of the valuation report dated May 28, 2021 as submitted in the ‘Application under Regulation 37 for filing of Draft Scheme of Arrangement’, which might have impact on the valuation, shall be brought to the notice of NCLT.*
- e. *The Company shall ensure that all suitable disclosure about the latest financials of the companies involved in the Scheme being not more than 6 months old is done before filing the same with Hon’ble National Company Law Tribunal.*
- f. *Company is advised that the observations of SEBI/Stock Exchange(s) 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 Hon’ble NCLT.*



g. *It is to be noted that the petitions are filed by the Company before Hon'ble NCLT after processing and communication of comments/observations on draft scheme by SEBI/Stock Exchange(s). Hence, the company is not required to send notice for representation as mandated under Section 230(5) of Companies Act, 2013 to SEBI again for its comments/ observations/ representations.*

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 January 14, 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>

**Mahindra & Mahindra Ltd.**

Mahindra Towers,
Dr. G. M. Bhosale Marg, Worli,
Mumbai 400 018 India
Tel: +91 22 24901441
Fax: +91 22 24975081

REF:NS:SEC:
7th September, 2021

To,
Listing Compliance Department,
National Stock Exchange of India Ltd.,
Exchange Plaza, C-1, Block G,
Bandra Kurla Complex, Bandra (E)
Mumbai - 400 051

Scrip Code: M&M

Dear Sir,

Ref: Application seeking approval under Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 for Scheme of Merger by Absorption of Mahindra Electric Mobility Limited ("MEML") with Mahindra & Mahindra Limited ("M&M" or "the Company")

Sub: Report on Complaints in terms of SEBI Master Circular no. SEBI/HO/CFD/DIL1/CIR/P/2020/249 dated 22nd December, 2020

This is in connection with the application made by the Company under Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") regarding the proposed Scheme of Merger by Absorption of Mahindra Electric Mobility Limited ("MEML") with Mahindra & Mahindra Limited ("M&M" or "the Company") and their respective shareholders ("Scheme") under sections 230 to 232 and other applicable provisions of the Companies Act, 2013.

In terms of the requirements of Part 1 (A)(6) of the SEBI Master Circular no. SEBI/HO/CFD/DIL1/CIR/P/2020/249 dated 22nd December, 2020 ("SEBI Circular"), the period of 21 days from the hosting of said documents by NSE on its website i.e. 13th August, 2021 expired on 4th September, 2021, and we hereby submit the 'Report on Complaints' on the said Scheme.

Regd. Office: Gateway Building, Apollo Bunder, Mumbai 400 001, India
Tel: +91 22 22021031 | Fax: +91 22 22875485
Email : group.communications@mahindra.com
mahindra.com
CIN No. L65990MH1945PLC004558



Mahindra & Mahindra Ltd.
Mahindra Towers,
Dr. G. M. Bhosale Marg, Worli,
Mumbai 400 018 India
Tel: +91 22 24901441
Fax: +91 22 24975081

The Report on Complaints is also being uploaded on the website of the Company, as per requirement of said SEBI Circular.

We request you to kindly take the above on record.

Yours faithfully,
For MAHINDRA & MAHINDRA LIMITED

A handwritten signature in black ink, appearing to read 'N. Shankar', is written over a horizontal line.

NARAYAN SHANKAR
COMPANY SECRETARY

Encl: as above



Mahindra & Mahindra Ltd.
 Mahindra Towers,
 Dr. G. M. Bhosale Marg, Worli,
 Mumbai 400 018 India
 Tel: +91 22 24901441
 Fax: +91 22 24975081

Report on Complaints

Period of Complaints Report: 14th August, 2021 to 4th September, 2021

Part A

Sr. No.	Particulars	Number
1	Number of complaints received directly	Nil
2	Number of complaints forwarded by Stock Exchanges / SEBI	Nil
3	Total Number of complaints/comments received (1+2)	Nil
4	Number of complaints resolved	Not Applicable
5	Number of complaints pending	Not Applicable

Part B

Sr. No.	Name of complainant	Date of Complaint	Status (Resolved/pending)
	Not Applicable		

For MAHINDRA & MAHINDRA LIMITED

NARAYAN SHANKAR
COMPANY SECRETARY

Date: 7th September, 2021

Regd. Office: Gateway Building, Apollo Bunder, Mumbai 400 001, India
 Tel: +91 22 22021031 | Fax: +91 22 22875485
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 mahindra.com
 CIN No. L65990MH1945PLC004558



Mahindra & Mahindra Ltd.
Mahindra Towers,
Dr. G. M. Bhosale Marg, Worli,
Mumbai 400 018 India
Tel: +91 22 24901441
Fax: +91 22 24975081

REF:NS:SEC:
21st September, 2021

To,
Listing Department,
The BSE Limited,
Phiroze Jeejeebhoy Towers,
Dalal Street, Fort, Mumbai – 400 001

BSE Scrip Code: 500520

Dear Sir,

Ref: Application seeking approval under Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 for Scheme of Merger by Absorption of Mahindra Electric Mobility Limited (“MEML”) with Mahindra & Mahindra Limited (“M&M” or “the Company”)

Sub: Report on Complaints in terms of SEBI Master Circular no. SEBI/HO/CFD/DIL1/CIR/P/2020/249 dated 22nd December, 2020

This is in connection with the application made by the Company under Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) regarding the proposed Scheme of Merger by Absorption of Mahindra Electric Mobility Limited (“MEML”) with Mahindra & Mahindra Limited (“M&M” or “the Company”) and their respective shareholders (“Scheme”) under sections 230 to 232 and other applicable provisions of the Companies Act, 2013.

In terms of the requirements of Part I (A)(6) of the SEBI Master Circular no. SEBI/HO/CFD/DIL1/CIR/P/2020/249 dated 22nd December, 2020 (“SEBI Circular”), the period of 21 days from the hosting of said documents by BSE on its website i.e. 27th August, 2021 has expired on 18th September, 2021, and we hereby submit the ‘Report on Complaints’ on the said Scheme.

Regd. Office: Gateway Building, Apollo Bunder, Mumbai 400 001, India
Tel: +91 22 22021031 | Fax: +91 22 22875485
Email : group.communications@mahindra.com
mahindra.com
CIN No. L65990MH1945PLC004558



Mahindra & Mahindra Ltd.
Mahindra Towers,
Dr. G. M. Bhosale Marg, Worli,
Mumbai 400 018 India
Tel: +91 22 24901441
Fax: +91 22 24975081

The Report on Complaints is also being uploaded on the website of the Company, as per requirement of said SEBI Circular.

We request you to kindly take the above on record.

Yours faithfully,
For MAHINDRA & MAHINDRA LIMITED

A handwritten signature in black ink, appearing to read 'N. Shankar', is written over a horizontal line.

NARAYAN SHANKAR
COMPANY SECRETARY

Encl: as above



Mahindra & Mahindra Ltd.
 Mahindra Towers,
 Dr. G. M. Bhosale Marg, Worli,
 Mumbai 400 018 India
 Tel: +91 22 24901441
 Fax: +91 22 24975081

Report on Complaints

Period of Complaints Report: 28th August, 2021 to 18th September, 2021

Part A

Sr. No.	Particulars	Number
1	Number of complaints received directly	Nil
2	Number of complaints forwarded by Stock Exchanges / SEBI	Nil
3	Total Number of complaints/comments received (1+2)	Nil
4	Number of complaints resolved	Not Applicable
5	Number of complaints pending	Not Applicable

Part B

Sr. No.	Name of complainant	Date of Complaint	Status (Resolved/pending)
Not Applicable			

For MAHINDRA & MAHINDRA LIMITED

**NARAYAN SHANKAR
 COMPANY SECRETARY**

Date: 21st September, 2021

Regd. Office: Gateway Building, Apollo Bunder, Mumbai 400 001, India
 Tel: +91 22 22021031 | Fax: +91 22 22875485
 Email : group.communications@mahindra.com
 mahindra.com
 CIN No. L65990MH1945PLC004558



MAHINDRA ELECTRIC MOBILITY LIMITED

Registered Office: Mahindra Towers, Dr. G. M. Bhosale Marg, P. K. Kurne Chowk, Worli, Mumbai- 400018
Telephone No.: +91 22 24901441 Website: www.mahindraelectric.com
CIN: U34101MH1996PLC325507

DISCLOSURE DOCUMENT

This is a disclosure document ("Disclosure Document") prepared solely in connection with the proposed Scheme of Merger by Absorption of Mahindra Electric Mobility Limited (the "Company" or "MEML" or "Transferor Company") with Mahindra & Mahindra Limited ("M&M" or "Transferee Company") and their respective shareholders (hereinafter referred to as the "Scheme") under sections 230 to 232 and other applicable provisions of the Companies Act, 2013 read with the rules framed thereunder, including any statutory modification or re-enactment or amendment thereof (collectively the "Act") and all other applicable rules and regulations. This Disclosure Document discloses applicable information of the unlisted company i.e., Transferor Company, in compliance with the Securities and Exchange Board of India ("SEBI") Master Circular No. SEBI/HO/CFD/DIL1/CIR/P/2021/0000000665 dated November 23, 2021, as amended, to the extent applicable ("SEBI Master Circular") and SEBI Circular no. SEBI/HO/CFD/SSEP/CIR/P/2022/14 dated February 04, 2022, ("SEBI Circular 2022"). Unless specifically defined herein, capitalised terms and abbreviations used herein shall have the same meaning as ascribed to them in the Scheme.

This document is prepared to comply with the requirements of Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with the Para 3(a) of Part I (A) of the SEBI Master Circular, setting out details in relation to the Transferor Company and in accordance with the disclosures required to be made in the format specified for an abridged prospectus in SEBI Circular 2022. You may also download the Disclosure Document along with the Scheme and other relevant documents from the website of the Transferee Company (www.mahindra.com), BSE Limited ("BSE") (www.bseindia.com) and the National Stock Exchange of India Limited ("NSE") (www.nseindia.com) (hereinafter BSE and NSE collectively referred as "Stock Exchanges") where the equity shares of the Transferee Company are listed.

THIS DISCLOSURE DOCUMENT CONTAINS 12 PAGES. PLEASE ENSURE THAT YOU HAVE RECEIVED ALL THE PAGES.

Pursuant to the Scheme, it is proposed to merge the Transferor Company with the Transferee Company and in consideration fully paid-up ordinary equity shares are to be issued by the Transferee Company to the shareholders of the Transferor Company (other than the Transferee Company holding directly or jointly with its nominee shareholders) as on the Record Date specified in the Scheme.

Further, upon the Scheme becoming effective, the stock options of the Transferee Company under the existing Transferee Company ESOP Scheme or a revised stock option plan shall be issued to the ESOP Holders of the Transferor Company, identified as on the Record Date, after taking into account the ESOP Exchange Ratio, as specified in the Scheme.

The Scheme is subject to approvals of relevant regulatory authorities, such as, amongst others, SEBI/ Stock Exchanges and the Hon'ble National Company Law Tribunal, Mumbai Bench ("NCLT").

This Disclosure Document dated July 11, 2022 should be read together with the Scheme and the notice sent to the shareholders of the Transferee Company.

MAHINDRA ELECTRIC MOBILITY LIMITED

CIN: U34101MH1996PLC325507; Date of Incorporation: April 2, 1996

Registered Office	Corporate Office	Contact person	E-mail and Telephone	Website
Mahindra Towers, Dr G. M. Bhosale Marg, P.K. Kurne Chowk, Worli, Mumbai 400 018, Maharashtra, India	8 th Floor, Gold Hill Square Software Park, #690, Hosur Road, Bommanahalli, Bangalore 560068 Karnataka, India	Jignesh Parikh, Company Secretary	Email: parikh.jignesh@ mahindra.com Tel: +91 22 2490 5944	www.mahindraelectric.com

PROMOTER OF THE TRANSFEROR COMPANY

MAHINDRA & MAHINDRA LIMITED

Details of Offer to Public	Not Applicable
Details of OFS by Promoter(s)/ Promoter Group/ Other Selling Shareholders	Not Applicable
Price Band, Minimum Bid Lot & Indicative Timelines	Not Applicable
Details of WACA of all shares transacted over the trailing eighteen months from the date of RHP	Not Applicable

RISK IN RELATION TO THE FIRST OFFER

Not Applicable

GENERAL RISKS

Investments in equity and equity-related securities involve a degree of risk. Specific attention of the readers is invited to the sections titled “Scheme Details, Listing and Procedure” and “Internal Risk Factors” on pages 2 and 10 respectively of this Disclosure Document.

SCHEME DETAILS, LISTING AND PROCEDURE

Scheme details:

The Scheme is pursuant to the provisions of Sections 230 to 232 and other relevant provisions of the Act, as may be applicable, and in compliance with Section 2(1B) of the Income-Tax Act, 1961 as applicable and other applicable laws, for the merger of the Transferor Company with the Transferee Company and their respective shareholders.

Upon the Scheme becoming effective, and with effect from the Appointed Date, the entire business and whole of the Undertaking of the Transferor Company shall be and stand vested in or be deemed to have been vested in the Transferee Company, as a going concern without any further act, instrument, deed, matter or thing so as to become, as and from the Appointed Date, the undertaking of the Transferee Company by virtue of and in the manner provided in the Scheme.

Upon the Scheme becoming effective and with effect from the Appointed Date, all the assets, properties, rights, interests, benefits, privileges, intellectual property rights, statutory licenses/ approvals, loans and advances and other obligations, if any, cash and bank accounts (including bank balances) and deposits, if any and investments of all kinds (including shares, scrips, stocks, bonds, debenture stocks, units or pass through certificates, investment in subsidiaries), along with all debts, borrowings, obligations, duties and liabilities of every kind, nature and description of the Transferor Company shall without any further act, instrument or deed, be and stand transferred to and vested in and/or be deemed to have been transferred to and vested in, the Transferee Company.

Upon the Scheme becoming effective and upon merger of the Transferor Company with the Transferee Company, the Transferee Company without any application or deed shall issue and allot 480 (Four Hundred Eighty) Ordinary (Equity) Shares of the face value of INR 5 each of the Transferee Company as fully paid up for every 10,000 (Ten Thousand) Equity shares of the face value of INR 10 each fully paid up held in the Transferor Company (“Share Exchange Ratio”).

Upon the Scheme becoming effective and upon merger of the Transferor Company with the Transferee Company, the Transferor Company Stock Options held by ESOP Holders shall be substituted by such number of ESOPs of the Transferee Company as arrived at after taking into account the ESOP Exchange Ratio as under:

Sr. No.	Exercise Price for Transferor Company Stock Options (INR)	Ratio of ESOPs of Transferee Company per 10,000 Transferor Company Stock Options
1	24.90	168
2	25.17	165
3	25.91	156

Upon the Scheme becoming effective, the Transferor Company shall stand dissolved without winding-up and without any further act or deed.

The Appointed Date for the Scheme is April 1, 2021 or such other date as may be directed or approved by the NCLT or any other appropriate authority.

For further details, please refer to the Scheme.

Listing:

Upon the Scheme becoming effective, as consideration for merger by absorption, the shareholders of Transferor Company (other than the Transferee Company holding directly or jointly with its nominee shareholders) shall be issued and allotted fully paid-up equity shares of Transferee Company as per the Share Exchange Ratio mentioned above. The equity shares issued and allotted to the shareholders of Transferor Company shall be listed and admitted to trading on the Stock Exchanges, where the equity shares of Transferee Company are listed and admitted to trading, subject to Transferee Company obtaining the required approvals within the timelines prescribed under the applicable laws.

Procedure:

The issue of equity shares of Transferee Company is made only to the shareholders of Transferor Company, as on the record date, in accordance with the Scheme and there is no public offer of securities. Hence, the procedure with respect to General

Information Document (GID) is not applicable to this Disclosure Document.

PRICE INFORMATION OF BOOK RUNNING LEAD MANAGER(S)

Not Applicable

Name of BRLM and contact details (telephone and email id) of each BRLM:	Not Applicable	Statutory Auditors of the Company:	M/s. B S R & Co. LLP, Chartered Accountants (Firm Registration Number 101248W/W-100022)
Syndicate Members:	Not Applicable	Registrar:	Not Applicable
Credit Rating Agency:	Not Applicable	Non-Syndicate Registered Broker:	Not Applicable
Debenture Trustee:	Not Applicable	Self-Certified Syndicate Banks:	Not Applicable

Details regarding website address(es)/ link(s) from which the investor can obtain list of registrar to issue and share transfer agents, depository participants and stock brokers who can accept application from investor (as applicable):

Not Applicable

PROMOTER OF THE TRANSFEROR COMPANY

Sr. No.	Name	Individual/ Corporate	Experience & Educational Qualification
1	Mahindra & Mahindra Limited	Corporate	<p>Experience: The Transferee Company is <i>inter alia</i>, engaged in the business of manufacture and sale of tractors, general purpose utility vehicles, light commercial vehicles, three-wheelers and trucks and buses and has a strong presence in the domestic large utility vehicles. It also has market leadership in the domestic tractor markets and is also the world's largest tractor manufacturer by volume. The Transferee Company, through its subsidiaries and group companies, also has presence in information technology, financial services, real estate, hospitality, renewable energy, logistics, steel trading and processing, agricultural services, aerostructures, defence, infrastructure and industrial equipment.</p> <p>The Transferee Company is part of the diversified Mahindra Group that has presence across 12 business verticals in over 100 countries, with an employee base of over 260,000.</p> <p>The Transferee Company was incorporated and registered in India under the Indian Companies Act, VII of 1913 on October 2, 1945. The corporate identity number of the Transferee Company is L65990MH1945PLC004558 and its registered office is situated at Gateway Building, Apollo Bunder, Mumbai 400 001, Maharashtra, India. The equity shares of Transferee Company are currently listed on the BSE and NSE. The global depository receipts of the Transferee Company are listed on the Luxembourg Stock Exchange and are also admitted for trading on International Order Book of the London Stock Exchange. The privately placed non-convertible debentures of the Transferee Company are also listed on the debt segment of BSE.</p> <p>Educational Qualification: Not Applicable</p>

As on March 31, 2021 (being the latest date before filing the Scheme with the Stock Exchanges), the Transferee Company holds 35,60,82,447 equity shares constituting 99.35% of the equity share capital of Transferor Company. The Board of Directors of Transferee Company as on the date of this Disclosure Document are as under:

Sr. No.	Name of Directors	Designation	DIN
1	Anand G. Mahindra	Chairman	00004695
2	Anish Shah	Managing Director & CEO	02719429
3	Rajesh Jejurikar	Executive Director (Automotive and Farm Sectors)	00046823
4	CP Gurnani	Non-Executive Non-Independent Director	00018234
5	Vijay Kumar Sharma	Non-Executive Non-Independent Director (Nominee of Life Insurance Corporation of India)	02449088
6	Vikram Singh Mehta	Lead Independent Director	00041197

Sr. No.	Name of Directors	Designation	DIN
7	T. N. Manoharan	Non-Executive Independent Director	01186248
8	Shikha Sharma		00043265
9	Haigreve Khaitan		00005290
10	Vishakha N Desai		05292671
11	Nisaba Godrej		00591503
12	Muthiah Murugappan		07858587

BUSINESS OVERVIEW AND STRATEGY

Company Overview: The Transferor Company is an unlisted public limited company originally incorporated on April 2, 1996 in the name of Maini-Amerigon Car Company Private Limited. Subsequently, pursuant to the fresh certificate of incorporation consequent to change of name, the name of the Company was changed to Reva Electric Car Company Private Limited on May 13, 1999. On July 31, 2010, the name of the Company was further changed to Mahindra Reva Electric Vehicles Private Limited pursuant to the fresh certificate of incorporation consequent to change of name. Furthermore, pursuant to the fresh certificate of incorporation consequent upon its conversion to public limited company, the name was further changed to Mahindra Reva Electric Vehicles Limited on December 30, 2015. Subsequently, the name of the Transferor Company was changed to its present name 'Mahindra Electric Mobility Limited' pursuant to the fresh certificate of incorporation consequent to change of name on February 15, 2017.

M&M or the Transferee Company is the present promoter of Transferor Company from the effective date (i.e., July 1, 2021) of the scheme of merger by absorption of Mahindra Vehicle Manufacturers Limited ("MVML"), a wholly owned subsidiary of the Transferee Company, with Transferee Company and their respective shareholders under the provisions of Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 read with the Rules framed thereunder, duly approved by NCLT vide its order dated April 26, 2021 ("MVML Scheme"). Prior to the effective date of MVML Scheme, MVML was the promoter of the Transferor Company.

The Transferor Company manufactures electric vehicles ("EV") and is a service provider for e-systems and electric powertrains, including battery technology, power-electronics, drivetrain components, testing facilities and integration services.

- **Product/Service Offering**

The Transferor Company operates in the following businesses, viz.,

- Products for Last mile/shared mobility:** The Transferor Company deals with EV products that are designed, developed and manufactured in-house and are sold and marketed through M&M's established dealership channels. This business largely focuses on the products used for commercial purposes and has developed a three-wheeler product range TREO. The Transferor Company has developed a cloud-based platform 'NEMO' (Next-Generation Mobility) that enables a new generation of shared, connected and mobility services. This platform will help its users to manage the EV more efficiently by using features such as fleet management, location services, trip planning, maintenance, etc.
- Technology platforms for Original Equipment Manufacturers (OEMs):** The Transferor Company provides electrification services for the existing brands of vehicles in M&M and other OEMs.

Revenue segmentation by product/service offering

Revenue from operations

(INR Lakhs)

Particulars		March 31, 2022	March 31, 2021
Sale of Products			
Revenue from sale of products		36,048	13,596
	(A)	36,048	13,596
Sale / Rendering of Services			
Product development		8,268	6,685
Income from leasing		3	107
After sales service		37	30
	(B)	8,308	6,822
Other Operating Revenue			
Scrap sale		32	23
	(C)	32	23
Total (A) + (B) + (C)		44,388	20,441

Geographies served

Revenue segmentation by geographies:

(INR Lakhs)

Geography	March 31, 2022	March 31, 2021
India	40,249	18,435
South Korea	3,826	1,663
Nepal	179	144
Others	131	92
Total*	44,385	20,334

* Excludes the lease income.

- Key Performance Indicators**

Particulars	March 31, 2022	March 31, 2021
3 Wheeler Volume (Nos)	10,031	3,643
Revenue (Including other income) (INR Lakhs)	44,724	21,269
PAT (INR Lakhs)	-7,052	-10,713

- Client Profile or Industries Served**

Revenue segmentation in terms of top clients or Industries:

(INR Lakhs)

Particulars	Industries served	March 31, 2022	March 31, 2021
Mahindra & Mahindra Limited	Automotive	5,849	3,304
Ssangyong Motor Company	Automotive	4,335	1,561
Indraprastha Motors Private Limited	Dealer for Automotive	1,144	1,101
Automotive Manufacturers Private Limited	Dealer for Automotive	1,999	973
Premier Auto Sales & Service	Dealer for Automotive	547	663
Karnataka Agencies	Dealer for Automotive	1,558	190

- Intellectual Property, if any**

(As on May 31, 2022)

S.No.	Act	Granted	Applied	Withdrawn/ Refused/ Expired
1.	The Trademark Act, 1999	54	10	22
2.	The Copyright Act, 1957	1	Nil	Nil
3.	The Patents Act, 1970	14	41	6
4.	The Designs Act, 2000	6	Nil	4

- Market Share**

Market share (as per SIAM)	April- March 2022
Industry Electric - 3W Sales (Nos)	22,987
Mahindra Electric - 3W Sales (Nos)*	9,948
Market share	43%

* Excludes exports i.e. 83 nos.

- Manufacturing plant, if any**

1) Bengaluru

Plot No. 66 to 69 and 72 to 76, Bommasandra Industrial Area,
4th Phase Jigani Link Road Anekal Taluk,
Bengaluru Urban, Karnataka 560099.

Activity undertaken:

Assembly of electric vehicles, parts and components thereof

2) Maharashtra

Plot No. A1, C/o. Mahindra and Mahindra Limited,
Phase-IV, Chakan MIDC, Taluka Khed, Pune,
Maharashtra 410501.

Activity undertaken:

Assembly of aggregates and related parts for electric vehicles thereof

• **Employee Strength**

Function	As on May 31, 2022
Non-tech (Business, finance, HR, legal, admin)	32
Operations (Customer support, collections and other operations)	167
Tech (Engineering, product, design, data science, analytics, information security)	378
Total	577

Business Strategy

Following are some of the key business strategies of the Transferor Company:

- To focus on becoming a leading brand in providing electric mobility experiences and solutions;
- To increase the product portfolio and gain significant market share within India in 3-wheeler segment and first and last mile segment;
- To launch innovative products and enter new segments in EV;
- To expand in international markets especially for 3-wheeler markets;
- To continue to engage with various stakeholders for driving faster adoption of electric vehicles and ensure a progressive and greener future in the mobility system;
- To focus on cost-efficient production.

For further details, please refer to section titled “Objects/Rationale of the Scheme” on page 8 of this Disclosure Document.

BOARD OF DIRECTORS OF THE TRANSFEROR COMPANY*

Sr. No.	Name and DIN	Designation	Experience & Educational Qualification	Other Directorships
1	Rajesh Jejurikar DIN: 00046823	Non-Executive Chairman and Non-Independent Director	Rajesh Jejurikar is an MBA from S P Jain Institute of Management and attended the Advanced Management Program at The Wharton School, University of Pennsylvania. He has diverse experience across packaged goods, advertising, media, automotive and farm equipment. He joined M&M in the year 2000 as Vice President–Marketing for Automotive Sector and gradually moved up the ranks to become the President – Farm Equipment Sector in the year 2015. He is presently the Executive Director (Automotive & Farm Sectors) of M&M. He is a member of the executive committee of The Society of Indian Automobile Manufacturer (SIAM) besides representing various other industry associations in past.	<p>Indian Companies:</p> <ol style="list-style-type: none"> 1. Mahindra and Mahindra Limited 2. Swaraj Engines Limited 3. Classic Legends Private Limited <p>Foreign Companies:</p> <ol style="list-style-type: none"> 1. Mahindra USA Inc 2. Mahindra Two Wheelers Europe Holdings S.A.R.L. 3. Peugeot Motorcycle SAS 4. Mitsubishi Mahindra Agricultural Machinery Co. Ltd. 5. Mahindra Automotive North America Inc 6. Automobili Pininfarina GmbH 7. Aliaxis S A

Sr. No.	Name and DIN	Designation	Experience & Educational Qualification	Other Directorships
2	Ravindra Dhariwal DIN: 00003922	Non-Executive Independent Director	Ravindra Dhariwal is an Engineer from Indian Institute of Technology, Kanpur and an MBA from Indian Institute of Management, Calcutta. He has over 44 years of experience in building consumer businesses across the globe. He is the co-founder and chairman of Sagacito Technologies, a data analytics firm specialising in helping enterprises maximise their revenues. He also acts as a senior advisor, mentor and board member of several leading companies. In past, he has been associated with various groups like Bennett & Coleman, Pepsico and Unilever.	Indian Companies: 1. Sagacito Technologies Private Limited 2. TBO Tek Limited 3. Sterling Holiday Resorts Limited 4. Ecco Electronics Private Limited 5. Bata India Limited 6. Sheela Foam Limited 7. Future Retail Limited Foreign Companies: None
3	Ruzbeh Irani DIN: 01831944	Non-Executive Non Independent Director	Ruzbeh Irani holds a bachelor's degree in Commerce from Bombay University and Master's in Management Studies from the Jamnalal Bajaj Institute of Management Studies, Mumbai. He is an alumnus of the Advanced Management Program at the Harvard Business School. He has experience in diverse fields like sales, marketing, HR & communications over the last 36 years. Presently, he is President-Group HR & Communications at M&M. He is a member of M&M Group Executive Board. Prior to joining M&M in the year 2007, he was associated with Unilever Group for over 20 years.	Indian Companies: 1. The Mahindra United World College of India 2. Mahindra Holidays & Resorts India Limited 3. Mahindra Defence Systems Limited 4. Mahindra Airways Limited Foreign Companies: None
4	Vijay Nakra DIN: 02638616	Non-Executive Non Independent Director	Vijay Nakra is a graduate in mechanical engineering from MIT, Manipal and PGDBA in Marketing from NMIMS, Mumbai. He has over 26 years of experience in Automotive Sector and has held various strategic positions at M&M. He is presently the President-Automotive Division, M&M. His portfolio consists of multiple domestic and global business segments, including passenger vehicles, commercial vehicles and construction equipment.	Indian Companies: 1. NBS International Limited 2. Mahindra eMarket Limited Foreign Companies: 1. Mahindra and Mahindra South Africa Pty. Limited 2. Mahindra Ideal Lanka Private Limited
5	Suman Mishra DIN: 06727958	Whole Time Director and Chief Executive Officer	Suman Mishra is an MBA from University of Michigan, Ross School of Business. She is also a Computer Engineer from NTU Singapore. She has over 20 years of experience in business transformation across multiple industries like pharmaceuticals, automotive, chemical, retail, etc. Presently, she is the Whole-time Director and CEO of MEML and has been associated with M&M Group for over 6 years now in various capacities. In past, she has been associated with Cipla and McKinsey.	Indian Companies: None Foreign Companies: CIE Automotive S.A.

Sr. No.	Name and DIN	Designation	Experience & Educational Qualification	Other Directorships
6	Amit Kumar Sinha DIN: 09127387	Non-Executive Non Independent Director	Amit Sinha holds a Bachelor of Engineering (Electrical and Electronics) from the Birla Institute of Technology, Ranchi. He holds dual MBA from The Wharton School, University of Pennsylvania, specializing in Finance and Strategy. He has experience of over 18 years in the field of strategy. Presently, he is the Chief Strategy Officer for Mahindra Group. In his current role, he is leading the group strategy office and works with group's overall portfolio of businesses for growth over the short and long-term. Prior to joining Mahindra group, he was associated with Bain & Company, I-Gate Patni (now Capgemini) and Tata Motors.	<p>Indian Companies:</p> <ol style="list-style-type: none"> 1. Mahindra and Mahindra Financial Services Limited 2. Mahindra First Choice Wheels Limited 3. Mahindra Susten Private Limited 4. Mahindra Logistics Limited 5. Fifth Gear Ventures Limited 6. Mahindra Rural Housing Finance Limited <p>Foreign Companies: None</p>
7	Nikhilesh Panchal DIN: 00041080	Non-Executive Independent Director	Nikhilesh Panchal holds masters degree in law and is practicing as a lawyer for more than 39 years. He is registered Advocate with Bar Council of Maharashtra & Goa, and a registered Solicitor with the Bombay Incorporated Law Society and Law Society of England & Wales, United Kingdom. He is also a registered Patent and Trademark Attorney. He is a partner at M/s Khaitan & Co since 2005. Prior to that he was a partner at M/s Little & Co. He has vast experience in Corporate & Commercial laws and in particular acquisitions, mergers and amalgamations, capital market transaction including primary market transactions involving domestic and international capital raising process by Indian companies and secondary market transactions, including takeover. He also has experience in foreign collaborations, joint ventures and technology transfers involving Intellectual Property and related rights matters and connected procedures under Foreign Exchange Management Act (FEMA).	<p>Indian Companies:</p> <ol style="list-style-type: none"> 1. Gromax Agri Equipment Limited 2. Bristlecone India Limited 3. Unilever India Exports Limited 4. Lakme Lever Private Limited 5. MSL Driveline Systems Limited 6. NRB Industrial Bearings Limited 7. Neilsoft Private Limited <p>Foreign Companies: None</p>

* As on the date of this Disclosure Document

OBJECTS / RATIONALE OF THE SCHEME

Rationale for merger of Transferor Company with Transferee Company:

- Global automobile industry is accelerating the adoption of Electric Vehicles ("EV") and its share to total Automobile market is expected to increase rapidly. The Indian Government has also been encouraging this migration with various timeline linked incentives. Future readiness will require increased investment, reconfiguration of value chain, faster launch of new EV products and remapping of managerial skill sets.
- MEML has expertise in EV technology while M&M has expertise in automotive design, engineering and manufacturing, sourcing network and sales, marketing & service channels. Thus, the value chain required for end-to-end EV development, manufacturing and sales is currently spread between M&M and MEML. The proposed consolidation will bring this entire value chain under one umbrella driving sharper focus for smooth and efficient management of the value chain requirements with scale and agility required to meet the increasing focus on EVs.
- M&M also envisages significant investments in the EV business to scale up the business and develop a robust EV product pipeline for which the proposed consolidation will be critical. Further, M&M's better credit rating will also provide significant savings in finance costs for funding the investment.

- The consolidation of MEML with M&M will also result in:
 - i. Optimizing capital investments for manufacturing EVs by leveraging manufacturing and R&D infrastructure of M&M and hence lower EV costs.
 - ii. Leveraging M&M Sales & Marketing channel to increase EV penetration, optimize price points for customers and improve dealer viability.
 - iii. Rationalization of number of identified operating entities thereby reducing the legal and regulatory compliances.
- The proposed scheme will be beneficial, advantageous and not prejudicial to the interests of the shareholders, creditors and other stakeholders of MEML and M&M.

Upon effectiveness of the Scheme, Transferor Company shall stand dissolved without being wound up and without any further deed or act. For further details, please refer to the Scheme.

Details of means of finance	Not Applicable
Details and reasons for non-deployment or delay in deployment of proceeds or changes in utilization of issue proceeds of past public issues/ rights issues, if any, of the company in the preceding 10 years	Not Applicable
Name of monitoring agency, if any	Not Applicable
Terms of issuance of convertible security, if any	Not Applicable

PRE-SCHEME SHAREHOLDING PATTERN OF THE TRANSFEROR COMPANY#

Sr. No.	Particulars	No. of shareholders	Number of shares	% holding
1	Promoter and Promoter Group		35,60,82,447	99.35
a.	M&M*	6**	35,60,82,447	99.35
2	Public		23,33,898	0.65
a.	Bodies Corporate	1	1,07,798	0.03
b.	Individual shareholders holding nominal share capital up to INR 1 lakh	6	10,121	0.00
c.	Individual shareholders holding nominal share capital in excess of INR 1 lakh	29	22,15,979	0.62
	Total	42	35,84,16,345	100.00

As at March 31, 2021

* Equity shares of MEML now stand vested with M&M, upon the MVML Scheme being effective

** Equity shares held directly and jointly with its nominees

Number / amount of equity proposed to be sold by the selling shareholders, if any: Not applicable

AUDITED FINANCIALS

The financial information (Ind-AS) of Transferor Company is provided below:

(INR crores except per share data)

Sr. No.	Particulars	Audited		
		FY 2021-22	FY 2020-21	FY 2019-20
1	Revenue from operations (net)	443.88	204.41	272.61
2	Total income	447.24	212.69	278.90
3	Net Profit / (Loss) before tax	(70.52)	(107.13)	(55.23)
4	Net Profit / (Loss) after tax	(70.52)	(107.13)	(55.23)
5	Equity share capital	359.75	358.42	323.19
6	Other equity	(171.82)	(103.34)	(54.97)
7	Net worth ¹	187.93	255.08	268.22
8	Basic & Diluted ² earnings per share	(1.96)	(3.12)	(1.72)
9	Return on net worth (%) ³	(37.52)	(42.00)	(20.59)
10	Net asset value per share ⁴	5.22	7.12	8.30

Notes:

- 1 Net worth is calculated as a sum of Equity Share Capital and Other equity.
- 2 Basic & Diluted earnings per share is computed by dividing the profit for the year after tax by the weighted average number of equity shares outstanding during the year.
- 3 Return on net worth (%) is computed by dividing the net profit/ (loss) after tax by the Net worth.
- 4 Net asset value per share is computed by dividing the Net worth by the outstanding number of equity shares.

INTERNAL RISK FACTORS

1. The COVID-19 pandemic and resulting deterioration of general economic conditions has impacted our business and results of operations in the past and the extent to which it will impact our future business will depend on future developments, which are unascertainable.
2. Disruption in the supply of components and raw materials or failure of our suppliers to meet their obligations could impact our production and increase our costs.
3. The market for electric vehicles is relatively new, rapidly evolving, characterized by rapidly changing technologies, price competition, additional competitors, evolving government regulations, subsidy structure and industry standards, frequent new vehicle announcements and consumers' willingness to adopt electric vehicles. A decline in the trend towards electrification driven by changing consumer preference or any change in government policies and available subsidies, laws and regulations that reduces or eliminates support for electrification of vehicles, could impact our business operations and competitive position of the Company.
4. Lack of availability of, and access to relevant and adequate charging infrastructure, will result in a slowdown in the increasing trend towards vehicle electrification, which may impact our ability to capture the growth opportunity in the electric vehicle market.
5. Development of technologically advanced systems and components involves a lengthy and expensive process with uncertain timelines and outcomes. We are dependent on the success of our R&D and the failure to develop new or improved products or process improvements or production techniques could subject us to write-offs or otherwise impact our business.

SUMMARY OF OUTSTANDING LITIGATIONS, CLAIMS AND REGULATORY ACTION

A. Total number of outstanding litigations against the Transferor Company and amount involved as on May 31, 2022:

Sr. No.	Name of the entity	Criminal proceedings	Tax proceedings	Statutory or Regulatory proceedings	Disciplinary actions by the SEBI or Stock Exchanges against our Promoters	Material civil litigation	Aggregate amount involved (INR crores)
1	Company						
	By the Company	Nil	2	Nil	Nil	Nil	@4.21
	Against the Company	Nil	6	1	Nil	Nil	@1.51
2	Directors						
	By our Directors	Nil	Nil	Nil	Nil	\$3	5.50
	Against the Directors	Nil	Nil	#4	Nil	Nil	Nil
3	Promoters						
	By Promoters	16	56	2	Nil	Nil	@526.28
	Against Promoters	18	176	18	Nil	Nil	@1,557.91
4	Subsidiaries*						
	By Subsidiaries	NA	NA	NA	NA	NA	NA
	Against Subsidiaries	NA	NA	NA	NA	NA	NA

* Transferor Company does not have any subsidiary; NA: Not Applicable

@ to the extent ascertainable

not against the Company

\$ not by the Company

B. Brief details of top 5 material outstanding litigations as on May 31, 2022 against Transferor Company and amount involved:

Sr. No.	Particulars	Litigation filed by	Current Status	Amount involved (INR crores)
1	Mahindra Electric Mobility Limited has obtained the Advance License from JDGFT, Bangalore for duty free import. The Company has to submit the Export Obligation Discharge Certificate within 30 days from the expiry of export obligation period. Since the Company could not fulfil the export obligation as per Advance License, Custom Department has issued the Show Cause Notice. The demand was confirmed and the Company filed an appeal before Commissioner (A) who allowed the appeal upon producing the 'Export Obligation Discharge Certificate' along with the appeal petition and also verifying the proof of payment of duty as against the short shipment along with interest. The Company has submitted the Export Obligation Discharge Certificate to the Customs Authority and the order is awaited from Additional Commissioner of Customs for closure of Advance Authorization Licence.	Commissioner of Customs	Pending before Addl Commissioner, Customs	0.51
2	Mahindra Electric Mobility Limited has filed four Refund Applications during January, 2008 to March, 2010 for the unutilized input tax credit used in the manufacturing of final products for export under Rule 5 of Cenvat Credit Rules 2004. The Department has rejected the Refund Applications on the ground that the final product was exempt from payment of duty. The Company has filed an appeal before CESTAT. Out of INR 95.63 lakh refund application INR 51.42 was received in cash. The Department has issued fresh Show Cause Notice mentioning that the Refund granted to the Company appears wrong and should be demanded from the Company.	High Court of Karnataka	At show cause notice stage. Adjudication Pending	0.51
3	Mahindra Electric Mobility Limited have obtained the Advance License from JDGFT, Bangalore for duty free import. The Company has to submit the Export Obligation Discharge Certificate within 30 days from the expiry of export obligation period. Since the Company could not fulfil the export obligation as per Advance License, Custom Department has issued the Show Cause Notice. The Company has paid the differential duty and interest for the inputs used in the cars sold to domestic market. The demand was confirmed and the Company filed an appeal before Commissioner (A) who allowed the appeal upon producing the 'Export Obligation Discharge Certificate' along with the appeal petition and also verifying the proof of payment of duty as against the short shipment along with interest. The Company has submitted the Export Obligation Discharge Certificate to the Customs Authority and the order is awaited from Additional Commissioner of Customs for closure of Advance Authorization Licence.	Addl Commissioner, Customs	Pending before Addl Commissioner, Customs	0.45
4	Mahindra Electric Mobility Limited has filed an Application for Refund of Service Tax paid on the services provided by the Custom House Agent and Courier Agency relating to export of finished goods i.e. Electric Operated Cars under Notification No. 41/2007 of Service Tax Act 1994. The Refund Application was rejected by the Assistant Commissioner contending that the invoices did not contain the details as mentioned in Notification Number 41/2007 i.e. Shipping Bill Number and date etc. The Company has filed an appeal and the issue was remanded back to the Original Authority to examine the details furnished by the Company. Since the matter is related to refund, there is no liability which arises on the Company.	Asst. Commissioner of Excise	Pending with Original Authority	0.02

Sr. No.	Particulars	Litigation filed by	Current Status	Amount involved (INR crores)
5	Mahindra Electric Mobility Limited received a Show Cause Notice ("SCN") dated December 13, 2021 from the Inspector, Legal Metrology, Kollam ("Authority") on December 21, 2021 alleging that the month and year in which the commodity was manufactured or packed was not mentioned on the seized package thereby violating the provisions of Section 18 of the Legal Metrology Act, 2009. The Company responded to SCN with an interim reply dated December 29, 2021, <i>inter alia</i> , requesting to share the images of the seized packages. After receiving the images, since the provisions of the Legal Metrology Act, 2009 and rules framed thereunder, were incorrectly mentioned in the SCN, the Company, vide its reply letter dated January 25, 2022 requested the Authority to clarify the exact violation in order to help the Company appreciate the matter in its proper perspective. The Authority vide his letter dated February 23, 2022, clarified that during his inspection at M/s Asian Motors Service Centre, Pallimukku, Kollam on March 22, 2021, the declarations mentioned on the label and the contents of the package were entirely different. The Company, accordingly, had responded to the Authority, on March 4, 2022, explaining why MEML cannot be said to have committed any offence as alleged in SCN and requested to close the matter. Reply from the Authority is awaited.	Inspector, Legal Metrology, Kollam	Reply from Inspector, Legal Metrology, Kollam is awaited.	Nil

C. Regulatory Action, if any, disciplinary action taken by SEBI or stock exchanges against the Promoters in last 5 financial years including outstanding action, if any

Nil

D. Brief details of outstanding criminal proceedings as on May 31, 2022 against Promoter

Eighteen (18) criminal cases have been filed against M&M and/or certain directors and/or current/former officials of M&M, in relation to alleged violations arising in the course of our business operations under the Indian Penal Code, 1860. These matters are currently pending at various stages of adjudication.

ANY OTHER IMPORTANT INFORMATION AS PER BRLM / TRANSFEROR COMPANY

Nil

DECLARATION BY THE TRANSFEROR COMPANY

We hereby declare that all relevant provisions of the Companies Act, 2013 and the guidelines or regulations issued by the Government of India or the guidelines or regulations issued by the SEBI, established under Section 3 of the SEBI Act, 1992 as the case may be, have been complied with and no statement made in this Disclosure Document is contrary to the provisions of the Companies Act, 2013, the SEBI Act, 1992 or rules made or guidelines or regulations issued thereunder, as the case may be. We further certify that all statements in the Disclosure Document are true and correct.

For Mahindra Electric Mobility Limited



Suman Mishra
Wholetime Director & Chief Executive Officer
DIN: 06727958

Date: July 11, 2022

Place: Mumbai



Ernst & Young Merchant Banking Services LLP
 14th Floor, The Ruby,
 29 Senapati Bapat Marg,
 Dadar West,
 Mumbai - 400 028, India

Tel: +91 22 61920000
 ey.com

July 11, 2022

To
 The Board of Directors
Mahindra & Mahindra Limited
 Mahindra Towers,
 Dr. G. M. Bhosale Marg, Worli,
 Mumbai 400 018, Maharashtra

Dear Sirs,

Sub: Scheme of Merger by Absorption of Mahindra Electric Mobility Limited (the “Company” or “MEML” or “Transferor Company”) with Mahindra & Mahindra Limited (“M&M” or “Transferee Company”) and their respective shareholders under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 (“Scheme”)

Due Diligence Certificate on the Disclosure Document dated July 11, 2022 of MEML

Securities and Exchange Board of India (“SEBI”) vide circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/000000665 dated November 23, 2021, as amended (“SEBI Master Circular”) inter-alia prescribed that the listed entity shall include the applicable information pertaining to the unlisted entity/ies involved in the scheme in the format as specified for abridged prospectus as provided in Part E of Schedule VI of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 (“SEBI ICDR Regulations”), as amended (“Disclosure Document”) in the explanatory statement or notice or proposal accompanying resolution to be passed, sent to the shareholders while seeking their approval on the Scheme. SEBI, vide its circular no. SEBI/HO/CFD/SSEP/CIR/P/2022/14 dated February 04, 2022, (“SEBI Circular 2022”), replaced the prescribed format as specified for abridged prospectus as provided in Part E of Schedule VI of the SEBI ICDR Regulations.

The accuracy and adequacy of the disclosures on the unlisted entity/ies made in the Disclosure Document prepared in the format as mentioned above shall be certified by a SEBI registered Merchant Banker after following the due diligence process.

Consequently, as part of the implementation of the Scheme, the Transferee Company will be required to send the Disclosure Document on the Transferor Company to its shareholders while seeking their approval on the Scheme.

In this background, we have been engaged by the Transferee Company to issue a certificate in compliance with the above-mentioned requirement.

Accordingly, we, on the basis of the examination of various documents pertaining to Transferor Company made available to us by Transferee Company and discussions with the officials of Transferee Company, confirm that the information contained in the Disclosure Document is in conformity with the format specified for abridged prospectus in the SEBI Circular 2022 and the information disclosed in the Disclosure Document is fair, accurate and adequate.

Thanking you,

Yours Sincerely,

For Ernst & Young Merchant Banking Services LLP

Parag Mehta
 Partner

REPORT ADOPTED BY THE BOARD OF DIRECTORS OF MAHINDRA ELECTRIC MOBILITY LIMITED AT ITS MEETING HELD ON 28th MAY, 2021 AS PER THE PROVISIONS OF SECTION 232(2)(c) OF THE COMPANIES ACT, 2013

1. Background

1.1 The Board of Directors ("Board") of Mahindra Electric Mobility Limited ("MEML" or "Transferor Company" or "Company") at its Meeting held on 28th May, 2021, approved the Scheme of Merger by Absorption of the Company with Mahindra & Mahindra Limited ("M&M" or "Transferee Company") and their respective shareholders ("the Scheme") under sections 230 to 232 and other applicable provisions of the Companies Act, 2013 ("the Act"). The Appointed Date under the Scheme is 1st April, 2021 or such other date as may be directed or approved by the National Company Law Tribunal, Mumbai Bench ("NCLT") or any other appropriate authority.

1.2 As per section 232(2)(c) of the Act, a report is required to be adopted by the Board of Directors of the Company explaining the effect of the Scheme on each class of shareholders, key managerial personnel ("KMPs"), promoters and non-promoter shareholders of the Company laying out in particular the Share Exchange Ratio specifying any special valuation difficulties.

Accordingly, this report was adopted by the Board at its Meeting held on 28th May, 2021, in pursuance to the requirements of Section 232(2)(c) of the Act.

1.3 While deliberating the Scheme, the Board of Directors of the Company considered *inter-alia* and took on record the following documents placed before it:

i. The Scheme;

ii. Valuation Report dated 28th May, 2021, issued by an independent Registered Valuer, M/s. BDO Valuation Advisory LLP having registration number IBBI/RV-E/02/2019/103 ("Valuation Report" or "Share Exchange Report"), providing the share exchange ratio as under –

"480 (Four Hundred Eighty) Ordinary (Equity) Shares of the face value of Rs. 5 each of M&M shall be issued and allotted as fully paid up for every 10,000 (Ten Thousand) Equity share of the face value of Rs. 10 each fully paid up held in MEML";

iii. Fairness opinion dated 28th May, 2021, issued by M/s. SBI Capital Markets Limited, an independent SEBI Registered (Category I) Merchant Banker (Firm Registration No. INM000003531), providing its opinion on the fairness of the share exchange ratio in the Valuation Report by Registered Valuer ("Fairness Opinion");

iv. Valuation Report dated 28th May, 2021, issued by an independent Registered Valuer, M/s. BDO Valuation Advisory LLP having registration number IBBI/RV-E/02/2019/103 ("ESOP Exchange Report") providing the exchange ratio for MEML ESOPs; and

v. Fairness opinion dated 28th May, 2021 issued by M/s. SBI Capital Markets Limited, an independent SEBI Registered (Category I) Merchant Banker (Firm Registration No. INM000003531), providing its opinion on the fairness of the ESOP exchange ratio provided in the Valuation Report by the Registered Valuer ("ESOP Fairness Opinion").

2. Effect of the Scheme on Equity Shareholders (Promoters and Non-Promoters) and KMPs of the Company

2.1 Under Part II of the Scheme, it is proposed to merge the Company with M&M.

2.2 Upon the Scheme becoming effective and upon Merger of the Company with M&M in terms of this Scheme, M&M shall immediately following such transfer and vesting of the Undertaking of the Company into M&M without any application or deed, issue and allot Ordinary (Equity) Shares of M&M, credited as fully paid up, to the extent indicated below, to the equity shareholders of the Company i.e. Non-Promoter shareholders of the Company, whose names appear in the register of members of the Company (except M&M or its subsidiaries holding shares directly or jointly with its nominee shareholders) including shares held by KMPs of the Transferor Company in the Company, on the Record Date or to such of their respective heirs, executors, administrators or other legal representatives or other successors in title as may be recognized by the Board of Directors of the Company in the following manner viz.:

"480 (Four Hundred Eighty) Ordinary (Equity) Shares of the face value of Rs. 5 each of M&M shall be issued and allotted as fully paid up for every 10,000 (Ten Thousand) Equity share of the face value of Rs. 10 each fully paid up held in MEML"

Fractional entitlements to be rounded off to the next higher whole number.

In consideration of the shares held by the Non-Promoter shareholders in MEML, such Non-Promoter shareholders will be allotted equity shares in M&M and such equity shares will form part of public shareholders of M&M.

The above share exchange ratio is based on the Valuation Report dated 28th May, 2021 issued by Registered Valuer, M/s. BDO Valuation Advisory LLP. In relation to the equity shares held by the Transferee Company or its subsidiary(ies) in Transferor Company (held directly or jointly with its nominee shareholders) i.e. Promoter shareholders of the Company, upon the Scheme becoming effective, no shares of the Transferee Company shall be allotted in lieu or exchange of the holding of the Transferee Company or its subsidiary(ies) in the Transferor Company (held directly or jointly with the nominee shareholders) and the issued and paid-up capital of the Transferor Company shall stand cancelled to that extent.

- 2.3 Under the Scheme, no rights of the staff and employees of the Company are being affected. Upon the coming into effect of the Scheme, all employees on the payroll of MEML as on the Effective Date, shall become the employees of the Transferee Company without any break in or interruption of service.
- 2.4 The stock options of the Company held by the ESOP Holders who are employees of the Company or employees of M&M or its subsidiaries, as on the Record Date shall be substituted with Employee Stock Options ("ESOPs") of the Transferee Company in accordance with Clause 11 of the Scheme.
- 2.5 The Directors and KMPs of the Company may be deemed to be concerned and / or interested in the Scheme only to the extent of their shareholding in the companies forming part of the Scheme, and / or to the extent said Director(s) and / or KMPs are the partners, directors, members of the companies, firms, association of persons, bodies corporate and/or beneficiary of trust, that hold shares in any of the said companies. The Directors and KMPs of the Company will cease to be Directors and KMPs of the Company from the Effective date as the Company will cease to exist.
- 2.6 As on the date of this Report, the Company has no other class of shareholders.

3. Adoption of the Report by the Board of Directors

The Board of Directors of the Company has adopted this report after noting and considering the information set forth in this report.

For and on behalf of the Board of Directors
MAHINDRA ELECTRIC MOBILITY LIMITED

Jignesh Parikh
Company Secretary
Place: Mumbai
Date: 28th May, 2021

REPORT ADOPTED BY THE BOARD OF DIRECTORS OF MAHINDRA & MAHINDRA LIMITED AT ITS MEETING HELD ON 28th MAY, 2021 AS PER THE PROVISIONS OF SECTION 232(2)(c) OF THE COMPANIES ACT, 2013

1. Background

- 1.1. The Board of Directors ("Board") of Mahindra & Mahindra Limited ("M&M" or "Transferee Company" or "Company") at its Meeting held on 28th May, 2021, approved the Scheme of Merger by Absorption of Mahindra Electric Mobility Limited ("MEML" or "Transferor Company") with the Company and their respective shareholders ("the Scheme") under sections 230 to 232 and other applicable provisions of the Companies Act, 2013 ("the Act"). The Appointed Date under the Scheme is 1st April, 2021 or such other date as may be directed or approved by the National Company Law Tribunal, Mumbai Bench ('NCLT') or any other appropriate authority.
- 1.2. As per section 232(2)(c) of the Act, a report is required to be adopted by the Board of Directors of the Company explaining the effect of the Scheme on each class of shareholders, key managerial personnel ("KMPs"), promoters and non-promoter shareholders of the Company laying out in particular the Share Exchange Ratio specifying any special valuation difficulties.

Accordingly, this report was adopted by the Board at its Meeting held on 28th May, 2021, in pursuance to the requirements of section 232(2)(c) of the Act.

- 1.3. While deliberating on the Scheme, the Board of Directors of the Company considered, *inter-alia*, and took on record the following documents placed before it:
 - i. The Scheme;
 - ii. Valuation Report dated 28th May, 2021, issued by an independent Registered Valuer, M/s. BDO Valuation Advisory LLP having registration number IBBI/RV-E/02/2019/103 ("Valuation Report" or "Share Exchange Report"), providing the share exchange ratio as under-

"480 (Four Hundred Eighty) Ordinary (Equity) Shares of the face value of Rs. 5 each of M&M shall be issued and allotted as fully paid up for every 10,000 (Ten Thousand) Equity share of the face value of Rs. 10 each fully paid up held in MEML"
 - iii. Fairness opinion dated 28th May, 2021, issued by M/s. SBI Capital Markets Limited, an independent SEBI Registered (Category I) Merchant Banker (Firm Registration No. INM000003531), providing its opinion on the fairness of the share exchange ratio in the Valuation Report by Registered Valuer ("Fairness Opinion");
 - iv. Valuation Report dated 28th May, 2021, issued by an independent Registered Valuer, M/s. BDO Valuation Advisory LLP having registration number IBBI/RV-E/02/2019/103 ("ESOP Exchange Report") providing the exchange ratio for MEML ESOPs;
 - v. Fairness opinion dated 28th May, 2021, issued by M/s. SBI Capital Markets Limited, an independent SEBI Registered (Category I) Merchant Banker (Firm Registration No. INM000003531), providing its opinion on the fairness of the ESOP exchange ratio ("ESOP Fairness Opinion");
 - vi. Certificate of M/s. B S R & Co. LLP, Chartered Accountants, Statutory Auditors of the Company, confirming the minimum price at which shares should be allotted to the shareholders of MEML in terms of pricing provisions of Chapter V of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, read with SEBI Master Circular No. SEBI/HO/CFD/DIL1/CIR/P/2020/249 dated 22nd December, 2020 ('SEBI Circular');
 - vii. Certificate of M/s. B S R & Co. LLP, Chartered Accountants, Statutory Auditors of the Company, confirming that the accounting treatment contained in the Scheme is in compliance with the applicable Indian Accounting Standards prescribed under section 133 of the Act read with the rules framed thereunder and other generally accepted accounting principles;
 - viii. Undertaking with regard to non-applicability of requirements i.e. approval only by public shareholders, prescribed in Part I(A)(10)(b) of the SEBI Circular, and Certificate of M/s. B S R & Co. LLP, Chartered Accountants, Statutory Auditors of the Company certifying the said undertaking;
 - ix. Report from the Committee of Independent Directors dated 28th May, 2021 recommending the Scheme; and
 - x. Report from the Audit Committee dated 28th May, 2021 recommending the Scheme.

2. Effect of the Scheme on Equity Shareholders (Promoters and Non-Promoters) and KMPs of the Company

- a. Under Part II of the Scheme, it is proposed to merge MEML with the Company.
- b. Upon the Scheme becoming effective and upon Merger of MEML with M&M in terms of the Scheme, the Company shall immediately following such transfer and vesting of the Undertaking of MEML into the Company without any application or deed, issue and allot Ordinary (Equity) Shares of the Company, credited as fully paid up, to the extent indicated below, to the equity shareholders of MEML whose names appear in the register of members of MEML (except M&M or its subsidiaries held directly or jointly with its nominee shareholders) including shares, held by KMPs of M&M in MEML, on the Record Date or to such of their respective heirs, executors, administrators or other legal representatives or other successors in title as may be recognized by the Board of Directors of MEML in the following manner viz.:

“480 (Four Hundred Eighty) Ordinary (Equity) Shares of the face value of Rs. 5 each of M&M shall be issued and allotted as fully paid up for every 10,000 (Ten Thousand) Equity share of the face value of Rs. 10 each fully paid up held in MEML”

Fractional entitlements to be rounded off to the next higher whole number.

The Scheme does not entitle the Promoters/Promoter Group of M&M, to be issued any additional shares of M&M.

Considering the aforesaid share exchange ratio and taking into account the fact that there will be no allotment of shares to the Promoters/Promoter Group of the Company, the effect of the Scheme would be dilution in percentage shareholding of Promoters and increase in the percentage shareholding of Non-Promoters of the Company, to the extent of issue of shares to the shareholders of MEML (other than M&M or its subsidiaries holding directly or jointly with its nominee shareholders).

- c. Under the Scheme, no rights of the staff and employees of the Company are being affected. Upon the coming into effect of the Scheme, all employees on the payroll of MEML as on the Effective Date, shall become the employees of the Company without any break in or interruption of service.
- d. The stock options of MEML held by the ESOP Holders who are employees of MEML or employees of the Company or its subsidiaries, as on the Record Date shall be substituted with Employee Stock Options (“ESOPs”) of the Company in accordance with Clause 11 of the Scheme.
- e. In case of Directors and KMPs of the Company, there would be change in the percentage of shareholding in the Company to the extent of shares that will be allotted under the Scheme.
- f. The Directors and KMPs of the Company may be deemed to be concerned and / or interested in the Scheme only to the extent of their shareholding in the companies forming part of the Scheme, and / or to the extent said Director(s) and / or KMPs are the partners, directors, members of the companies, firms, association of persons, bodies corporate and/or beneficiary of trust, that hold shares in any of the said companies.
- g. As on the date of this Report, the Company has no other class of shareholders.

3. Adoption of the Report by the Board of Directors

The Board of Directors of the Company has adopted this report after noting and considering the information set forth in this report.

For and on behalf of the Board of Directors
MAHINDRA & MAHINDRA LIMITED

Narayan Shankar
Company Secretary
 Place: Mumbai
 Date: 28th May, 2021

BALANCE SHEET AS AT 31 MARCH, 2022

Particulars	Note	(₹ in lakhs)	
		As at 31 March 2022	As at 31 March 2021
ASSETS			
Non-current assets			
Property, plant and equipment.....	4	20,124	15,989
Capital work-in-progress.....	5(a)	11,015	13,214
Right-of-use assets.....	6	3,731	3,609
Other intangible assets.....	7	11,678	4,932
Intangible assets under development.....	8(a)	15,138	17,378
Financial assets			
Other financial assets.....	9	562	206
Non-current tax assets.....	10	171	135
Other non-current assets.....	11(a)	999	1,525
Total non-current assets		63,418	56,988
Current assets			
Inventories.....	12	8,754	5,049
Financial assets			
Trade receivables.....	13	2,120	1,488
Cash and cash equivalents.....	14	4	247
Other current assets.....	11(b)	23,106	13,723
Total current assets		33,984	20,507
Assets held for sale.....	15	-	76
		33,984	20,583
TOTAL ASSETS		97,402	77,571
EQUITY AND LIABILITIES			
Equity			
Equity share capital.....	16	35,975	35,842
Other equity.....		(17,182)	(10,334)
Total equity		18,793	25,508
Liabilities			
Non-current liabilities			
Financial Liabilities			
Borrowings.....	17(a)	57,851	27,534
Lease liabilities.....	31	111	-
Provisions.....	18(a)	1,248	776
Other non-current liabilities.....	21	22	-
Total non-current liabilities		59,232	28,310
Current liabilities			
Financial liabilities			
Borrowings.....	17(b)	431	8,345
Lease liabilities.....	31	57	-
Trade payables.....	19		
Total outstanding dues of micro and small enterprises.....		21	24
Total outstanding dues of creditors other than micro and small enterprises ...		9,539	6,505
Other financial liabilities.....	20	5,204	4,438
Provisions.....	18(b)	1,074	2,491
Other current liabilities.....	21	3,051	1,950
Total current liabilities		19,377	23,753
		78,609	52,063
TOTAL EQUITY AND LIABILITIES		97,402	77,571
Summary of significant accounting policies.....	2.3		

The accompanying notes form an integral part of the IND AS financial statements.

As per our report of even date attached:

For B S R & Co. LLP

Chartered Accountants

Firm registration number: 101248W/W-100022

Amrit Bhansali

Partner

Membership Number: 065155

Place: Bengaluru

Date: 26 April 2022

For and on behalf of the Board of Directors of:

Mahindra Electric Mobility Limited

Rajesh Jejurikar Chairman

DIN: 00046823

Suman Mishra Whole-Time Director and Chief Executive Officer

DIN: 06727958

Ashish Lath Chief Financial Officer

Jignesh Parikh Company Secretary

Date: 26 April 2022

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH, 2022

(₹ in lakhs except per share data)

Particulars	Note	For the year ended 31 March 2022	For the year ended 31 March 2021
Income			
Revenue from operations.....	22	44,388	20,441
Other income.....	23	336	828
Total Income		44,724	21,269
Expenses			
Cost of materials consumed.....	24	25,823	9,467
Changes in inventories of finished goods.....	25	(168)	87
Employee benefits expense.....	26	7,770	6,220
Finance cost	27	1,897	563
Depreciation and amortisation expense.....	28	4,733	5,662
Other expenses	29	11,721	9,983
Total Expenses		51,776	31,982
Loss before tax		(7,052)	(10,713)
Tax expense			
Current tax		-	-
Deferred tax	37	-	-
Loss for the year (A)		(7,052)	(10,713)
Other comprehensive income			
<i>Items that will not be reclassified to profit or loss</i>			
Remeasurements of defined benefit plan	33	66	57
Income tax effect on the above.....		-	-
Total other comprehensive income for the year (net of tax) (B)		66	57
Total comprehensive loss for the year attributable to the owners of the Company (A+B)		(6,986)	(10,656)
Earnings per equity share of face value Rs. 10 each			
Basic and Diluted Earnings per equity share	32	(1.96)	(3.12)
Summary of significant accounting policies	2.3		

The accompanying notes form an integral part of the IND AS financial statements.

As per our report of even date attached:

For B S R & Co. LLP

Chartered Accountants

Firm registration number: 101248W/W-100022

Amrit Bhansali

Partner

Membership Number: 065155

Place: Bengaluru

Date: 26 April 2022

For and on behalf of the Board of Directors of:

Mahindra Electric Mobility Limited**Rajesh Jejurikar**

Chairman

DIN: 00046823

Suman Mishra

Whole-Time Director and Chief Executive Officer

DIN: 06727958

Ashish Lath

Chief Financial Officer

Jignesh Parikh

Company Secretary

Date: 26 April 2022

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH, 2022

(₹ in lakhs)

a. Equity Share Capital

Balance as at 1 April 2020	32,319
Changes in equity share capital due to prior period errors	-
Restated balance as at 1 April 2020	32,319
Issued during the year	3,523
Balance as at 31 March 2021	35,842
Balance as at 1 April 2021	35,842
Changes in equity share capital due to prior period errors	-
Restated balance as at 1 April 2021	35,842
Issued during the year	133
Balance as at 31 March 2022	35,975

* Refer Note 16

b. Other Equity

(₹ in lakhs)

Particulars	Reserves and surplus			Items of Other Comprehensive Income	Total
	Securities premium	Share options outstanding account #	Retained earnings	Remeasurement of defined benefit liability, net of tax	
Balance as at 1 April 2020	73,244	777	(79,518)	-	(5,497)
Changes in accounting policy or prior period errors	-	-	-	-	-
Restated balance as at 1 April 2020	73,244	777	(79,518)	-	(5,497)
Loss for the year	-	-	(10,713)	-	(10,713)
Other comprehensive income net of tax	-	-	-	57	57
Transferred to retained earnings	-	-	57	(57)	-
Issue of equity shares under ESOP	60	(4)	-	-	56
Issue of equity shares (Right Issues)	5,545	-	-	-	5,545
Share based payments #	-	218	-	-	218
Balance as at 31 March 2021	78,849	991	(90,174)	-	(10,334)
Balance as at 1 April 2021	78,849	991	(90,174)	-	(10,334)
Changes in accounting policy or prior period errors	-	-	-	-	-
Restated balance as at 1 April 2021	78,849	991	(90,174)	-	(10,334)
Loss for the year	-	-	(7,052)	-	(7,052)
Other comprehensive income net of tax	-	-	-	66	66
Transferred to retained earnings	-	-	66	(66)	-
Issue of equity shares under ESOP	377	(178)	-	-	199
Share based payments #	-	(61)	-	-	(61)
Balance as at 31 March 2022	79,226	752	(97,160)	-	(17,182)

Refer Note 34

Nature and purpose of Reserves

(a) Securities Premium

Securities premium is used to record the premium on issue of shares. The reserve shall be utilised in accordance with the provisions of section 52 of the Companies Act, 2013.

(b) Share options outstanding Account

The share options outstanding account is used to recognise the grant date fair value of options during the vesting period issued under Mahindra Electric Mobility Limited ESOP Scheme (MEML ESOP - 2017).

As per our report of even date attached:

For and on behalf of the Board of Directors of:

For B S R & Co. LLP

Chartered Accountants

Firm registration number: 101248W/W-100022

Mahindra Electric Mobility Limited

Rajesh Jejurikar Chairman

DIN: 00046823

Suman Mishra Whole-Time Director and Chief Executive Officer

DIN: 06727958

Ashish Lath Chief Financial Officer

Jignesh Parikh Company Secretary

Amrit Bhansali

Partner

Membership Number: 065155

Place: Bengaluru

Date: 26 April 2022

Date: 26 April 2022

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH, 2022

Particulars	Notes	(₹ in lakhs)	
		For the year ended 31 March 2022	For the year ended 31 March 2021
Cash flows from Operating Activities			
Loss before tax for the year.....		(7,052)	(10,713)
Adjustments for:			
Provision no longer required written back.....		(214)	(546)
Allowances for expected credit losses on Financial Assets.....		(34)	1,035
Finance costs.....		1,897	563
Unwinding of interest on security deposit.....		(6)	–
Interest received on income tax refund.....		(26)	(73)
Gain on redemption of mutual funds.....		(2)	–
Share based payments.....		(61)	218
Loss on disposal of Property, Plant and Equipment.....		360	300
Marked to market loss on forward contract.....		–	101
Depreciation and Amortisation Expense.....		4,733	5,662
Provision for asset held for sale.....		–	56
Loss on sale of assets held for sale.....		57	15
Provision for disputes and contingencies.....		–	1,796
Net foreign exchange (gain)/loss.....		6	(20)
Operating Cash Flows before Working Capital changes.....		(342)	(1,606)
Changes in:			
Trade Receivables, other current and non-current assets.....		(10,304)	(4,517)
Inventories.....		(3,706)	(1,680)
Trade and Other Payables and Provisions.....		3,404	569
Cash used in operations.....		(10,948)	(7,234)
Income taxes refund received/(paid).....		(35)	1,010
Net cash flows used in operating activities.....		(10,983)	(6,224)
Cash flows from Investing Activities			
Acquisition of Property, Plant and Equipment and Intangible Assets.....		(10,610)	(22,913)
Proceeds from disposal of Property, Plant and Equipment.....		49	65
Interest received on income tax refund.....		26	73
Acquisition of mutual funds.....		(1,500)	–
Proceeds from redemption of mutual funds.....		1,502	–
Net cash flows used in investing activities.....		(10,533)	(22,775)

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH, 2022

Particulars	Notes	(₹ in lakhs)	
		For the year ended 31 March 2022	For the year ended 31 March 2021
Cash flows from financing activities			
Proceeds from issue of equity share capital (including securities premium)		332	9,123
(Repayment of)/Proceeds from non-current borrowings	17.02	(27,008)	17,000
Repayment of working capital loan (Net)	17.02	(914)	(2,330)
Proceeds from Inter Corporate Deposit	17.02	50,500	10,000
Repayment of current borrowings	17.02	(175)	(175)
Repayment of Inter Corporate Deposit	17.02	-	(3,000)
Payment of lease liability		(7)	-
Interest paid		(1,455)	(1,402)
Net cash flows from financing activities		21,273	29,216
Net increase/(Decrease) in cash and cash equivalents		(243)	217
Cash and cash equivalents at the beginning of the year		247	30
Cash and cash equivalents at the end of the year		4	247
Components of cash and cash equivalents			
Cash and cash equivalents	14	4	247
		4	247
Summary of significant accounting policies	2.3		

Note:

- The above Statement of Cash Flows has been prepared under the "indirect method" as set out in 'Indian Accounting Standard (Ind AS) 7 – Statement of Cash Flows'.
- The accompanying notes are an integral part of the IND AS financial statements.
- Figures in brackets indicate Outflows.

As per our report of even date attached:

For B S R & Co. LLP

Chartered Accountants

Firm registration number: 101248W/W-100022

Amrit Bhansali

Partner

Membership Number: 065155

Place: Bengaluru

Date: 26 April 2022

For and on behalf of the Board of Directors of:

Mahindra Electric Mobility Limited**Rajesh Jejurikar** Chairman

DIN: 00046823

Suman Mishra Whole-Time Director and Chief Executive Officer

DIN: 06727958

Ashish Lath Chief Financial Officer**Jignesh Parikh** Company Secretary

Date: 26 April 2022

Balance Sheet | as at 31st March, 2022

Rupees crores

	Note No.	2022	2021 [Refer note 44 (B)]
I. ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	4	12,004.37	9,691.60
Capital work-in-progress	5	1,521.52	2,891.23
Intangible assets	6	2,544.25	2,319.70
Intangible assets under development	7	3,496.65	3,234.23
Financial assets			
(i) Investments	8	17,207.75	17,291.82
(ii) Loans	9	960.20	1,647.93
(iii) Other financial assets	10	1,561.58	1,038.91
Income tax assets (net)		613.11	1,091.08
Other non-current assets	11	1,303.13	1,544.72
		41,212.56	40,751.22
CURRENT ASSETS			
Inventories	12	5,882.85	4,782.97
Financial assets			
(i) Investments	8	7,902.06	4,490.79
(ii) Trade receivables	13	3,035.11	2,202.82
(iii) Cash and cash equivalents	14	717.22	867.54
(iv) Bank balances other than cash and cash equivalents	14	2,933.31	5,527.67
(v) Loans	9	1,845.52	284.46
(vi) Other financial assets	10	1,088.56	769.31
Other current assets	11	2,462.67	1,887.71
Assets held for sale	15	50.40	-
		25,917.70	20,813.27
TOTAL ASSETS		67,130.26	61,564.49
II. EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	16	598.30	597.39
Other equity	17	38,362.65	34,353.61
		38,960.95	34,951.00
LIABILITIES			
NON-CURRENT LIABILITIES			
Financial liabilities			
(i) Borrowings	18	5,678.02	6,989.84
(ii) Lease liabilities		162.79	80.19
(iii) Other financial liabilities	19	683.12	781.27
Provisions	20	912.66	1,015.42
Deferred tax liabilities (net)	21	1,700.80	1,449.66
Other non-current liabilities	22	211.63	108.56
		9,349.02	10,424.94
CURRENT LIABILITIES			
Financial liabilities			
(i) Borrowings	18	811.93	672.50
(ii) Lease liabilities		80.81	43.79
(iii) Trade payables			
(a) Total outstanding dues of Micro Enterprises and Small Enterprises	23	116.11	104.80
(b) Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises	23	12,777.43	10,537.92
(iv) Other financial liabilities	19	1,363.96	1,683.66
Other current liabilities	22	2,909.97	2,266.64
Provisions	20	453.61	492.24
Current tax liabilities (net)		306.47	387.00
		18,820.29	16,188.55
TOTAL EQUITY AND LIABILITIES		67,130.26	61,564.49

The accompanying notes 1 to 46 are an integral part of the Financial Statements

In terms of our report attached.

For Mahindra & Mahindra Limited

For B S R & Co. LLP

Chartered Accountants

Firm's Registration No : 101248W/W-100022

Jamil Khatri

Partner

Membership No : 102527

Mumbai, 28th May, 2022

Vikram Singh Mehta

Vishakha N. Desai

T. N. Manoharan

Haigreve Khaitan

Shikha Sharma

Nisaba Godrej

Muthiah Murugappan

Vijay Kumar Sharma

CP Gurnani

Directors

Anand G. Mahindra

Anish Shah

Rajesh Jejurikar

Manoj Bhat

Narayan Shankar

Executive Director (Automotive and Farm Sectors)

Group Chief Financial Officer

Company Secretary

Chairman

Managing Director and CEO

Mumbai, 28th May, 2022

Statement of Profit and Loss | for the period ended 31st March, 2022

Rupees crores

	Note No.	2022	2021 [Refer note 44 (B)]
INCOME			
Revenue from operations	24	57,445.97	44,629.87
Other income	25	2,075.90	1,199.48
Total income		59,521.87	45,829.35
EXPENSES			
Cost of materials consumed.....	26	40,506.15	28,023.51
Purchases of stock-in-trade.....		2,374.82	2,518.70
Changes in inventories of finished goods, stock-in-trade and work-in-progress	27	(539.40)	(365.62)
Employee benefits expense	28	3,305.96	3,251.95
Finance costs.....	29	223.00	396.31
Depreciation, amortisation and impairment expense	30	2,451.06	2,369.92
Other expenses.....	31	4,902.14	4,367.85
		53,223.73	40,562.62
Less: Amounts capitalised		145.99	124.00
Total expenses		53,077.74	40,438.62
Profit before exceptional items and tax		6,444.13	5,390.73
Exceptional items (net).....	33	(208.67)	(3,087.28)
Profit before tax		6,235.46	2,303.45
Tax expense			
Current tax.....	21	1,084.54	1,356.47
Deferred tax.....	21	215.70	(37.18)
Profit for the year		4,935.22	984.16
Other comprehensive income/(loss)			
A. (i) Items that will not be reclassified to profit or loss			
(a) Remeasurements of the defined benefit plans.....		136.38	(75.47)
(b) Equity instruments through other comprehensive income		(30.44)	0.55
(ii) Income tax relating to items that will not be reclassified to profit or loss.....		(34.16)	19.00
B. (i) Items that will be reclassified to profit or loss			
(a) Debt instruments through other comprehensive income.....		(1.01)	(0.93)
(b) Effective portion of gains and losses on designated portion of hedging instruments in a cash flow hedge.....		6.09	(2.81)
(ii) Income tax relating to items that will be reclassified to profit or loss		(1.28)	0.94
Total other comprehensive income/(loss)		75.58	(58.72)
Total comprehensive income for the year		5,010.80	925.44
Earnings per equity share:			
(Face value Rs. 5/- per share) (Rupees)			
Basic	34	41.28	8.24
Diluted	34	41.13	8.21

The accompanying notes 1 to 46 are an integral part of the Financial Statements

In terms of our report attached.

For Mahindra & Mahindra Limited

For B S R & Co. LLP

Chartered Accountants

Firm's Registration No : 101248WW-100022

Jamil Khatri

Partner

Membership No : 102527

Mumbai, 28th May, 2022

Vikram Singh Mehta

Vishakha N. Desai

T. N. Manoharan

Haigreve Khaitan

Shikha Sharma

Nisaba Godrej

Muthiah Murugappan

Vijay Kumar Sharma

CP Gurnani

Directors

Anand G. Mahindra

Anish Shah

Rajesh Jejurikar

Manoj Bhat

Narayan Shankar

Executive Director (Automotive and Farm Sectors)

Group Chief Financial Officer

Company Secretary

Chairman

Managing Director and CEO

Mumbai, 28th May, 2022

Statement of Changes in Equity | for the year ended 31st March, 2022

(A) Equity Share Capital

	Rupees crores	
	2022	2021
Issued, Subscribed and Paid-up:		
Balance as at the beginning of the year	597.39	596.52
Changes in equity share capital due to prior period error	—	—
Restated balance	597.39	596.52
Add: Allotment of shares by M&M ESOP Trust to Employees	0.91	0.87
Balance as at the end of the year	598.30	597.39

(B) Other Equity

	Reserves and Surplus						Items of other comprehensive income			Total
	Capital Reserve	Securities Premium (refer note a)	General Reserve (refer note b)	Debt Redemption Reserve	Share Option Outstanding Account	Retained Earnings	Debt instrument through Other Comprehensive Income	Equity instrument through Other Comprehensive Income	Effective portion of Cash Flow Hedges [Note 38.1(c)]	
As at 1 st April, 2021	346.10	2,513.99	1,739.26	50.64	254.88	29,463.69	0.30	(5.40)	(9.85)	34,353.61
Profit for the year.....	—	—	—	—	—	4,935.22	—	—	—	4,935.22
Other Comprehensive Income/(Loss).....	—	—	—	—	—	102.22	(0.76)	(30.44)	4.56	75.58
Total Comprehensive Income for the year...	—	—	—	—	—	5,037.44	(0.76)	(30.44)	4.56	5,010.80
Dividend paid on Equity Shares	—	—	—	—	—	(1,087.79)	—	—	—	(1,087.79)
Exercise of employee stock options	—	114.80	—	—	(114.80)	—	—	—	—	—
Allotment of bonus shares by M&M ESOP Trust to Employees	—	(0.45)	—	—	—	—	—	—	—	(0.45)
On account of employee stock options lapsed.....	—	—	3.10	—	(3.10)	—	—	—	—	—
Share based payment to employees	—	—	—	—	86.48	—	—	—	—	86.48
Transfer to retained earnings	—	—	—	—	—	(0.09)	—	0.09	—	—
As at 31 st March, 2022.....	346.10	2,628.34	1,742.36	50.64	223.46	33,413.25	(0.46)	(35.75)	(5.29)	38,362.65

(B) Other Equity (contd.)

Rupees crores

	Reserves and Surplus			Items of other comprehensive income				Total		
	Capital Reserve	Securities Premium (refer note a)	General Reserve (refer note b)	Debt Redemption Reserve	Share Option Outstanding Account	Retained Earnings	Debt instrument through Comprehensive Income		Equity instrument through Other Comprehensive Income	Effective portion of Cash Flow Hedges [Note 34.1(c)]
As at 1 st April, 2020.....	346.00	2,387.59	1,732.83	50.64	264.96	29,102.00	1.00	(5.95)	(7.75)	33,871.32
Acquisitions through business combinations [Refer note 44 (B)]	(0.50)	—	4.14	20.00	—	(293.85)	—	—	—	(270.21)
Profit for the year.....	—	—	—	—	—	984.16	—	—	—	984.16
Other Comprehensive Income/(Loss).....	—	—	—	—	—	(56.47)	(0.70)	0.55	(2.10)	(58.72)
Total Comprehensive Income for the year.....	—	—	—	—	—	927.69	(0.70)	0.55	(2.10)	925.44
Dividend paid on Equity Shares (including tax thereon)	—	—	—	—	—	(292.15)	—	—	—	(292.15)
Business transfer of US branch [Refer Note 44 (C)]	0.60	—	—	—	—	—	—	—	—	0.60
Transfer to retained earning	—	—	—	(20.00)	—	20.00	—	—	—	—
Exercise of employee stock options.....	—	105.00	—	—	(105.00)	—	—	—	—	—
Allotment of shares by M&M ESOP Trust to Employees	—	21.84	—	—	—	—	—	—	—	21.84
Allotment of bonus shares by M&M ESOP Trust to Employees	—	(0.44)	—	—	—	—	—	—	—	(0.44)
On account of employee stock options lapsed.....	—	—	2.29	—	(2.29)	—	—	—	—	—
Share based payment to employees.....	—	—	—	—	97.21	—	—	—	—	97.21
As at 31 st March, 2021.....	346.10	2,513.99	1,739.26	50.64	254.88	29,463.69	0.30	(5.40)	(9.85)	34,353.61

Remeasurement gain (net) on defined benefit plans Rs. 102.22 crores (2021: Loss of Rs. 56.47 crores) has been recognised during the year as part of retained earnings.

(C) Description of the nature and purpose of Other Equity:

- (i) **Capital Reserve:** Capital reserve mainly represents the amount of net assets acquired over and above consideration paid consequent to the Scheme of Arrangement.
- (ii) **Securities premium:** Securities premium reserve is used to record the premium on issue of shares. The fair value of employee stock options is recognised in Securities Premium once the shares have been allotted on exercise of the options.
- (iii) **General reserve:** General reserve comprises of profits from retained earnings for appropriation purposes. The reserve can be distributed/ utilised by the Company in accordance with the Companies Act, 2013.
- (iv) **Retained earnings:** Retained earnings comprises of accumulated balance of profits/(losses) of current and prior years including transfers made to / from other reserves from time to time. The reserve can be utilized or distributed by the Company in accordance with the provisions of the Companies Act, 2013.
- (v) **Debt redemption reserve:** Debt redemption reserve is a statutory reserve (as per Companies Act, 2013) created out of profits of the Company available for payment of dividend for the purpose of redemption of Debentures issued by the Company. On completion of redemption, the reserve is transferred to retained earnings.
- (vi) **Share option outstanding account:** Share option outstanding account represents reserve in respect of equity settled share options granted to the Company's employees in pursuance of the Employee Stock Option Plan.

Notes:

- (a) The Company has reduced the share capital by Rs. 11.65 crores (2021: Rs. 12.11 crores) and securities premium by Rs. 182.94 crores (2021: Rs. 182.94 crores) for the 2,32,95,651 shares of Rs. 5 each (2021: 2,42,12,082 shares of Rs. 5 each) held by the M&M ESOP Trust pending transfer to the eligible employees.
- (b) The share capital of the Company has also been reduced and the securities premium increased by Rs. 11.65 crores (2021: Rs. 12.10 crores) for the 2,32,95,650 bonus shares of Rs. 5 each (2021: 2,42,12,081 bonus shares of Rs. 5 each) issued by the Company in December, 2017 to the M&M ESOP Trust but not yet transferred by the M&M ESOP Trust to the employees.

The accompanying notes 1 to 46 are an integral part of the Financial Statements.

In terms of our report attached.

For B S R & Co. LLP

Chartered Accountants

Firm's Registration No : 101248WW-100022

Jamil Khatri

Partner

Membership No : 102527

Mumbai, 28th May, 2022**For Mahindra & Mahindra Limited**

Vikram Singh Mehta

Vishakha N. Desai

T. N. Manoharan

Haigreve Khaitan

Shikha Sharma

Nisaba Godrej

Muthiah Murugappan

Vijay Kumar Sharma

CP Gurnani

Anand G. Mahindra

Anish Shah

Rajesh Jejurikar

Directors

Manoj Bhat

Narayan Shankar

Chairman

Managing Director and CEO

Executive Director (Automotive and Farm Sectors)

Group Chief Financial Officer

Company Secretary

Mumbai, 28th May, 2022

Cash Flow Statement | for the year ended 31st March, 2022

Rupees crores

	2022	2021 [Refer note 44 (B)]
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Profit before exceptional items and tax.....	6,444.13	5,390.73
Adjustments for:		
Depreciation, amortisation and impairment expense	2,451.06	2,369.92
Gain on foreign exchange fluctuations (net)	(95.70)	(30.08)
Dividend on investment and interest income	(1,743.82)	(945.75)
Gain arising on financial assets/ liabilities measured at Fair Value through profit or loss (net).....	(182.62)	(132.56)
Finance costs.....	223.00	396.31
Share based payment expenses	81.08	95.02
Loss on property, plant and equipment sold/scrapped/written off (net)	17.90	1.46
Operating profit before working capital changes.....	7,195.03	7,145.05
Changes in:		
Trade and other receivables.....	(1,325.56)	(40.08)
Inventories	(1,099.88)	(721.31)
Trade and other payables and provisions.....	2,922.18	4,348.02
	496.74	3,586.63
Cash generated from operations	7,691.77	10,731.68
Income taxes paid (net of refunds and interest on refunds)	(598.08)	(1,138.05)
NET CASH FLOW FROM OPERATING ACTIVITIES (A)	7,093.69	9,593.63
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Payments to acquire property, plant and equipment and intangible assets	(3,246.91)	(3,385.47)
Proceeds from sale of property, plant and equipment and intangible assets.....	61.00	74.20
Payments to acquire non-current investments – subsidiaries	(608.56)	(4,293.76)
Payments to acquire non-current investments – associates.....	(16.07)	(68.29)
Payments to acquire non-current investments – joint ventures.....	(129.00)	(257.38)
Payments to acquire other non-current investments	(3.33)	(37.21)
Proceeds from sale of other non current investments	4.04	—
Payments to acquire current investments	(71,508.77)	(78,881.94)
Proceeds from sale of current investments	68,528.19	76,747.71
Share application money paid.....	(62.27)	—
Changes in earmarked balances and margin accounts with banks	25.84	(30.20)
Bank deposits placed.....	(4,262.02)	(9,343.65)
Bank deposits matured	6,422.12	5,813.97
Deposits with Financial Institutions placed	(351.99)	(4.19)
Deposits with Financial Institutions matured	2.32	—
Interest received.....	365.85	268.75
Dividends received	1,363.02	565.04
Receivables/Loans/Inter-corporate deposits given	(1,808.19)	(2,255.98)
Receivables/Loans/Inter-corporate deposits refunded	309.31	430.50
Exceptional Items:		
Proceeds from sale of non current investments in subsidiaries, associates, joint ventures	556.53	121.96
NET CASH FLOW USED IN INVESTING ACTIVITIES (B)	(4,358.89)	(14,535.94)

Cash Flow Statement (contd.)

Rupees crores

	2022	2021 [Refer note 44 (B)]
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Proceeds from borrowings.....	966.61	9,230.97
Repayment of borrowings	(2,233.75)	(4,958.71)
Repayment of lease liabilities (including interest)	(49.68)	(60.73)
Dividends paid	(1,089.06)	(293.60)
Interest, commitment and finance charges paid	(479.31)	(403.78)
NET CASH FLOW FROM / (USED IN) FINANCING ACTIVITIES (C)	(2,885.19)	3,514.15
NET DECREASE IN CASH AND CASH EQUIVALENTS (A+B+C)	(150.39)	(1,428.16)
Cash and cash equivalents at the beginning of the year	867.54	2,323.51
Acquisitions through business combinations [Refer note 44 (B)]	—	(0.55)
Deletion on account of transfer of business [Refer Note 44 (C)]	—	(27.16)
Unrealised gain / (loss) on foreign currency cash and cash equivalents	0.07	(0.10)
Cash and cash equivalents at the end of the year [Refer Note 14 (a)]	717.22	867.54

Note:

1 The above Cash Flow Statement has been prepared under the “indirect method” as set out in ‘Indian Accounting Standard (Ind AS) 7 - Statement of Cash Flows’.

The accompanying notes 1 to 46 are an integral part of the Financial Statements.

In terms of our report attached.

For Mahindra & Mahindra Limited

For **B S R & Co. LLP**

Chartered Accountants

Firm's Registration No : 101248WV-100022

Jamil Khatri

Partner

Membership No : 102527

Mumbai, 28th May, 2022

Vikram Singh Mehta

Vishakha N. Desai

T. N. Manoharan

Haigreve Khaitan

Shikha Sharma

Nisaba Godrej

Muthiah Murugappan

Vijay Kumar Sharma

CP Gurnani

Directors

Anand G. Mahindra

Anish Shah

Rajesh Jejurikar

Manoj Bhat

Narayan Shankar

Executive Director (Automotive and Farm Sectors)

Group Chief Financial Officer

Company Secretary

Chairman

Managing Director and CEO

Mumbai, 28th May, 2022