

REF:NS:SEC
3rd December, 2016

National Stock Exchange of India Limited
"Exchange Plaza", 5th Floor,
Plot No. C/1, G Block
Bandra-Kurla Complex
Bandra (East), Mumbai - 400051.

BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street, Fort,
Mumbai 400 001.

Bourse de Luxembourg
Societe de la Bourse de Luxembourg
Societe Anonyme/R.C.B. 6222,
B.P. 165, L-2011 Luxembourg.

London Stock Exchange Plc
10 Paternoster Square
London EC4M 7LS.

Sub: Outcome of the Meeting of Board of Directors held on 3rd December, 2016 - Scheme of Arrangement between Mahindra Two Wheelers Limited, a step-down subsidiary of the Company and Mahindra & Mahindra Limited and their respective Shareholders and Creditors

The Board of Directors of Mahindra & Mahindra Limited ("the Company") at its Meeting held on 3rd December, 2016, subject to requisite approvals/consents, approved the Scheme of Arrangement between Mahindra Two Wheelers Limited, a step-down subsidiary of the Company ("MTWL") and the Company and their respective Shareholders and Creditors which, inter alia, envisages demerger of the Two Wheeler Undertaking of MTWL (which consist of manufacturing and selling of Two Wheelers) and transfer and vesting thereof as a going concern into the Company and other consequential matters under the provisions of sections 391 to 394 read with sections 100 to 104 of the Companies Act, 1956 and notified section 52 of the Companies Act, 2013. MTWL is a subsidiary of Mahindra Vehicle Manufacturers Limited ("MVML") which in turn is a wholly owned subsidiary of the Company.

The salient features of the proposed Scheme are as under:

1. The Appointed Date of the Scheme would be 1st October, 2016
2. All assets and liabilities of MTWL pertaining to the Two Wheelers Undertaking to be transferred to and recorded by the Company at book values
3. The Scheme provides for issue of ordinary (equity) shares by the Company to the shareholders of MTWL (other than the Company and/or any subsidiary(ies) of the Company) as on the Record Date.

The details as required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI Circular No. CIR/CFD/CMD/4/2015 dated 9th September, 2015 are given in Annexure A to this letter.

This is for your information.

Kindly acknowledge receipt.

Yours faithfully,
For MAHINDRA & MAHINDRA LIMITED


NARAYAN SHANKAR
COMPANY SECRETARY

Encl.: a/a

De-merger:

Sr. No.	Details of Events that need to be provided	Information of such events(s)
a)	Brief details of the division(s) to be demerged	Two Wheelers Undertaking of Mahindra Two Wheelers Limited, a step-down subsidiary of the Company ("MTWL") consisting of 'manufacturing and selling of two wheelers'.
b)	Turnover of the demerged division and as percentage to the total turnover of the listed entity in the immediately preceding financial year / based on financials of the last financial year	<p>(i) Turnover of Two Wheelers Undertaking of MTWL during Financial Year 2016: Rs.583 crores</p> <p>(ii) Percentage of turnover mentioned in point (i) above to the gross turnover of the Company during Financial Year 2016: 1.35%</p> <p>(iii) Percentage of turnover mentioned in point (i) above to the total gross consolidated turnover of the Company during Financial Year 2016: 0.78%</p>
c)	Rationale for demerger	<ul style="list-style-type: none"> • The Company is present in many segments of the automotive industry e.g. Passenger & Utility Vehicles and Commercial Vehicles including Three Wheelers and Trucks & Buses. • The proposed demerger, in line with the strategy of focusing on niche premium Two Wheeler segment, would enable the Two Wheeler Undertaking benefit from the Company's Design & Development and Sourcing capabilities. • The proposed demerger would also enable the Demerged Company to enhance focus on the spares business. • The Scheme will also enable the Company and MTWL achieve and fulfil their objectives more efficiently and in cost effective manner.

d)	Brief details of change in shareholding pattern (if any) of all entities	<p>The Company:</p> <p>Under the scheme, the shareholders of MTWL (other than the Company and/ or any subsidiary(ies) of the Company) will be issued 1 (One) Ordinary (Equity) Share of Rs.5 each fully paid-up of the Company for every 461 (Four Hundred Sixty One) Equity Shares of Rs.10 each fully paid-up held by them in MTWL as on the record date. Fractional entitlements shall be rounded-off to the next higher whole number.</p> <p>To the extent of the above issue and allotment, the holding of all existing shareholders of the Company will be diluted.</p> <p>MTWL:</p> <p>There will be no change in the shareholding pattern of MTWL.</p>
e)	In case of cash consideration – amount or otherwise share exchange ratio	<p>The shareholders of MTWL (other than the Company and/or any subsidiary(ies) of the Company) will be issued 1 (One) Ordinary (Equity) Share of Rs.5 each fully paid-up of the Company for every 461 (Four Hundred Sixty One) Equity Shares of Rs.10 each fully paid-up held by them in MTWL as on the record date. Fractional entitlements shall be rounded-off to the next higher whole number.</p> <p>The Share Entitlement Ratio has been arrived at based on the Joint Valuation Report of M/s. S. R. Batliboi & Co. LLP and M/s. SSPA & Co., Independent Chartered Accounting Firms and confirmed by a Fairness Opinion of SBI Capital Markets Limited.</p>
f)	Whether listing would be sought for the resulting entity	<p>The new shares of the Company to be issued and allotted to the shareholders of MTWL (other than the Company and/or any subsidiary(ies) of the Company) as consideration under the scheme, would be applied for listing on BSE Limited and National Stock Exchange of India Limited, where the existing equity shares of the Company are listed.</p>

