

REF:NS:SEC:

15th October, 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 400001.

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: Transfer of Franchisee Division of Mahindra Retail Private Limited, a subsidiary of the Company on a slump sale basis to Brainbees Solutions Private Limited

A Business Transfer Agreement has been executed by and between Mahindra Retail Private Limited ("MRPL"), a subsidiary of the Company, Brainbees Solutions Private Limited ("Firstcry") and founder shareholders of Firstcry on 15th October, 2016 to transfer the Franchisee Division of MRPL, as a going concern on a slump sale basis to Firstcry.

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.

Please also find enclosed a Press Release issued in this regard.

Kindly take the same on record and acknowledge receipt.

Yours faithfully,
For MAHINDRA & MAHINDRA LIMITED

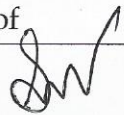


NARAYAN SHANKAR
COMPANY SECRETARY

Encl: a/a.

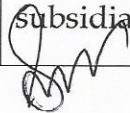
Annexure A

Sr. No.	Details of Events that need to be provided	Information of such events(s)
a)	The amount and percentage of the turnover or revenue or income and net worth contributed by such unit or division of the Company during the last financial year	<p>The Franchisee Division of Mahindra Retail Private Limited ("MRPL"), a subsidiary of the Company, is being transferred as a going concern on a slump sale basis for lump sum consideration to Brainbees Solutions Private Limited ("Firstcry").</p> <p>The aforesaid division generates a turnover/revenue/ income of Rs. 16.43 Crores aggregating 8.19% of the turnover/revenue/ income of MRPL.</p>
b)	Date on which the agreement for sale has been entered into	A Business Transfer Agreement ("BTA") has been executed by and between MRPL, Firstcry and founder shareholders of Firstcry on 15 th October, 2016.
c)	The expected date of completion of sale/disposal	The Closing contemplated as per the BTA will take place on or before the expiration of 60 days from the Execution Date or such extended period as the Parties may mutually agree.
d)	Consideration received from such sale/disposal	<p>The total lump sum consideration for the transfer of Franchisee Division on a slump sale basis is Rs.362.1 crores.</p> <p>This consideration will be discharged by Firstcry by way of (i) issuance of Equity Shares aggregating to Rs.354.6 crores and (ii) payment of Rs. 7.50 crores in cash.</p>
e)	Brief details of buyers and whether any of the buyers belong to the promoter/ promoter group /group companies. If yes, details thereof	As mentioned above, the Franchisee Division of MRPL is being acquired on a slump sale basis by Firstcry, a leading player in India's baby and kids market with a base of more



		<p>than 3 million parents. Firstcry has followed an omni-channel strategy right from inception, having a presence on the web, on mobile and through physical stores that stands at 180 today.</p> <p>Firstcry does not belong to the promoter/ promoter group /group companies of the Company.</p>
f)	Whether the transaction would fall within related party transactions? If yes, whether the same is done at "arms length"	Since Firstcry is not a related party, the transaction is not a related party transaction.
g)	Additionally, in case of a slump sale, indicative disclosures provided for amalgamation/merger, shall be disclosed by the Company with respect to such slump sale:	
	i. Name of the division/ business forming part of the slump sale, details in brief such as, size, turnover etc.	<p>The Franchisee Division of MRPL is being transferred as a going concern on a slump sale basis for lump sum consideration to Firstcry.</p> <p>The turnover of the Franchisee Division of MRPL is Rs. 16.43 Crores.</p>
	ii. whether the transaction would fall within related party transactions? If yes, whether the same is done at "arms length"	No
	iii. area of business of the division/ business	MRPL is inter alia engaged in the business of trading in wide variety of personal care and daily household utility products for infants, expecting mothers and children including the Franchisee Division.

iv. rationale for slump sale	The rationale of the slump sale is to strengthen presence in the combined offline Retail and Online Environments in India's baby and kids market.
v. in case of cash consideration - amount or otherwise share exchange ratio	As mentioned in point (d) above
vi. brief details of change in shareholding pattern (if any) of listed entity	Not Applicable as the division being transferred is not of the listed entity but of a subsidiary of the Company.



FirstCry & Mahindra Retail Consolidate business

- FirstCry raises US\$ 34 million
- Consolidated entity to be re-branded '**FirstCry.com–A FirstCry Mahindra Venture**'

October 15, 2016: The two largest retail players in the largely unorganised \$12bn baby and kids market in India, FirstCry.com (BrainBees Solutions Pvt Ltd) and Mahindra Retail (BabyOye), have consolidated their business activities to create a dominant presence in this segment. The Board of Directors of the two companies at their respective meetings have approved this strategic move. In terms of the structure of the transaction, Mahindra Retail and FirstCry have consolidated their operations, with Mahindra Retail selling its Franchise business to FirstCry, and operating all company stores under a FirstCry master franchisee agreement.

FirstCry additionally raises US\$ 34 million of new equity capital from the Mahindra Group, Adveq (a Large Pvt Equity Fund), Kris Gopalakrishnan and participation from all existing shareholders.

FirstCry has established itself as a leading player in India's baby and kids market with a base of more than 3 million parents. It has followed an omni-channel strategy right from inception, having a presence on the web, on mobile and through physical stores that stand at 180 today.

Mahindra Retail has had a strong offline footprint with over 120 stores that are a combination of large format high street and Mall locations and hospital stores, operating under the 'BabyOye by Mahindra' brand. Mahindra Retail has in January 2016 also finalised a preferred relationship with the world renowned brand Carters, to represent their apparel products in India.

This strategic consolidation of the industry's leading players, creates India's clear, unrivalled and single most dominant presence in this category, in the combined offline Retail and Online environment. The merged entity will conduct its business under the brand name **FirstCry.com- A FirstCry Mahindra Venture**. FirstCry.com will have a parent base of over 4 million, a footprint of over 300 stores spread across 125 cities, thereby becoming the go-to destination for worldclass brands and products in the mom, baby & kids vertical.

FirstCry was founded by successful serial entrepreneur Supam Maheshwari, who had previously built and successfully sold Brainvisa Technologies. He will continue as the CEO of the combined entity FirstCry. Mahindra Retail's team shall be actively involved in giving shape to and operationalising the consolidation, to ensure consumers and other stake holders see tangible benefits at the earliest.

Mr Anand Mahindra stated "I believe that the future belongs to click and brick businesses, and that consolidation is the way to thrive and establish industry leadership. We, at the Mahindra Group, are therefore delighted to join hands with an innovative brand like FirstCry and with its CEO Mr Supam Maheshwari. I am optimistic that this consolidation of the strengths that both groups bring to the partnership will result in a winning proposition. We are hugely excited by the possibilities."

Supam had this to say. "We are delighted to partner with a prestigious business house like Mahindra, both as a retail brand and as an investor. FirstCry.com has been at the heart of organising the huge baby and kids market in India. Our endeavour has been to provide Indian parents with world class brands and products, unparalleled customer service and convenience. FirstCry.com will help scale up the reach of this service and experience faster. Our partnership with the Mahindra Group will bring in synergies that will help us scale and achieve our profitability goal much faster. Together, we will continue to scout for more opportunities for inorganic growth."

The combined might of the two entities puts them far ahead of any competition in the space. As the single largest baby and kids player in India, FirstCry will now be able to increase its share of the parents' wallet through its wider retail presence and collective merchandise of high quality private label brands. The combined

merchandising and buying strength as well as the ability to serve consumers of both brands with an enhanced offering while at the same time offering the combined Franchisee partners the opportunity to participate in this exciting journey is very apparent and presents exciting possibilities for all stakeholders.

Sudhir Sethi, Founder, Chairman and Managing Director of IDG Ventures India Advisors, said “Behind the inspirational leadership of Supam, FirstCry will be the dominant force in the baby and kids products segment and scale-up as a world-class organization. This is one of the largest retail market segments where no brands dominate yet and this is the real opportunity to aggressively pursue for all of us. We are all excited to continue our support to FirstCry and delighted to partner with the Mahindra Group as we embark on the next phase of growth”

Zhooben Bhiwandiwalla, President, Mahindra Partners said “Mahindra Retail is a key part of the diverse portfolio at Mahindra Partners. This strategic action sets the stage for significant value creation and the realization of huge synergy benefits across the business and all its stakeholders. It also reinforces our continued belief in the sector and we look forward with great optimism at the possibilities this presents”

Prakash Wakankar, CEO of Mahindra Retail had this to add -“The mother and child market presents a huge opportunity that both our organizations, over the past several years, have served admirably in their own and unique ways. We see this as a continuation of our mission to stand alongside all women as they begin this very special journey called motherhood. This coming together of Mahindra Retail’s unique merchandise, in-store experience and brand relationships with FirstCry’s vast product range and online reach will not only bring substantial benefits to consumers but also create significant value for partners.”

About FirstCry (Brainbees Solutions Pvt. Ltd)

Firstcry.com, India’s #1 baby and kids focused Omni channel player was founded by successful serial entrepreneur Supam Maheshwari. Brainbees has raised \$70 million from leading global and Indian investors including IDG Ventures India, SAIF, Valiant Capital, Vertex Venture and NEA, all of whom are participating in the current round. The Company, which started operations in late 2010, has rapidly expanded its online dominance to other channels as well over 180+ FirstCry branded franchisee stores across 100+ cities in the country.

About Mahindra Retail

Mahindra Retail, a Mahindra Partners portfolio company, operates the Babyoye by Mahindra chain of stores and has a strong digital presence both on the web and through its mobile app. Currently there are 120+ stores operational across the country, which are a combination of company owned and franchised stores across over 55 cities, the majority of which are company owned. In 2015, the entity had acquired online kids retailer BabyOye and had renamed the stores as Babyoye by Mahindra.

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