

REF:NS:SEC

28<sup>th</sup> November, 2019

**National Stock Exchange of India Limited**  
"Exchange Plaza", 5<sup>th</sup> 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: Intimation under Regulation 30 read with Regulation 37 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 - Scheme of Merger by Absorption of Mahindra Vehicle Manufacturers Limited, a wholly owned subsidiary of the Company ("MVML") with the Company and their respective Shareholders ("Scheme")**

We refer to our letter dated 29<sup>th</sup> May, 2019 wherein it was intimated that the Board of Directors of Mahindra & Mahindra Limited ("the Company") at its Meeting held on 29<sup>th</sup> May, 2019, subject to requisite approvals/consents, approved the Scheme of Merger by Absorption of Mahindra Vehicle Manufacturers Limited, a wholly owned subsidiary of the Company ("MVML") with the Company and their respective Shareholders ("Scheme") under the provisions of sections 230 to 232 of the Companies Act, 2013 with the Appointed date as 1<sup>st</sup> April, 2019.

In terms of Regulation 37(6) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("LODR Regulations"), the provisions of Regulation 37 of LODR Regulations are not applicable to draft schemes which solely provide for merger of a wholly owned subsidiary with its holding company. Hence, 'No Objection Letter' or 'Observation Letter' on the Scheme is not required to be obtained from the Stock Exchanges on which equity shares of the Company are listed.

However, in accordance with the provisions of Regulation 37(6) of the LODR Regulations read with the provisions of SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017 & CFD/DIL3/CIR/2018/2 dated 3<sup>rd</sup> January, 2018, such draft schemes shall be filed with the Stock Exchanges for the purpose of disclosures and the Stock Exchanges shall disseminate the scheme documents on their websites.

Accordingly, the following documents are enclosed:

- (i) Certified True Copy of the said Scheme
- (ii) Certified True Copy of the Extract of the Resolution passed by the Board of Directors of the Company dated 29<sup>th</sup> May, 2019.

The details as required under Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI Circular No. CIR/CFD/CMD/4/2015 dated 9<sup>th</sup> September, 2015 were submitted to the Stock Exchanges vide our letter dated 29<sup>th</sup> May, 2019. A copy of the said disclosure is also attached as Annexure 1 for ready reference.

Kindly take the above on record.

Yours faithfully,  
For MAHINDRA & MAHINDRA LIMITED

  
NARAYAN SHANKAR  
COMPANY SECRETARY

Encl.: a/a

**SCHEME OF MERGER BY ABSORPTION**  
**OF**  
**Mahindra Vehicle Manufacturers Limited**      ....**Transferor Company**  
**WITH**  
**Mahindra and Mahindra Limited**      ....**Transferee Company**  
**AND**  
**THEIR RESPECTIVE SHAREHOLDERS**

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

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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 Vehicle Manufacturers Limited with Mahindra and Mahindra Limited and their respective shareholders.

**A. Description of the Companies:**

**Transferor Company**

- a. Mahindra Vehicle Manufacturers Limited is a company incorporated on 25<sup>th</sup> May, 2007 under the Companies Act, 1956 having its registered office at Mahindra Towers, P.K. Kurne Chowk, Worli, Mumbai 400018, India (“**Transferor Company**” or “**MVML**”) [CIN: U34100MH2007PLC171151]. It was set up in 2007, as an automotive manufacturing Company and having its plant at Chakan, Pune. MVML is



in the business of manufacture of passenger vehicles like XUV 500, KUV 100, TUV 300, Alturas and the whole new range of medium and heavy commercial vehicles (Blazo & Furio) and construction equipment (EarthMaster). In March 2015, MVML opened a branch in Detroit, US for design, engineering & development of Automobile. In addition to captive design & engineering work, said branch is also providing services to M&M. MVML has recently opened a new branch in Virginia. The Transferor Company is a wholly owned subsidiary of the Transferee Company.

### **Transferee Company**

- b.** Mahindra and Mahindra Limited is a public limited company incorporated on 2<sup>nd</sup> 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:**

- MVML provides support and services largely to M&M and there are no other third party(ies) outside the Mahindra group to which any services are provided by MVML. Accordingly, the merger of MVML into M&M will result in operational synergies resulting in cost optimization. Moreover, this would enable M&M to enhance its focus on the automotive business.
- The Scheme will also achieve rationalization of costs by simplification of management structure leading to better administration and cost savings.
- It is the intention of the M&M management to rationalize the group holding structure by way of reduction in the number of entities.

Alongside this intent:

- In light of the feedback provided by the investors, analysts and other stakeholders of M&M on various forums, it is proposed to streamline the structure of M&M by merging MVML with M&M.
- The proposed merger will also simplify the financial reporting to all stakeholders & help evaluate financial results of the Company more meaningfully.
- In addition, the proposed merger will result in significant reduction in the multiplicity of legal and regulatory compliances required at present to be carried out by MVML.
- The proposed corporate restructuring mechanism by way of a scheme of merger by absorption under the provisions of the Act will be beneficial, advantageous and not prejudicial to the interests of the shareholders, creditors and other stakeholders of MVML 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 MVML 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 Rules made 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 having the force of 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 1<sup>st</sup> day of April, 2019 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, 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 authorised or individuals authorized for the purposes of matters pertaining to the merger, this Scheme and/or any other matter relating thereto;
- 1.6. **‘Effective Date’** means the last of the dates on which the conditions mentioned in Clause 20(a) is obtained or passed or filed, as the case may be.
- 1.7. **“Employees”** means all the employees of the Transferor Company who are on the pay-roll of the Transferor Company as on the Effective Date;
- 1.8. **“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;

- 1.9. “**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;
- 1.10. ‘**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 23 of the Scheme as approved or directed by the Tribunal or such other competent authority, as may be applicable.
- 1.11. ‘**SEBI**’ means the Securities and Exchange Board of India established under the Securities and Exchange Board of India Act, 1992;
- 1.12. ‘**SEBI Circular**’ shall mean the circular issued by the SEBI, being Circular **CFD/DIL3/CIR/2017/21** dated March 10, 2017, and any amendments thereof.
- 1.13. ‘**Stock Exchanges**’ means the Bombay Stock Exchange Limited and National Stock Exchange of India Limited;





1.14. **‘Tribunal’** means the National Company Law Tribunal, Mumbai Bench as 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.

1.15. **“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 (including Industrial Promotion Subsidy and benefits as per the Eligibility Certificates issued by the Directorate of Industries, Government of Maharashtra and the pending claims filed by MVML, as may be approved by the appropriate authority under the Package scheme of Incentives and exemption), lease rights granted by the Maharashtra Industrial Development Corporation for various leasehold land parcels including any license(s) and approval, if any, other benefits



(including tax benefits), incentives deductions, exemptions, rebates, allowances, amortization, credits (including tax credits and any credit for dividend distribution tax on dividend received by the Transferor Company from Transferor Company's subsidiary/ies), Minimum Alternate Tax Credit ("MAT Credit"), Foreign Tax Credit, dividend distribution tax, tax deducted at source, tax collected at source and advance income tax payment, entitlement if any, 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, all other rights including sales tax deferrals and exemptions and other benefits, 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, duty drawback claims, rebate receivables, refund and advance, 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 March 31, 2019 is as under:

<b>Particulars</b>	<b>Amount (Rupees)</b>
<b>Authorized Capital</b>	
500,00,00,000 equity shares of Rs. 10 each	5000,00,00,000
150,00,00,000 Preference Shares of Rs. 10/- each	1500,00,00,000
<b>Total</b>	<b>6500,00,00,000</b>
<b>Issued, Subscribed and Paid – up Capital</b>	
406,47,23,484 equity shares of Rs.10 each	4064,72,34,840
60,00,00,000 Preference shares of Rs.10 each	600,00,00,000
	46,64,72,34,840

The equity shares of the Transferor Company are not listed on the Stock Exchanges. The entire share capital of the Transferor Company is held beneficially by Transferee Company including six shares jointly held by nominee shareholders. The Transferor Company is a wholly owned subsidiary of Transferee Company.

Subsequent to March 31, 2019 and up to the date of approval of this Scheme by the Board of Transferor Company, there has been no change in the stated capital of Transferor Company.

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



3.2. The share capital of Transferee Company as at March 31, 2019 is as under:

<b>Particulars</b>	<b>Amount (Rupees)</b>
<b>Authorized Capital</b>	
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
<b>Total</b>	<b>4075,00,00,000</b>
<b>Issued, Subscribed and Paid – up Capital</b>	
124,31,92,544 Ordinary (Equity) Shares of Rs. 5 each	621,59,62,720
<b>Total</b>	<b>621,59,62,720</b>

The equity shares of the Transferee Company are listed on BSE and NSE. Subsequent to March 31, 2019 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. 6,17,40,932 GDRs were outstanding as on 31<sup>st</sup> March, 2019. The Transferor Company is a wholly owned subsidiary of Transferee Company.

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 MVML 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**

- a. Without prejudice to the generality of Clause 4 above, upon the coming into effect of this Scheme and with effect from the Appointed Date, 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, without any further act or deed done or being required to be done by the Transferor Company and/or the Transferee Company. 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.
- 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. Upon the coming into effect of the Scheme, and with effect from the Appointed Date, all the profits or income taxes (including advance tax, tax deducted at source, tax collected at source, Foreign Tax Credits, dividend distribution tax, MAT credit and any credit for dividend distribution tax on dividend received by the Transferor Company from Transferor Company's subsidiary/ies), all input credit balances (including but not limited to CENVAT/MODVAT, sales tax, applicable excise and customs duties, SGST, IGST and CGST credits under the GST laws) or any costs, charges, 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, taxes (namely Advance tax, Tax deducted at source, Tax collected at source, dividend distribution tax & Foreign Tax Credits), tax losses, MAT Credit, dividend distribution tax credit income costs, charges, expenditure or losses of Transferee Company, as the case may be.
- g. All the licenses, permits, registrations, quotas, entitlements, approvals, permissions, registrations, incentives (including Industrial Promotion Subsidy and benefits as per the Eligibility Certificates issued by the Directorate of Industries, Government of Maharashtra and the pending claims filed by MVML, as may be approved by the appropriate authority under the Package scheme of Incentives related eligibility and exemption), 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 (including the pending claims under Package Scheme of Incentives filed by MVML, as may be approved by the appropriate authority), 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 which 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 (including employee stock options) that may be applicable and available to any of the other employees of the Transferee Company (including the benefits of or under any employee stock option schemes applicable to or covering all or 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.



## **Section 2 – Conduct of Business**

**11) 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, minimum alternate 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, minimum alternate tax, dividend distribution 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 or otherwise howsoever, by the Transferor Company (including any credit for dividend distribution tax on dividend received by the Transferor Company from Transferor Company's subsidiary/ies) 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 or balances as between the Transferor Company and Transferee Company, the obligations in respect thereof shall, on and from the Appointed Date, shall 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 debentures to the Transferee Company, increase its capital (by fresh issue of shares, convertible debentures or otherwise).
- h. without prejudice to the provisions of Clauses 4 to 10, 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 – Cancellation of share capital of Transferor Company**

- 12) The Transferor Company is a wholly owned subsidiary of Transferee Company. Accordingly, 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 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.

**Section 4 - Increase in Authorised Share Capital of Transferee Company**

- 13) 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.
- 14) The capital clause 5 of the Memorandum of Association of the Transferee Company shall, as a part of and, upon the coming into effect of this Scheme and without any further act or deed, be replaced by the following clause:

**MEMORANDUM OF ASSOCIATION**

“5. The Authorised Share Capital of the Company is Rs. 10575,00,00,000 (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, 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.”

- 15) It is clarified that for the purposes of Clause 13 and 14 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.

### **PART III**

### **DISSOLUTION OF TRANSFEROR COMPANY, GENERAL CLAUSES, TERMS AND CONDITIONS APPLICABLE TO THE SCHEME**

#### **16) 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 minimum alternate tax purposes, carry forward and set-off of tax losses 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 (including minimum alternate tax, dividend distribution tax and foreign taxes), and to claim tax benefits, under the Income Tax Act including any credit for dividend distribution tax on dividend received by the Transferor Company from Transferor Company's subsidiary/ies and other tax laws etc. and for matters incidental thereto, if required to give effect to the provisions of this Scheme.
- iii. Upon the Scheme coming into effect, all taxes (direct and/or indirect)/ cess/ duties payable by or on behalf of the Transferor Company from the Appointed Date onwards including all or any refunds and claims, including refunds or claims pending with any Governmental Authority, and including the right to claim credit for minimum alternate tax, dividend distribution tax, set-off and carry forward of accumulated losses, foreign taxes, deferred revenue expenditure, deduction, rebate,



allowance, amortization benefit, etc. including any credit for dividend distribution tax on dividend received by the Transferor Company from Transferor Company's subsidiary/ies under the Income-tax Act, 1961, or any other or like benefits under the said acts or under and in accordance with any law or act, whether in India or anywhere outside India and unutilized CENVAT credit, VAT credit, input tax credit for CGST, SGST and IGST etc shall, for all purposes, be treated as the tax/ cess/ duty, liabilities or refunds, claims, accumulated losses and unutilized CENVAT credits, VAT credit, CGST, SGST and IGST credits and rights to claim credit or refund etc of the Transferee Company. Accordingly, upon the Scheme becoming effective, the Transferee Company shall be permitted to revise, if it becomes necessary, its income tax returns, wealth tax returns, sales tax returns, excise and CENVAT returns, service tax returns, other statutory returns, CGST returns, SGST returns, IGST returns and to claim refunds/ credits (including, but not limited to Foreign Tax Credit, dividend distribution tax and minimum alternate tax), pursuant to the provisions of this Scheme.

- iv. 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 16(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, benefit of credit for minimum alternate tax/ dividend distribution tax (including any credit for dividend distribution tax on dividend received by the Transferor Company)/ , foreign taxes and



carry forward of accumulated losses etc., pursuant to the provisions of this Scheme.

- v. The withholding tax/ tax collected at source/ advance tax/ minimum alternate tax/ dividend distribution tax, foreign taxes, if any, paid by the Transferor Company under the Income Tax Act, 1961 or any other statute for the period commencing from the Appointed Date shall be deemed to be the tax deducted from/advance tax/ dividend distribution tax, foreign taxes paid by the Transferee Company and credit for such withholding tax/ tax collected at source/ advance tax/minimum alternate tax/ dividend distribution tax, foreign taxes shall be allowed to the Transferee Company notwithstanding that certificates or challans for withholding tax/ tax collected at source/ advance tax/ dividend distribution tax/ foreign tax are in the name of the Transferor Company and not in the name of the Transferee Company.
- vi. The service tax, VAT, sales tax, excise and custom duties under the pre – GST regime and in the GST regime, CGST, SGST and IGST paid by the Transferor Company under the Finance Act, 1994 and/ or Central Goods and Service Tax Act, Integrated Goods and Service Tax Act and Union Territory Goods and Service Tax Act in respect of services provided by the Transferor Company for the period commencing from the Appointed Date shall be deemed to be the service tax, sales tax, excise and custom duties, CGST, SGST, IGST paid by the Transferee Company and credit for such service tax CGST, SGST, IGST shall be allowed to the Transferee Company notwithstanding that challans for service tax payments, CGST payment, SGST payment, IGST payment 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 book values 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'.

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.

## **17) 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.

**18) Savings of concluded transactions**

The transfer and vesting of undertaking under Clause 4 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.



**19) 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.

**20) 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. The scheme being approved by Directorate of Industries under the Package Scheme of Incentives as notified by the Government of Maharashtra resolution.
  - iii. Approval of Maharashtra Industrial Development Corporation for the transfer of leasehold land parcels from Transferor Company to Transferee Company pursuant to this Scheme, if applicable.
  - iv. This Scheme being approved by the respective requisite majorities of the various classes of 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;



- v. 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.

#### **21) 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) failing which 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.

## **22) 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.

## **23) 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, a Committee of the concerned Board or any Director or Company Secretary or any other officer, authorized in that behalf by the concerned Board of Directors (hereinafter referred to as the 'delegate').

- b) For the purpose of giving effect to this Scheme or to any modifications or amendments thereof or additions thereto, the delegate 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.

#### **24) 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.

**CERTIFIED TRUE COPY**  
For MAHINDRA & MAHINDRA LIMITED

  
**NARAYAN SHANKAR**  
COMPANY SECRETARY





Certified True Copy of the Extract of the Resolution passed by the  
Board of Directors of Mahindra & Mahindra Limited at its Meeting  
held on 29<sup>th</sup> May, 2019

RESOLVED that pursuant to the provisions of sections 230 to 232 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act"), and the National Company Law Tribunal Rules ("Rules") (including any statutory modification or re-enactment or amendment thereof) and Clause 3(xxxii) of the Memorandum of Association of Mahindra & Mahindra Limited ("the Company" or "the Transferee Company") and subject to receipt of the in-principle approval of the Directorate of Industries, Government of Maharashtra, Maharashtra Industrial Development Corporation, if applicable, prior to the making of the application with the National Company Law Tribunal, Mumbai Bench ("NCLT"), approval of Shareholders, Creditors of the Company, if required, and approval of such other statutory/Government authority(ies), as may be necessary or as may be directed by the NCLT and subject to the sanction/confirmation by the NCLT or such other competent authority(ies), as may be applicable, the merger of Mahindra Vehicle Manufacturers Limited, a wholly owned subsidiary of the Company, having its Registered Office situated at Mahindra Towers, P. K. Kurne Chowk, Worli, Mumbai - 400 018 ("MVML" or "Transferor Company") with the Company with effect from 1<sup>st</sup> April, 2019 ("the Appointed Date"), as per the Scheme of Merger by Absorption of MVML with the Company and their respective Shareholders ("Scheme") as placed before the Board, be approved.

FURTHER RESOLVED that the draft Scheme, draft Report as per section 232(2)(c) of the Act explaining the effect of the Scheme on equity shareholders (promoter and non-promoter shareholders) and key managerial personnel of the Company, and certificate from the Auditors of the Company confirming the accounting treatment as required under proviso to Section 230(7) of the Companies Act, 2013 as placed before the Board be approved.

**CERTIFIED TRUE EXTRACT  
For MAHINDRA & MAHINDRA LIMITED**



**NARAYAN SHANKAR  
COMPANY SECRETARY**

 narayan.shankar@mahindra.com  
ACS 8666

Mahindra Towers,  
Dr. G. M. Bhosale Marg,  
Worli, Mumbai 400 018

13<sup>th</sup> November, 2019



# Mahindra

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**CERTIFIED TRUE COPY OF THE RESOLUTION PASSED BY THE BOARD OF DIRECTORS OF MAHINDRA VEHICLE MANUFACTURERS LIMITED AT ITS MEETING HELD ON 29<sup>TH</sup> MAY, 2019 AT MUMBAI**

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**Merger of the Company, a wholly owned subsidiary of Mahindra and Mahindra Limited ("M&M") into M&M**

**"RESOLVED** that pursuant to the provisions of sections 230 to 232 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act"), and the National Company Law Tribunal Rules ("Rules") (including any statutory modification or re-enactment or amendment thereof) and Clause 44 of the Memorandum of Association of Mahindra Vehicle Manufacturers Limited ("the Company" or "the Transferor Company") and subject to the in-principle approval of the Directorate of Industries, Government of Maharashtra, Maharashtra Industrial Development Corporation, if applicable, received prior to the making of the application with the National Company Law Tribunal, Mumbai Bench ("NCLT"), Shareholders, Creditors of the Company, if required, and approval of such other statutory/Government authority(ies), as may be necessary or as may be directed by the NCLT and subject to the sanction/confirmation by the NCLT or such other competent authority(ies), as may be applicable, the merger of the Company, wholly owned subsidiary of Mahindra and Mahindra Limited having its Registered Office situated at Gateway Building, Apollo Bunder, Mumbai 400 001 ("M&M" or "the Transferee Company") with M&M with effect from 1<sup>st</sup> April, 2019 ("the Appointed Date"), as per the Scheme of Merger by Absorption of the Company with M&M and their respective Shareholders ("the Scheme") as placed before the Board, be approved.

*Rhator*

**Mahindra**

**Mahindra Vehicle Manufacturers Ltd**

Plot No. A-1, Phase -IV, Chakan MIDC,  
Talegaon Khed District, Pune 410 501  
Maharashtra, India

Tel: +91 2135 617015

Fax: +91 2135 617150

mahindra.com

Regd. Office  
Mahindra Towers, P. K. Kunte Chowk,  
Work: Mumbai-400 018  
Maharashtra, India

CIN No. U34100MH2007PLC171151

Tel: +91 22 24901441

Fax: +91 22 24900893

**FURTHER RESOLVED** that the draft Scheme and draft Report as per section 232(2)(c) of the Act explaining the effect of the Scheme on shareholders (promoter and non-promoter shareholders) and key managerial personnel of the Company as placed before the Board be approved.

**/CERTIFIED TRUE COPY/**

**For MAHINDRA VEHICLE MANUFACTURERS LIMITED**

*RK Arora*

**RAJESH ARORA**  
**Company Secretary**  
**ACS: 4081**

Place: Mumbai

Date: 12.11.2019

# Mahindra

**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  
29<sup>th</sup> May, 2019

**National Stock Exchange of India Limited**  
"Exchange Plaza", 5<sup>th</sup> 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: Intimation under Regulation 30 read with Regulation 37 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 - Scheme of Merger by Absorption of Mahindra Vehicle Manufacturers Limited, a wholly owned subsidiary of the Company ("MVML") with the Company and their respective Shareholders ("Scheme")**

The Board of Directors of Mahindra & Mahindra Limited ("the Company") at its Meeting held on 29<sup>th</sup> May, 2019, subject to requisite approvals/consents, approved the Scheme of Merger by Absorption of Mahindra Vehicle Manufacturers Limited, a wholly owned subsidiary of the Company ("MVML") with the Company and their respective Shareholders ("Scheme") under the provisions of sections 230 to 232 of the Companies Act, 2013.

The salient features of the proposed Scheme are as under:

1. The Appointed Date of the Scheme would be 1<sup>st</sup> April, 2019.
2. The entire assets and liabilities of MVML to be transferred to and recorded by the Company at book values.
3. The entire share capital of MVML is held by the Company. Upon the Scheme being effective, all shares (preference and equity) held by the Company in MVML as on the Effective Date shall stand cancelled, without any further act or deed. Accordingly, in respect of the Scheme, except for extinguishment of shares held by the Company in MVML, no consideration whatsoever shall pass to MVML.

The details as required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI Circular No. CIR/CFD/CMD/4/2015 dated 9<sup>th</sup> 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

**Annexure A**

**Amalgamation/ Merger:**

Sr. No.	Details of Events that need to be provided	Information of such events(s)												
a)	Name of the entity(ies) forming part of the amalgamation/merger, details in brief such as size, turnover, etc.	<p>The details of Mahindra Vehicle Manufacturers Limited ("Transferor Company" or "MVML") and Mahindra &amp; Mahindra Limited ("Transferee Company" or "the Company"), are as under:</p> <p align="right"><b>As on 31<sup>st</sup> March, 2019</b></p> <table border="1" data-bbox="778 701 1469 913"> <thead> <tr> <th>Particulars</th> <th>MVML</th> <th>Company</th> </tr> </thead> <tbody> <tr> <td>Paid-up Capital</td> <td>Rs.4,664.72 crores</td> <td>Rs.621.60 crores</td> </tr> <tr> <td>Net-worth (Standalone)</td> <td>Rs.4,723.63 crores</td> <td>Rs.33,851.76 crores</td> </tr> <tr> <td>Turnover (Standalone)</td> <td>Rs.11,345.05 crores</td> <td>Rs.53,614.00 crores</td> </tr> </tbody> </table>	Particulars	MVML	Company	Paid-up Capital	Rs.4,664.72 crores	Rs.621.60 crores	Net-worth (Standalone)	Rs.4,723.63 crores	Rs.33,851.76 crores	Turnover (Standalone)	Rs.11,345.05 crores	Rs.53,614.00 crores
Particulars	MVML	Company												
Paid-up Capital	Rs.4,664.72 crores	Rs.621.60 crores												
Net-worth (Standalone)	Rs.4,723.63 crores	Rs.33,851.76 crores												
Turnover (Standalone)	Rs.11,345.05 crores	Rs.53,614.00 crores												
b)	Whether, the transaction would fall within related party transaction? If yes, whether the same is done at arm's length?	<p>The Transferor Company is a wholly-owned subsidiary of the Transferee Company and as such both the companies are related party to each other.</p> <p>However, the Ministry of Corporate Affairs has clarified vide its General Circular No. 30/2014 dated July 17, 2014 that transactions arising out of Compromise, Arrangements and Amalgamations dealt with under specific provisions of the Companies Act, 2013, will not fall within the purview of related party transaction in terms of Section 188 of the Companies Act, 2013.</p> <p>Further, pursuant to Regulation 23(5)(b) of the Listing Regulations, the related party transaction provisions are not applicable to the proposed Scheme and the Scheme is also exempted from the provisions of SEBI circular dated March 10, 2017.</p>												
c)	Area of business of the entities	<p><b><u>MVML :</u></b></p> <p>MVML is in the business of manufacture of passenger vehicles like XUV 500, KUV 100, TUV 300, Alturas and the whole new range of medium and heavy commercial vehicles (Blazo &amp; Furio) and Construction equipment (EarthMaster).</p> <p><b><u>The Company :</u></b></p> <p>The 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.</p>												

d)	Rationale for amalgamation/ merger	<ul style="list-style-type: none"> <li>• MVML provides support and services largely to the Company and there are no third party(s) outside of Mahindra Group to which any services are provided by MVML. Accordingly, the merger of MVML into the Company will <b>result in operational synergies</b> resulting in cost optimization. Moreover, this would enable the Company to enhance its focus on the automotive business.</li> <li>• The Scheme will also achieve <b>rationalization of costs</b> by simplification of management structure leading to better administration and cost savings.</li> <li>• It is the intention of the Company's management to <b>rationalize the group holding structure</b> by way of reduction in the number of entities.</li> </ul> <p>Alongside this intent:</p> <ul style="list-style-type: none"> <li>• In light of the feedback provided by the investors, analysts and other stakeholders of the Company on various forums, it is proposed to <b>streamline the structure</b> of the Company by merging MVML with the Company.</li> <li>• The proposed merger will also <b>simplify the financial reporting</b> to all stakeholders and help evaluate financial results of the Company more meaningfully.</li> <li>• In addition, the proposed merger will result in significant <b>reduction in the multiplicity of legal and regulatory compliances</b> required at present to be carried out by MVML.</li> <li>• The proposed corporate restructuring mechanism by way of a scheme of merger by absorption under the provisions of the Act will be beneficial, advantageous and not prejudicial to the interests of the shareholders, creditors and other stakeholders of MVML and M&amp;M.</li> </ul>
e)	In case of cash consideration - amount or otherwise share exchange ratio	The entire share capital of MVML is held by the Company. Upon the Scheme becoming effective, all shares (preference and equity) held by the Company in MVML as on the Effective Date shall stand cancelled, without any further act or deed. Accordingly, in respect of the Scheme, except for extinguishment of shares held by the Company in MVML, no consideration whatsoever shall pass to MVML.
f)	Brief details of change in shareholding pattern (if any) of the listed entity	There will be no change in the shareholding pattern of the Transferee company pursuant to the scheme as no shares are being issued by the Transferee company in connection with the Scheme.