

REF:NS:SEC:

31st July 2020

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: Cessation of Two Subsidiaries

We have received an intimation from Mahindra Two Wheelers Limited, a wholly owned subsidiary of Mahindra Vehicle Manufacturers Limited ("MVML") which in turn is a wholly owned subsidiary of the Company, that the Mumbai Bench of the National Company Law Tribunal ("NCLT") has vide its order dated 30th June, 2020 ("said Order") sanctioned the Scheme of Merger by Absorption of Mahindra Trucks and Buses Limited ("MTBL" or "Transferor Company 1") and Mahindra Automobile Distributor Private Limited ("MADPL" or "Transferor Company 2") with Mahindra Two Wheelers Limited ("MTWL" or "Transferee Company") and their respective Shareholders ("the Scheme").

The Certified Copy of the said Order sanctioning the Scheme which was received by MTBL, MADPL and MTWL on 17th July, 2020 has been filed electronically by them with the Registrar of Companies, Maharashtra, Mumbai on 31st July, 2020 and the Scheme has become effective from 31st July, 2020.

Pursuant to the said Scheme being made effective, MTBL and MADPL have ceased to be subsidiaries of the Company with effect from 31st July, 2020. Post allotment of shares by MTWL, the shareholding of the Company and its subsidiaries in MTWL will be as under:

Name of the company	No. of shares	% of equity share capital of MTWL
Mahindra & Mahindra Limited	38,22,66,47,930	92.31
Mahindra Vehicle Manufacturers Limited	2,99,83,89,216	7.24
Mahindra Holdings Limited	18,68,53,800	0.45



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 for cessation of subsidiaries is attached as Annexure A to this letter, while for acquisition of shares of MTWL by the Company is attached as Annexure B.

This is for your information.

Yours faithfully,
For MAHINDRA & MAHINDRA LIMITED



NARAYAN SHANKAR
COMPANY SECRETARY

Encl.: as above.



Cessation of subsidiaries of the Company upon the Scheme of Merger by Absorption of Mahindra Trucks and Buses Limited ("MTBL") and Mahindra Automobile Distributor Private Limited ("MADPL") with Mahindra Two Wheelers Limited ("MTWL") becoming effective:

Sr. No.	Details of Events that need to be provided	Information of such events(s)
a)	Name of the Entity(ies) forming part of amalgamation / merger, details in brief such as size, turnover etc.	<p>Mahindra Trucks and Buses Limited (Transferor Company No. 1)</p> <p>Turnover as on 31st March, 2020: Rs. 22,062.67 Lakhs.</p> <p>Mahindra Automobile Distributor Private Limited (Transferor Company No. 2)</p> <p>Turnover as on 31st March, 2020: Rs. 2,784.14 Lakhs.</p> <p>Mahindra Two Wheelers Limited (Transferee Company)</p> <p>Turnover as on 31st March, 2020: Rs. 2,374.67 Lakhs.</p>
b)	<p>Whether the transaction would fall within related party transaction(s)?</p> <p>If yes, whether the same is done at "arm's length";</p>	<p>Yes.</p> <p>Pursuant to the Scheme becoming effective, Transferee Company will issue and allot 38,22,66,47,930 number of shares to the Company, and consequentially the holding of the Company in MTWL will be 92.31% of the equity share capital of MTWL.</p> <p>However, the Ministry of Corporate Affairs has clarified vide its General Circular No. 30/2014 dated 17th July, 2014 that transactions arising out of Compromises, Arrangements and Amalgamations dealt with under specific</p>



		provisions of the Companies Act, 1956/Companies Act, 2013, will not attract the requirements of section 188 of the Companies Act, 2013.
c)	Areas of Business of the Entities.	<p>Mahindra Trucks & Buses Limited (Transferor Company No. 1):</p> <p>MTBL is currently engaged in the business of trading in spare parts and accessories and deals in parts required for the range of certain (light, medium and heavy) commercial vehicles manufactured and sold by its holding company i.e. Mahindra & Mahindra Limited. MTBL undertakes procurement, warehousing management, logistics, supply chain management and sale of spare parts and accessories.</p> <p>Mahindra Automobile Distributor Private Limited (Transferor Company No. 2):</p> <p>MADPL is also currently engaged in the business of trading in spare parts and accessories and deals in parts required for certain four wheeler vehicles. MADPL undertakes procurement, warehousing management, logistics, supply chain management and sale of imported and local spare parts and also exports spare parts.</p> <p>Mahindra Two Wheelers Limited (Transferee Company):</p> <p>MTWL is also currently engaged in the business of trading in spare parts and accessories and deals in parts required for two wheelers. MTWL undertakes procurement, warehousing management, logistics, supply chain management and sale of imported and local spare parts and also exports spare parts in small quantities.</p>



d)	Rationale for amalgamation/merger	<p>The Scheme of Merger by Absorption of MTBL and MADPL with the Transferee Company MTWL was aimed at achieving the following primary benefits:</p> <ol style="list-style-type: none"> 1. MTBL, MADPL and MTWL are engaged in similar and complementary businesses and combining the businesses in a single entity shall bring scale to its operations, will rationalize costs and hence will result in enhancing shareholder value; 2. Reorganizing the legal entities in the group structure that is more aligned with the business and to obtain cost savings and/or simplification benefits; 3. Significant reduction in the multiplicity of legal and regulatory compliances required at present to be carried out by MTBL and MADPL; 4. The proposed corporate restructuring mechanism by way of a scheme of merger by absorption under the provisions of the Companies Act, 2013, is beneficial, advantageous and not prejudicial to the interests of the shareholders, creditors and other stakeholders of all the companies involved.
e)	In case of cash consideration -amount or otherwise share exchange ratio.	<p>The share exchange ratio as per the Scheme is as under:</p> <p>“819 (Eight Hundred and Nineteen) Equity Shares of MTWL of INR 0.02/- each fully paid up for 100 (Hundred) Equity Shares held in MTBL of INR 0.20/- each fully paid up.”</p> <p>“88,978 (Eighty Eight Thousand Nine Hundred and Seventy Eight) Equity Shares of MTWL of INR 0.02/- each fully paid up for 100 (Hundred) Equity Shares held in MADPL of INR 10/- each fully paid up.”</p>



		Based on the above share exchange ratio, the Company will receive 38,22,66,47,930 Equity Shares (92.31%) of MTWL.
f)	Brief Details of change in shareholding pattern (if any) of listed entity.	No Change.



Acquisition (including agreement to acquire):

Sr. No.	Details of Events that need to be provided	Information of such events(s)														
a)	name of the target entity, details in brief such as size, turnover etc.;	<p>Mahindra Two Wheelers Limited (Transferee Company):</p> <p>MTWL is currently engaged in the business of trading in spare parts and accessories and deals in parts required for two wheelers. MTWL undertakes procurement, warehousing management, logistics, supply chain management and sale of imported and local spare parts and also exports spare parts in small quantities.</p> <p>Turnover as on 31st March, 2020: Rs. 2,374.67 Lakhs.</p>														
b)	<p>whether the acquisition would fall within related party transaction(s) and whether the promoter/ promoter group/ group companies have any interest in the entity being acquired?</p> <p>If yes, nature of interest and details thereof and whether the same is done at "arm's length";</p>	<p>Yes. Pursuant to the Scheme becoming effective, MTWL will issue and allot 38,22,66,47,930 number of shares to the Company, and consequentially the holding of the Company in MTWL will be 92.31% of the equity share capital of MTWL.</p> <p>The Ministry of Corporate Affairs has clarified vide its General Circular No.30/2014 dated 17th July, 2014 that transactions arising out of Compromises, Arrangements and Amalgamations dealt with under specific provisions of the Companies Act, 1956/ Companies Act, 2013, will not attract the requirements of section 188 of the Companies Act, 2013.</p> <p>The pre and post shareholding of the Company and its subsidiaries in MTWL is as under:-</p> <table border="1" data-bbox="564 1527 1426 1892"> <thead> <tr> <th rowspan="2">Name of the company</th> <th colspan="2">Pre holding</th> <th colspan="2">Post holding</th> </tr> <tr> <th>No. of shares</th> <th>% of equity share capital of MTWL</th> <th>No. of shares</th> <th>% of equity share capital of MTWL</th> </tr> </thead> <tbody> <tr> <td>Mahindra & Mahindra Limited</td> <td>-</td> <td>-</td> <td>38,22,66,47,930</td> <td>92.31</td> </tr> </tbody> </table>	Name of the company	Pre holding		Post holding		No. of shares	% of equity share capital of MTWL	No. of shares	% of equity share capital of MTWL	Mahindra & Mahindra Limited	-	-	38,22,66,47,930	92.31
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		<table border="1"> <tr> <td>Mahindra Vehicle Manufacturers Limited</td> <td>299,83,89,216</td> <td>100</td> <td>299,83,89,216</td> <td>7.24</td> </tr> <tr> <td>Mahindra Holdings Limited</td> <td>-</td> <td>-</td> <td>18,68,53,800</td> <td>0.45</td> </tr> </table> <p>Pursuant to the Scheme becoming effective, MTWL has become a direct subsidiary (instead of step down subsidiary) of the Company. The Promoters and Promoter Group of the Company do not have any interest in the entity being acquired.</p>	Mahindra Vehicle Manufacturers Limited	299,83,89,216	100	299,83,89,216	7.24	Mahindra Holdings Limited	-	-	18,68,53,800	0.45
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Mahindra Holdings Limited	-	-	18,68,53,800	0.45								
c)	industry to which the entity being acquired belongs;	Business of trading in spare parts and accessories and dealing in parts required for two wheelers.										
d)	objects and effects of acquisition (including but not limited to, disclosure of reasons for acquisition of target entity, if its business is outside the main line of business of the Company);	<p>The Scheme of Merger by Absorption of MTBL and MADPL with MTWL was aimed at achieving the following primary benefits:</p> <ol style="list-style-type: none"> 1. MTBL, MADPL and MTWL are engaged in similar and complementary businesses and combining the businesses in a single entity shall bring scale to its operations, will rationalize costs and hence will result in enhancing shareholder value; 2. Reorganizing the legal entities in the group structure that is more aligned with the business and to obtain cost savings and/or simplification benefits; 3. Significant reduction in the multiplicity of legal and regulatory compliances required at present to be carried out by MTBL and MADPL; 4. The proposed corporate restructuring mechanism by way of a scheme of merger by absorption under the provisions of the Companies Act, 2013, is beneficial, advantageous and not prejudicial to the interests of the shareholders, creditors and other stakeholders of all the companies involved. 										
e)	brief details of any governmental or regulatory approvals required for the acquisition;	The Scheme has been approved by the Mumbai Bench of the National Company Law Tribunal ("NCLT") vide its Order dated 30 th June, 2020.										

f)	indicative time period for completion of the acquisition;	The Certified Copy of the said Order sanctioning the Scheme has been filed electronically by MTBL, MADPL and MTWL with the Registrar of Companies, Maharashtra, Mumbai on 31 st July, 2020 and the Scheme has become effective from 31 st July, 2020.
g)	nature of consideration - whether cash consideration or share swap and details of the same	<p>The share exchange ratio as per the Scheme is as under:</p> <p>“819 (Eight Hundred and Nineteen) Equity Shares of MTWL of INR 0.02/- each fully paid up for 100 (Hundred) Equity Shares held in MTBL of INR 0.20/- each fully paid up.”</p> <p>“88,978 (Eighty Eight Thousand Nine Hundred and Seventy Eight) Equity Shares of MTWL of INR 0.02/- each fully paid up for 100 (Hundred) Equity Shares held in MADPL of INR 10/- each fully paid up.”</p> <p>Based on the above share exchange ratio, pursuant to the Scheme becoming effective, MTWL will issue and allot 38,22,66,47,930 number of shares to the Company, and consequentially the holding of the Company in MTWL will be 92.31% of the equity share capital of MTWL.</p>
h)	cost of acquisition or the price at which the shares are acquired;	As per point g) above.
i)	percentage of shareholding / control acquired and / or number of shares acquired;	Pursuant to the Scheme becoming effective, MTWL will issue and allot 38,22,66,47,930 number of shares to the Company, and consequentially the holding of the Company in MTWL will be 92.31% of the equity share capital of MTWL.



j)	brief background about the entity acquired in terms of products/line of business acquired, date of incorporation, history of last 3 years turnover, country in which the acquired entity has presence and any other significant information (in brief)	MTWL: <ul style="list-style-type: none">• Incorporated on 5th August, 2008• Business of trading in spare parts and accessories and deals in parts required for two wheelers• Revenue:<ul style="list-style-type: none">○ FY 2018: ~ INR 3,651.29 Lakhs○ FY 2019: ~ INR 2,968.76 Lakhs○ FY 2020: ~ INR Rs. 2,374.67 Lakhs• Presence in India.
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