

REF:NS:SEC:

26<sup>th</sup> November, 2020

**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 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: **Intimation of acquisition - under Regulation 30 read with Schedule III of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

With reference to the captioned subject, we would like to inform that the Company has today signed a Share Subscription Agreement for subscribing to the following securities of TVS Automobile Solutions Private Limited ('TASL') :-

- Series IV Compulsorily Convertible Preference Shares (Series IV CCPS) resulting in the Company acquiring 2.76% of the share capital of TASL on a fully diluted basis and
- Series V Compulsorily Convertible Preference Shares (Series V CCPS) with an earn-out right to increase the stake of the Company in TASL. The number of equity shares upon conversion would depend upon the milestones to be achieved upto 31<sup>st</sup> March, 2024.

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.

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

Yours faithfully,  
For MAHINDRA & MAHINDRA LIMITED



NARAYAN SHANKAR  
COMPANY SECRETARY

Encl.: as above.

Annexure A

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.;	TVS Automobile Solutions Private Limited ("TASL")  The Turnover (Total Income) of TASL for the year ended on 31 <sup>st</sup> March, 2020 is Rs. 1,295.9 crores.
b)	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?  If yes, nature of interest and details thereof and whether the same is done at "arm's length";	The subscription of shares does not fall within related party transactions.  The promoter / promoter group / group companies do not have any interest in the entity being acquired
c)	industry to which the entity being acquired belongs;	Multi-brand Automotive aftermarket and other related services
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);	Mahindra Holdings Limited, a wholly owned subsidiary of the Company is divesting its entire stake held in Mahindra First Choice Services Limited ("MFCS") and its subsidiary Auto Digitech Private Limited ("ADPL") to TASL, which houses 'myTVS,' a multi-brand independent automobile aftermarket player that offers integrated solutions across the aftermarket value chain.  As a part of the transaction, the Company will secure a minority stake in TASL and in turn, MFCS and ADPL will become subsidiaries of TASL.

e)	brief details of any governmental or regulatory approvals required for the acquisition;	The transaction is subject to approval from Competition Commission of India.
f)	indicative time period for completion of the acquisition;	28 <sup>th</sup> February, 2021
g)	nature of consideration - whether cash consideration or share swap and details of the same	The Company will invest approx. Rs 35 crores for acquisition of shares in TASL which is comparable to the consideration that TASL will pay to acquire shares of MFCS and ADPL.
h)	cost of acquisition or the price at which the shares are acquired;	Total consideration of approx. Rs 35 crores is bifurcated as under: <ul style="list-style-type: none"> <li>• Series IV CCPS - Rs 1,053.28 per share aggregating to ~ Rs 34.99 crores.</li> <li>• Series V CCPS - Rs 1,053.28 per share aggregating to ~ Rs 0.01 crores</li> </ul>
i)	percentage of shareholding / control acquired and / or number of shares acquired;	2.76% of the share capital of TASL on a fully diluted basis and on an as is converted basis. <p>Additionally, the Company will have an earn-out right linked to conversion of Series V CCPS to increase stake of the Company in TASL. The number of equity shares upon conversion of Series V CCPS would depend upon the milestones to be achieved upto 31<sup>st</sup> March, 2024.</p>
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)	TASL is a private limited Indian company primarily engaged in the business of, <i>inter alia</i> , distribution of automobile spare parts, and multi brand vehicle service. Through its subsidiaries, TASL is active, in Europe, United States of America, South Africa, China and Turkey. <p>Date of incorporation - 24<sup>th</sup> April, 2009</p>



**Mahindra & Mahindra Ltd.**

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		Turnover for the last 3 years: FY2019-20: Rs.1295.90 crores ( <i>provisional numbers</i> ) FY2018-19: Rs. 1059.80 crores FY2017-18: Rs. 817.30 crores
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CIN No. L65990MH1945PLC004558

## **Mahindra and Mahindra to partner with TVS Automobile Solutions for integrating its Mahindra First Choice Service business**

- *In a share swap transaction, M&M will secure a stake in TVS Automobile Solutions*
- *Transaction will empower partners and employees by driving growth through digital solutions*

**Chennai, 26 November, 2020;**

Mahindra First Choice Services Ltd. (MFCSL), a pan-India chain of multi-brand car and two-wheeler service workshops, part of the \$19.4 Bn Mahindra Group, today announced a plan to integrate its operations with TVS Automobile Solutions Pvt. Ltd., (TVS ASPL), India's leading independent automotive aftermarket player. The move will enable the respective organisations to combine their strengths to organise the highly fragmented automobile aftermarket services space in India, thereby providing superior value to customers, channel partners, employees and other stakeholders.

MFCSL will partner with TVS Automobile Solutions, which houses 'myTVS,' a multi-brand independent automobile aftermarket brand that offers integrated solutions across the aftermarket value chain. As part of the transaction, Mahindra and Mahindra Ltd. will secure a stake in TVSASPL and in turn, MFCSL will become a subsidiary of TVS ASPL. The transaction is subject to regulatory approvals, including an approval from the Competition Commission of India (CCI).

Says **Mr. R. Dinesh, Director, TVS Automobile Solutions Pvt. Ltd.** "I am delighted with this deal as two great brands have come together for the benefit of the overall aftermarket ecosystem. India's \$10 bn aftermarket segment is fragmented and needs strong support for relevance and growth amidst changing technology landscape in the automotive sector. We would take this opportunity to bring thousands of entrepreneurs into a digital platform wherein they can get benefited from digital technologies across marketing, diagnostics, customer experience, quality parts, access to training and digital payments. I am sure this partnership will be a win-win proposition for all the stakeholders."

**Mr. V S Parthasarathy, President, Mobility Services Sector, Mahindra Group** said, "MFCSL has developed a large, trusted, multi-brand car service franchise and distribution network over the years. Our focus on quality and customer satisfaction has ensured that we continue to deliver superior value to our customers and channel partners. I believe that

consolidation, scale and phygital solutions will drive the next phase of growth for the company as well as the industry. I am confident that a strong partner like TVS ASPL will help take our legacy further and propel the company to the next orbit. I applaud the commitment and passion of our franchisees, distributors and employees and seek their support as we embark on the next phase of the journey.”

**Mr. G. Srinivasa Raghavan, Managing Director, TVS ASL** added, “myTVS has created a digital platform and ecosystem for over 2,500 garages especially across South India. With MFCSL, we will have an opportunity to create a pan India digital footprint. We will continue to invest and expand our network to over 10,000 garages in the next 18-24 months. It is imperative that we take this positioning to help organize the fragmented garage ecosystem so that we can continue to provide superior customer experience to the growing automotive population and help these garages by making them future ready.”

The Indian independent automotive aftermarket has been growing at a CAGR of 7-10% over the past five years. The market is highly fragmented with over 40,000 retailers, 100,000 garages and thousands of small distributors across the country. MFCSL has established a highly reputed pan-India network of 475+ franchise partners and 100+ distributors present in over 350 towns across 25 states and 2 union territories. TVS ASL, over the years, has established a strong leadership by empowering over 2 million customers, 20,000 retailers, 10,000 garages along with fleet management for over 70,000 vehicles. By bringing these stakeholders into a seamless supply chain and technology platform, TVS ASL ensures delivery of service or parts within 24 hours across the country.

#### **About TVS Automobile Solutions Pvt. Ltd.**

TVS ASL, part of the \$ 8.5 billion TVS Group, is one of India’s largest players in independent automobile aftermarket business. It aims at providing an innovative, technology based global service & parts delivery model to help manufacturers connect with customers, garages and retailers directly. Please visit [www.mytvs.in](http://www.mytvs.in)

#### **About Mahindra First Choice Services Ltd.**

Mahindra First Choice Services (MFCSL), part of the USD 19.4 billion Mahindra Group, is a pan-India chain of multi-brand car and two-wheeler service workshops. MFCSL also has a presence in the private label spare parts segment for leading brands. MFCSL has launched a

new flagship technology platform, DearO – the simplest and smartest workshop management system designed to seamlessly work for large, medium and small garages alike. MFCSL is certified as a 'Great Place to Work' organization.

Visit us at [www.mahindrafirstchoiceservices.com](http://www.mahindrafirstchoiceservices.com)

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