

REF:NS:SEC:
20th September, 2017

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: 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 you that pursuant to approval granted by the Board of Directors, the Company has today signed two Share Purchase Agreements for acquiring:


- (i) 100% of the Share Capital of Erkunt Traktor Sanayii A.S.; and
- (ii) At least 80% of the Share Capital of Erkunt Sanayi A.S. (which includes approx. 35% of Erkunt Sanayi A.S. which is held by Erkunt Traktor Sanayii A.S.)

The details as required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI Circular No. CIR/CFD/CMD/4/2015 dated 9th September, 2015 are given in Annexures A & B for Erkunt Traktor Sanayii A.S. and Erkunt Sanayi A.S., respectively, 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

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>Erkunt Traktor Sanayii A.S. ("Erkunt Traktor") designs, manufactures and sells tractors in Turkey.</p> <p>Erkunt Traktor markets tractors under "Erkunt" brand name for the Turkish market and exports its tractors globally under the "ArmaTrac" brand name.</p> <p>In the year ended 31st December 2016, Erkunt Traktor sold approximately 4,700 tractors and recorded a revenue of approximately 314-million Turkish Lira.</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>At the time of acquisition of 100% of the Share Capital of Erkunt Traktor, it would not be a Related Party of the Company and hence the acquisition would not fall within related party transaction.</p> <p>None of the promoter / promoter group/group companies have any interest in Erkunt Traktor.</p>
c)	industry to which the entity being acquired belongs;	Erkunt Traktor operates in the Farm Equipment industry.
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 acquisition would provide the Company access to Turkish agricultural machinery market (4th largest tractor market globally).</p> <p>Through this acquisition, the Company would also acquire a wide product portfolio and access to the 4th largest Turkish tractor brand.</p>
e)	brief details of any governmental or regulatory approvals required for the acquisition;	The transaction is subject to applicable anti-trust approvals, regulatory approvals and other approvals as may be required.

f)	indicative time period for completion of the acquisition;	The closing of the transaction is expected to take place by 30 th November, 2017.
g)	nature of consideration - whether cash consideration or share swap and details of the same.	The consideration would be in cash.
h)	cost of acquisition or the price at which the shares are acquired;	<p>The investment would be made by Mahindra Overseas Investment Company (Mauritius) Limited, a wholly owned subsidiary of the Company ("MOICML") for an amount of up to Turkish Lira 260 million (equivalent to around US \$ 76 million and Rs.478 crores at the exchange rate of 3.44 Turkish Lira per USD and Rs. 18.38 per Turkish Lira) to acquire 100% of the Share Capital of Erkunt Traktor.</p> <p>The final purchase price will be arrived at after making customary closing adjustments.</p>
i)	percentage of shareholding / control acquired and / or number of shares acquired;	<p>MOICML has agreed to acquire 30,000 number of share aggregating 100% of the Share Capital of Erkunt Traktor.</p> <p>In addition, Erkunt Traktor also holds 52,88,79,480 number of shares in Erkunt Sanayi A.S. constituting approx. 35% of Erkunt Sanayi A.S.</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)	<p>Based out of Turkey and incorporated on 12th September, 2003, it is engaged in manufacturing tractors for Turkish and export markets. It has predominant operations in Turkey. It produces 23 models of tractors ranging from 50-110 HP. It had market share of around 6% in CY 16.</p> <p>Turnover of Erkunt Traktor for the last 3 years is as follows:</p> <ul style="list-style-type: none"> • Year ended 31st December 2014: TL 299 mn. • Year ended 31st December 2015: TL 331 mn. • Year ended 31st December 2016: TL 314 mn.

Annexure B:

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>Erkunt Sanayi A.S. ("Erkunt Foundry") is one of the leading producer and supplier of iron castings and machined parts for farm equipment, automotive, construction equipment industry segments in the Turkish and global markets.</p> <p>In the year ended 31st December 2016, Erkunt Foundry recorded a revenue of 167 million Turkish Lira.</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>At the time of initial acquisition of at least 80% of the Share Capital of Erkunt Foundry, it would not be a Related Party of the Company and hence the acquisition would not fall within related party transaction.</p> <p>None of the promoter / promoter group/group companies have any interest in Erkunt Foundry.</p>
c)	industry to which the entity being acquired belongs;	Erkunt Foundry operates in casting and machining industry.
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);	The acquisition would provide access to a full service casting and machining company with capability to manufacture engines blocks, cylinder heads, and transmission cases.
e)	brief details of any governmental or regulatory approvals required for the acquisition;	The transaction is subject to applicable anti-trust approvals, regulatory approvals and other approvals as may be required.
f)	indicative time period for completion of the acquisition;	The closing of the transaction is expected to take place by 30 th November, 2017.
g)	nature of consideration - whether cash consideration or share swap and details of the same	The consideration would be in cash.

h)	cost of acquisition or the price at which the shares are acquired;	<p>The investment would be made by Mahindra Overseas Investment Company (Mauritius) Limited, a wholly owned subsidiary of the Company ("MOICML") for an amount of Turkish Lira up to 140 million (equivalent to around US \$ 41 million and Rs. 257 crores at the exchange rate of 3.44 Turkish Lira per USD and Rs. 18.38 per Turkish Lira) to acquire at least 80% of the Share Capital of Erkunt Foundry.</p> <p>The overall investment may go up to Turkish Lira 175 million (equivalent to around US \$ 51 million and Rs. 322 crores at the exchange rate of 3.44 Turkish Lira per USD and Rs. 18.38 per Turkish Lira) to acquire up to 100% of the Share Capital of Erkunt Foundry.</p> <p>The above investment includes the cost of indirect acquisition of approx. 35% of the Share Capital of Erkunt Foundry held by Erkunt Traktor Sanayii A.S.</p> <p>The final purchase price will be arrived at after making customary closing adjustments.</p>
i)	percentage of shareholding / control acquired and / or number of shares acquired;	<p>MOICML has agreed to initially acquire at least 120,96,00,000 number of shares representing 80% of the Share Capital of Erkunt Foundry (this includes 52,88,79,480 number of shares aggregating approx. 35% of the share capital held by Erkunt Traktor Sanayii A.S.).</p> <p>MOICML also has a right to acquire up to 100% of the Share Capital of Erkunt Foundry.</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)	<p>Erkunt Foundry was founded as an ordinary partnership in 1953 which later converted into a collective company and ultimately on 17th March 1961, it was converted into a joint-stock company.</p>

		<p>It has a production capacity of 65,000 tons in casting and 32,600 tons in machining. It operates through three facilities in and around Ankara.</p> <p>The main products of Erkunt Foundry are engine blocks, transmission cases and cylinder heads. Approximately, 75% of its revenues is through exports to EU, United Kingdom and other countries.</p> <p>Turnover of Erkunt Foundry for the last 3 years:</p> <ul style="list-style-type: none">• Year ended 31st December 2014: TL 189 mn.• Year ended 31st December 2015: TL 171 mn.• Year ended 31st December 2016: TL 167 mn.
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