

REF:NS:SEC:
9th May, 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: Notice of Meeting of the Equity Shareholders of Mahindra & Mahindra Limited convened as per the directions of the National Company Law Tribunal, Mumbai Bench

This has reference to the Observation letter Nos. DCS/ AMAL/ST/R37/730/2016-17 dated March 8, 2017 and NSE/LIST/10545 dated March 10, 2017 issued by BSE Limited and National Stock Exchange of India Limited, respectively, conveying No-Objection to the Scheme of Arrangement between Mahindra Two Wheelers Limited ('Demerged Company') and Mahindra & Mahindra Limited ('Resulting Company' / 'the Company') and their respective Shareholders and Creditors ('Scheme').

In accordance with the Order of the Mumbai Bench of the National Company Law Tribunal dated 5th April, 2017, passed in Company Scheme Application No. 347 of 2017, a Meeting of the Shareholders of the Company has been convened on Tuesday, 13th June, 2017 at 3 p.m. at Birla Matushri Sabhagar, 19, Sir Vithaldas Thackersey Marg (New Marine Lines), Mumbai - 400 020 to consider the Scheme.

In compliance with the first proviso to sub-section (3) of section 230 of the Companies Act, 2013 and Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we hereby enclose a copy of the:

1. Notice of the Meeting of Equity Shareholders along with the explanatory statement and other relevant annexures which are being sent to the Shareholders of the Company; and
2. Notice to the Secured and Unsecured Creditors, inviting their representations, if any.

Kindly acknowledge receipt.

Yours faithfully,
For MAHINDRA & MAHINDRA LIMITED


NARAYAN SHANKAR
COMPANY SECRETARY

Encl: As above



Mahindra & Mahindra Limited

Registered Office: Gateway Building, Apollo Bunder, Mumbai - 400 001.

CIN: L65990MH1945PLC004558

website: www.mahindra.com • email: investors@mahindra.com • Tel: +91 22 22895500 • Fax: +91 22 22875485

NOTICE OF MEETING OF THE EQUITY SHAREHOLDERS OF MAHINDRA & MAHINDRA LIMITED CONVENED AS PER THE DIRECTIONS OF THE NATIONAL COMPANY LAW TRIBUNAL, MUMBAI BENCH

MEETING:	
Day	Tuesday
Date	13 th June, 2017
Time	3.00 p.m.
Venue	Birla Matushri Sabhagar, 19, Sir Vithaldas Thackersey Marg (New Marine Lines), Mumbai - 400 020
POSTAL BALLOT AND E-VOTING:	
Start Date	Sunday, 14 th May, 2017 at 9.00 a.m. (IST)
Last Date	Monday, 12 th June, 2017 at 5.00 p.m. (IST)

Sr. No.	Contents	Page Nos.
1.	Notice Convening Meeting of the Equity Shareholders of Mahindra & Mahindra Limited ('the Company' or 'the Resulting Company' or 'the Applicant') as per the directions of National Company Law Tribunal, Mumbai Bench.	2-8
2.	Explanatory Statement under section 230 read with section 232 of the Companies Act, 2013 and Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 and section 102 and other applicable provisions, if any, of the Companies Act, 2013.	9-26
3.	Annexure A Scheme of Arrangement between Mahindra Two Wheelers Limited and Mahindra & Mahindra Limited and their respective Shareholders and Creditors ('Scheme') read with other applicable provisions of the Companies Act, 1956 and the Companies Act, 2013 (to the extent applicable).	27-38
4.	Annexure B – I Joint Valuation Report of M/s. S.R. Batliboi & Co. LLP, Chartered Accountants and M/s. SSPA & Co., Chartered Accountants, dated 3 rd December, 2016.	39-48
5.	Annexure B – II Fairness Opinion issued by SBI Capital Markets Limited, SEBI Registered Merchant Banker, dated 3 rd December, 2016.	49-54
6.	Annexure C Observation Letters dated 8 th March, 2017 from BSE Limited ('BSE') and dated 10 th March, 2017 from the National Stock Exchange of India Limited ('NSE') conveying no objection to the Scheme.	55-57
7.	Annexure D Complaints Report dated 8 th February, 2017 submitted by the Company to BSE, NSE and also uploaded on the Company's website.	58-59
8.	Annexure E Report adopted by the Directors of the Resulting Company and the Demerged Company as per the provisions of section 232(2)(c) of the Companies Act, 2013.	60-61
9.	Annexure F Supplementary accounting statement of the Resulting Company and the Demerged Company as on 31 st December, 2016.	62-92
10.	Proxy Form	93
11.	Attendance Slip	95
12.	Postal Ballot Form with instructions and Business Reply Envelope (in loose leaf form)	Loose leaf insertion

BEFORE THE NATIONAL COMPANY LAW TRIBUNAL AT MUMBAI BENCH

Company Scheme Application No. 347 of 2017

In the matter of Companies Act, 2013;

AND

In the matter of sections 230 to 232 read with section 52 and other applicable provisions of the Companies Act, 2013 as amended, including any statutory modification(s) or re-enactment(s) thereof and corresponding provisions of the Companies Act, 1956 to the extent as may be applicable;

AND

In the matter of Scheme of Arrangement between Mahindra Two Wheelers Limited having CIN: U35911MH2008PLC185462 ('Demerged Company') and Mahindra & Mahindra Limited having CIN: L65990MH1945PLC004558 ('Resulting Company') and their respective Shareholders and Creditors.

MAHINDRA & MAHINDRA LIMITED

(CIN: L65990MH1945PLC004558)

A Listed Company incorporated under the provisions of the Indian Companies Act, VII of 1913 } Applicant Company
having its Registered Office at Gateway Building, Apollo Bunder, Mumbai - 400 001.

FORM NO. CAA. 2

[Pursuant to section 230 (3) and rule 6 and 7]

Company Scheme Application No. 347 of 2017

Mahindra & Mahindra Limited ... Applicant Company

NOTICE OF THE MEETING OF EQUITY SHAREHOLDERS

NOTICE PURSUANT TO SECTIONS 110 AND 230 READ WITH SECTION 232 OF THE COMPANIES ACT, 2013 READ WITH THE COMPANIES (COMPROMISES, ARRANGEMENTS AND AMALGAMATIONS) RULES, 2016 AND REGULATION 44 OF SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 ('SEBI LODR REGULATIONS') [INCLUDING ANY STATUTORY MODIFICATION(S) OR RE-ENACTMENT(S) THEREOF FROM TIME TO TIME]

To,

The Equity Shareholders of Mahindra & Mahindra Limited

Notice is hereby given that by an Order dated 5th April, 2017, the Mumbai Bench of the National Company Law Tribunal ('NCLT' or 'Tribunal') has directed a Meeting to be held of the Equity Shareholders of the Applicant Company (**hereinafter referred to as the 'Meeting'**) for the purpose of considering, and, if thought fit, approving, with or without modification(s), the arrangement proposed and embodied in the Scheme of Arrangement proposed to be made between the said Applicant Company and Mahindra Two Wheelers Limited (**'Demerged Company' or 'MTWL'**) and their respective Shareholders and Creditors (**'Scheme'**).

In pursuance of the said Order and as directed therein further notice is hereby given that a Meeting of Equity Shareholders of the Applicant Company will be held at Birla Matushri Sabhagar, 19, Sir Vithaldas Thackersey Marg (New Marine Lines), Mumbai - 400 020 on Tuesday, 13th June, 2017 at 3 p.m. at which time and place the said Equity Shareholders are requested to attend to consider, and, if thought fit, to approve, with or without modification(s) the following Resolution with requisite majority:

"RESOLVED that pursuant to the provisions of sections 230 to 232 read with section 52 of the Companies Act, 2013 and Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), provisions of the Companies Act, 1956 as may be applicable and the National Company Law Tribunal Rules, 2016, section 2(19AA) and other applicable provisions, if any, of the Income-tax Act, 1961, Clause 3 of the Memorandum of Association of the Company and subject to the approval of the National Company Law Tribunal, Mumbai Bench ('NCLT' or 'Tribunal') and approvals of such other Statutory/Government authority(ies), as may be necessary or as may be directed by the NCLT or such other competent authority(ies), as the case may be, approval of the Company be accorded to the demerger

of the Two Wheelers Business, *inter alia*, consisting of entire undertaking, business, activities and operations pertaining to the Two Wheelers Business (**'Two Wheelers Undertaking' or 'Demerged Undertaking'**) of Mahindra Two Wheelers Limited, a subsidiary of the Company, having its Registered Office situated at Mahindra Towers, P. K. Kurne Chowk, Worli, Mumbai - 400 018 (**'MTWL' or 'Demerged Company'**) and its transfer as a going concern to the Company with effect from 1st October, 2016 or such other date as may be directed or approved by Tribunal (**'the Appointed Date'**), as per the Scheme of Arrangement between MTWL and the Company and their respective Shareholders and Creditors (**'the Scheme'**) placed before this Meeting and initialled by the Chairman of the Meeting for the purpose of identification.

FURTHER RESOLVED that approval of the Company be accorded to the Board of Directors of the Company (including any Committee thereof) to do all such acts, deeds, matters and things, as may be considered requisite, desirable, appropriate or necessary to implement the Scheme and to accept such modification(s), amendment(s), limitation(s) and/or condition(s), if any, which may be required and/or imposed by the NCLT and/or any other authority(ies) or as may be required for the purpose of resolving any questions or doubts or difficulties that may arise for giving effect to the Scheme."

TAKE FURTHER NOTICE that you may attend and vote at the Meeting, in person or by proxy, provided that all proxies in the prescribed form, duly signed or authorized by the said person, are deposited at the Registered Office of the Company at Gateway Building, Apollo Bunder, Mumbai - 400 001 not later than 48 hours before the time fixed for the Meeting.

TAKE FURTHER NOTICE that form of proxy is annexed to this Notice and can also be obtained from the Registered Office of the Company and/or at the Corporate Office of the Applicant Company at Mahindra Towers, 5th Floor, Secretarial Department, Dr. G. M. Bhosale Marg, P. K. Kurne Chowk, Worli, Mumbai - 400 018 or at the office of its Advocates, M/s. Hemant Sethi & Co., 1602 Nav Parmanu, Behind Amar Cinema, Chembur, Mumbai - 400 071.

TAKE FURTHER NOTICE that in compliance with the provisions of (i) section 230(4) read with sections 108 and 110 of the Companies Act, 2013; (ii) Rule 6(3)(xi) of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016; (iii) Rule 22 read with Rule 20 and other applicable provisions of the Companies (Management and Administration) Rules, 2014; and (iv) Regulation 44 and other applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Applicant Company has provided the facility of voting by Postal Ballot and e-voting (**'Remote E-voting'**) using facility offered by Karvy Computershare Private Limited (**'Karvy'**) so as to enable the equity shareholders to consider and approve the Scheme by way of the aforesaid resolution. The Applicant Company has provided the facility of voting through electronic voting system at the venue of the Meeting (**'Insta Poll'**). Accordingly, you may cast your vote either through postal ballot or through Remote E-voting or through Insta Poll by assenting or dissenting to the said Resolution. The Voting rights of Equity Shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on 8th May, 2017, being the Cut-off date. The Shareholders may refer to Notes to this Notice for further details on Postal Ballot and Remote E-voting.

The Tribunal has appointed Mr. Anand G. Mahindra, Executive Chairman and in his absence Dr. Pawan Goenka, Managing Director, and in his absence, Mr. Deepak S. Parekh, Independent Director and in his absence, Mr. R. K. Kulkarni, Independent Director of the Company to act as Chairman of this Meeting. The above mentioned Scheme if approved at the Meeting, will be subject to the subsequent approval of the Tribunal.

This Notice convening the Meeting along with the requisite documents is placed on the website of the Company viz. www.mahindra.com and being sent to Securities and Exchange Board of India, BSE Limited and National Stock Exchange of India Limited for placing on their website.

Copies of the Scheme and the Explanatory Statement are annexed to this Notice and can be obtained free of charge from the Registered Office of the Company and/or at the Corporate Office of the Applicant Company at Mahindra Towers, 5th Floor, Secretarial Department, Dr. G. M. Bhosale Marg, P. K. Kurne Chowk, Worli, Mumbai - 400 018 or at the office of its Advocates, M/s. Hemant Sethi & Co., 1602 Nav Parmanu, Behind Amar Cinema, Chembur, Mumbai - 400 071.

ANAND G. MAHINDRA

DIN : 00004695

Chairman appointed for the Meeting

Dated this 10th day of May, 2017

Registered Office: Gateway Building, Apollo Bunder, Mumbai - 400 001

CIN : L65990MH1945PLC004558

E-mail: investors@mahindra.com

Website: www.mahindra.com

A route map along with prominent landmark for easy location to reach the venue of the Meeting is given below:

ROUTE MAP



NOTES:

1. **AN EQUITY SHAREHOLDER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY/PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND SUCH A PROXY/PROXIES SO APPOINTED NEED NOT BE AN EQUITY SHAREHOLDER OF THE COMPANY. THE FORM OF PROXY DULY COMPLETED SHOULD, HOWEVER, BE DEPOSITED AT THE REGISTERED OFFICE OF THE APPLICANT COMPANY NOT LESS THAN 48 HOURS BEFORE THE TIME FIXED FOR THE AFORESAID MEETING.**
2. As per section 105 of the Companies Act, 2013 and rules made thereunder, a person can act as proxy on behalf of Equity Shareholders not exceeding 50 and holding in aggregate not more than 10% of the total share capital of the Applicant Company carrying voting rights. Further, Equity Shareholders holding more than 10% of the total share capital of the Applicant Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or shareholder.
3. All alterations made in the Form of Proxy should be initialled.
4. A form of proxy is enclosed to this Notice. No instrument of proxy shall be valid unless:
 - (i) it is signed by the Equity Shareholder(s) or by his/her attorney duly authorised in writing or, in the case of joint holders, it is signed by the Equity Shareholder first named in the Register of Members or his/her attorney duly authorised in writing or, in the case of body corporate, it is executed under its common seal, if any, or signed by its attorney duly authorised in writing; provided that an instrument of proxy shall be sufficiently signed by any Equity Shareholders, who for any reason is unable to write, if his/her thumb impression is affixed thereto, and attested by a judge, magistrate, registrar or sub-registrar of assurances or other government gazetted officers or any officer of a Nationalised Bank.
 - (ii) it is duly filled, stamped, signed and deposited at the Registered Office of the Company not less than 48 hours before the time fixed for the Meeting, together with the power of attorney or other authority (if any), under which it is signed or a copy of that power of attorney certified by a notary public or a magistrate unless such a power of attorney or the other authority is previously deposited and registered with the Company/Registrar & Share Transfer Agent.
5. The Equity Shareholders of the Applicant Company whose names are appearing in the records of the Company as on the close of business on Monday, 8th May, 2017, being the cut-off date, shall be eligible to attend and vote at the Meeting of the equity shareholders of the Company or cast their votes using Remote E-voting facility or Postal Ballot. This notice of the Meeting along with the requisite documents is placed on the website of the Company viz. www.mahindra.com and the website of Karvy: <https://evoting.karvy.com>.
6. The Voting period for Postal Ballot and Remote E-voting shall commence on and from Sunday, the 14th May, 2017 at 9.00 a.m. (IST) and end on Monday, the 12th June, 2017 at 5.00 p.m. (IST). The voting shall not be allowed beyond the said time and date. A person who is not a Member as on cut-off-date should treat the Notice for information purposes only.
7. **Only registered Equity Shareholders of the Applicant Company may attend and vote (either in person or by proxy) at the Meeting.**
8. The authorized representative of a Body Corporate or Foreign Institutional Investor ('FI'), which is a registered Equity Shareholder of the Applicant Company may attend and vote at the Meeting, provided a certified true copy of the Resolution of the Board of Directors or other governing body of such body corporate/FII authorizing such a representative to attend and vote at the Meeting is deposited at the Registered Office of the Applicant Company not later than 48 hours before the scheduled time of the commencement of the Meeting.
9. Registered Equity Shareholders are requested to bring their Folio No./Client ID and DP ID for easy identification of the attendance at the Meeting.
10. Registered Equity Shareholders are informed that in case of joint holders attending the Meeting, the holder whose name stands first in the Register of Members and in his/her absence by the next named holder of the Applicant Company in respect of such joint holding will be entitled to vote.
11. A registered Equity Shareholder or his proxy is requested to bring a copy of the notice to the Meeting and produce it at the entrance of the Meeting venue, along with the attendance slip duly completed and signed.
12. During the period beginning 24 (twenty four) hours before the time fixed for the commencement of the Meeting and ending with the conclusion of the Meeting, the Equity Shareholder would be entitled to inspect the proxies lodged at any time during the business hours of the Company, provided that not less than 3 (three) days notice in writing is given to the Company addressed to the Company Secretary.
13. The Tribunal has appointed Mr. Sachin Bhagwat, Practicing Company Secretary (ICSI Membership No. ACS 10189) as Scrutinizer to scrutinize votes cast either electronically or through Postal Ballot or at the Meeting in a fair and transparent manner. The Results declared alongwith the report of the Scrutinizer shall be placed on the website of the Company viz. www.mahindra.com and on the website of Karvy viz. www.evoting.karvy.com within 48 hours of the conclusion of the Meeting and shall be communicated to BSE Limited and National Stock Exchange of India Limited, where the shares of the Applicant Company are listed.

14. The Tribunal has directed that the quorum for the Meeting shall be as per section 103 of the Companies Act, 2013.
15. The material documents referred to in the accompanying Explanatory Statement shall be open for inspection by the Equity Shareholder(s), from 11.00 a.m. to 1.00 p.m. on any working day (except Saturdays, Sundays and Public Holidays) upto one day prior to the date of the Meeting, at the Registered Office of the Applicant Company and/or at the Corporate Office of the Applicant Company at Mahindra Towers, 5th Floor, Secretarial Department, Dr. G. M. Bhosale Marg, P. K. Kurne Chowk, Worli, Mumbai - 400 018.
16. The Notice convening the aforesaid Meeting will be published through advertisement in the following newspapers namely (i) Business Standard in the English language and (ii) Sakal in the Marathi language, in the State where the Registered Office of the Applicant Company is situated.
17. In compliance with sections 108, 110 read with sections 230 & 232 of the Companies Act, 2013 and Rules 20 & 22 of the Companies (Management and Administration) Rules, 2014 read with the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 and Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI LODR Regulations'), the Company has provided the facility to the Equity Shareholders to cast their votes either by way of Postal Ballot or through Remote E-voting facility arranged by Karvy, prior to the Meeting. The Company has also provided the facility of voting through electronic voting systems at the venue of the Meeting ('Insta Poll').
18. Equity Shareholders can opt for only one mode of voting i.e. either through Remote E-voting or Postal Ballot Form or voting at the Meeting. If an Equity Shareholder has opted for Remote E-voting, then he/she should not vote by Postal Ballot Form and vice versa. However, in case Equity Shareholders cast their vote both via Postal Ballot Form and Remote E-voting, then voting through Remote E-voting shall prevail and voting done by Ballot Paper shall be treated as invalid, notwithstanding whichever is cast first.
19. It is clarified that votes may be cast by Equity Shareholders either by Postal Ballot or Remote E-voting and casting of votes by Postal Ballot or Remote E-voting does not disentitle them from attending the Meeting. Equity Shareholders after exercising their right to vote through Postal Ballot or Remote E-voting shall not be allowed to vote again at the Meeting.
20. The Resolution shall be deemed to be passed on the date of the Meeting, i.e. 13th June, 2017 subject to receipt of the requisite number of votes in favour of the Resolution.
21. Shareholder(s) desiring to exercise their vote(s) by Postal Ballot are requested to carefully read the instructions printed in the Postal Ballot Form and return the form duly completed and signed in the enclosed self-addressed Business Reply Envelope to the Scrutinizer so as to reach not later than 5.00 p.m. on 12th June, 2017 at the Corporate Office of the Company.
22. The Company's Registrar and Transfer Agents for its Share Registry Work (Physical and Electronic) are Karvy Computershare Private Limited ('Karvy') having its office at Karvy Selenium Tower B, Plot number 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad, Telangana - 500 032.
23. Pursuant to directions of the Tribunal and Rule 6(2) of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 framed thereunder, the Notice of the Meeting would be sent by electronic mode to those Equity Shareholders whose e-mail addresses are registered with the Depository or the Company's Registrar and Transfer Agents, unless the Equity Shareholders have requested for a physical copy of the same. For Equity Shareholders who have not registered their e-mail addresses, physical copies would be sent by the permitted mode.
24. Equity Shareholders are requested to support this Green Initiative by registering/updating their e-mail addresses with the Depository Participant (in case of Shares held in dematerialised form) or with Karvy (in case of Shares held in physical form).
25. Equity Shareholders are requested to:
 - (a) intimate to the Company's Registrar and Transfer Agents, Karvy, changes, if any, in their registered addresses at an early date, in case of Shares held in physical form;
 - (b) intimate to the respective Depository Participant, changes, if any, in their registered addresses at an early date, in case of Shares held in dematerialized form;
 - (c) quote their folio numbers/Client ID/DP ID in all correspondence; and
 - (d) consolidate their holdings into one folio in case they hold Shares under multiple folios in the identical order of names.
26. Equity Shareholders/Proxies/Representatives are requested to bring the Attendance Slip enclosed herein for attending the Meeting.

27. Notes, instructions and process for Remote E-voting are as under:

A. NOTES FOR REMOTE E-VOTING:

1. In compliance with provisions of sections 108 and 230 read with section 232 of the Companies Act, 2013 read with the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, the Company is pleased to offer Remote E-voting facility as an alternative through E-voting services provided by Karvy, for its members to enable them to cast their votes electronically instead of dispatching Postal Ballot Form.
2. The Remote E-voting period commences on 14th May, 2017 (9 a.m. IST) and ends on 12th June, 2017 (5 p.m. IST). During this period, shareholders of the Company holding shares either in physical form or in dematerialized form, as on the close of business on Monday, 8th May, 2017, being the cut-off date, may cast their vote electronically. The Remote E-Voting module shall be disabled by Karvy for voting thereafter.
3. Members are requested to note that the Company is providing facility for Remote E-voting and the business may be transacted through electronic voting system. It is hereby clarified that it is not mandatory for a Member to vote using the Remote E-voting facility and the Member can exercise his vote at the Tribunal convened Meeting. A Member may avail of the facility at his discretion, as per the instructions provided herein:

B. INSTRUCTIONS:

1. In case a Member receives an email from Karvy [for Members whose email IDs are registered with the Company/ Depository Participant(s)] which includes details of E-Voting Event Number (EVEN), USER ID and password:
 - (i) Launch internet browser by typing the URL: <https://evoting.karvy.com>.
 - (ii) Enter the login credentials (i.e. User ID and password). In case of physical folio, User ID will be EVEN (E-Voting Event Number) followed by folio number. In case of Demat account, User ID will be your DP ID and Client ID. However, if you are already registered with Karvy for Remote E-voting, you can use your existing User ID and password for casting your vote.
 - (iii) After entering these details appropriately, click on 'LOGIN'.
 - (iv) You will now reach password change Menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A- Z), one lower case (a-z), one numeric value (0-9) and a special character (@,#,\$, etc.,). The system will prompt you to change your password and update your contact details like mobile number, email ID etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.
 - (v) You need to login again with the new credentials.
 - (vi) On successful login, the system will prompt you to select the 'EVENT' i.e. Mahindra & Mahindra Limited.
 - (vii) On the voting page, enter the number of shares (which represents the number of votes) as on the Cut-off Date under 'FOR/AGAINST' or alternatively, you may partially enter any number in 'FOR' and partially 'AGAINST' but the total number in 'FOR/AGAINST' taken together shall not exceed your total shareholding as on the cut-off date. You may also choose the option ABSTAIN. If the Member does not indicate either 'FOR' or 'AGAINST' it will be treated as 'ABSTAIN' and the shares held will not be counted under either head.
 - (viii) Members holding multiple folios/demat accounts shall choose the voting process separately for each folio/demat accounts.
 - (ix) You may then cast your vote by selecting an appropriate option and click on 'Submit'.
 - (x) A confirmation box will be displayed. Click 'OK' to confirm else 'CANCEL' to modify. Once you have voted on the Resolution, you will not be allowed to modify your vote.
 - (xi) Corporate/Institutional Members (i.e. other than Individuals, HUF, NRI etc.) are required to send scanned certified true copy (PDF Format) of the Board Resolution/Authority Letter etc., together with attested specimen signature(s) of the duly authorised representative(s), to the Scrutinizer at email id sbhagwatcs@yahoo.co.in with a copy marked to evoting@karvy.com. The scanned image of the above mentioned documents should be in the naming format 'Corporate Name_EVEN'.
2. In case of Members receiving physical copy of Notice [for Members whose email IDs are not registered with the Company/ Depository Participant(s)]:
 - (i) E-Voting Event Number (EVEN), User ID and Password is provided in the Postal Ballot Form.
 - (ii) Please follow all steps from Sl. No. (i) to (xi) above to cast your vote by electronic means.

3. OTHER INSTRUCTIONS:

- (i) In case of any query and/or grievance, in respect of voting by electronic means, Members may refer to the Help & Frequently Asked Questions (FAQs) and E-voting user manual available at the download Section of <https://evoting.karvy.com> (Karvy Website) or write to investors@mahindra.com, or evoting@karvy.com or contact Karvy at 040 - 6716 1500 or it's toll free No. 1800-3454-001 for any further clarifications.
- (ii) You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- (iii) The Remote E-voting period commences on Sunday, the 14th May, 2017 at 9.00 a.m. (IST) and ends on Monday, the 12th June, 2017 at 5.00 p.m. (IST). During this period, Members of the Company, holding shares either in physical form or in dematerialized form, as on the close of business on Monday, 8th May, 2017, being the cut-off date, may cast their votes electronically. The remote e-voting module shall be disabled for voting thereafter. Once the vote on a Resolution is cast by the Member, the Member shall not be allowed to change it subsequently.
- (iv) The voting rights of Members shall be in proportion to their share in the paid-up equity share capital of the Company as on Monday, 8th May 2017, being the cut-off date. Members are eligible to cast vote only if they are holding shares as on that date.

4. PROCEDURE AND INSTRUCTIONS FOR WEB CHECK-IN / ATTENDANCE REGISTRATION:

Members are requested to tender their attendance slips at the registration counters at the venue of the Meeting and seek registration before entering the Meeting hall. Alternatively, to facilitate hassle free and quick registration/entry at the venue of the Meeting, the Company has provided a Web Check-in facility through Karvy's website. Web Check-in on the Karvy's website enables the Members to register attendance online in advance and generate Attendance Slip without going through the registration formalities at the registration counters.

Procedure of Web Check-in is as under:

- (i) Log on to <https://karisma.karvy.com> and click on 'Web Check-in for General Meetings (AGM/EGM/ CCM)'.
- (ii) Select the name of the company: Mahindra & Mahindra Limited.
- (iii) Pass through the security credentials viz., DP ID/Client ID/Folio No. entry, PAN No & 'CAPTCHA' as directed by the system and click on the submission button.
- (iv) The system will validate the credentials. Then click on the 'Generate my attendance slip' button that appears on the screen.
- (v) The attendance slip in PDF format will appear on the screen. Select the 'PRINT' option for direct printing or download and save for the printing.
- (vi) A separate counter will be available for the online registered Members at the Venue of the Meeting for faster and hassle free entry and to avoid standing in the queue.
- (vii) After registration, a copy will be returned to the Member.
- (viii) The Web Check-in (Online Registration facility) is available for the Meeting during remote e-voting Period only i.e., 14th May, 2017 (9.00 A.M. IST) to 12th June, 2017 (5.00 P.M. IST).

The Members are requested to carry their valid photo identity along with the above attendance slip for verification purpose.

BEFORE THE NATIONAL COMPANY LAW TRIBUNAL AT MUMBAI BENCH

Company Scheme Application No. 347 of 2017

In the matter of Companies Act, 2013;

AND

In the matter of sections 230 to 232 read with section 52 and other applicable provisions of the Companies Act, 2013 as amended, including any statutory modification(s) or re-enactment(s) thereof and corresponding provisions of the Companies Act, 1956 to the extent as may be applicable;

AND

In the matter of Scheme of Arrangement between Mahindra Two Wheelers Limited having CIN: U35911MH2008PLC185462 ('Demerged Company') and Mahindra & Mahindra Limited having CIN: L65990MH1945PLC004558 ('Resulting Company') and their respective Shareholders and Creditors.

MAHINDRA & MAHINDRA LIMITED

(CIN: L65990MH1945PLC004558)

A Listed Company incorporated under the provisions of the Indian Companies Act, VII of 1913 } Applicant Company
having its Registered Office at Gateway Building, Apollo Bunder, Mumbai - 400 001.

EXPLANATORY STATEMENT TO THE NOTICE OF THE MEETING OF EQUITY SHAREHOLDERS OF MAHINDRA & MAHINDRA LIMITED UNDER SECTIONS 102 AND 230 READ WITH SECTION 232 OF THE COMPANIES ACT, 2013 READ WITH THE COMPANIES (COMPROMISES, ARRANGEMENTS AND AMALGAMATIONS) RULES, 2016

1. Pursuant to the Order dated 5th April, 2017 passed by the Mumbai Bench of the National Company Law Tribunal, in the Company Application referred to hereinabove, a Meeting of the Equity Shareholders of the Applicant Company, is being convened at Birla Matushri Sabhagar, 19, Sir Vithaldas Thackersey Marg (New Marine Lines), Mumbai - 400 020 on Tuesday, 13th June, 2017 at 3.00 p.m. and held for the purpose of considering and, if thought fit, approving with or without modification(s), the proposed Scheme of Arrangement between Mahindra Two Wheelers Limited ('Demerged Company' or 'MTWL') and Mahindra & Mahindra Limited ('the Company' or 'Resulting Company' or 'Applicant Company') and their respective shareholders and creditors ('Scheme') under sections 230 to 232 of the Companies Act, 2013 ('Act') (including any statutory modification or re-enactment or amendment thereof) read with the rules issued thereunder and provisions of the Companies Act, 1956 as may be applicable.
2. A copy of the Scheme setting out in detail the terms and conditions of the arrangement, which has been approved by the Board of Directors of the Applicant Company at its Meeting held on 3rd December, 2016 is attached to this explanatory statement and forms part of this statement as ANNEXURE A.
3. **Background of Mahindra & Mahindra Limited is as under:**
 - i. The Applicant Company was incorporated under the name and style of 'Mahindra and Mohammed Limited' on 2nd October, 1945 under the provisions of Indian Companies Act, VII of 1913 vide Registration Number 4558 (CIN: L65990MH1945PLC004558). It's name was changed from Mahindra and Mohammed Limited to Mahindra and Mahindra Limited with effect from 13th January, 1948.
 - ii. The Registered Office of the Applicant Company is situated at Gateway Building, Apollo Bunder, Mumbai - 400 001.
 - iii. The details of the Authorized, Issued, Subscribed and Paid-up share capital of the Applicant Company as on 31st March, 2016, are as under:

Particulars	Amount in Rs.
Authorised Share Capital:	
120,00,00,000 Ordinary (Equity) Shares of Rs. 5 each and 25,00,00,000 Unclassified Shares of Rs. 100 each	625,00,00,000
Issued, Subscribed and Fully Paid up Share Capital:	
62,10,92,384 Ordinary (Equity) Shares of Rs. 5 each fully paid-up	310,54,61,920
Less : 2,84,58,577 Ordinary (Equity) Shares of Rs. 5 each fully paid-up issued to ESOP Trust but not allotted to employees	14,22,92,885
Adjusted : Issued and Subscribed Share Capital of 59,26,33,807 Ordinary (Equity) Shares of Rs. 5 each fully paid-up	296,31,69,035

The Equity Shares of the Applicant Company are, at present, listed on the BSE Limited and the National Stock Exchange of India Limited. There has been no change in the capital structure of the Applicant Company subsequent to 31st March, 2016, except for the transfer of shares from the ESOP Trust to employees upon exercise of options.

- iv. The main objects of the Applicant Company are set out in the Memorandum of Association of the Applicant Company. The main objects *inter alia* are as under:
- (i) *To buy, sell, import, export, manufacture, treat, prepare and deal in merchandise, commodities, machinery, tools, goods and articles of all kinds and generally to carry on the business as merchants, contractors, importers and exporters.*
- (ii) *To carry on the business of iron founders, mechanical engineers and manufacturers of agricultural implements and other machinery, tool-makers, brass-founders, iron masters, metal-workers, boiler-makers, millwrights, machinists, iron and steel converters, smiths, coke manufacturers, wood-workers, builders, painters, metallurgists, electrical engineers, water supply engineers, gas-makers, smelters, ironplate makers, farmers, printers, carriers and merchants, and to buy, sell, manufacture, repair, convert, alter, let on hire, and deal in machinery, implements, rolling stock and hardware of all kinds, and to carry on any other business (manufacturing or otherwise) which may seem to the Company capable of being conveniently carried on in connection with the above, or otherwise calculated, directly or indirectly, to enhance the value of any of the Company's property and rights for the time being.*
- (iii) *To carry on any business relating to the winning and working of minerals, the production and working of metals, and the production, manufacture, and preparation of any other materials which may be usefully or conveniently combined with the engineering or manufacturing business of the Company, or any contracts undertaken by the Company, and either for the purpose only of such contracts or as an independent business.....'*
- v. The Applicant 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.

4. Background of Mahindra Two Wheelers Limited is as under:

- i. Mahindra Two Wheelers Limited (referred to as 'Demerged Company'), a public limited company having CIN: U35911MH2008PLC185462, was incorporated on 5th August, 2008 under the Companies Act, 1956 under the name and style of 'Mahindra Two Wheelers Private Limited'. Its name was changed to the present 'Mahindra Two Wheelers Limited' with effect from 1st December, 2008.
- ii. The Registered Office of the Demerged Company is situated at Mahindra Towers, P. K. Kurne Chowk, Worli, Mumbai - 400 018.
- iii. The Share Capital of the Demerged Company, as on 31st March, 2016 was as under:

Particulars	Amount in Rs.
Authorised Share Capital:	
350,00,00,000 Equity Shares of Rs. 10 each	3500,00,00,000
Issued, Subscribed and Fully Paid up Share Capital:	
265,83,89,216 Equity Shares of Rs. 10 each	2658,38,92,160

Subsequent to 31st March, 2016 the Issued, Subscribed and Fully Paid up Share Capital of the Demerged Company has undergone a change and position as on 31st December, 2016 is as under:

Issued, Subscribed and Fully Paid up Share Capital:	Amount in Rs.
299,83,89,216 Equity Shares of Rs. 10 each	2998,38,92,160

Of the above, Mahindra Vehicle Manufacturers Limited, which is a wholly owned subsidiary of the Resulting Company, holds 276,60,97,350 Equity Shares of the Demerged Company.

- iv. The main objects of the Demerged Company are set out in the Memorandum of Association as under:
- (i) *To design, develop, manufacture, assemble, test, produce, buy, sell, distribute, trade, import, export, alter, remodel, hire, exchange, repair, service, deal in two wheeled vehicles and any other vehicles of every kind and description, in India and elsewhere, whether propelled by using gas, petroleum, diesel oil, steam, oil, vapor, electricity or any other form of energy or power.*
- (ii) *To design, develop, manufacture, assemble, test, produce, buy, sell, distribute, trade, import, export, alter, remodel, upgrade, renovate, invent, hire, exchange, repair, service, deal in all types of parts and raw materials of every kind and description required for or capable of being used for or in connection with the object described above, including but not limited to engines, gears, transmission, axles, joints, springs, lamps, chains, bodies, frames, chassis, tires, tubes, batteries, goods, instruments, appliances, apparatus, equipment, components, spare parts, tools and products for the transport or conveyance of passengers.'*

- v. The Demerged Company is engaged in the businesses of manufacturing and selling of two wheelers ('Two Wheelers Business') and trading in spare parts and accessories ('MTWL Spares Business').

5. Relationship between the companies, Description, Rationale, Salient Features & Benefits of the Scheme

a) Relationship between the companies:

The Demerged Company is a step-down subsidiary of the Resulting Company i.e. the Demerged Company is a subsidiary of Mahindra Vehicle Manufacturers Limited ('MVML') which is in turn a wholly owned subsidiary of the Resulting Company. Presently, MVML holds 92.25% of the paid-up Equity Share Capital of the Demerged Company.

b) Description of the Scheme:

The Scheme of Arrangement provides for transfer and vesting of the Two Wheelers Undertaking of the Demerged Company along with all the estate, assets, rights, claims, title, interest, licenses, liabilities and authorities including accretions and appurtenances of the Demerged Company pertaining to the Two Wheelers Undertaking (also referred to as the 'Demerged Undertaking'), to the Resulting Company.

c) Rationale for Demerger:

The demerger of the Two Wheelers Undertaking of the Demerged Company with the Resulting Company would, *inter alia*, have the following benefits:

- i. The Company is present in many segments of the automotive industry e.g. Passenger & Utility Vehicles and Commercial Vehicles including Three Wheelers and Trucks & Buses.
- ii. The proposed demerger, in line with the strategy of focusing on niche premium Two Wheeler segment, would enable the Two Wheeler Undertaking to benefit from the Company's Design & Development and Sourcing capabilities.
- iii. The proposed demerger would also enable the Demerged Company enhance focus on the spares business.
- iv. The proposed demerger would also enable the Company and the Demerged Company achieve and fulfil their objectives more efficiently and in a cost effective manner.

d) Salient features of the Scheme:

- i. This Scheme of Arrangement between Mahindra Two Wheelers Limited ('Demerged Company') with Mahindra & Mahindra Limited ('Resulting Company' or 'Applicant Company') and their respective shareholders and creditors is presented under sections 391 to 394 read with sections 100 to 104 of the Companies Act, 1956 read with notified section 52 of the Companies Act, 2013 and other applicable provisions, if any, of the Companies Act 1956/2013 (including any statutory modification or re-enactment or amendment thereof).
- ii. 'Appointed Date' for the Scheme is October 1, 2016 or such other date as may be directed or approved by the National Company Law Tribunal constituted under the Companies Act, 2013 ('NCLT') or any other competent Authority, as the case may be.
- iii. 'Effective Date' or 'coming into effect of this Scheme' or 'upon the Scheme becoming effective' means the last of the dates, if applicable, on which the certified or authenticated copy(ies) of the order(s) sanctioning the Scheme passed by the National Company Law Tribunal constituted under the Companies Act, 2013 ('NCLT') or any other Appropriate Authority, as may be applicable, is/are filed with the Registrar of Companies, Mumbai.
- iv. Upon the Scheme becoming operative and with effect from the Appointed Date, the Demerged Undertaking (including all the estate, assets, rights, claims, title, interest and authorities including accretions and appurtenances of the Demerged Undertaking) shall stand transferred to and vested in or deemed to be transferred to and vested in the Resulting Company i.e. the Company, as a going concern without any further act, deed, matter or thing.
- v. The Scheme duly approved or imposed or directed by the NCLT, shall be effective from the Appointed Date but shall be operative from the Effective Date. Therefore, for all regulatory and tax purposes, the Demerger would be effective from the Appointed Date of the Scheme. Notwithstanding the above, the accounting treatment to be adopted to give effect to the provisions of the Scheme would be in consonance with Indian Accounting Standards 103 ('Ind AS 103') and the mere adoption of such accounting treatment will not in any manner affect the vesting of the demerged undertaking from the Appointed Date.
- vi. Upon the Scheme becoming operative and with effect from the Appointed Date, all debts, liabilities, contingent liabilities, duties and obligations of every kind, nature and description of the Demerged Undertaking shall also, without any further act or deed, be transferred to or be deemed to be transferred to the Resulting Company, so as to become from the Appointed Date the debts, liabilities, contingent liabilities, duties and obligations of the Resulting Company.

- vii. As an integral part of the Scheme, MTWL also proposes to re-organise its Share Capital and Securities Premium Account by writing off i) the aggregate of the balance in Profit and Loss Account on the close of business hours on 30th September, 2016 and ii) the excess, if any, of assets over liabilities transferred from MTWL under the Scheme and debited to the Reserves (Balance in Profit and Loss Account), against the Securities Premium Account as on the close of business hours on 30th September, 2016 and Share Capital by reducing face value and paid up value of equity shares of MTWL from Rs. 10 each to Re. 0.02 each.
- viii. Consequent upon the re-organisation, as mentioned above, the MTWL Aggregate Book Losses shall be reduced to NIL and the issued, subscribed and paid-up share capital of the Demerged Company will be revised as under.

Issued, Subscribed and Fully Paid up Share Capital:	Amount in Rs.
299,83,89,216 Equity Shares of Re. 0.02 each	5,99,67,784

Out of the above, 276,60,97,350 equity shares will be held by MVML.

- ix. The Scheme provides for re-classification of the Authorised Share Capital of MTWL and transfer of a portion of the Authorised Share Capital from MTWL to the Resulting Company.
- x. The Scheme provides for issue of Equity Shares by the Resulting Company to the Shareholders of the Demerged Company (other than Resulting Company and/or any subsidiary of Resulting Company) as on the Record Date. The Company shall issue and allot to the Equity Shareholders of the Demerged Company (other than the Resulting Company and/or any subsidiary of Resulting Company) 1 (One) Ordinary (Equity) Share of Rs. 5 each fully paid-up of the Company for every 461 (Four Hundred Sixty One) Equity Shares fully paid-up held by them in the Demerged Company as on the record date. Fractional entitlements shall be rounded-off to the next higher whole number.
- xi. In case the Scheme is not approved by the NCLT or any of the approvals or conditions enumerated in the Scheme have not been obtained or complied with, or for any other reason, if this Scheme cannot be implemented, then the Board of Directors of the Demerged Company and the Resulting Company shall mutually waive such conditions as they consider appropriate to give effect, as far as possible, to this Scheme and failing such mutual agreement, the Scheme shall become null and void and in such event no rights or liabilities whatsoever shall accrue to or be incurred by either the Resulting Company or the Demerged Company and each party shall bear their respective costs, charges and expenses in connection with this Scheme unless otherwise mutually agreed upon.
- xii. The costs, charges, expenses, taxes including duties, levies in connection with the Scheme and its implementation thereof, and matters incidental thereto, would be borne by the Resulting Company.
- xiii. The Scheme is and shall be conditional upon and subject to:
1. The Scheme being approved by Directorate of Industries under Part 1 of the 1993 Package Scheme of Incentives as notified under Government of Maharashtra resolution;
 2. The Scheme being agreed to/approved by the respective requisite majorities of the members and/or creditors of the Applicant Company and Demerged Company as required under the Companies Act, 1956, the Companies Act, 2013 and the requisite order of the Mumbai Bench of the National Company Law Tribunal being obtained;
 3. Receipt of such other sanctions and approvals including sanction of any Governmental authority (including the Securities and Exchange Board of India) or Stock Exchanges as may be required by law in respect of the Scheme being obtained; and
 4. The authenticated/certified copies of the orders of the Tribunal referred to in this Scheme being filed with the Registrar of Companies.

THE FEATURES SET OUT ABOVE BEING ONLY THE SALIENT FEATURES OF THE SCHEME OF ARRANGEMENT, THE EQUITY SHAREHOLDERS OF THE APPLICANT COMPANY ARE REQUESTED TO READ THE ENTIRE TEXT OF THE SCHEME OF ARRANGEMENT TO GET THEMSELVES FULLY ACQUAINTED WITH THE PROVISIONS THEREOF.

e) Benefits of the demerger to the Company as perceived by the Board of directors to the company, members, creditors and others (as applicable):

With M&M being present in many segments of the automotive industry e.g. Passenger & Utility Vehicles and Commercial Vehicles including Three Wheelers, Trucks & Buses, the proposed demerger of Two Wheelers Undertaking of MTWL, envisaged in the Scheme in line with its strategy of focusing on niche premium Two Wheeler segment, would enable the Demerged Undertaking to benefit from M&M's Design & Development and Sourcing capabilities. The proposed demerger would also enable the Demerged Company to enhance focus on the spares business.

6. Board Meeting, Valuation Report and Fairness Opinion:

- a) The Proposed Scheme was placed before the Board of Directors of the Applicant Company on 3rd December, 2016, wherein the Joint Valuation Report of M/s. S.R. Batliboi & Co. LLP., Chartered Accountants and M/s. SSPA & Co., Chartered Accountants, on Recommendation of Share Entitlement Ratio and Fairness Opinion on the said Share Entitlement Ratio issued by SBI Capital Markets Limited, SEBI Registered Merchant Banker, were also placed before the Board.
- b) In accordance with the provisions of SEBI Circular dated 30th November, 2015 read with Regulation 37 of SEBI LODR Regulations ('Circular'), the Audit Committee of the Applicant Company ('Audit Committee') vide a Resolution passed on 3rd December, 2016, recommended the Scheme to the Board of Directors of the Applicant Company *inter alia* taking into account;
 - i. Draft Scheme;
 - ii. The Joint Valuation Report on Recommendation of Share Entitlement Ratio issued by M/s. S.R. Batliboi & Co. LLP and M/s. SSPA & Co., dated 3rd December, 2016;
 - iii. The Fairness Opinion expressed by SBI Capital Markets Limited dated 3rd December, 2016 on the fairness of the Report on Recommendation of Share Entitlement Ratio.
 - iv. The certificate issued by Messrs Deloitte Haskins & Sells, the Statutory Auditors of the Company as required under Clause 5 of the Circular, to the effect that the accounting treatment contained in the Draft Scheme is in compliance with the Accounting Standards specified by the Central Government under section 133 of the Companies Act, 2013 read with the rules framed thereunder or the Accounting Standards issued by ICAI, as applicable.

The Joint Valuation Report dated 3rd December, 2016 issued by M/s. S.R. Batliboi & Co. LLP and M/s. SSPA & Co. and Fairness Opinion dated 3rd December, 2016 issued by SBI Capital Markets Limited are enclosed as ANNEXURE B-I and ANNEXURE B-II, respectively, to this Notice.

7. Submissions, Approvals and Other Information:

- a) Pursuant to the Circular, the Applicant Company has filed necessary applications before the stock exchanges viz., BSE Limited and the National Stock Exchange of India Limited seeking their no-objection to the Scheme. The Company has received Observation Letter from BSE Limited dated 8th March, 2017 and National Stock Exchange of India Limited dated 10th March, 2017. The copies of the Observation Letters are enclosed as ANNEXURE C, to this Notice. A copy of the Scheme has been filed with the Registrar of Companies Maharashtra, Mumbai.
- b) As required by the said Circular, the Applicant Company has filed the Complaints Report with BSE Limited and National Stock Exchange of India Limited on 8th February, 2017. A copy of the aforementioned Complaints Report is enclosed as ANNEXURE D to this Notice.
- c) Each of the Demerged Company and Resulting Company had made separate applications before the Mumbai Bench of the National Company Law Tribunal for the sanction of the Scheme under sections 230 to 232 and section 52 of the Companies Act, 2013 and the corresponding sections 391 to 394 read with sections 100 to 104 of the Companies Act, 1956, to the extent applicable.

8. Directors, Promoters and Key Managerial Personnel:

- a) None of the Directors, the Key Managerial Personnel ('KMPs') of Resulting/Applicant Company and their respective relatives (as defined under the Act and rules framed thereunder) have any interest in the Scheme except to the extent of the equity shares held by them in Demerged Company and/or Resulting Company and/or to the extent that the said Director(s), KMPs and their respective relatives are the Directors, KMPs, Members of the companies that hold shares in the respective Companies.
- b) Save as aforesaid, none of the Directors and KMPs of the Demerged Company and the Resulting/Applicant Company and their relatives have any material concern or interest, financial and/or otherwise in the Scheme.
- c) The details of the present Directors and KMPs of Resulting/Applicant Company and Demerged Company and their respective shareholdings in Resulting/Applicant Company, and Demerged Company as on 31st March, 2017 are as follows:

Extent of shareholding of Directors and KMPs of Mahindra & Mahindra Limited (Resulting/Applicant Company) and their respective holding in the Demerged Company and the Resulting/Applicant Company are as follows:

Name of the Director	No. of Equity Shares in Resulting/ Applicant Company	No. of Equity Shares in Demerged Company
Mr. Anand G. Mahindra	7,15,004	0
Dr. Pawan Goenka	0	1*
Mr. Deepak S. Parekh	1,12,180	0
Mr. Nadir B. Godrej	5,42,303	0
Mr. M. M. Murugappan	1,00,000	0
Mr. R. K. Kulkarni	83,088	0
Mr. Anupam Puri	0	0
Dr. Vishakha N. Desai	0	0
Mr. Vikram Singh Mehta	10,000	0
Mr. T. N. Manoharan	0	0
Mr. S. B. Mainak	0	0

* Jointly held with MVML (first holder)

Name of the KMP's (other than Executive Directors)	No. of Equity Shares in Resulting/ Applicant Company	No. of Equity Shares in Demerged Company
Mr. V. S. Parthasarathy	31,889	1*
Mr. Narayan Shankar	2,906	1*

* Jointly held with MVML (first holder)

Extent of shareholding of the Directors and KMPs of Mahindra Two Wheelers Limited (Demerged Company) and their respective holding in the Resulting/Applicant Company, and Demerged Company are as follows:

Name of the Director	No. of Equity Shares in Resulting/ Applicant Company	No. of Equity Shares in Demerged Company
Dr. Pawan Goenka	0	1*
Mr. Rajesh Jejurikar	30,449	1*
Mr. V. S. Parthasarathy	31,889	1*
Mr. Ranjan Pant (ceased to be a Director w.e.f. 27 th April, 2017)	0	0
Mr. Shirish Saraf	0	0
Dr. Punita Kumar Sinha	0	0
Mr. Naveen Kumar Kshatriya	0	0

* Jointly held with MVML (first holder)

Name of the KMP's	No. of Equity Shares in Resulting/ Applicant Company	No. of Equity Shares in Demerged Company
Mr. Vinod Sahay	2,459	0
Mr. Mahendra Bhalerao	2,384	1*
Mr. Prem Rathi	0	0
Ms. Poonam Vaze	0	0

* Jointly held with MVML (first holder)

d) Extent of holding of Promoters in the Resulting Company and Demerged Company

Extent of shareholding as on 31st March, 2017 of the Promoters of Mahindra & Mahindra Limited (Resulting Company) in the Resulting Company/Applicant Company and Demerged Company are as follows:

Name of the Promoters	No. of Equity Shares in Resulting/ Applicant Company	No. of Equity Shares in Demerged Company
Mr. Keshub Mahindra	4,42,296	0
Mr. Anand G. Mahindra	7,15,004	0

Extent of shareholding as on 31st March, 2017 of the Promoters of Mahindra Two Wheelers Limited (Demerged Company) in the Resulting Company/Applicant Company and Demerged Company are as follows:

Name of the Promoters	No. of Equity Shares in Resulting/ Applicant Company	No. of Equity Shares in Demerged Company
Mahindra Vehicle Manufacturers Limited	0	2,76,60,97,344
Mahindra Vehicle Manufacturers Ltd Jointly With Mr. Narayan Shankar	0	1
Mahindra Vehicle Manufacturers Ltd Jointly With Dr. Pawan Goenka	0	1
Mahindra Vehicle Manufacturers Ltd Jointly With Mr. K. Chandrasekar	0	1
Mahindra Vehicle Manufacturers Ltd Jointly With Mr. V. S. Parthasarathy	0	1
Mahindra Vehicle Manufacturers Ltd Jointly With Mr. Rajesh Jejurikar	0	1
Mahindra Vehicle Manufacturers Ltd Jointly With Mr. Mahendra Bhalerao	0	1

e) The pre and post Scheme (expected) shareholding pattern of the Applicant/Resulting Company as on 31st March, 2017, is as under:

Sr. No.	Category of shareholder	Shareholding as on 31 st March, 2017 (Pre Scheme)		Shareholding as on 31 st March, 2017 (Post Scheme)	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
A.	Promoters				
	(1) Indian				
	(a) Individual/Hindu Undivided Family	39,42,046	0.64	39,42,046	0.64
	KESHUB MAHINDRA	4,42,296	0.07	4,42,296	0.07
	ANAND GOPAL MAHINDRA	7,15,004	0.12	7,15,004	0.12
	ANJALI MEHRA	1,11,104	0.02	1,11,104	0.02
	ANUJA P SHARMA	34,259	0.01	34,259	0.01
	ANURADHA MAHINDRA	2,28,545	0.04	2,28,545	0.04
	DEVESHWAR JAGAT SHARMA	12,000	0.00	12,000	0.00
	DHRUV S SHARMA	12,000	0.00	12,000	0.00
	GAUTAM P KHANDELWAL	300	0.00	300	0.00
	LEENA S LABROO	7,06,192	0.11	7,06,192	0.11
	NISHEETA LABROO	80,000	0.01	80,000	0.01
	RADHIKA NATH	46,808	0.01	46,808	0.01
	SANJAY LABROO	72,720	0.01	72,720	0.01
	SUDHA KESHUB MAHINDRA	7,26,016	0.12	7,26,016	0.12
	UMA R MALHOTRA	7,54,802	0.12	7,54,802	0.12
	(b) Central Government/State Government(s)	0	0.00	0	0.00
	(c) Financial Institutions/Banks	0	0.00	0	0.00
	(d) Any Other	15,24,76,327	24.54	15,24,76,327	24.52
	(i) Bodies Corporates	7,11,28,386	11.45	7,11,28,386	11.44
	PRUDENTIAL MANAGEMENT & SERVICES PRIVATE LIMITED	7,07,60,970	11.39	7,07,60,970	11.38
	KEMA SERVICES INTERNATIONAL PVT. LTD.	3,67,416	0.06	3,67,416	0.06
	(ii) MAHINDRA AND MAHINDRA EMPLOYEES' STOCK OPTION TRUST	2,74,81,857	4.42	2,74,81,857	4.42

Sr. No.	Category of shareholder	Shareholding as on 31 st March, 2017 (Pre Scheme)		Shareholding as on 31 st March, 2017 (Post Scheme)	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
	(iii) EMPLOYEE WELFARE TRUST	20,30,870	0.32	20,30,870	0.32
	M&M EMPLOYEES WELFARE FUND NO. 1 - RAJAN RAGHUNATH SURVE, VIJAY BHALCHANDRA THAKURDESAI, DAXA JAWAHAR BAXI - TRUSTEES	12,63,156	0.20	12,63,156	0.20
	M&M EMPLOYEES WELFARE FUND NO. 2 - RAJAN RAGHUNATH SURVE, VIJAY BHALCHANDRA THAKURDESAI, DAXA JAWAHAR BAXI - TRUSTEES	6,82,914	0.11	6,82,914	0.11
	M&M EMPLOYEES WELFARE FUND NO. 3 - RAJAN RAGHUNATH SURVE, VIJAY BHALCHANDRA THAKURDESAI, DAXA JAWAHAR BAXI - TRUSTEES	84,800	0.01	84,800	0.01
	(iv) M&M BENEFIT TRUST- BHARAT N DOSHI, A.K. NANDA - TRUSTEES	5,18,35,214	8.35	5,18,35,214	8.34
	Sub-total (A)(1)	15,64,18,373	25.18	15,64,18,373	25.16
	(2) Foreign				
	(a) Individuals (Non- Resident Individuals)/Foreign Individuals	5,49,422	0.09	5,49,422	0.09
	YUTHICA KESHUB MAHINDRA	5,49,422	0.09	5,49,422	0.09
	(b) Government	0	0.00	0	0.00
	(c) Institutions	0	0.00	0	0.00
	(d) Foreign Portfolio Investor	0	0.00	0	0.00
	(e) Any other	0	0.00	0	0.00
	Sub-total (A)(2)	5,49,422	0.09	5,49,422	0.09
	Total shareholding of Promoter (A) = (A)(1) + (A)(2)	15,69,67,795	25.27	15,69,67,795	25.25
B.	Public Shareholding				
	1 Institutions				
	(a) Mutual Funds	4,09,08,501	6.59	4,09,08,501	6.58
	SBI FUND along with its sub-accounts	71,83,149	1.16	71,83,149	1.16
	FRANKLIN TEMPLETON MUTUAL FUND along with its sub-accounts	71,29,813	1.15	71,29,813	1.15
	ICICI PRUDENTIAL FUND along with its sub-accounts	68,19,017	1.10	68,19,017	1.10
	(b) Venture Capital Funds	0	0.00	0	0.00
	(c) Alternate Investment Funds	0	0.00	0	0.00
	(d) Foreign Venture Capital Investors	0	0.00	0	0.00
	(e) Foreign Portfolio Investors (including FII's & FPC's)	21,43,30,813	34.51	21,43,30,813	34.48
	EUROPACIFIC GROWTH FUND	2,00,51,100	3.23	2,00,51,100	3.23
	GOVERNMENT OF SINGAPORE	1,39,31,914	2.24	1,39,31,914	2.24
	FIRST STATE INVESTMENTS ICVC-STEWART INVESTORS AS	1,21,91,090	1.96	1,21,91,090	1.96
	DODGE AND COX INTERNATIONAL STOCK FUND	71,71,971	1.15	71,71,971	1.15
	ARANDA INVESTMENTS (MAURITIUS) PTE LTD	68,32,016	1.10	68,32,016	1.10
	(f) Financial Institutions/Banks	22,49,638	0.36	22,49,638	0.36
	(g) Insurance Companies	8,07,20,400	13.00	8,07,20,400	12.99
	LIFE INSURANCE CORPORATION OF INDIA alongwith its sub accounts	6,80,51,139	10.96	6,80,51,139	10.95
	GENERAL INSURANCE CORPORATION OF INDIA	64,50,000	1.04	64,50,000	1.04
	(h) Provident Funds/Pension Funds	0	0.00	0	0.00
	(i) Any Other	0	0.00	0	0.00
	Sub-total (B)(1)	33,82,09,352	54.46	33,82,09,352	54.41
	2 Central Government/State Government(s)/President of India	9,43,161	0.15	9,43,161	0.15
	Sub-total (B)(2)	9,43,161	0.15	9,43,161	0.15

Sr. No.	Category of shareholder	Shareholding as on 31 st March, 2017 (Pre Scheme)		Shareholding as on 31 st March, 2017 (Post Scheme)	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
3	Non-Institutions				
	(a) Individuals				
	i) Individual shareholders holding nominal share capital upto Rs. 2 lakh	3,96,32,028	6.38	3,96,32,028	6.38
	ii) Individual shareholders holding nominal share capital in excess of Rs. 2 lakh	60,24,024	0.98	60,24,024	0.97
	(b) NBFCs Registered with RBI	19,982	0.00	19,982	0.00
	(c) Employee Trust	0	0.00	0	0.00
	(d) Overseas Depositories (holding DRs) (Balancing Figures)	0	0.00	0	0.00
	(e) Others	4,64,16,191	7.47	4,69,20,079	7.55
	i) Bodies Corporates	3,46,78,261	5.58	3,51,82,149	5.66
	ICICI PRUDENTIAL LIFE INSURANCE COMPANY LIMITED	1,61,35,508	2.60	1,61,35,508	2.60
	ii) Non Resident Indians - Repatriation	10,70,264	0.17	10,70,264	0.17
	iii) Non Resident Indians - Non Repatriation	11,69,551	0.19	11,69,551	0.19
	iv) Foreign Nationals	551	0.00	551	0.00
	v) Trust	40,12,663	0.65	40,12,663	0.65
	vi) Clearing Members	35,07,359	0.56	35,07,359	0.56
	vii) Foreign Bodies	3,69,582	0.06	3,69,582	0.06
	viii) Overseas Corporate Bodies	16,07,960	0.26	16,07,960	0.26
	Sub-total (B)(3)	9,20,92,225	14.83	9,25,96,113	14.90
	Total Public Shareholding (B) = (B)(1) + (B)(2) + (B)(3)	43,12,44,738	69.44	43,17,48,626	69.46
	C. Shares held by Custodian for GDRs	3,28,79,851	5.29	3,28,79,851	5.29
	J P MORGAN CHASE BANK. NA	3,28,79,851	5.29	3,28,79,851	5.29
	Grand Total (A+B+C)	62,10,92,384	100.00	62,15,96,272	100.00

f) The pre and post Scheme (expected) shareholding pattern of the Demerged Company as on 31st March, 2017 is as under:

Pre Scheme & Post Scheme Equity Capital:

Sr. No.	Category of shareholders	Shareholding as on 31 st March, 2017 (Pre Scheme)		Shareholding as on 31 st March, 2017 (Post Scheme)	
		No. of Shares of Rs. 10 each	% of total Shares of the Company	No. of Shares of Re 0.02 each	% of total Shares of the Company
1	Promoter – Mahindra Vehicle Manufacturers Limited*	2,76,60,97,350	92.25	2,76,60,97,350	92.25
2	Public Shareholders –	23,22,91,866	7.75	23,22,91,866	7.75
	I. Emerging India Fund	1,87,16,860	0.63	1,87,16,860	0.63
	II. Aay Kay Global	21,35,75,006	7.12	21,35,75,006	7.12
	Grand Total	2,99,83,89,216	100.00	2,99,83,89,216	100.00

* Includes shares held by MVML jointly with individuals

g) Capital Structure of the Resulting Company - Pre and Post Scheme (Expected)

i. Pre and Post Scheme capital structure of the Resulting Company is as follows:

Description	Pre-Scheme as on 31 st December, 2016		Post-Scheme as on 31 st December, 2016	
	No. of Shares	Amount Rs.	No. of Shares	Amount Rs.
Authorized Share Capital:				
Equity Shares of Rs. 5/- each	120,00,00,000	600,00,00,000	810,00,00,000	4050,00,00,000
Unclassified Shares of Rs. 100/- each	25,00,000	25,00,00,000	25,00,000	25,00,00,000
Issued, Subscribed and Fully Paid up Share Capital:				
Equity Shares of Rs. 5/- each	62,10,92,384	310,54,61,920	62,15,96,272	310,79,81,360

ii. Pre-Scheme capital structure of the Demerged Company is mentioned in point 4 of this Explanatory Statement. The Post-Scheme capital structure of the Demerged Company is as follows:

Particulars	Amount in Rs.
Authorised Share Capital:	
2500,00,00,000 Equity Shares of Re. 0.02 each	50,00,00,000
Issued, Subscribed and Fully Paid up Share Capital:	
299,83,89,216 Equity Shares of Re. 0.02 each	5,99,67,784

9. Amount due to unsecured creditors:

As on 28th February, 2017 - In Rs. crores

M&M	MTWL
7,111.35	87.89

10. Statement disclosing details of Arrangement as per sub-section 3 of section 230 of the Companies Act, 2013 read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016.

No.	Particulars	Mahindra Two Wheelers Limited	Mahindra & Mahindra Limited
		Demerged Company	Resulting Company
(i)	Details of the order of the NCLT directing the calling, convening and conducting of the Meeting:		
A	Date of the order	Order dated 5 th April, 2017.	Order dated 5 th April, 2017.
B	Date, time and venue of the Meeting	Tuesday, 13 th June, 2017 at 9 a.m. at Ground Floor, Gateway Building, Apollo Bunder, Mumbai - 400 001.	Tuesday, 13 th June, 2017 at 3 p.m. at Birla Matushri Sabhagar, 19, Sir Vithaldas Thackersey Marg (New Marine Lines), Mumbai - 400 020.
(ii)	Details of the Companies including		
A	Corporate Identification Number (CIN)	U35911MH2008PLC185462	L65990MH1945PLC004558
B	Permanent Account Number (PAN)	AAFCM6870J	AAACM3025E
C	Name of Company	Mahindra Two Wheelers Limited	Mahindra & Mahindra Limited
D	Date of Incorporation	August 5, 2008	October 2, 1945
E	Type of Company	Public	Public
F	Registered Office address	Mahindra Towers, P. K. Kurne Chowk, Worli, Mumbai - 400 018.	Gateway Building, Apollo Bunder, Mumbai - 400 001.
	E-mail address	bade.kiran@mahindra.com	investors@mahindra.com

No.	Particulars	Mahindra Two Wheelers Limited	Mahindra & Mahindra Limited
		Demerged Company	Resulting Company
G	Summary of main object as per the memorandum of association; and main business carried on by the Company -	<p>(i) To design, develop, manufacture, assemble, test, produce, buy, sell, distribute, trade, import, export, alter, remodel, hire, exchange, repair, service, deal in two wheeled vehicles and any other vehicles of every kind and description, in India and elsewhere, whether propelled by using gas, petroleum, diesel oil, steam, oil, vapor, electricity or any other form of energy or power.</p> <p>(ii) To design, develop, manufacture, assemble, test, produce, buy, sell, distribute, trade, import, export, alter, remodel, upgrade, renovate, invent, hire, exchange, repair, service, deal in all types of parts and raw materials of every kind and description required for or capable of being used for or in connection with the object described above, including but not limited to engines, gears, transmission, axles, joints, springs, lamps, chains, bodies, frames, chassis, tires, tubes, batteries, goods, instruments, appliances, apparatus, equipment, components, spare parts, tools and products for the transport or conveyance of passengers.</p> <p>The Demerged Company is engaged in the businesses of manufacturing and selling of two wheelers ('Two Wheelers Business') and trading in spare parts and accessories ('MTWL Spares Business').</p>	<p>Currently, the objects of the Company as set out in the Memorandum of Association include the following:</p> <p>'(i) To buy, sell, import, export, manufacture, treat, prepare and deal in merchandise, commodities, machinery, tools, goods and articles of all kinds and generally to carry on the business as merchants, contractors, importers and exporters.</p> <p>(ii) To carry on the business of iron founders, mechanical engineers and manufacturers of agricultural implements and other machinery, tool-makers, brass-founders, iron masters, metal-workers, boiler-makers, millwrights, machinists, iron and steel converters, smiths, coke manufacturers, wood-workers, builders, painters, metallurgists, electrical engineers, water supply engineers, gas-makers, smelters, ironplate makers, farmers, printers, carriers and merchants, and to buy, sell, manufacture, repair, convert, alter, let on hire, and deal in machinery, implements, rolling stock and hardware of all kinds, and to carry on any other business (manufacturing or otherwise) which may seem to the Company capable of being conveniently carried on in connection with the above, or otherwise calculated, directly or indirectly, to enhance the value of any of the Company's property and rights for the time being.</p> <p>(iii) To carry on any business relating to the winning and working of minerals, the production and working of metals, and the production, manufacture, and preparation of any other materials which may be usefully or conveniently combined with the engineering or manufacturing business of the Company, or any contracts undertaken by the Company, an either for the purpose only of such contracts or as an independent business.</p> <p>.....'</p> <p>The Resulting Company is engaged in the business of manufacture and sale of tractors, general-purpose utility vehicles, light commercial vehicles three-wheelers and trucks and buses.</p>

No.	Particulars	Mahindra Two Wheelers Limited	Mahindra & Mahindra Limited
		Demerged Company	Resulting Company
H	Details of change of name, registered office and objects of the company during the last five years;	Nil	<p>The Company had amended its Object clause by insertion of the following clauses nos xvii z and xvii z1, pursuant to the Scheme of Arrangement between Mahindra Trucks and Buses Limited and its Shareholders and Creditors and Mahindra & Mahindra Limited passed by the Honourable High Court of Judicature at Bombay vide its Order dated 7th March, 2014.</p> <p>(xvii z) To carry on the business of exporters & importers of all types of manufactured goods and substances including semi-finished or semi-processed goods to all parts of the world including without prejudice to the generality of the foregoing, all types of vehicles, including motor vehicles, tractors, engines, pumps, electric motors, transformers, switch-gears and electric appliances of all types, machinery of all types, machine tools, agricultural implements, chemicals, synthetic products, rubber tyres, cords, tubes, typewriters, refrigerators, scientific instruments and all and any type of equipment, appliance and product, minerals, raw materials, semi and manufactured products, fabrics made from natural or artificial fibers, garments, foods and beverages.</p> <p>(xvii z 1) To engage in the business of designing, developing, manufacturing, producing, assembling, selling, buying, distributing, exporting, importing re-selling, exchanging, altering, improving, assembling, dealing in marketing, procuring, sourcing and acting as buying and selling agents, commission agents, merchants, distributors, traders in and brokers for automotive vehicles including but not limited to trucks, lorries, buses, omni buses, trailers, tractors, motor cars, auto-rickshaws, scooters, motor-scooters, three wheelers motor cycles, cycles, engines, locomotives, turbines, tanks, ships, boats, barges, launches, aeroplanes, airships, seaplanes, balloons and aircraft of every description and also of various parts and components including but not limited to chassis, engines, replacement parts, tools, aggregates, implements, spare parts, accessories, materials of all or any of the above mentioned motor vehicles used for the transport or conveyance of passengers, merchandise and goods of every description whether propelled or used by electricity, steam, oil vapour, gas, petroleum, diesel oil or any other motive or mechanical power, in India or elsewhere and to render all or any services in relation or in connection with any or all of the aforesaid activities such as but not limited to, supply chain management services, after sales support and services and financing for such automotive vehicles.</p>
I	Name of the stock exchange (s) where securities of the company are listed, if applicable;	Not Applicable	Equity Shares of the Company are currently listed on BSE Limited and National Stock Exchange of India Limited. The Global Depository Receipts of the Company are listed on the Luxembourg Stock Exchange and are also admitted for trading on International Order Book of the London Stock Exchange.
J	Details of capital structure – Authorised, Issued, Subscribed and Paid-up share capital;	As per Para 4 of the Explanatory Statement and Clause 5 of Part I of the Scheme.	As per Para 3 of the Explanatory Statement and Clause 5 of Part I of the Scheme.

No.	Particulars	Mahindra Two Wheelers Limited		Mahindra & Mahindra Limited	
		Demerged Company		Resulting Company	
		Name of the Promoter	Address	Name of the Promoter	Address
K	Names and addresses of Promoters of the Company:	Mahindra Vehicle Manufacturers Limited	Mahindra Towers, P. K. Kurne Chowk, Worli, Mumbai - 400 018.	Mr. Keshub Mahindra	Gateway Building, Apollo Bunder, Mumbai - 400 001.
				Mr. Anand G. Mahindra	Gateway Building, Apollo Bunder, Mumbai - 400 001.
L	Names and addresses of Directors of the Company:	Name of the Director	Address	Name of the Director	Address
		Dr. Pawan Goenka	Mahindra Towers, G. M. Bhosale Marg, Worli, Mumbai - 400 018.	Mr. Anand G. Mahindra	Gateway Building, Apollo Bunder, Mumbai - 400 001.
		Mr. Rajesh Jejurikar	1 st Floor, Mahindra Towers, Kandivli (East), Mumbai - 400 101.	Dr. Pawan Goenka	Mahindra Towers, G. M. Bhosale Marg, Worli, Mumbai - 400 018.
		Mr. V. S. Parthasarathy	Mahindra Towers, G. M. Bhosale Marg, Worli, Mumbai - 400 018.	Mr. Deepak S. Parekh	HDFC Ltd, HDFC House, 6 th Floor, H.T. Parekh Marg, 165-166, Backbay Reclamation, Churchgate, Mumbai - 400 020.
		Mr. Ranjan Pant (ceased to be a Director w.e.f. 27 th April, 2017)	Portion-B, 10-A, Kasturba Gandhi Marg, New Delhi, 110 001.	Mr. Nadir B. Godrej	Godrej Industries Limited, Eastern Express Highway, Vikhroli, Mumbai - 400 079.
		Mr. Shirish Saraf	Flat No. 603, Block-17, Heritage City Gurgaon, Haryana-120002.	Mr. M. M. Murugappan	Dare House, New # 2, NSC Bose Road, Chennai - 600 001.
		Dr. Punita Kumar Sinha	51 Gate House Road, Newton MA, Massachusetts, 024671320, USA.	Mr. R. K. Kulkarni	C/o. Khaitan & Co., One Indiabulls Centre, 13 th Floor, 841, Senapati Bapat Marg, Elphinstone Road, Mumbai - 400 013.
		Mr. Naveen Kumar Kshatriya	1101, B Wing, 11 th Floor Lodha Bellissimo, Apollo Mills Compound, N. M. Joshi Road, Mahalaxmi, Mumbai - 400 011.	Mr. Anupam Puri	17 East, 16 Street, Apartment 11, New York, NY 10003 USA.
				Dr. Vishakha N. Desai	Special Advisor for Global Affairs, Office of the President Columbia University, 490 Riverside Drive MLK Building, 5 th Floor, Suite 509 New York, NY 10027.
				Mr. Vikram Singh Mehta	23, Friends Colony, West, New Delhi - 110 065.
		Mr. S.B. Mainak	B-1503, Oberoi Woods, Mohan Gokhale Marg, Off Western Express Highway, Goregaon (East), Mumbai - 400 063.		
		Mr. T. N. Manoharan	No. 27, Subramaniam Street, Abiramapuram, Chennai - 600 018.		

No.	Particulars	Mahindra Two Wheelers Limited	Mahindra & Mahindra Limited
		Demerged Company	Resulting Company
(iii)	If the scheme of arrangement relates to more than one company, the fact and details of any relationship subsisting between such companies who are parties to such scheme of compromise or arrangement, including holding, subsidiary or associate companies	Step down Subsidiary of the Resulting Company. Also refer Para 5 (a) of the Explanatory Statement.	Holding Company of the Demerged Company. Also refer Para 5 (a) of the Explanatory Statement.
(iv)	The date of board Meeting at which the scheme was approved by the board of directors including the name of directors who voted in favour of the resolution, who voted against the resolution and who did not vote or participate on such resolution	3 rd December, 2016. Directors who voted in favour of the Resolution: Mr. Rajesh Jejurikar Mr. V. S. Parthasarathy Mr. Naveen Kshatriya Name of directors who voted against the resolution: Nil Name of Director(s) who did not vote or participate on such resolution: Dr Pawan Goenka, being interested, neither participated nor voted.	3 rd December, 2016. Directors who voted in favour of the Resolution: Mr. Anand G. Mahindra Dr. Pawan Goenka Mr. M. M. Murugappan Mr. R. K. Kulkarni Mr. Vikram Singh Mehta Mr. S. B. Mainak Mr. T. N. Manoharan Name of Director(s) who voted against the resolution and who did not vote or participate on such resolution: Nil
(v)	<i>Explanatory statement disclosing details of the scheme of compromise or arrangement including:-</i>		
A	Parties involved in such compromise or arrangement;	Mahindra Two Wheelers Limited (Demerged Company). Mahindra & Mahindra Limited (Resulting Company).	
	Appointed Date	1 st October, 2016 or such other date as may be directed or approved by the NCLT.	
	Effective Date	The last of the dates, if applicable on which the certified or authenticated copy of the orders of the NCLT sanctioning the scheme are filed with the Registrar of Companies, Mumbai by the Demerged Company and the Resulting Company.	
B	Share entitlement ratio (if applicable) and other considerations, if any	1 fully paid equity share of Rs. 5 each of the Resulting Company for every 461 fully paid equity shares held by the shareholders in the Demerged Company.	
C	Summary of Valuation report (if applicable) including basis of valuation and fairness opinion of the registered valuer, if any, and the declaration that the valuation report is available for inspection at registered office of the Company	<p>The Share Entitlement Ratio has been arrived at on the basis of a relative equity valuation of Two Wheelers business attributable to each equity share of the Demerged Company and the Resulting Company based on the various methods and various qualitative factors relevant to each company and the business dynamics and growth potential of the businesses having regard to information base, key underlying assumptions and limitations.</p> <p>Valuers, as considered appropriate, have independently applied methods and arrived at their assessment of value per share of the Two Wheelers business attributable to each equity share of the Demerged Company and the Resulting Company. To arrive at the consensus on the Fair Entitlement Ratio for the proposed demerger, suitable rounding off have been done in the values arrived at by the Valuers.</p> <p>In light of the above, and on a consideration of all the relevant factors and circumstances as discussed and outlined in the Valuation Report, the Share Entitlement Ratio for the proposed demerger of Two Wheelers business has been arrived at.</p>	

No.	Particulars	Mahindra Two Wheelers Limited	Mahindra & Mahindra Limited
		Demerged Company	Resulting Company
		Refer Annexure B-I for Valuation Report The same is available for inspection at the Registered Office of the Company situated at Mahindra Towers, 5 th Floor, Secretarial Department, Dr. G. M. Bhosale Marg, P. K. Kurne Chowk, Worli, Mumbai - 400 018 on all working days (except Saturdays, Sundays and Public Holidays) between 11.00 a.m. (IST) to 1.00 p.m. (IST) upto one day prior to the date of the Meeting.	Refer Annexure B-I for Valuation Report; and B-II for fairness opinion. The same is available for inspection at the Registered Office of the Company and/or at the Corporate Office of the Applicant Company at Mahindra Towers, 5 th Floor, Secretarial Department, Dr. G. M. Bhosale Marg, P. K. Kurne Chowk, Worli, Mumbai - 400 018 on all working days, (except Saturdays, Sundays and Public Holidays) between 11.00 a.m. (IST) to 1.00 p.m. (IST) upto one day prior to the date of the Meeting.
D	Details of capital or debt restructuring, if any	Refer Clause 6 of the Scheme.	NIL
E	Rationale for the arrangement	Refer Clause 1.5 of the Scheme. Also refer Para 5 (c) of the Explanatory Statement.	
F	Benefits of the arrangement as perceived by the Board of directors to the company, members, creditors and others (as applicable)	As provided in the rationale for Arrangement in Clause 1.5 of the Scheme and as stated in Para 5 (e) of the Explanatory Statement.	
G	Amount due to unsecured creditors as of 28 th February, 2017	Rs. 87.89 crores.	Rs. 7,111.35 crores.
(vi)	<i>Disclosure about effect of the compromise or arrangement on</i>		
A	Key Managerial personnel (KMP) (other than Directors)	No effect except for dilution in percentage of their shareholding, if any, held in the Resulting Company.	No effect except for dilution in percentage of their shareholding, if any, held in the Resulting Company.
B	Directors	No effect except for dilution in percentage of their shareholding, if any, held in the Resulting Company.	No effect except for dilution in percentage of their shareholding, if any, held in the Resulting Company.
C	Promoters	No shares will be issued by the Resulting Company to MVML (being the promoter shareholder holding 92.25% shares in the Demerged Company as on 31 st March, 2017), since MVML is a subsidiary of the Resulting Company and as per the provisions of Companies Act, 2013, a subsidiary company cannot hold shares in its holding company.	Dilution in percentage of shareholding in the Resulting Company to the extent of shares allotted under the Scheme.
D	Non-promoter members	In consideration of the shares held by the Non Promoter shareholders in MTWL, they will be allotted equity shares in Resulting Company and such equity shares will form part of public shareholders of the Resulting Company.	Increase in Non-Promoter shareholding in the Total Capital of the Company to the extent of shares allotted under the Scheme.
E	Depositors	No effect as the Demerged Company has not accepted any deposits.	No effect.
F	Creditors	Creditors, if any, pertaining to Two Wheelers Undertaking shall become the creditors of the Resulting Company and paid off in the ordinary course of business. Inter-company creditors would get cancelled.	No effect.
G	Debenture holders	No effect as the Demerged Company has not issued any debentures.	No effect.
H	Deposit trustee and debenture trustee	No effect as the Demerged Company does not have any Deposit or Debenture trustees.	No effect.

No.	Particulars	Mahindra Two Wheelers Limited	Mahindra & Mahindra Limited
		Demerged Company	Resulting Company
I	Employees of the company	No effect as employees pertaining to Two Wheelers Undertaking will become employees of the Resulting Company.	No effect.
(vii)	<i>Disclosure about effect of compromise or arrangement on material interest of Directors, Key Managerial Personnel (KMP) and debenture trustee</i>		
A	Directors	No effect.	
B	Key Managerial Personnel	No effect.	
C	Debenture Trustee	Not Applicable as the Demerged Company does not have any debenture trustees.	No effect.
(viii)	Investigation or proceedings, if any, pending against the company under the Act	None	
(ix)	Details of the availability of the following documents for obtaining extract from or for making or obtaining copies of or inspection by the members and creditors, namely:		
A	Latest Audited Financial Statements of the Company including consolidated financial statements	Available for inspection at the Registered Office of the Company situated at Mahindra Towers, 5 th Floor, Secretarial Department, Dr. G. M. Bhosale Marg, P. K. Kurne Chowk, Worli, Mumbai - 400 018 on all working days (except Saturdays, Sundays and Public Holidays) between 11.00 a.m. (IST) to 1.00 p.m. (IST) upto one day prior to the date of the Meeting.	Available for inspection at the Registered Office of the Company and/or at the Corporate Office of the Applicant Company at Mahindra Towers, 5 th Floor, Secretarial Department, Dr. G. M. Bhosale Marg, P. K. Kurne Chowk, Worli, Mumbai - 400 018 on all working days, (except Saturdays, Sundays and Public Holidays) between 11.00 a.m. (IST) to 1.00 p.m. (IST) upto one day prior to the date of the Meeting. Additionally, it is also available on the website of the Company and the Stock Exchanges, where its shares are listed.
B	Copy of the order of Tribunal in pursuance of which the Meeting is to be convened or has been dispensed with	Available for inspection at the Registered Office of the Company situated at Mahindra Towers, 5 th Floor, Secretarial Department, Dr. G. M. Bhosale Marg, P. K. Kurne Chowk, Worli, Mumbai - 400 018 on all working days (except Saturdays, Sundays and Public Holidays) between 11.00 a.m. (IST) to 1.00 p.m. (IST) upto one day prior to the date of the Meeting.	Available for inspection at the Registered Office of the Company and/or at the Corporate Office of the Applicant Company at Mahindra Towers, 5 th Floor, Secretarial Department, Dr. G. M. Bhosale Marg, P. K. Kurne Chowk, Worli, Mumbai - 400 018 on all working days, (except Saturdays, Sundays and Public Holidays) between 11.00 a.m. (IST) to 1.00 p.m. (IST) upto one day prior to the date of the Meeting.
C	Copy of Scheme of Arrangement	Enclosed as Annexure A to this Notice. Also available for inspection at the Registered Office of the Company situated at Mahindra Towers, 5 th Floor, Secretarial Department, Dr. G. M. Bhosale Marg, P. K. Kurne Chowk, Worli, Mumbai - 400 018 and at office of its Advocates, M/s. Hemant Sethi & Co., 1602 Nav Parmanu, Behind Amar Cinema, Chembur, Mumbai - 400 071 on all working days (except Saturdays, Sundays and Public Holidays) between 11.00 a.m. (IST) to 1.00 p.m. (IST) upto one day prior to the date of the Meeting.	Enclosed as Annexure A to this Notice. Also available for inspection at the Registered Office of the Company and/or at the Corporate Office of the Applicant Company at Mahindra Towers, 5 th Floor, Secretarial Department, Dr. G. M. Bhosale Marg, P. K. Kurne Chowk, Worli, Mumbai - 400 018 and at office of its Advocates, M/s. Hemant Sethi & Co., 1602 Nav Parmanu, Behind Amar Cinema, Chembur, Mumbai - 400 071 on all working days, (except Saturdays, Sundays and Public Holidays) between 11.00 a.m. (IST) to 1.00 p.m. (IST) upto one day prior to the date of the Meeting. Additionally, it is also available on the website of the Company and the Stock Exchanges, where its shares are listed.
D	Contracts or Agreements material to the arrangement	There are no contracts or agreements material to the Arrangement.	

No.	Particulars	Mahindra Two Wheelers Limited	Mahindra & Mahindra Limited
		Demerged Company	Resulting Company
E	The certificate issued by the Auditor of the company to the effect that the accounting treatment, if any, proposed in the scheme of compromise or arrangement is in conformity with the Accounting Standards prescribed under section 133 of the Companies Act, 2013; and	Available for inspection at the Registered Office of the Company situated at Mahindra Towers, 5 th Floor, Secretarial Department, Dr. G. M. Bhosale Marg, P. K. Kurne Chowk, Worli, Mumbai - 400 018 on all working days (except Saturdays, Sundays and Public Holidays) between 11.00 a.m. (IST) to 1.00 p.m. (IST) upto one day prior to the date of the Meeting.	Available for inspection at the Registered Office of the Company and/or at the Corporate Office of the Applicant Company at Mahindra Towers, 5 th Floor, Secretarial Department, Dr. G. M. Bhosale Marg, P. K. Kurne Chowk, Worli, Mumbai - 400 018 on all working days (except Saturdays, Sundays and Public Holidays) between 11.00 a.m. (IST) to 1.00 p.m. (IST) upto one day prior to the date of the Meeting.
F	Such other information or documents as the Board or Management believes necessary and relevant for making decision for or against the scheme	Refer Para 11 (c) of the Explanatory Statement.	
(x)	Details of approvals, sanctions or no-objection(s), if any, from regulatory or any other governmental authorities required, received or pending for the proposed scheme of compromise or arrangement	Notice under section 230(5) of the Companies Act, 2013 is being given to the Central Government, Registrar of Companies, Directorate of Industries (Government of Maharashtra) and Income Tax Authorities in respect of both the companies and SEBI and concerned Stock Exchange(s) in respect of Resulting Company; The Company has received no-objection letters from the Stock Exchanges.	
(xi)	A statement to the effect that the persons to whom the notice is sent may vote in the Meeting either in person or by proxies, or where applicable, by voting through electronic means	Members to whom the Notice is sent may vote in the Meeting either in person or by proxies.	Members to whom the Notice is sent may vote in the Meeting either in person or by proxies or by voting through electronic means.

11. General:

- a) The rights and interests of the Equity Shareholders, Secured or Unsecured Creditors of Demerged Company and the Resulting/Applicant Company will not be prejudicially affected by the Scheme as no sacrifice or waiver is, at all called from them nor their rights sought to be modified in any manner.
- b) There are no winding up proceedings pending against the Applicant Company as of date.
- c) The following additional documents will be open for inspection to the equity shareholders of the Applicant Company at its Registered Office and/or at the Corporate Office of the Applicant Company at Mahindra Towers, 5th Floor, Secretarial Department, Dr. G. M. Bhosale Marg, P. K. Kurne Chowk, Worli, Mumbai - 400 018 between 11.00 a.m. to 1.00 p.m. on all working days, except Saturdays, Sundays and Public Holidays, up to 1 (one) day prior to the date of the Meeting:
 - (i) Certified copy of the Order dated 5th April, 2017 of the Mumbai Bench of the National Company Law Tribunal in the Company Application No. 347 of 2017 directing the convening and holding of the Meetings of the Equity Shareholders of the Applicant Company;
 - (ii) Memorandum of Association and Articles of Association of the Demerged Company and the Resulting/Applicant Company;
 - (iii) Joint Valuation Report on Recommendation of Share Entitlement Ratio dated 3rd December, 2016 issued by Independent Chartered Accountants viz. M/s. S.R. Batliboi & Co. LLP and M/s. SSPA & Co.;
 - (iv) Fairness opinion dated 3rd December, 2016 issued by Merchant Banker viz. SBI Capital Markets Limited;

- (v) Observation Letter received from BSE Limited dated 8th March, 2017 and National Stock Exchange of India Limited dated 10th March, 2017;
 - (vi) Copy of the Complaints Report dated 8th February, 2017 submitted by Applicant Company to BSE Limited and National Stock Exchange of India Limited and also uploaded on Applicant Company's website;
 - (vii) Register of Directors' Shareholding of the Applicant Company;
 - (viii) Audit Committee Report dated 3rd December, 2016 of the Applicant Company;
 - (ix) Copies of the resolutions passed by the respective Board of Directors of Demerged Company and the Resulting/ Applicant Company both dated 3rd December, 2016 approving the Scheme;
 - (x) Copy of the annual reports of the Demerged and Resulting Company, respectively, for the financial year ended 31st March, 2016;
 - (xi) Copy of the Supplementary Accounting Statement of the Demerged and Resulting Company for the period ended 31st December, 2016;
 - (xii) Copy of the Statutory Auditor's certificate dated 26th December, 2016 issued by Messrs Deloitte Haskins & Sells to the Demerged Company to the effect that the accounting treatment, if any, proposed in the scheme of compromise or arrangement is in conformity with the Accounting Standards prescribed under section 133 of the Companies Act, 2013;
 - (xiii) Copy of the Statutory Auditor's certificate dated 3rd December, 2016 and supplemental certificate dated 5th January, 2017 issued by Messrs Deloitte Haskins & Sells to the Resulting Company to the effect that the accounting treatment, if any, proposed in the scheme of compromise or arrangement is in conformity with the Accounting Standards prescribed under section 133 of the Companies Act, 2013.
- d) A copy of the Scheme, Explanatory Statement and Form of Proxy may be obtained free of charge on any working day (except Saturdays, Sundays and Public Holidays) from the Registered Office of Applicant Company and/or at the Corporate Office of the Applicant Company at Mahindra Towers, 5th Floor, Secretarial Department, Dr. G. M. Bhosale Marg, P. K. Kurne Chowk, Worli, Mumbai - 400 018 and/or at the office of Advocates situated at 1602 Nav Parmanu, Behind Amar Cinema, Chembur, Mumbai - 400 071.
- e) This statement may be treated as an Explanatory Statement under section 230 of the Companies Act, 2013 read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 and section 102 and other applicable provisions of the Companies Act, 2013 and corresponding section 393 of the Companies Act, 1956 and other applicable provisions of the Companies Act, 1956.

ANAND G. MAHINDRA

DIN : 00004695

Chairman appointed for the Meeting

Dated this 10th day of May, 2017

Registered Office: Gateway Building, Apollo Bunder, Mumbai - 400 001

CIN: L65990MH1945PLC004558

E-mail: investors@mahindra.com

Website: www.mahindra.com

**SCHEME OF ARRANGEMENT
BETWEEN
MAHINDRA TWO WHEELERS LIMITED
AND
MAHINDRA AND MAHINDRA LIMITED
AND
THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS**

UNDER SECTIONS 391 TO 394 READ WITH SECTIONS 100 TO 104 OF THE COMPANIES ACT, 1956 AND SECTION 52 OF THE COMPANIES ACT, 2013

1. INTRODUCTION

- 1.1 Mahindra Two Wheelers Limited (hereinafter referred to as “**Demerged Company**” or “**MTWL**”), a Company incorporated under the Companies Act, 1956, and having its registered office at Mahindra Towers, P. K. Kurne Chowk, Worli, Mumbai - 400 018, Maharashtra, India is engaged in the businesses of manufacturing and selling of two wheelers (“Two Wheelers Business”) and trading in spare parts and accessories (“MTWL Spares Business”).
- 1.2 Mahindra and Mahindra Limited (hereinafter referred to as “**Resulting Company**” or “**M&M**”), a Company incorporated under the Indian Companies Act, VII of 1913 and having its registered office at Gateway Building, Apollo Bunder, Mumbai - 400 001, Maharashtra, India 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 Resulting Company are listed on the Stock Exchanges (hereinafter defined).
- 1.3 MTWL is a subsidiary of Mahindra Vehicle Manufacturers Limited (“MVML”). MVML, a company incorporated under the Companies Act, 1956 is a wholly owned subsidiary of M&M. MVML, incorporated in the year 2007, having its registered office at Mahindra Towers, P. K. Kurne Chowk, Worli, Mumbai - 400 018, Maharashtra, India, is engaged in the business of manufacture of motor vehicles, trailers, semi-trailers and other transport vehicles.
- 1.4 This Scheme, *inter alia*, provides for i) re-organisation of securities premium and share capital of the Demerged Company- and ii) demerger of the Two Wheelers Undertaking (hereinafter defined in Part I) of the Demerged Company and transfer and vesting thereof into the Resulting Company, including consequential or related matters integrally connected therewith.
- 1.5 The proposed demerger of the Two Wheelers Undertaking envisaged in this Scheme (“the Demerger”) is in line with the Two Wheeler strategy of focusing on premium niche segment.
With M&M being present in many segments of the automotive industry e.g. Passenger & Utility Vehicles and Commercial Vehicles including Three Wheelers, Trucks & Buses, the proposed demerger of Two Wheelers Undertaking of MTWL, envisaged in this Scheme (“the Demerger”) in line with its strategy of focusing on niche premium Two Wheeler segment, would enable the Undertaking to benefit from M&M’s Design & Development and Sourcing capabilities. The proposed demerger would also enable the Demerged Company to enhance focus on the spares business.
Accordingly, the Board of Directors of the Demerged Company and the Resulting company are of the view that the transfer and vesting of the Two Wheelers Undertaking (hereinafter defined in Part I) of the Demerged Company with the Resulting Company will enable both the companies achieve and fulfil their objectives more efficiently and in cost effective manner, besides being in the interest of minority shareholders, in particular.
- 1.6 The Scheme has been approved by the Board of Directors of the Demerged Company and the Resulting Company.
- 1.7 The transfer of the Demerged Undertaking shall be on a going concern basis.

2. PARTS OF THE SCHEME

- 2.1 This Scheme of Arrangement is divided into the following parts:
 - 2.1.1 PART I deals with the definitions and share capital of the Demerged Company (*defined hereinafter*) and the Resulting Company;
 - 2.1.2 PART II deals with the re-organisation of securities premium and share capital of the Demerged Company and the corresponding accounting treatment in connection therewith;
 - 2.1.3 PART III deals with the demerger of the Two Wheelers Undertaking of the Demerged Company and transfer and vesting thereof into the Resulting Company;
 - 2.1.4 PART IV deals with the Remaining Business (*defined hereinafter*) of the Demerged Company (*defined hereinafter*);
 - 2.1.5 PART V deals with the consideration for the demerger and accounting treatment for the demerger in the books of the Demerged Company and the Resulting Company consequent to the demerger; and
 - 2.1.6 PART VI deals with general terms and conditions applicable to this Scheme.

PART – I

DEFINITIONS AND SHARE CAPITAL

3. DEFINITIONS

In this Scheme, unless repugnant to the subject or context or meaning thereof, the following expressions shall have the meanings as set out herein below:

- 3.1 “Act” means the Companies Act, 1956 and/or the Companies Act, 2013 and rules made thereunder, including any statutory modifications, re-enactments or amendments thereof for the time being in force; it being clarified that as on the date of approval of this Scheme by the Board of Directors of the Demerged Company and the Resulting Company, sections 391 to 394 and 100 to 104 of the Companies Act, 1956 continue to be in force with the corresponding provisions of the Companies Act, 2013 not having been notified. Accordingly, references in this Scheme to particular provisions of the Act are references to particular provisions of the Companies Act, 1956. Upon such provisions standing re-enacted by enforcement of provisions of the Companies Act, 2013 such references shall, unless a different intention appears, be construed as references to the provisions so re-enacted.
- 3.1.1 “Appointed Date” means 1st October, 2016 or such other date as may be directed or approved by the High Court.
- 3.2 “Demerged Company” or “MTWL” means Mahindra Two Wheelers Limited, a Company incorporated under the Companies Act, 1956, and having its registered office at Mahindra Towers, P. K. Kurne Chowk, Worli, Mumbai - 400 018, Maharashtra, India.
- 3.3 “Effective Date” or “coming into effect of this Scheme” or “upon the Scheme becoming effective” means the last of the dates, if applicable, on which the certified or authenticated copy(ies) of the order(s) sanctioning the Scheme passed by the High Court or any other Appropriate Authority, as may be applicable, is/are filed with the Registrar of Companies, Mumbai.
- 3.4 “Governmental Authority” or “Appropriate Authority” means any applicable central, state or local government, legislative body, regulatory or administrative authority, agency or commission or any court, tribunal, board, Stock Exchanges, bureau, instrumentality, judicial or arbitral body having jurisdiction over the territory of India.
- 3.5 “High Court” means the High Court of Judicature at Bombay or such other competent authority under the provisions of Sections 391 to 394 read with Sections 100 to 104 of the Act. It is hereby clarified that in the event that the provisions of the Companies Act, 2013 pertaining to scheme of arrangement become applicable and effective for the purposes of this Scheme, all references to the High Court shall be deemed to include references to the National Company Law Tribunal so constituted under the Companies Act, 2013.
- 3.6 “Record Date” means the date to be fixed by the Resulting Company in consultation with the Demerged Company for the purpose of reckoning the names of the equity shareholders (other than Resulting Company and/or any subsidiary of the Resulting Company) of the Demerged Company, who shall be entitled to receive shares of the Resulting Company upon coming into effect of the Scheme.
- 3.7 “Remaining Business” or “Remaining Business of MTWL” shall mean all undertakings, businesses, activities and operations including assets and liabilities of MTWL other than the Two Wheelers Undertaking. It shall specifically include the MTWL Spares Business.
- 3.8 “Resulting Company” or “M&M” means Mahindra and Mahindra Limited a Company incorporated under the Indian Companies Act, VII of 1913 and having its registered office at Gateway Building, Apollo Bunder, Mumbai - 400 001, Maharashtra, India.
- 3.9 “Scheme” means this Scheme of Arrangement between Mahindra Two Wheelers Limited and Mahindra and Mahindra Limited and their respective shareholders and creditors, in its present form and/or with any modifications and amendments thereto made under Clause 24 of this Scheme as approved or directed by the High Court or any other Appropriate Authority.
- 3.10 “Stock Exchanges” means BSE Limited and the National Stock Exchange of India Limited where the equity shares of the Resulting Company are listed.
- 3.11 “Two Wheelers Undertaking” or “Demerged Undertaking” means MTWL’s entire undertaking, business, activities and operations pertaining to the Two Wheeler Business. The term Two Wheelers Undertaking shall include the following:
- 3.11.1 All assets (whether movable or immovable, real or personal, corporeal or incorporeal, present, future or contingent, tangible or intangible) wherever situated and of whatever nature, pertaining thereto through which MTWL carries on the business, activities and operations relating to the Two Wheelers Business.

- 3.11.2 All present and future liabilities (including contingent liabilities) loans, debts (whether secured or unsecured) raised or incurred, current liabilities and provisions, duties and obligations of every kind, nature and description whatsoever and howsoever arising or accruing in relation to the business activities and/or operations relating solely to the Two Wheelers Business.
- 3.11.3 Without prejudice to the generality of the above, the Two Wheelers Business shall also include in particular:
- 3.11.3.1 All assets and properties including land, building, Plant and machinery, capital work in progress, equipment, furniture and fixture, vehicles, computers, electrical installations and any other fixed asset in relation to the Two Wheelers Business;
 - 3.11.3.2 All current assets, inventory, stock-in-trade, account receivables, loans and advances, prepaid expenses and other assets in relation to the Two Wheelers Business;
 - 3.11.3.3 Cash and cash equivalents, bank balances and bank accounts relating to the Two Wheelers Business including fixed deposits;
 - 3.11.3.4 Security deposits, advances, earnest monies, balances, advance lease rentals or other payments made to or received from the lessors or suppliers or service providers in relation to the Two Wheelers Business and includes deposits and balances with Government, Semi-Government, local and other authorities and bodies, including all tax balances or balances with any tax authority or other statutory body pertaining to the Two Wheelers Business, customers and other persons earnest moneys and/or security deposits paid or received by MTWL in connection with the Two Wheelers Business;
 - 3.11.3.5 All agreements (including but not limited to agreements with respect to immoveable properties by way of lease, license and business arrangements), rights, contracts, entitlements, permits, licenses, registrations, insurance policies, approvals, consents, engagements, arrangements, subsidies, concessions, exemptions and all other privileges and benefits of every kind, nature and description whatsoever (including but not limited to benefits of tax relief including under the Income-tax Act, 1961 such as credit for advance tax, taxes deducted at source, etc., unutilised deposits or credits, benefits under the VAT/Sales Tax law, VAT/sales tax set off, unutilised deposits or credits, benefits of any unutilised MODVAT/CENVAT/Service tax credits, etc.) relating to the Two Wheelers Business;
 - 3.11.3.6 Investments held by MTWL in relation to Two Wheelers Business;
 - 3.11.3.7 All permanent employees of MTWL excluding those who are engaged in relation to the Remaining Business;
 - 3.11.3.8 All records, files, documents, reports, papers, computer programs, manuals, data catalogues, quotations, sales and advertising materials, list of present and former customers and suppliers, customer credit information, customer pricing information and other records, whether in physical form or electronic form in connection with or relating to the Two Wheelers Business;
 - 3.11.3.9 All intellectual property including but not limited to technical know-how, assignment of trademarks and other related rights, title and interest vested thereto rights owned or licensed, records, files, papers, data and documents in the name of MTWL and in relation to the Two Wheelers Business, Brand name and domain name;
 - 3.11.3.10 All pending litigations or proceedings filed by or against the Demerged Company pertaining to the Two Wheelers Business; and
 - 3.11.3.11 All loans and cash credit facilities availed of by the Demerged Company for the purposes of the Two Wheelers Business and other liabilities incurred in connection therewith.

Any question that may arise as to whether a specified asset or liability pertains or does not pertain to the Two Wheelers Business or whether it arises out of the activities or operations of the Two Wheelers Business shall be decided by mutual agreement between MTWL and the Resulting Company.

The expressions which are used in this Scheme and not defined in this Scheme shall, unless repugnant or contrary to the context or meaning hereof, 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 from time to time.

4. DATE OF TAKING EFFECT AND OPERATIVE DATE

This Scheme set out herein in its present form or with any modification(s) and amendment(s) made under Clause 24 of this Scheme duly approved or imposed or directed by the High Court shall be effective from the Appointed Date but shall be operative from the Effective Date. Therefore, for all regulatory and tax purposes, the Demerger would be effective from the Appointed Date of this Scheme. Notwithstanding the above, the accounting treatment to be adopted to give effect to

the provisions of the Scheme would be in consonance with Indian Accounting Standards 103 ("Ind AS 103") and the mere adoption of such accounting treatment will not in any manner affect the vesting of the Demerged Undertaking from the Appointed Date.

5. SHARE CAPITAL

5.1 The share capital of MTWL as on 31st March 2016 is as under:

Particulars	Amount (Rs.)
Authorised capital	
350,00,00,000 Equity Shares of Rs. 10 each	3500,00,00,000
Issued, subscribed and fully paid-up	
265,83,89,216 Equity Shares of Rs. 10 each	2658,38,92,160

Subsequent to 31st March, 2016, there was a further allotment of 34,00,00,000 Equity Shares at Rs. 10 per share to MVML on rights basis. The equity shares of MTWL are not listed on any stock exchange. MVML, which is a wholly owned subsidiary of the Resulting Company, holds 276,60,97,350 Equity Shares of the Demerged Company.

5.2 The share capital of the Resulting Company as on 31st March, 2016 is as under:

Particulars	Amount (Rs.)
Authorised capital	
120,00,00,000 Ordinary (Equity) Shares of Rs. 5 each and 25,00,000 Unclassified Shares of Rs. 100 each	625,00,00,000
Issued, subscribed and fully paid-up	
62,10,92,384 Ordinary (Equity) Shares of Rs. 5 each fully paid-up	310,54,61,920
Less : 2,84,58,577 Ordinary (Equity) Shares of Rs. 5 each fully paid-up issued to ESOP Trust but not allotted to employees	14,22,92,885
Adjusted : Issued and Subscribed Share Capital of 59,26,33,807 Ordinary (Equity) Shares of Rs. 5 each fully paid-up	296,31,69,035

The equity shares of the Resulting Company are listed on the Stock Exchanges.

PART – II

REORGANISATION OF SHARE CAPITAL OF THE DEMERGED COMPANY

6. REORGANISATION OF SHARE CAPITAL OF MTWL

6.1 Against the securities premium account and share capital of MTWL, it is proposed to write off:

6.1.1 The aggregate of the balance in Profit and Loss Account as on close of business hours on 30 September, 2016; and

6.1.2 The additional debit balance in Profit & Loss Account pursuant to clause 10.2, if any.

6.1.3 Aggregate of the balance in Profit and Loss Account as mentioned in clause 6.1.1. and the additional debit balance in Profit & Loss Account as mentioned under clause 6.1.2 is collectively referred to as "MTWL Aggregate Book Losses"

6.2 Accordingly, upon coming into effect of this Scheme, the MTWL Aggregate Book Losses shall be adjusted:

6.2.1 Against the securities premium account as on close of business hours on 30 September, 2016 aggregating to Rs. 7,41,72,890 (Rupees Seven Crore Forty One Lakh Seventy Two Thousand Eight Hundred Ninety only); and

6.2.2 Balance against the re-organisation of issued, subscribed and paid-up equity share capital of MTWL by reducing face value and paid up value of equity share capital of Rs. 10 each to Re. 0.02 each.

6.3 The re-organisation of issued, subscribed and paid-up equity share capital of MTWL shall be effected by an amount of Rs. 2992,39,24,376 (Rupees Two Thousand Nine Hundred Ninety Two Crore Thirty Nine Lakh Twenty Four Thousand Three Hundred and Seventy Six Only).

6.4 Consequent upon the re-organisation, as mentioned above, the MTWL Aggregate Book Losses shall be reduced to NIL and the issued, subscribed and paid-up share capital of MTWL will be revised as under:

Issued, subscribed and fully paid-up	Amount (Rs.)
299,83,89,216 Equity Shares of Re. 0.02 each	5,99,67,784

Out of the above, 276,60,97,350 equity shares will be held by MVML.

- 6.5 The share certificates of MTWL in relation to the equity shares held by its equity shareholders shall, without any further application, act, instrument or deed, be deemed to have been automatically modified pursuant to the re-organisation of share capital contemplated in Clause 6.2.2 above.
- 6.6 The re-organisation of securities premium and share capital as aforesaid of MTWL shall be effected as an integral part of and in terms of this Scheme and shall constitute sufficient compliance in terms of Section 52 of the Companies Act 2013 and Sections 100 to 104 of the Companies Act 1956 and as the same does not involve either diminution of liability in respect of unpaid share capital or payment to any shareholder of any paid-up share capital, the provisions of Section 101 of the Act are not applicable. However, the order of the High Court sanctioning the Scheme shall be deemed to be an order under Section 102 of the Act as well as other applicable provisions of Companies Act 2013 (as notified) confirming the re-organization.
- 6.7 The re-organisation of securities premium and share capital as aforesaid of MTWL as envisaged in the Scheme shall not affect or impair in any manner the rights and interests of any of the creditors of MTWL, since MTWL, post such reduction, would continue to be in a position to honor the dues of their respective creditors. Therefore, MTWL seeks liberty of the High Court for dispensation of words "and reduced" to be added as suffix to its name, as contemplated in section 102(2) and 102(3) of the Act.

PART – III

DEMERGER OF TWO WHEELERS UNDERTAKING

7. TRANSFER AND VESTING OF THE TWO WHEELERS UNDERTAKING

Upon the coming into effect of this Scheme and subject to the provisions of this Scheme, with effect from the Appointed Date after giving effect to Part II of the Scheme, the Two Wheelers Undertaking (including all the estate, assets, rights, claims, title, interest and authorities including accretions and appurtenances of the Two Wheelers Undertaking) pursuant to the provisions of Sections 391 to 394 of the Act and Section 2(19AA) of the Income-tax Act, 1961 shall stand transferred to and vested in or deemed to be transferred to and vested in the Resulting Company, as a going concern without any further act, deed, matter or thing in the following manner:

7.1 Assets

- 7.1.1 The whole of the Two Wheelers Undertaking shall without any further act, deed, matter or thing, stand transferred to and vested in and/or be deemed to be transferred to and vested in the Resulting Company so as to vest in the Resulting Company all rights, title and interest pertaining to the Two Wheelers Undertaking;
- 7.1.2 All assets, investments, right, title or interest acquired by the Demerged Company after the Appointed Date but prior to the Effective Date in relation to the Two Wheelers Undertaking shall also, 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 Resulting Company upon the coming into effect of this Scheme pursuant to the provisions of Sections 391 to 394 of the Act, provided however that no onerous asset shall have been acquired by the Demerged Company in relation to any Two Wheelers Undertaking after the Appointed Date without the prior written consent of the Resulting Company; and
- 7.1.3 All the movable assets of the Two Wheelers Undertaking and the assets which are otherwise capable of transfer by physical delivery or endorsement and delivery, including cash in hand, shall be so transferred to the Resulting Company and deemed to have been physically handed over by physical delivery or by endorsement and delivery, as the case may be, to the Resulting Company to the end and intent that the property and benefit therein passes to the Resulting Company with effect from the Appointed Date. Such delivery and transfer shall be made on a date mutually agreed upon between the Demerged Company and the Resulting Company. However such date of delivery shall be within 30 (thirty) days from the Effective Date or such other date as may be mutually agreed upon by the Demerged Company and the Resulting Company.
- 7.1.4 Upon the Scheme coming into effect and with effect from the Appointed Date, all immovable property, whether freehold or leasehold, (including but not limited to land, buildings, offices, factories, sites and any other immovable property, including accretions and appurtenances) relating to the Two Wheelers Undertaking of the Demerged Company, and any document of title, rights, interest and easements in relation thereto shall stand transferred to and be vested in the Resulting Company, without any act or deed to be done by the Demerged Company and/or the Resulting Company and/or any other Appropriate Authority. The Resulting Company shall be entitled to exercise all rights and privileges and be liable to pay all taxes and charges and fulfil all obligations, in relation to or applicable to such immovable properties. The mutation and/or substitution of the title to the immovable properties shall be made and duly recorded in the name of the Resulting Company by the appropriate governmental authorities and third parties pursuant to the sanction of the Scheme by the High Court and upon the Scheme becoming effective in accordance with the terms hereof without any further act or deed on part of

the Demerged Company and/or the Resulting Company. It is clarified that the Resulting Company shall be entitled to engage in such correspondence and make such representations as may be necessary for the purposes of the aforesaid mutation and/or substitution.

7.2 Contracts

- 7.2.1 All contracts, deeds, bonds, agreements, schemes, arrangements and other instruments of whatsoever nature in relation to the Two Wheelers Undertaking to which the Demerged Company is a party or to the benefit of which the Demerged Company may be eligible, and which are subsisting or have effect immediately before the Effective Date, shall continue in full force and effect against or in favour of, as the case may be, the Resulting Company in which the Two Wheelers Undertaking vests by way of demerger hereunder and may be enforced as fully and effectually as if, instead of the Demerged Company, the Resulting Company had been a party or beneficiary or obligee thereto or thereunder; and
- 7.2.2 Without prejudice to the other provisions of this Scheme and notwithstanding the fact that vesting of the Two Wheelers Undertaking occurs by virtue of this Scheme itself, the Resulting 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 tripartite arrangements with any party to any contract or arrangement to which the Demerged Company is a party or any writings as may be necessary in order to give formal effect to the provisions of this Scheme. The Resulting Company shall, under the provisions of Part III of this Scheme, be deemed to be authorised to execute any such writings on behalf of the Demerged Company in relation to the Two Wheelers Undertaking and to carry out or perform all such formalities or compliances referred to above on the part of the Demerged Company to be carried out or performed.

7.3 Liabilities

- 7.3.1 All debts, liabilities, contingent liabilities, duties and obligations of every kind, nature and description of the Two Wheelers Undertaking shall also, under the provisions of Sections 391 to 394 and all other applicable provisions, if any, of the Act, without any further act or deed, be transferred to or be deemed to be transferred to the Resulting Company, so as to become from the Appointed Date the debts, liabilities, contingent liabilities, duties and obligations of the Resulting Company and 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 debts, liabilities, contingent liabilities, duties and obligations have arisen in order to give effect to the provisions of this sub-clause;
- 7.3.2 Where any of the loans raised and used, liabilities and obligations incurred, duties and obligations of the Demerged Company as on the Appointed Date deemed to be transferred to the Resulting Company, have been discharged by the Demerged Company after the Appointed Date and prior to the Effective Date, such discharge shall be deemed to have been for and on account of the Resulting Company; and
- 7.3.3 All loans raised and used and all liabilities and obligations incurred by the Demerged Company for the operations of the Two Wheelers Undertaking with prior approval of the Resulting Company after the Appointed Date and prior to the Effective Date, shall, subject to the terms of this Scheme, be deemed to have been raised, used or incurred for and on behalf of the Resulting Company and to the extent they are outstanding on the Effective Date, shall also without any further act or deed be and stand transferred to and be deemed to be transferred to the Resulting Company and shall become the debts, liabilities, duties and obligations of the Resulting Company which shall meet, discharge and satisfy the same.

7.4 Licenses and Permissions

Any statutory licenses, permissions or approvals or consents held by the Demerged Company required to carry on operations of the Two Wheelers Undertaking shall stand vested in or transferred to the Resulting Company without any further act or deed, and shall be appropriately mutated by the statutory authorities concerned therewith in favour of the Resulting Company and the benefit of all statutory and regulatory permissions, environmental approvals and consents, registration or other licenses, and consents shall vest in and become available to the Resulting Company as if they were originally obtained by the Resulting Company. In so far as the various incentives, subsidies, rehabilitation schemes, special status and other benefits or privileges enjoyed, granted by any Governmental Authority or by any other person, or availed of by the Demerged Company relating to the Two Wheelers Undertaking, are concerned, the same shall vest with and be available to the Resulting Company on the same terms and conditions as applicable to the Demerged Company, as if the same had been allotted and/or granted and/or sanctioned and/or allowed to the Resulting Company.

PART IV
REMAINING BUSINESS

8. REMAINING BUSINESS OF THE DEMERGED COMPANY

- 8.1 The Remaining Business of the Demerged Company and all other assets, liabilities, incentives, rights and obligations pertaining thereto shall continue to be vested in and managed by the Demerged Company in the manner as provided below.
- 8.2 All legal and other proceedings including any insurance claims by or against the Demerged Company under any statute, whether pending on the Appointed Date or which may be instituted in future, whether or not in respect of any matter arising before the Effective Date and relating to the Remaining Business of the Demerged Company (including those relating to any property, right, power, liability, obligation or duty, of the Demerged Company in respect of the Remaining Business of the Demerged Company) shall be continued and enforced by or against the Demerged Company.
- 8.3 With effect from the Appointed Date:
- 8.3.1 The Demerged Company shall be deemed to have been carrying on and to be carrying on all business and activities relating to the Remaining Business of the Demerged Company for and on its own behalf;
- 8.3.2 The Demerged Company may enter into such contracts as the Demerged Company may deem necessary in respect of the Remaining Business;
- 8.3.3 All profits accruing to the Demerged Company thereon or losses arising or incurred by it relating to the Remaining Business of the Demerged Company shall, for all purposes, be treated as the profits, or losses, as the case may be, of the Demerged Company;
- 8.3.4 All assets and properties acquired by the Demerged Company in relation to the Remaining Business on and after the Appointed Date shall belong to and continue to remain vested in the Demerged Company; and
- 8.3.5 All liabilities (including contingent liabilities) loans, debts (whether secured or unsecured) raised or incurred, duties and obligations of every kind, nature and description whatsoever and howsoever arising or accruing in relation to the Remaining Business shall belong to and continue to remain vested in the Demerged Company.

PART V
CONSIDERATION AND ACCOUNTING TREATMENT

9. CONSIDERATION

- 9.1 In consideration of the transfer and vesting of the Demerged Undertaking in accordance with the provisions of this Scheme, the paid-up share capital of the Resulting Company shall be increased in the manner set out in this Clause.
- 9.2 Upon the Scheme becoming effective and in consideration of the demerger including the transfer and vesting of the Demerged Undertaking in the Resulting Company, the Resulting Company shall, without any further application or deed, for every 461 (Four Hundred and Sixty One) fully paid-up equity shares of the Demerged Company, issue and allot to each member of the Demerged Company (other than Resulting Company and/or any subsidiary of Resulting Company) whose name appears in the register of members of the Demerged Company as on the Record Date or to his/her heirs, executors, administrators or the successors-in-title, as the case may be, subject to the provisions of Clause 9.3 below, 1 (One) fully paid-up ordinary (equity) share of Rs. 5 each, of the Resulting Company. For this purpose the number of shares held by the shareholders/members of Demerged Company before reorganisation of share capital as referred in clause 6.2.2 will be considered. For the purposes of the allotment referred to in this Clause, fractional entitlements shall be rounded-off to the next higher whole number.
- 9.3 The ordinary (equity) shares to be issued by the Resulting Company pursuant to Clause 9.2 above shall be issued in dematerialised form, provided that the members of the Demerged Company have an account with a depository participant and provided details thereof and such other confirmations as may be required are furnished by such members of the Demerged Company to the Resulting Company on or before the Record Date.
- 9.4 The ordinary (equity) shares of the Resulting Company to be issued to the members of the Demerged Company pursuant to Clause 9.2 above shall be subject to the memorandum and articles of association of the Resulting Company and shall rank pari passu in all respects, including dividend, with the existing ordinary (equity) shares of the Resulting Company.
- 9.5 The ordinary (equity) shares of the Resulting Company are listed and admitted to trading on the Stock Exchanges. The Resulting Company shall enter into such arrangements and give such confirmations and/or undertakings as may be necessary in accordance with the applicable laws or regulations for complying with the formalities of the Stock Exchanges with respect to the issue of ordinary (equity) shares under this Scheme. On such formalities being fulfilled, the Stock Exchanges shall list and/or admit such equity shares issued pursuant to this Scheme, for the purpose of trading.

The ordinary (equity) shares allotted pursuant to Clause 9.2 shall remain frozen in the depositories system till listing/trading permission is given by the Stock Exchanges, respectively and shall be subject to such lock-in as may be prescribed by the Stock Exchange and/or other Governmental Authorities.

- 9.6 The issue and allotment of ordinary (equity) shares by the Resulting Company, to the shareholders of Demerged Company as provided in Clause 9.2 is an integral part of the Scheme and shall be deemed to have been carried out as if the procedure laid down under Section 62(1)(c) of the Companies Act, 2013 and any other applicable provisions of the Act, Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 and all other relevant Rules, Regulations and Laws for the time being in force were duly complied with.

10. IN THE BOOKS OF MTWL

- 10.1 The assets and the liabilities of MTWL being transferred to the Resulting Company after giving effect to clause 6.1.1 of Part II of the Scheme shall be transferred at values appearing in the books of account of MTWL as on the Appointed Date;
- 10.2 The excess of assets over liabilities transferred under clause 10.1 above, shall be debited to Reserves (Balance in Profit & Loss Account) of MTWL. In case of deficit, the same shall be credited to capital reserve.

11. IN THE BOOKS OF THE RESULTING COMPANY

- 11.1 On the Scheme becoming effective, the Resulting Company shall account for the demerger of the Two Wheelers Undertaking in its books of account with effect from the Appointed Date as under:
- 11.1.1 The Resulting Company shall account for the demerger in accordance with "Pooling of Interest Method" laid down by Appendix C of Ind AS 103 (Business combinations of entities under common control) notified under the provisions of the Companies Act, 2013.
- 11.1.2 All the assets and liabilities, after giving effect to clause 6.1.1 of Part II of the Scheme pertaining to the Two Wheelers Undertaking, transferred to the Resulting Company under the Scheme shall be recorded in the books of the Resulting Company at the value and in the same form as recorded in the books of MTWL as on the Appointed Date;
- 11.1.3 Pursuant to clause 9.2 of the Scheme, the consideration issued to the shareholders of the Demerged Company (other than Resulting Company and/or any subsidiary of Resulting Company) in the form of equity shares of the Resulting Company shall be credited to share capital account at the nominal value of the equity shares issued by it;
- 11.1.4 If and to the extent there are inter-corporate loans, deposits or balances as between the Resulting Company and Two Wheelers Undertaking, the obligations in respect thereof shall, on and from the Appointed Date, shall stand cancelled and there shall be no obligation/outstanding in that behalf.
- 11.1.5 The deficit/surplus arising after recording the entries contained in clause 11.1.2 and clause 11.1.3 above shall be transferred to Capital Reserve.
- 11.1.6 In case of any difference in accounting policies between the Two Wheelers Undertaking and the Resulting Company, the impact of the same till the Appointed Date will be quantified and adjusted to the Reserves of the Resulting Company to ensure that the financial statements of the Resulting Company reflect the financial position on the basis of consistent accounting policies.
- 11.1.7 All costs and expenses incurred in connection with the Scheme and to put it into operation and any other expenses or charges attributable to the implementation of the Scheme shall be debited to the statement of profit and loss of the Resulting Company.
- 11.2 Comparative accounting period presented in the financial statements of Resulting Company shall be restated for the accounting impact of demerger, as stated above, as if the demerger had occurred from the beginning of the comparative period in the financial statements.

PART VI

GENERAL TERMS & CONDITIONS

12. RECLASSIFICATION OF AUTHORISED SHARE CAPITAL OF THE RESULTING COMPANY AND DEMERGED COMPANY

12.1 Authorised share capital of M&M

- 12.1.1 As an integral part of the Scheme and upon effectiveness of the Scheme, an amount of Rs. 3450,00,00,000 (Rupees Three Thousand Four Hundred and Fifty Crore only) shall stand transferred from the authorised equity share capital of the Demerged Company to the authorised equity share capital of the Resulting Company and upon transfer of the amount of Rs. 3450,00,00,000 (Rupees Three Thousand Four Hundred and Fifty Crore only)

from the authorised equity share capital of the Demerged Company to the authorised equity share capital of the Resulting Company, the authorised equity share capital of the Resulting Company shall stand enhanced to Rs. 4075,00,00,000 (Rupees Four Thousand and Seventy Five Crore only) divided into 810,00,00,000 (Eight Hundred and Ten Crore) Ordinary (Equity) shares of face value of Rs. 5 (Rupees Five) each and 25,00,000 (Twenty Five Lakhs) Unclassified Shares of Rs. 100 each, pursuant to Sections 13, 14 and 61 of the Companies Act, 2013 and other applicable provisions of the Act, as the case may be, without any further act, instrument or deed by the Resulting Company and without any liability for payment of any additional fees or stamp duty in respect of such increase as the stamp duty and fees has already been paid by the Demerged Company on such authorised equity share capital, the benefit of which stands vested in the Resulting Company pursuant to the Scheme becoming effective on the Effective Date.

12.1.2 Subsequent to enhancement of the authorized equity share capital of the Resulting Company as contemplated herein, Clause V of the Memorandum of Association of the Resulting Company shall stand modified and read as follows:

“The Authorised Share Capital of the Company is Rs. 4075,00,00,000 (Rupees Four Thousand and Seventy Five Crore only) divided into 810,00,00,000 Ordinary (Equity) Shares of Rs. 5 each and 25,00,000 Unclassified Shares of Rs. 100 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.”

12.2 Authorised share capital of MTWL

12.2.1 Upon the scheme becoming effective, the existing authorised share capital of Rs. 3500,00,00,000 (Rupees Three Thousand Five Hundred Crore) consisting of 350,00,00,000 (Three Hundred and Fifty Crore) equity shares of Rs. 10/- each shall stand reclassified as equity share capital of Rs. 50,00,00,000 (Rupees Fifty Crore) consisting of 2500,00,00,000 (Two thousand Five Hundred Crore) equity shares of Rs. 0.02/- each pursuant to Section 13, 14, 61 of the Companies Act, 2013 and other applicable provisions of the Act, as the case may be without any further act, instrument or deed.

12.2.2 Upon the sanction of the Scheme, the Clause V of the Memorandum of Association of MTWL shall be read as:

“The Authorised Share Capital of the Company is Rs. 50 Crore (Rupees Fifty Crore) divided into 2500,00,00,000 equity shares of Re. 0.02/- each with power to increase and/or reduce the capital of the Company.”

13. TAX ASPECTS

13.1 This Scheme is in compliance with the conditions relating to “Demerger” as specified under Section 2(19AA) and Section 72A(4) of the Income-tax Act, 1961 such that:

13.1.1 The transfer of the Two Wheelers Undertaking will be on a going concern basis with effect from the Appointed Date.

13.1.2 If any terms or provisions of the Scheme is/are inconsistent with the provisions of Section 2(19AA) and Section 72A(4) of the Income-tax Act, 1961, the provisions of Section 2(19AA) and Section 72A(4) of the Income-tax Act, 1961 shall prevail and the Scheme shall stand modified to the extent necessary to comply with Section 2(19AA) and Section 72A(4) of the Income-tax Act, 1961 as on the Appointed Date; such modification shall not affect other parts of the Scheme.

13.2 Upon Scheme becoming effective, it is clarified that all the taxes and the duties payable by the Demerged Company, relating to the Demerged Undertaking, from the Appointed Date onwards, including all advance taxes, tax deduction at source, tax liabilities, or any refunds or claims shall, for all purpose, be treated as advance tax payments, tax deduction at source, tax liabilities, refunds or claims of the Resulting Company. Accordingly, upon the Scheme becoming effective, the Demerged Company, is expressly, permitted to revise and file and the Resulting Company is expressly permitted to revise and file their respective, income tax returns including tax deduction at source certificates, sales tax/value added tax returns, excise return, service tax returns, and other tax returns, and to claim refund/credit, pursuant to the provisions of this Scheme.

13.3 In accordance with the relevant central or state legislation dealing with indirect taxes, as are prevalent on the Effective Date, the unutilized credit relating to excise duties and value added taxes paid on inputs/capital goods lying to the account of the Demerged Undertaking, shall be permitted to be transferred to the credit of the Resulting Company, as if such unutilized credits were lying to the account of the Resulting Company. The Resulting Company shall accordingly be entitled to set off all such credits against excise duty/applicable valued added tax payable by it.

13.4 Upon the Scheme becoming effective, any TDS deposited, TDS certificates issued or TDS returns filed by the Demerged Company pertaining to the Demerged Undertaking shall continue to hold good as if such TDS amounts were deposited, TDS certificates were issued and TDS returns were filed by the Resulting Company.

13.5 The obligation for deduction of tax at source on any payment made by or to be made by the Demerged Company pertaining to the Demerged Undertaking under the Income Tax Act, 1961, service tax laws, central sales tax, state value added tax or other applicable laws and/or regulations dealing with taxes, duties or levies shall be deemed to have been made and duly complied with on behalf of the Resulting Company.

14. SECURITY

14.1 The transfer and vesting of the Demerged Undertaking as aforesaid shall be subject to the existing securities, charges, mortgage and other encumbrances if any, subsisting over or in respect of the property and assets or any part thereof to the extent that such securities, charges, mortgages, encumbrances are created to secure the liabilities forming part of the Demerged Undertaking. It is agreed by and between the Demerged Company and the Resulting Company, that pursuant to the demerger, necessary steps shall be taken in order to effect the change/modification of charges, if any, in the records of the Registrar of Companies.

14.2 It is clarified that unless otherwise determined by the Board of Directors of the Resulting Company, in so far as the assets comprising the Demerged Undertaking are concerned:

the security or charge relating to loans or borrowings of the Demerged Company, in relation to the Demerged Undertaking, shall without any further act or deed continue to relate to the said assets only after the Appointed Date and the said assets shall not relate to or be available as security in relation to any other borrowings of the Demerged Company;

14.3 Similarly, the security or charge relating to loans or borrowings of the Demerged Company, in relation to the Demerged Undertaking, shall continue to relate to the said assets only after the Appointed Date and shall not relate to or be available as security in relation to any other borrowings of the Resulting Company and vice versa;

14.4 The other assets of the Demerged Company shall not relate to or be available as security in relation to the said borrowings of the Demerged Company, in relation to the Demerged Undertaking; and

14.5 The Demerged Company may enter into such alternate arrangements with the lenders pursuant to the release of security as per the provisions mentioned herein.

15. TRANSFER AT BOOK VALUES

All the assets, properties and the liabilities of the Demerged Undertaking being transferred by the Demerged Company shall be transferred at values appearing in its books of accounts (ignoring revaluation) of the Demerged Company, immediately before the demerger on the Appointed Date.

16. EMPLOYEES

16.1 On and from the Effective Date, all permanent employees relating to the Demerged Undertaking, as were employed by the Demerged Company, immediately before such date, shall become the employees of the Resulting Company with the benefit of continuity of service and without any break or interruption in service. It is clarified that the employees of the Demerged Undertaking, who become employees of the Resulting Company by virtue of this Scheme, shall continue to be governed by the same terms of employment as were applicable to them immediately before the demerger. The Resulting Company undertakes to abide by any agreement/settlement, if any, entered into by the Demerged Company with any of its respective employees thereof. The Resulting Company further agrees that for the purpose of payment of any retrenchment compensation, or any other benefits and incentives, if any, such past services with the Demerged Company shall be taken into account.

16.2 It is expressly provided that, on the Scheme becoming effective, the provident fund, gratuity fund, superannuation fund created or any other special fund existing for the benefit of the employees of the Demerged Company, in relation to the Demerged Undertaking shall become the funds of the Resulting Company, for all purposes whatsoever in relation to the administration or operation of such fund(s) or in relation to the obligation to make contributions to the said fund(s) in accordance with the provisions thereof as per the terms provided in the respective trust deeds, if any, to the end and intent that all rights, duties, powers and obligations of the Demerged Company, in relation to the Demerged Undertaking in relation to such fund(s) shall become those of the Resulting Company. These funds shall, subject to the necessary approvals and permissions and at the discretion of the Resulting Company, either be continued as separate funds of the Resulting Company for the benefit of the employees of the Demerged Undertaking or be transferred to and merged with other similar funds of the Resulting Company. It is clarified that the services of the employees of the Demerged Company, in relation to the Demerged Undertaking shall be treated as having been continuous for the purpose of the said fund(s); and

16.3 With effect from the date of filing of this Scheme with the High Court and up to and including the Effective Date, the Demerged Company shall not vary or modify the terms and conditions of employment of any of its employees, except with the prior written consent of the Resulting Company.

17. BUSINESS AND PROPERTY IN TRUST

17.1 During the period between the Appointed Date and up to and including the Effective Date:

17.1.1 The Demerged Company shall be deemed to have been carrying on all the business and activities relating to the Demerged Undertaking and shall be deemed to hold and stand possessed of the entire business and undertakings in relation to the Demerged Undertaking for and on account of and in trust, on behalf of the Resulting Company.

17.1.2 All the income or profits accruing or arising to the Demerged Company and all costs, charges, expenses or losses incurred by the Demerged Company, in relation to the Demerged Undertaking shall for all purposes of this demerger be treated as the income, profits, costs, charges, expenses and losses of the Resulting Company, as the case may be.

17.1.3 Any of the rights, powers, authorities, privileges, attached, related or pertaining to the Demerged Undertaking exercised by the Demerged Company shall be deemed to have been exercised by the Demerged Company for and on behalf of, and in trust for and as an agent of the Resulting Company; and

17.1.4 The Demerged Company shall carry on the business pertaining to the Two Wheelers Undertaking with reasonable diligence and business prudence and shall not alter or diversify business within the Two Wheelers Undertaking nor venture into any new business (except for Remaining Business), nor alienate, charge, mortgage, encumber or otherwise deal with the assets or any part thereof except in the ordinary course of business without the prior written consent of the Resulting Company or pursuant to any pre-existing obligation undertaken prior to the date of acceptance of this Scheme by the respective boards of directors of the Demerged Company and the Resulting Company.

17.2 The Demerged Company shall not utilise the profits or income in relation to the Demerged Undertaking for the purpose of declaring or paying any dividend in respect of the period falling on and after the Appointed Date, without the prior written consent of the Resulting Company.

17.3 The Resulting Company shall be entitled, pending the sanction of the Scheme, to apply to the Governmental Authorities or other appropriate forums as may be required under any applicable law, for such consents, approvals and sanctions which the Resulting Company may require.

18. PENDING PROCEEDINGS

18.1 All legal, administrative and other proceedings, of whatsoever nature pending in any court or before any authority, judicial, quasi judicial or administrative or any adjudicating authority and/or arising after the Appointed Date and relating to the Demerged Undertaking, or its respective properties, assets, debts, liabilities, duties and obligations shall be continued and/or enforced until the Effective Date by or against the Demerged Company; and from the Effective Date, shall be continued and enforced by or against the Resulting Company in the same manner and to the same extent as would or might have been continued and enforced by or against the Demerged Company, had the Scheme not been made. On and from the Effective Date, the Resulting Company shall have the right to initiate, defend, compromise or otherwise deal with any legal proceedings relating to the Demerged Undertaking, in the same manner and to the same extent as would or might have been initiated by the Demerged Company as the case may be, had the Scheme not been made; and

18.2 If any suit, appeal or other proceedings relating to the Demerged Undertaking, of whatever nature by or against the Demerged Company be pending, the same shall not abate or be discontinued or in any way be prejudicially affected by reason of the demerger of the Demerged Undertaking or by anything contained in this Scheme but the proceedings may be continued, prosecuted and enforced by or against the Resulting Company in the same manner and to the same extent as it would or might have been continued, prosecuted and enforced by or against the Demerged Company as if this Scheme had not been made.

19. SAVING OF CONCLUDED TRANSACTIONS

The transfer of properties and liabilities and the continuance of proceedings by or against the Resulting Company, as envisaged under this Scheme, shall not affect any transaction or proceedings already concluded by the Demerged Company, in relation to the Demerged Undertaking on or after the Appointed Date till the Effective Date, to the end and intent that the Resulting Company accepts and adopts all acts, deeds and things done and executed by the Demerged Company, in relation to the Demerged Undertaking, as done and executed on behalf of itself.

20. VALIDITY OF EXISTING RESOLUTIONS, ADJUSTMENTS ETC.

All Resolutions passed by the Demerged Company so far as they relate to or to be done or caused to be done in relation to the Demerged Undertaking, shall be deemed to have been passed by the Resulting Company and deemed to have authorized any Director of the Resulting Company or such other person(s) as authorized by any two Directors of the Resulting 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 Resulting Company.

21. DECLARATION OF DIVIDEND

For the avoidance of doubt, it is hereby declared that nothing in the Scheme shall prevent the Resulting Company from declaring and paying dividends, whether interim or final, to its equity shareholders.

22. APPLICATION TO THE HIGH COURT

22.1 The Demerged Company shall and the Resulting Company, if required, shall make applications/petitions to the High Court for sanction of this Scheme, under Sections 391 to 394 read with Sections 100 to 104 of the Companies Act 1956 and Section 52 of the Companies Act 2013 and other applicable provisions of the Act; and

22.2 Any dispute arising out of this Scheme shall be subject to the jurisdiction of the High Court.

23. CONDITIONALITY OF THE SCHEME

23.1 This Scheme is and shall be conditional upon and subject to:

23.1.1 The Scheme being approved by Directorate of Industries under part 1 of the 1993 Package Scheme of Incentives as notified under Government of Maharashtra resolution. The Scheme being agreed to by the requisite majority of the respective members and/or creditors of the Demerged Company and of the Resulting Company, in terms with the applicable provisions of the Act, directions of the High Court, regulations and guidelines issued by SEBI (if applicable), as amended and updated from time to time, and as may be considered necessary to give effect to the scheme.

23.1.2 The Scheme being approved by the Stock Exchanges;

23.1.3 The Scheme being approved by the High Court under Sections 391 to 394 read with Sections 100 to 104 of the Companies Act 1956 and Section 52 of the Companies Act 2013; and

23.1.4 The authenticated/certified copy of the order of the High Court sanctioning this Scheme being filed with the Registrar of Companies, Maharashtra at Mumbai.

24. MODIFICATION OR AMENDMENTS TO THE SCHEME

The Demerged Company and the Resulting Company (acting through their Board of Directors, Committee thereof or any director or any other person authorised by the Board of Directors, Committee thereof to this effect) may assent to any modifications or amendments to this Scheme or to any conditions or limitations that the High Court may deem fit to direct or impose or which may otherwise be considered necessary, desirable or appropriate by the respective Demerged Company and Resulting Company, including pursuant to the orders of the High Court and/or any other authorities as they may deem fit to direct or impose or which may otherwise be considered necessary or desirable for settling any question or doubt or difficulty that may arise for implementing and/or carrying out the Scheme. The Demerged Company and the Resulting Company (acting through their Board of Directors, Committee thereof or any director or any other person authorised by the Board of Directors, Committee thereof to this effect) shall be authorised to take such steps and do all acts, deeds and things as may be necessary, desirable or proper to give effect to this Scheme and to resolve any doubts, difficulties or questions whether by reason of any orders of the High Court or of any directions given by any other appropriate authorities or for any reason otherwise arising out of this Scheme and/or any matters concerning or connected herewith.

25. EFFECT OF NON-RECEIPT OF APPROVALS

25.1 In case the Scheme is not approved by the High Court or any of the approvals or conditions enumerated in the Scheme have not been obtained or complied with, or for any other reason, if this Scheme cannot be implemented, then the board of directors of the Demerged Company and the Resulting Company shall mutually waive such conditions as they consider appropriate to give effect, as far as possible, to this Scheme and failing such mutual agreement, the Scheme shall become null and void and in such event no rights or liabilities whatsoever shall accrue to or be incurred by either the Resulting Company or the Demerged Company and each party shall bear their respective costs, charges and expenses in connection with this Scheme unless otherwise mutually agreed upon.

25.2 If any part of this Scheme hereof is invalid, held illegal by any court of competent jurisdiction, 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.

26. COSTS, CHARGES AND EXPENSES

Save and except as provided otherwise, all costs, charges, expenses, taxes including duties, levies in connection with the Scheme and its implementation thereof, and matters incidental thereto, shall be borne by the Resulting Company.

S.R. Batliboi & Co. LLP Chartered Accountants The Ruby, 14 th floor, 29, Senapati Bapat Marg, Tulsi Pipe Road, Dadar (West), Mumbai – 400 028.	SSPA & Co. Chartered Accountants 1 st Floor, “Arjun”, Plot No. 6A, V. P. Road, Andheri (West), Mumbai – 400 058.
---	---

Dated: 3 December 2016

To

The Board of Directors

Mahindra & Mahindra Limited

Mahindra Towers,
Dr. G. M. Bhosale Marg,
Worli, Mumbai – 400018.

Sub: Recommendation of fair entitlement ratio of the minority shareholders of Mahindra Two Wheelers Limited relating to the proposed demerger of Two Wheelers business of Mahindra Two Wheelers Limited into Mahindra & Mahindra Limited

Dear Sir / Madam,

We refer to respective engagement letter whereby S.R. Batliboi & Co. LLP (hereinafter referred to as “SRBC”) and SSPA & Co. (hereinafter referred to as “SSPA”) are jointly appointed by Mahindra & Mahindra Limited (hereinafter referred to as “M&M” or “Client”) for recommendation of fair entitlement ratio for the proposed demerger of Two Wheelers business (hereinafter referred to as “Target business”) of Mahindra Two Wheelers Limited (hereinafter referred to as “MTWL”) into M&M.

M&M and MTWL are hereinafter jointly referred to as the “Companies”. The fair entitlement ratio for this report refers to number of equity shares of face value of INR 5/- each of M&M, which would be issued to the minority shareholders of MTWL in addition to their equity shareholding in MTWL. (“Fair Entitlement Ratio”)

SRBC and SSPA are hereinafter jointly referred to as “Valuers” in this joint fair entitlement ratio report (“Report”).



Recommendation of fair entitlement ratio of the minority shareholders of MTWL relating to the proposed demerger of Two Wheelers business of MTWL into M&M

SCOPE AND PURPOSE OF THIS REPORT

M&M is primarily engaged in automotive and farm equipment businesses in India and internationally. M&M was founded in 1945 and is headquartered in Mumbai. M&M's equity shares are listed on both BSE Limited ("BSE") and the National Stock Exchange of India Limited ("NSE"). M&M has reported consolidated total revenue of INR 780.2 billion and profit after tax of INR 32.1 billion for the year ended 31 March 2016.

Mahindra Vehicle Manufacturers Limited ("MVML") is a wholly owned subsidiary of M&M.

MTWL is an indirect subsidiary of M&M and a direct subsidiary of MVML. MTWL is engaged in designing & manufacturing of scooters & motorcycles. MTWL was incorporated in 2008 and is headquartered in Pune. MTWL has reported consolidated total revenue of INR 7.0 billion and loss after tax of INR 6.2 billion for year ended 31 March 2016.

We understand that the management of the Companies ("Management") are contemplating demerger of the Two Wheelers business of MTWL into M&M ('Transaction') through a Composite Scheme of Arrangement ("Scheme") under the provisions of Section 391-394 and Section 100-104 of the Companies Act 1956 and Section 52 of the Companies Act 2013. As consideration for this Transaction, the minority shareholders of MTWL would be issued equity shares of M&M. The Fair Entitlement Ratio would be determined based on the value of each equity share of M&M and the equity value of Target business per equity share of MTWL.

We understand that the proposed appointed date for the demerger will be 01 October 2016.

For the aforesaid purpose, the Board of Directors of M&M have appointed the Valuers, to submit a joint Report recommending the Fair Entitlement Ratio, for the issue of M&M's equity shares to the minority shareholders of MTWL, to be placed before the Audit Committee/Board of Directors of the Client.

The scope of our services is to conduct a relative (and not absolute) valuation of the equity shares of M&M and Target business, and report on the fair Entitlement Ratio for the Transaction in accordance with generally accepted professional standards.

The Valuers have been appointed jointly but have worked independently in their analysis. Both the Valuers have received information and clarifications from the Management of M&M and MTWL. The Valuers have independently arrived at different values per share of M&M and Target business. However, to arrive at the consensus on the fair Entitlement Ratio for the Transaction, appropriate rounding off has been done in the values arrived at by the Valuers.

We have been provided with audited financial statements of M&M and unaudited carved out financial statements of Target business for the year ended 31 March 2016



Recommendation of fair entitlement ratio of the minority shareholders of MTWL relating to the proposed demerger of Two Wheelers business of MTWL into M&M

and unaudited financial results for M&M and Target business for the half year ended 30 September 2016. We have taken into consideration the current market parameters in our analysis and have made adjustments for additional facts made known to us till the date of our Report. The current valuation does not factor impact of any event which is unusual or not in normal course of business.

We have relied on the above while arriving at the Fair Entitlement Ratio for the Transaction.

This Report is our deliverable for the above engagement.

This Report is subject to the scope, assumptions, exclusions, limitations and disclaimers detailed hereinafter. As such, the Report is to be read in totality, and not in parts, in conjunction with the relevant documents referred to therein.

SOURCES OF INFORMATION

In connection with this exercise, we have used the following information about the Companies received from the Management and/or gathered from public domain:

- Annual reports for the year ended 31 March 2016 and earlier years for M&M.
- Unaudited financials of Target business, which is carved out from the audited financials of MTWL for the year ended 31 March 2016 and earlier years.
- Unaudited financial statements for half year ended 30 September 2016 for M&M and Target business;
- Financial projections for the period 01 October 2016 to 31 March 2022 for Target business of MTWL.
- Discussions with the Management of the Companies (by the Valuers) in connection with the business operations of the Companies, past trends and non-recurring/abnormal items, etc.;
- Draft Scheme of Arrangement;
- Other information and documents for the purpose of this engagement.

It may be noted that no projections for M&M were provided to us.

During the discussions with the Management of the Companies, we have also obtained explanations and information considered reasonably necessary for our exercise. The Client has been provided with the opportunity to review the draft Report (excluding the recommended of Fair Entitlement Ratio) as part of our standard practice to ensure that factual inaccuracy / omissions are avoided in our final Report.



Recommendation of fair entitlement ratio of the minority shareholders of MTWL relating to the proposed demerger of Two Wheelers business of MTWL into M&M

SCOPE LIMITATIONS, ASSUMPTIONS, QUALIFICATIONS, EXCLUSIONS AND DISCLAIMERS

Provision of valuation opinions and consideration of the issues described herein are areas of our regular practice. The services do not represent accounting, assurance, accounting / tax due diligence, consulting or tax related services that may otherwise be provided by us or our affiliates.

This Report, its contents and the results herein are specific to (i) the purpose of valuation agreed as per the terms of our engagement; (ii) the date of this Report and (iii) are based on the audited financial statements of M&M and unaudited carved out financial statements of Target business as at 31 March 2016, and unaudited financial statements for the half year period ended 30 September 2016. The Management has represented that the business activities of M&M and Target business including their subsidiaries and associates, as applicable, have been carried out in the normal and ordinary course between 30 September 2016 and the Report date and that no material adverse change has occurred in their respective operations and financial position between 30 September 2016 and the Report date.

A valuation of this nature is necessarily based on the prevailing stock market, financial, economic and other conditions in general and industry trends in particular as in effect on, and the information made available to us as of, the date hereof. Events occurring after the date hereof may affect this Report and the assumptions used in preparing it, and we do not assume any obligation to update, revise or reaffirm this Report.

In the ultimate analysis, valuation will have to be tempered by the exercise of judicious discretion by the Valuers and judgment taking into accounts all the relevant factors. There will always be several factors, e.g. quality and integrity of the management, present and prospective competition, yield on comparable securities and market sentiment, etc. which are not evident from the face of the balance sheets but which will strongly influence the worth of a share. This concept is also recognised in judicial decisions.

The recommendation(s) rendered in this Report only represent our recommendation(s) based upon information furnished by the Companies and other sources and the said recommendation(s) shall be considered to be in the nature of non-binding advice, (our recommendation will however not be used for advising anybody to take buy or sell decision, for which specific opinion needs to be taken from expert advisors). We have no obligation to update this Report.

The determination of Fair Entitlement Ratio is not a precise science and the conclusions arrived at in many cases will, of necessity, be subjective and dependent on the exercise of individual judgment. There is, therefore, no indisputable single Entitlement Ratio. While we have provided our recommendation of the Entitlement Ratio based on the information available to us and within the scope and constraints of our engagement, others may have a different opinion as to the Fair Entitlement



Recommendation of fair entitlement ratio of the minority shareholders of MTWL relating to the proposed demerger of Two Wheelers business of MTWL into M&M

Ratio of the equity shares of M&M and Target business. The final responsibility for the determination of the Fair Entitlement Ratio at which the proposed demerger shall take place will be with the Board of Directors of the Client, who should take into account other factors such as their own assessment of the proposed Transaction and input of other advisors.

In the course of the valuation, we were provided with both written and verbal information, including market, financial and operating data.

In accordance with the terms of our respective engagements, we have assumed and relied upon, without independent verification, (i) the accuracy of the information that was publicly available and formed a substantial basis for this Report and (ii) the accuracy of information made available to us by the Management/Companies. In accordance with our Engagement Letter and in accordance with the customary approach adopted in valuation exercises, we have not audited, reviewed or otherwise investigated the historical financial information provided to us. We have not independently investigated or otherwise verified the data provided by the Companies. Accordingly, we do not express an opinion or offer any form of assurance regarding the truth and fairness of the financial position as indicated in the financial statements. Also, with respect to explanations and information sought from the Companies, we have been given to understand by the Management of the Companies that they have not omitted any relevant and material factors about the Companies and that they have checked the relevance or materiality of any specific information to the present exercise with us in case of any doubt. Our conclusions are based on the assumptions and information given by/ on behalf of the Companies. The Management of the Companies has indicated to us that they have understood that any omissions, inaccuracies or misstatements may materially affect our valuation analysis/results. Accordingly, we assume no responsibility for any errors in the information furnished by the Companies and their impact on the Report. Nothing has come to our attention to indicate that the information provided was materially mis-stated/ incorrect or would not afford reasonable grounds upon which to base the Report.

The Report assumes that the Companies and their investee companies comply fully with relevant laws and regulations applicable in all its areas of operations unless otherwise stated, and that the Companies and their investee companies will be managed in a competent and responsible manner. Further, except as specifically stated to the contrary, this Report has given no consideration to matters of a legal nature, including issues of legal title and compliance with local laws, and litigation and other contingent liabilities that are not recorded in the audited/unaudited balance sheet of the Companies and their investee companies. Our conclusion of value assumes that the assets and liabilities of the Companies and their investee companies, reflected in their respective latest balance sheets remain intact as of the Report date.

We are not advisors with respect to legal, tax and regulatory matters for the Transaction.



Recommendation of fair entitlement ratio of the minority shareholders of MTWL relating to the proposed demerger of Two Wheelers business of MTWL into M&M

This Report does not look into the business/ commercial reasons behind the Transaction nor the likely benefits arising out of the same. Similarly, it does not address the relative merits of the Transaction as compared with any other alternative business transaction, or other alternatives, or whether or not such alternatives could be achieved or are available.

No investigation of the Companies' (or their investee companies) claim to title of assets has been made for the purpose of this Report and the Companies' (or their investee companies) claim to such rights has been assumed to be valid. No consideration has been given to liens or encumbrances against the assets, beyond the loans disclosed in the accounts. Therefore, no responsibility is assumed for matters of a legal nature.

The fee for the engagement is not contingent upon the conclusion of this Report.

We owe responsibility to only the Boards of Directors of the Client that has appointed us under the terms of our respective engagement letters and nobody else. We will not be liable for any losses, claims, damages or liabilities arising out of the actions taken, omissions of or advice given by any other to the Companies. In no event shall we be liable for any loss, damages, cost or expenses arising in any way from fraudulent acts, misrepresentations or willful default on part of the Client, their directors, employees or agents. In no circumstances shall the liability of a Valuer, its partners, its directors or employees, relating to the services provided in connection with the engagement set out in this Report shall exceed the amount paid to such Valuer in respect of the fees charged by it for these services.

We do not accept any liability to any third party in relation to the issue of this Report. It is understood that this analysis does not represent a fairness opinion. This Report is not a substitute for the third party's own due diligence/ appraisal/ enquiries/ independent advice that the third party should undertake for his purpose.

This Report is subject to the laws of India.

Neither the Report nor its contents may be referred to or quoted in any registration statement, prospectus, offering memorandum, annual report, loan agreement or other agreement or document given to third parties, other than in connection with the proposed Scheme of Arrangement, without our prior written consent. In addition, this Report does not in any manner address the prices at which equity shares of the Companies will trade following announcement of the Transaction and we express no opinion or recommendation as to how the shareholders of either Companies should vote at any shareholders' meeting(s) to be held in connection with the Transaction.



Recommendation of fair entitlement ratio of the minority shareholders of MTWL relating to the proposed demerger of Two Wheelers business of MTWL into M&M

SHAREHOLDING PATTERN

Mahindra & Mahindra Limited

The issued and subscribed equity share capital of M&M as at 30 September 2016 is INR 2,963.2 million consisting of 62,10,92,384 equity shares of face value of INR 5 each. The shareholding pattern is as follows:

Shareholding Pattern as on 30-09-2016	No of Shares	% Share Holding
Promoter	15,75,00,895	25.36%
Public	43,02,39,580	69.27%
Non Promoter - Non Public*	3,33,51,909	5.37%
Grand Total*	62,10,92,384	100.00%

*represents equity shares underlying GDRs

Source: BSE filing

Mahindra Two Wheelers Limited

The issued and subscribed equity share capital of MTWL as at 30 September 2016 is INR 29,983.9 million consisting of 2,998,389,216 equity shares of face value of INR 10 each. The shareholding pattern is as follows:

Shareholding Pattern as on 30-09-2016	No of Shares	% Share Holding
Mahindra Vehicle Manufacturers Limited	2,766,097,350	92.25%
Emerging India Fund	18,716,860	0.62%
Aay Kay Global	213,575,006	7.12%
Grand Total	2,998,389,216	100.00%

Source: Management

APPROACH – BASIS OF DEMERGER

We understand from the Management that the proposed Scheme of Arrangement contemplates the demerger of Target business of MTWL into M&M. Arriving at the Fair Entitlement Ratio for the proposed demerger of Target business of MTWL into M&M would require determining the relative values of Target business attributable to each equity share of MTWL and the equity shares of M&M. These values are to be determined independently but on a relative basis, and without considering the current Transaction.



Recommendation of fair entitlement ratio of the minority shareholders of MTWL relating to the proposed demerger of Two Wheelers business of MTWL into M&M

There are several commonly used and accepted methods for determining the Entitlement Ratio for the proposed demerger of Target business of MTWL into M&M, which have been considered in the present case, to the extent relevant and applicable, including:

1. Market Price method
2. Comparable Companies Quoted Multiples method
3. Discounted Cash Flows method
4. Net Asset Value method

It should be understood that the valuation of any company/business or its assets is inherently imprecise and is subject to certain uncertainties and contingencies, all of which are difficult to predict and are beyond our control. In performing our analysis, we made numerous assumptions with respect to industry performance and general business and economic conditions, many of which are beyond the control of the Companies. In addition, this valuation will fluctuate with changes in prevailing market conditions, the conditions and prospects, financial and otherwise, of the Companies, and other factors which generally influence the valuation of Companies and their assets.

The application of any particular method of valuation depends on the purpose for which the valuation is done. Although different values may exist for different purposes, it cannot be too strongly emphasized that a valuer can only arrive at one value for one purpose. Our choice of methodology of valuation has been arrived at using usual and conventional methodologies adopted for transactions of a similar nature and our reasonable judgment, in an independent and bona fide manner based on our previous experience of assignments of a similar nature.

Market Price (“MP”) Method

The market price of an equity share as quoted on a stock exchange is normally considered as the value of the equity shares of that company where such quotations are arising from the shares being regularly and freely traded in, subject to the element of speculative support that may be inbuilt in the value of the shares. But there could be situations where the value of the share as quoted on the stock market would not be regarded as a proper index of the fair value of the share especially where the market values are fluctuating in a volatile capital market. Further, in the case of a merger/demerger, where there is a question of evaluating the shares of one company against those of another, the volume of transactions and the number of shares available for trading on the stock exchange over a reasonable period would have to be of a comparable standard.

Comparable Companies’ Quoted Multiple (“CCM”) Method

Under this method, value of the equity shares of a company is arrived at by using multiples derived from valuations of comparable companies, as manifest through stock market valuations of listed companies. This valuation is based on the principle that



Recommendation of fair entitlement ratio of the minority shareholders of MTWL relating to the proposed demerger of Two Wheelers business of MTWL into M&M

market valuations, taking place between informed buyers and informed sellers, incorporate all factors relevant to valuation. Relevant multiples need to be chosen carefully and adjusted for differences between the circumstances.

Discounted Cash Flows (“DCF”) Method

Under the DCF method the projected free cash flows to the firm are discounted at the cost of capital. The sum of the discounted value of such free cash flows is the value of the firm. Using the DCF analysis involves determining the following:

Estimating future free cash flows:

Free cash flows are the cash flows expected to be generated by the company that are available to all providers of the company’s capital – both debt and equity.

Appropriate discount rate to be applied to cash flows i.e. the cost of capital:

This discount rate, which is applied to the free cash flows, should reflect the opportunity cost to all the capital providers (namely shareholders and creditors), weighed by their relative contribution to the total capital of the company. The opportunity cost to the capital provider equals the rate of return the capital provider expects to earn on other investments of equivalent risk.

Net Asset Value (“NAV”) Method

The asset based valuation technique is based on the value of the underlying net assets of the business, either on a book value basis or realizable value basis or replacement cost basis. This valuation approach may be used in cases where the assets base dominates the earnings capability. A Scheme of Arrangement would normally be proceeded with, on the assumption that the companies/ Companies amalgamate as going concerns and an actual realization of the operating assets is not contemplated. The operating assets have therefore been considered at their book values.

Out of the above methods, the Valuers have used methods as considered appropriate by them respectively.

BASIS OF DEMERGER

The basis of demerger of Target business of MTWL into M&M would have to be determined after taking into consideration all the factors and methods mentioned hereinabove. Though different values have been arrived at under each of the above methods, for the purposes of recommending the Fair Entitlement Ratio of equity shares, it is necessary to arrive at a single value of Target business attributable to each equity share of MTWL and M&M. It is however important to note that in doing so, we are not attempting to arrive at the absolute equity values of Target business and M&M but at their relative values to facilitate the determination of the Fair Entitlement



Recommendation of fair entitlement ratio of the minority shareholders of MTWL relating to the proposed demerger of Two Wheelers business of MTWL into M&M

Ratio. For this purpose, it is necessary to give appropriate weights to the values arrived at under each method.



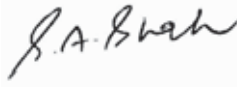

The Fair Entitlement Ratio has been arrived at on the basis of a relative equity valuation of Target business attributable to each equity share of MTWL and M&M based on the various methods explained herein earlier and various qualitative factors relevant to each company and the business dynamics and growth potentials of the businesses, having regard to information base, key underlying assumptions and limitations.

Valuers, as considered appropriate, have independently applied methods discussed above and arrived at their assessment of value per share of the Target Business attributable to each equity share of MTWL and M&M. To arrive at the consensus on the Fair Entitlement Ratio for the proposed merger, suitable rounding off have been done in the values arrived at by the Valuers.

In light of the above, and on a consideration of all the relevant factors and circumstances as discussed and outlined hereinabove, we consider that the Fair Entitlement Ratio for the proposed demerger of Target business of MTWL into M&M should be a ratio of 1 (One) equity share of M&M (of INR 5/- each fully paid up) for every 461 (Four Hundred and Sixty One) equity shares of MTWL (of INR 10/- each fully paid up).

We have examined only the fair and equitable basis for the fair exchange ratio for the shareholders and not examined any other matter including accounting and tax matters involved in the proposed merger.

Respectfully submitted,

<p>For S.R. Batliboi & Co. LLP</p> <p>Chartered Accountants ICAI Firm Registration Number: 301003E/E300005</p>   <p>Ravi Bansal Partner Membership No: 049365 Date: 3 December 2016</p>	<p>For SSPA & Co.</p> <p>Chartered Accountants ICAI Firm Registration Number: 128851W</p>   <p>Sujal Shah Partner Membership No: 045816 Date: 3 December 2016</p>
--	--

CMG/M&M/RK/ 75

December 03, 2016

To,
The Board of Directors,
 Mahindra & Mahindra Limited,
 Gateway Building,
 Apollo Bunder,
 Mumbai-400001

Dear Sirs/Madams,

Subject: Fairness Opinion Report on the Swap Ratio for Demerger of the Two Wheeler Business of Mahindra Two Wheelers Limited into Mahindra & Mahindra Limited

We, SBI Capital Markets Limited ("SBICAP"), understand that Mahindra & Mahindra Limited ("M&M" or the "Company") is contemplating a demerger of the two-wheeler business of Mahindra Two Wheelers Limited ("MTWL") (the business proposed to be transferred hereinafter referred as "M&M Two Wheeler Business") to the company ("Proposed Business Transaction") and has initiated a valuation exercise by appointing S. R. Batliboi & Co. LLP (hereinafter referred to as "SRBC") and SSPA & Co. (hereinafter referred to as "SSPA"). In this regard, the Company seeks fairness opinion report from SBICAP on the swap ratio as recommended by the Valuers.

We have been requested to give a "Fairness Opinion Report" on the swap ratio for issuance of its own equity shares to the minority shareholders of Mahindra Two Wheelers Limited.

SBICAP has not undertaken the valuation of Two Wheeler Business. We have examined the Valuation Report submitted by SRBC and SSPA, dated December 03, 2016 to the Company. We have not independently checked or verified the assumptions made by SRBC and SSPA. We have reviewed the historical financial and business information of the Company and certain comparable companies and their valuation multiples, and other relevant information from publicly available sources, and have taken into account such other matters as we deemed necessary including our assessment of general economic, market and monetary conditions.

SBI CAPITAL MARKETS LIMITED

Registered Office: 202, Maker Tower 'E', Cuffe Parade, Mumbai 400 005. Tel: +91 22 22178300, Fax: +91 22 22188332

Email: corporate.office@sbicaps.com Web: www.sbicaps.com CIN: U99999MH1986PLC040298

A Subsidiary of State Bank of India





For the purpose of the Fairness Opinion report, unaudited carved out financials of Two Wheeler business of MTWL up to September 30, 2016 and the projections till FY22 as provided by the company have been relied upon. We have relied upon publicly available data of M&M including documents available on their website.

In addition to the above, we have had discussions with the Company officials on the past and current business operations of the businesses concerned.

Further, we have had discussions with SRBC and SSPA (the Valuers) on such matters which we believe are necessary or appropriate for the purpose of issuing the Fairness Opinion Report.

We assume no responsibility for the legal, tax, accounting or structuring matters including, but not limited to, legal or title concerns. Title to all subject business assets is assumed to be good and marketable and we would urge the Company to carry out an independent assessment of the same prior to entering into any transaction, after giving due weightage to the results of such assessment.

We have assumed and relied upon, without independent verification, the accuracy and completeness of all information supplied or otherwise made available to us either in oral or written form, discussed with or reviewed by or for us, or publicly available. We have been informed that all information relevant for the purpose of issuing the Fairness Opinion Report has been disclosed to us and we are not aware of any material information that has been omitted or that remains undisclosed. This being so, no representation or warranty, express or implied, is or will be made, and no responsibility or liability is or will be accepted by SBICAP and its affiliates, its directors, employees, agents or representatives, or in relation to, the accuracy or adequacy of information, contained in the Fairness Opinion Report or any other written or oral information made available to any party or their advisors. We do not accept any liability to any third party in relation to the issuance of this Fairness Opinion Report.

We have not conducted any evaluation of the solvency or fair value of the Company, under any laws relating to bankruptcy, insolvency or similar matters. In addition we have not assumed any obligation to conduct any physical inspection of the properties or facilities of Two Wheeler Business of MTWL. We have assumed and relied upon the truth, accuracy and completeness of the information, data and financial terms provided to us or publicly available; we have assumed that the same are not misleading and do not assume or accept any liability or responsibility for any independent verification of such information or any independent technical valuation or appraisal of any of the assets, operations or liabilities of Two Wheeler Business of MTWL.





Our Fairness Opinion Report does not factor overall economic environment risk and other risks and is purely based on the information and representations provided to us. We have not assumed the risk of any material adverse change having an impact on Two Wheeler Business of MTWL.

We express no view as to, and our Fairness Opinion Report does not address, the underlying business decision of any company to effect the Proposed Business Transaction or the merits of the Proposed Business Transaction nor does it constitute any kind of recommendation to any shareholder or creditor of M&M as regards to the Proposed Business Transaction or any matter related thereto. In addition, this Fairness Opinion Report does not address the fairness to, or any other consideration of, the holders of any class of securities, creditors or other constituencies of M&M. Our Fairness Opinion Report, as set forth herein relates to fairness of the swap ratio for issuance of M&M's own equity shares to the minority shareholders of Mahindra Two Wheelers Limited. We are not expressing any suggestion or opinion herein as to the price at which the shares of M&M will trade following the announcement of consummation of the Proposed Business Transaction or as to the prices at which the shares of M&M may be transacted.

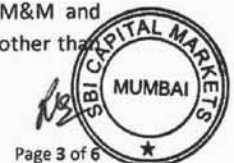
Our Fairness Opinion Report is not and does not purport to be an appraisal or otherwise reflective of the prices at which any business or securities actually could be ideally bought or sold by any party and is not indicative of actual value or actual future results that might be achieved, which value may be higher or lower than those indicated, and any investment decision shall not be based solely on this Fairness Opinion Report and the buyer shall carry out their own due diligence.

Our Fairness Opinion Report is not necessarily based on economic, market and other conditions as in effect on the date of issuing this Fairness Opinion Report, and the information made available to us as of, the date hereof. It should be understood that in case of any subsequent developments we do not have any obligation to update, revise, or reaffirm this Fairness Opinion Report.

To the extent that the conclusions are based on projections, SBICAP expresses no opinion on the achievability of those forecasts.

In the ordinary course of business, we and our affiliates may actively trade or hold securities of the company that may be the subject matter of this transaction for our own account or for the account of our customers and accordingly, may at any time hold long or short position in such securities. In addition, we and our affiliates maintain relationships with M&M, MTWL and their respective affiliates.

This Fairness Opinion Report is provided solely for the benefit of the Board of Directors of M&M and shall not confer rights or remedies upon, any shareholder of M&M or any other person other than the members of the Board of Directors of M&M or be used for any other purpose.





This Fairness Opinion Report is only a free and fair opinion and does not constitute a commitment by SBICAP to underwrite, subscribe for or place any securities or to extend or arrange credit or to provide any other services.

Disputes, if any, regarding this Fairness Opinion Report will be governed by and construed in accordance with the laws of India and the Courts in Mumbai, India shall have exclusive jurisdiction in this regard.

On the basis of and subject to the foregoing, to the best of our knowledge and belief, it is our view that, as of the date hereof, the proposed valuation is fair, from a financial point of view.

Thanking you,

Yours faithfully,
For SBI Capital Markets Limited

A handwritten signature in black ink, followed by a circular stamp. The stamp contains the text 'SBI CAPITAL MARKETS' around the top edge and 'MUMBAI' in the center, with a small star at the bottom.

Name: Ramnish Kochgave
Designation: Vice President



Disclaimer

This fairness opinion certificate ("Certificate" or "This certificate" or "this certificate") contains proprietary and confidential information regarding Mahindra and Mahindra Limited ("the Company"). This certificate is issued for the exclusive use and benefit of the Company as per the Engagement letter dated November 18, 2016. This certificate has been issued by SBI Capital Markets Limited ("SBICAP"), on the basis of the information available in the public domain and sources believed to be reliable and the information provided by the Company, Valuer and for the purpose to facilitate the Company to comply with, if applicable, The SEBI Listing Obligations and Disclosure Regulations 2015 as amended, ("Listing Regulations") and it shall not be valid for any other purpose or as at any other date. This Certificate is issued by SBICAP in the capacity of an Independent merchant banker, on the valuation of assets/shares of the Company done by S. R. Batliboi & Co. LLP and SSPA & Co.

This certificate is issued by SBICAP without regard to specific objectives, suitability, financial situations and needs of any particular person and does not constitute any recommendation, and should not be construed as an offer to sell or the solicitation of an offer to buy, purchase or subscribe to any securities mentioned therein. Nothing in these materials is intended by SBICAP to be construed as legal, accounting, technical or tax advice. Past performance is not a guide for future performance. Forward-looking statements are not predictions and may be subject to change without notice. Actual results may differ materially from these forward-looking statements due to various factors. This certificate has not been or may not be approved by any statutory or regulatory authority in India or by any Stock Exchange in India. This certificate may not be all inclusive and may not contain all of the information that the recipient may consider material.

This certificate and information contained herein or any part of it does not constitute or purport to constitute investment advice in publicly accessible media and should not be printed, reproduced, transmitted, sold, distributed or published by the recipient without the prior written approval from SBICAP. The distributing/taking/sending/dispatching/transmitting of this document in certain foreign jurisdictions may be restricted by law, and persons into whose possession this document comes should inform themselves about, and observe, any such restrictions.

Neither SBICAP and its affiliates, nor its directors, employees, agents or representatives shall be liable for any damages whether direct or indirect, incidental, special or consequential including lost revenue or lost profits that may arise from or in connection with the use of this document. This document may contain confidential, proprietary and/or legally privileged information and it must be kept confidential by the recipient.

SBICAP has not carried out any due – diligence independently in verifying the accuracy or veracity of data provided by the Company and/or Valuer and SBICAP assumes no liability for the accuracy, authenticity, completeness or fairness of the data provided by the Company and/or Valuer. SBICAP has also assumed that the business continues normally without any disruptions.

Neither SBICAP nor State Bank of India or any of its associates, nor any of their respective Directors, officers, employees, agents or advisors or affiliate of any such person or such persons make any expressed or implied representation or warranty and no responsibility or liability is accepted by any of them and is expressly disclaimed with respect to the accuracy, completeness, authenticity or reasonableness of the facts, opinions, estimates, forecasts, projections or other information set forth in this certificate, or the underlying assumptions on which they are based and nothing contained herein is or shall be relied upon as a promise or representation regarding the historic or current position or performance of the Company or any future events or performance of the Company.



This certificate may be divided into chapters & sub-sections only for the purpose of reading convenience. Any partial reading of this certificate may lead to inferences, which may be at divergence with the conclusions and opinions based on the entirety of this certificate.

The opinion of SBICAP ["Opinion"] under this Certificate is not intended to and does not constitute a recommendation to any shareholders as to how such shareholder should vote or act in connection with the proposed business transaction or any matter related therein. The opinion is not, nor should it be construed as our opining or certifying the compliance of the proposed business transaction with the provisions of any law including company law, taxation and capital market related laws or as regards any legal implications or issues arising thereon. SBICAP assumes no responsibility for updating or revising our opinion based on circumstances or events occurring after the date hereof. SBICAP does not express any opinion as to the price at which shares of the M&M may trade at any time, including subsequent to the date of this opinion. In rendering the Opinion, SBICAP has assumed, that the proposed business transaction will be implemented on the terms described in the business transfer agreement, without any waiver or modification of any material terms or conditions, and that in the course of obtaining the necessary regulatory or third party approvals for the business transfer, no delay, limitation, restriction or condition will be imposed that would have an adverse effect on the entities under the proposed business transaction and / or its holding or subsidiaries or affiliates and their respective shareholders.

In the past, SBICAP may have provided, and may currently or in the future provide, investment banking services to the entities under the proposed business transaction and / or its holding or subsidiaries or affiliates and their respective shareholders, for which services SBICAP has received or may receive customary fees. In addition, in the ordinary course of their respective businesses, affiliates of SBICAP may actively trade securities of the entities under the proposed business transaction and / or its holding or subsidiaries or affiliates and their respective shareholders for their own accounts and for the accounts of their customers and, accordingly, may at any time hold a position in such securities. SBICAP engagement and the opinion expressed herein are for the benefit of the Board of Directors of the entities under the proposed business transaction and for no other purposes. Neither SBICAP, nor its affiliates, partners, directors, shareholders, managers, employees or agents of any of them, makes any representation or warranty, express or implied, as to the information and documents provided to us, based on which the opinion has been issued. All such parties and entities expressly disclaim any and all liability for, or based on or relating to any such information contained therein.

This certificate is furnished on a strictly confidential basis and is for the sole use of the person to whom it is addressed. Neither this certificate, nor the information contained herein, may be reproduced or passed to any person or used for any purpose other than stated above, without the prior written approval from SBICAP. By accepting a copy of this certificate, the recipient accepts the terms of this Notice, which forms an integral part of this certificate.



DCS/AMAL/ST/R37/730/2016-17

March 8, 2017

The Company Secretary
MAHINDRA & MAHINDRA LTD
 Gateway Building, Apollo Bunder, Mumbai,
 Maharashtra, 400001

Sir,

Sub: Observation letter regarding the Draft Scheme of Arrangement between Mahindra Two Wheelers Limited and Mahindra & Mahindra Limited and their respective Shareholders and Creditors.

We are in receipt of Draft Scheme Arrangement between Mahindra Two Wheelers Limited and Mahindra & Mahindra Limited and their respective Shareholders and Creditors filed as required under SEBI Circular No. CIR/CFD/CMD/16/2015 dated November 30, 2015; SEBI vide its letter dated March 3, 2017, has inter alia given the following comment(s) on the draft scheme of arrangement:

- "Company shall duly comply with various provisions of the Circulars."

Accordingly, based on aforesaid comment offered by SEBI, the company is hereby advised:

- To duly comply with various provisions of the circulars.

In light of the above, we hereby advise that we have no adverse observations with limited reference to those matters having a bearing on listing/de-listing/continuous listing requirements within the provisions of Listing Agreement, so as to enable the company to file the scheme with Hon'ble High Court/NCLT.

Further, pursuant to the above SEBI circulars, upon sanction of the Scheme by the Hon'ble High Court/NCLT, the listed company shall submit to the stock exchange the following:

- Copy of the High Court approved Scheme;
- Result of voting by shareholders for approving the Scheme;
- Statement explaining changes, if any, and reasons for such changes carried out in the Approved Scheme vis-à-vis the Draft Scheme;
- Copy of the observation letter issued by all the Stock Exchanges where Company is listed.
- Status of compliance with the Observation Letter/s of the stock exchanges;
- The application seeking exemption from Rule 19(2)(b) of SCRR, 1957, wherever applicable; and
- Complaints Report as per Annexure II of this Circular.
- Any other document/disclosure as informed by the Exchange.

The Exchange reserves its right to withdraw its 'No adverse observation' at any stage if the information submitted to the Exchange is found to be incomplete / incorrect / misleading / false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, Listing Agreement, Guidelines/Regulations issued by statutory authorities.

Please note that the aforesaid observations does not preclude the Company from complying with any other requirements.

Yours faithfully,


Nitin Pujari
 Manager

Annexure C



NATIONAL STOCK EXCHANGE
OF INDIA LIMITED

NIFTY50
Stock of the nation

Ref: NSE/LIST/10545

March 10, 2017

The Company Secretary
Mahindra & Mahindra Limited
Gateway Building
Apollo Bunder
Colaba
Mumbai – 400 001

Kind Attn.: Mr. Narayan Shankar

Dear Sir,

Sub: Observation letter for draft Scheme of Scheme of Arrangement between Mahindra Two Wheelers Limited and Mahindra & Mahindra Limited

We are in receipt of the draft scheme of arrangement between Mahindra Two Wheelers Limited and Mahindra & Mahindra Limited and their respective shareholders & creditors filed by Mahindra & Mahindra Limited on January 12, 2017.

Based on our letter reference no Ref: NSE/LIST/104052 submitted to SEBI and pursuant to SEBI Circular No. CIR/CFD/CMD/16/2015 dated November 30, 2015, SEBI has vide letter dated March 03, 2017, has given following comments:

“The Company shall duly comply with various provisions of the Circular.”

Based on the draft scheme and other documents submitted by the Company, including undertaking given in terms of regulation 11 of SEBI (LODR) Regulation, 2015, we hereby convey our “No-objection” in terms of regulation 94 of SEBI (LODR) Regulation, 2015, so as to enable the Company to file the draft scheme with the Hon’ble High Court.

However, the Exchange reserves its rights to withdraw this No-objection approval at any stage if the information submitted to the Exchange is found to be incomplete/ incorrect/ misleading/ false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, Listing Agreement, Guidelines / Regulations issued by statutory authorities.

The validity of this “Observation Letter” shall be six months from March 10, 2017, within which the Scheme shall be submitted to the Hon’ble High Court. Further pursuant to the above cited SEBI circular upon sanction of the Scheme by the Hon’ble High Court, you shall submit to NSE the following:

- a. Copy of Scheme as approved by the High Court;
- b. Result of voting by shareholders for approving the Scheme;
- c. Statement explaining changes, if any, and reasons for such changes carried out in the Approved Scheme vis-à-vis the Draft Scheme
- d. Status of compliance with the Observation Letter/s of the stock exchanges

JS



Continuation Sheet

- e. The application seeking exemption from Rule 19(2)(b) of SCRR, 1957, wherever applicable; and
- f. Complaints Report as per Annexure III of SEBI Circular No. CIR/CFD/CMD/16/2015 dated November 30, 2015.

Yours faithfully,
For **National Stock Exchange of India Ltd.**


Janardhan Gujran
Chief Manager

P.S. Checklist for all the Further Issues is available on website of the exchange at the following URL http://www.nseindia.com/corporates/content/further_issues.htm

Annexure D

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:

8th February, 2017

The Secretary,
BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street, Fort,
Mumbai 400001.

The Secretary,
National Stock Exchange of India Limited
"Exchange Plaza", 5th Floor, Listing Department,
Plot No.C/1, G Block Bandra-Kurla Complex,
Bandra (East),
Mumbai 400051.

Dear Sir,

Ref: Complaints Report

Sub: Scheme of Arrangement between Mahindra Two Wheelers Limited and the Company and their respective Shareholders and Creditors ("the Scheme")

This is in connection with application made by the Company under Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 regarding the proposed Scheme of Arrangement between Mahindra Two Wheelers Limited and the Company and their respective Shareholders and Creditors ("the Scheme") under sections 391 to 394 read with sections 100 to 104 and notified section 52 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 1956.

In accordance with the SEBI Circular No. CIR/CFD/CMD/16/2015 dated November 30, 2015, we hereby submit the Complaints Report.

We request you to take the above on record.

Please acknowledge receipt of the same.

Thanking you.
Yours faithfully,

For MAHINDRA AND MAHINDRA LIMITED


NARAYAN SHANKAR
COMPANY SECRETARY

Mahindra

Mahindra & Mahindra Ltd.
Mahindra Towers,
Dr. G. M. Bhosale Marg, Worli,
Mumbai - 400 018 India

Tel: +91 22 24901441
Fax: +91 22 24975081

**Complaints Report: Mahindra & Mahindra Limited
(as on 6th February, 2017)**

Part A

Sr. No.	Particulars	Number
1.	Number of complaints received directly	1
2.	Number of complaints forwarded by Stock Exchange	NIL
3.	Total Number of complaints/comments received (1+2)	1
4.	Number of complaints resolved	1
5.	Number of complaints pending	NIL

Part B

Sr. No.	Name of complainant	Date of complaint	Status (Resolved/Pending)
1.	AAAY KAY GLOBAL*	23 rd January, 2017	Resolved*

* The complainant is a shareholder of the transferor company (unlisted entity) and the transferor company has adequately replied to the complainant followed by a reply from the Company.

Date: 8th February, 2017

Place: Mumbai

For MAHINDRA AND MAHINDRA LIMITED



NARAYAN SHANKAR
COMPANY SECRETARY

Annexure E

REPORT ADOPTED BY THE BOARD OF DIRECTORS OF MAHINDRA & MAHINDRA LIMITED AT ITS MEETING HELD ON 10TH FEBRUARY, 2017 AS PER THE PROVISION OF SECTION 232(2)(c) OF THE COMPANIES ACT, 2013 AT GATEWAY BUILDING, APOLLO BUNDER, MUMBAI - 400 001.

The demerger of the Two Wheelers Business, inter alia, consisting of entire undertaking, business, activities and operations pertaining to the Two Wheelers Business ("Two Wheelers Undertaking") of Mahindra Two Wheelers Limited, a subsidiary of the Company ("MTWL" or "Demerged Company") from MTWL to the Company ("Resulting Company" or "the Company") and its transfer as a going concern with effect from 1st October, 2016 or such other date as may be directed or approved by National Company Law Tribunal ("the Appointed Date"), as per the Scheme of Arrangement between MTWL and the Company and their respective Shareholders and Creditors ("the Scheme"), was approved by the Board of Directors vide Board Resolution dated 3rd December, 2016.

Subsequent to the last Meeting of the Board held on 3rd December, 2016, provisions of section 230 to section 232 of the Companies Act, 2013, inter alia, governing power to compromise or make arrangements with creditors and members, merger and amalgamation of companies have become operative with effect from 15th December, 2016. This report is submitted in pursuance of the said provisions.

Considering the share exchange ratio of 1 (One) equity share of the Company (of INR 5/- each fully paid up) for every 461 (Four Hundred and Sixty One) equity shares of MTWL (of INR 10/- each fully paid up) as recommended by Independent Valuers viz. M/s. S.R. Batliboi & Co. LLP and M/s. SSPA & Co in their Joint Valuation Report, supported by a Fairness Opinion expressed by SBI Capital Markets Limited and as approved by the Board of Directors and taking into account the fact that there will be no allotment of shares to the Promoters or Key Managerial Personnel ("KMP") of the Company, the effect of the scheme would be dilution in percentage shareholding of Promoters and KMP and increase in the percentage shareholding of non-promoters, as a class, to the extent of issue of shares to the shareholders of MTWL (other than Resulting Company and/or any subsidiary of Resulting Company).

As on the date of this Report, the Company has no other class of shareholders.

FOR MAHINDRA & MAHINDRA LIMITED

NARAYAN SHANKAR

Company Secretary

Annexure E

REPORT ADOPTED BY THE BOARD OF DIRECTORS OF MAHINDRA TWO WHEELERS LIMITED AT ITS MEETING HELD ON 27TH APRIL, 2017 AS PER THE PROVISION OF SECTION 232(2)(c) OF THE COMPANIES ACT, 2013 AT GALAXY CONFERENCE ROOM, 2ND FLOOR, MAHINDRA TOWERS, P. K. KURNE CHOWK, WORLI, MUMBAI – 400 018.

The demerger of the Two Wheelers Business, inter alia, consisting of the entire undertaking, business, activities and operations pertaining to the Two Wheelers Business (“Two Wheelers Undertaking”) of the Company (“MTWL” or “Company”) from MTWL to Mahindra & Mahindra Limited (“Resulting Company” or “M&M”) and its transfer as a going concern with effect from 1st October, 2016 or such other date as may be directed or approved by National Company Law Tribunal (“the Appointed Date”), as per the Scheme of Arrangement between MTWL and M&M and their respective Shareholders and Creditors (“the Scheme”), was approved by the Board of Directors vide Board Resolution dated 3rd December, 2016.

Subsequent to the Meeting of the Board held on 3rd December, 2016, the provisions of section 230 to section 232 of the Companies Act, 2013, inter alia, governing power to compromise or make arrangements with creditors and members, merger and amalgamation of companies have become operative with effect from 15th December, 2016. This report is submitted in pursuance of the said provisions.

Considering the share exchange ratio of 1 (One) equity share of M&M (of INR 5/- each fully paid up) for every 461 (Four Hundred and Sixty One) equity shares of MTWL (of INR 10/- each fully paid up) as recommended by Independent Valuers viz. M/s. S.R. Batliboi & Co. LLP and M/s. SSPA & Co in their Joint Valuation Report, supported by a Fairness Opinion expressed by SBI Capital Markets Limited and as approved by the Board of Directors, the effect of the Scheme would be as follows:

1. In consideration of the shares held by the Non Promoter shareholders in MTWL, such Non Promoter shareholders will be allotted equity shares in M&M and such equity shares will form part of public shareholders of M&M.
2. In consideration of the shares held by Mahindra Vehicle Manufacturers Ltd., the Promoter shareholder in MTWL, Mahindra Vehicle Manufacturers Ltd. will not be allotted equity shares in M&M, since the promoter shareholder is a wholly owned subsidiary of M&M and as per the provisions of Companies Act, 2013, a subsidiary company cannot hold shares in its holding company.
3. The Key Managerial Personnel (“KMPs”) of MTWL do not hold any shares in MTWL, except for one share held by Mahindra Vehicle Manufacturers Limited jointly with a KMP.
4. There would be a dilution to the extent of the shareholding in M&M held by the KMPs of MTWL, if any, on account of issuance of shares by M&M to the non-promoter shareholders of MTWL.
5. Re-organisation of issued, subscribed and paid-up equity share capital of MTWL by reducing face value and paid up value of equity share capital of Rs. 10 each to Re. 0.02 each, of all shareholders of MTWL, which comprises of promoter and non-promoter shareholders of MTWL.

As on the date of this Report, the Company has no other class of shareholders.

FOR MAHINDRA TWO WHEELERS LIMITED**POONAM VAZE**

Company Secretary

Annexure F

Mahindra & Mahindra Limited
Supplementary Accounting Statements for the Nine months ended 31 December, 2016 (Unaudited)

Balance Sheet as at 31 December, 2016

	Note No.	Rs. crores As at 31 December, 2016
I ASSETS		
NON-CURRENT ASSETS		
Property, Plant and Equipment	1	6,401.11
Capital Work-in-Progress		334.57
Other Intangible Assets	2	1,316.24
Intangible Assets Under Development		1,461.39
Financial Assets		
(i) Investments	3A	12,783.43
(ii) Loans	4	1,367.74
(iii) Other Financial Assets	5	61.30
Income Tax Assets (Net)		449.51
Other Non-Current Assets	6	2,006.80
		<u>26,182.09</u>
CURRENT ASSETS		
Inventories	7	2,656.12
Financial Assets		
(i) Investments	3B	2,088.54
(ii) Trade Receivables	8	2,691.57
(iii) Cash and Cash Equivalents	9	912.17
(iv) Other Bank Balances	10	1,351.05
(v) Loans	4	529.43
(vi) Other Financial Assets	5	1,008.82
Other Current Assets	6	830.80
		<u>12,068.50</u>
TOTAL ASSETS		<u><u>38,250.59</u></u>
II EQUITY AND LIABILITIES		
EQUITY		
Equity Share Capital		296.83
Other Equity		24,619.62
		<u>24,916.25</u>
NON-CURRENT LIABILITIES		
Financial Liabilities		
(i) Borrowings	13	2,245.89
(ii) Trade Payables	14	2.15
(iii) Other Financial Liabilities	15	232.81
Provisions	16	734.80
Deferred Tax Liabilities (Net)		676.20
Other Non-current Liabilities	17	500.41
		<u>4,392.06</u>
CURRENT LIABILITIES		
Financial Liabilities		
(i) Borrowings	18	614.62
(ii) Trade Payables	14	6,329.54
(iii) Other Financial Liabilities	19	306.29
Provisions	16	437.68
Current Tax Liabilities (Net)		288.17
Other Current Liabilities	17	965.88
		<u>8,942.28</u>
TOTAL EQUITY AND LIABILITIES		<u><u>38,250.59</u></u>

For Mahindra & Mahindra Limited


Managing Director


Place: Mumbai
Date: 06 April 2017

42 K-177

Mahindra & Mahindra Limited
Supplementary Accounting Statements for the Nine months ended 31 December, 2016 (Unaudited)

Statement of Profit and Loss for the Nine months ended 31 December, 2016

		Rs. crores
		Nine Months ended 31 December, 2016
	Note No.	
Revenue from operations	20	35,084.51
Other Income	21	1,034.39
Total Income		36,118.90
Expenses		
Cost of materials consumed	22	15,697.02
Purchases of Stock-in-trade		7,821.56
Changes in inventories of finished goods, work-in-progress and stock-in-trade	23	67.01
Excise Duty		2,424.30
Employee benefit expenses	24	1,993.71
Finance costs	25	101.05
Depreciation and amortisation expenses	26	984.86
Other expenses (Net of Cost of Manufactured products Capitalised)	27	3,250.09
Total Expenses		32,339.40
Profit before exceptional items and tax		3,779.50
Exceptional Items	28	454.78
Profit before tax		4,234.28
Tax Expense		
Current Tax		905.04
Deferred Tax		98.75
Profit after tax for the period		3,230.49
Other Comprehensive Income		
<i>Items that will not be recycled to profit or loss</i>		
(a) Remeasurements of the defined benefit liabilities / (asset)		7.95
(b) Equity instruments through other comprehensive income		(0.17)
Income tax relating to items that will not be reclassified to profit or loss		(2.75)
<i>Items that may be reclassified to profit or loss</i>		
(a) Debt instruments through other comprehensive income		(0.91)
(b) Effective portion of gains and loss on designated portion of hedging instruments in a cash flow hedge		0.34
Income tax on items that may be reclassified to profit or loss		0.20
Total Other Comprehensive Income for the period		4.66
Total Comprehensive Income for the period		3,235.15

For Mahindra & Mahindra Limited


Managing Director

Place: Mumbai
Date: 06 April 2017



Mahindra & Mahindra Limited
Supplementary Accounting Statements for the Nine months ended 31 December, 2016 (Unaudited)

Cash Flow Statement for the Nine months ended 31 December, 2016

	Rs. crores
	Nine Months ended 31 December, 2016
A. CASH FLOW FROM OPERATING ACTIVITIES	2,910.20
B. CASH FLOW FROM INVESTING ACTIVITIES	(1,924.79)
C. CASH FLOW FROM FINANCING ACTIVITIES	(894.68)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	90.73
CASH AND CASH EQUIVALENTS:	
Opening Balance	842.31
On account of transfer of Agri business	(21.33)
Closing Balance	911.71
Reconciliation of Cash and Cash Equivalents:	
Cash and Cash Equivalents as per Balance Sheet	912.17
Bank Overdraft	(0.46)
Cash and Cash Equivalents as per Cash Flow Statement	911.71

For Mahindra & Mahindra Limited



Managing Director



Place: Mumbai

Date: 06 April 2017

Mahindra & Mahindra Limited
Supplementary Accounting Statements for the Nine months ended 31 December, 2016 (Unaudited)

Statement of Changes in Equity for the Nine months ended 31 December, 2016

	Rs. crores
	Year Ended 31 December, 2016
A) Equity Share Capital	
Issued and Subscribed :	
Balance as at the beginning of the period	310.55
Add :	
Shares issued to ESOP Trust	-
Balance as at the end of the period	310.55
Less :	
Shares issued to ESOP Trust but not allotted to Employees	13.92
Adjusted Issued and Subscribed Share Capital	296.63

Refer Note 11 for additional information.

B) Other Equity

	Reserves and Surplus				Items of Other Comprehensive Income			Total	
	Capital Reserve	Securities Premium Account	General Reserve	Other Reserves [#]	Retained Earnings	Debt instruments through Other Comprehensive Income	Equity instrument through Other Comprehensive Income		Effective portion of Cash Flow Hedges
As at 1 April 2016	10.13	2,334.02	1,730.36	145.00	17,904.65	0.63	(0.30)	2.34	22,126.83
Profit for the period					3,230.49				3,230.49
Other Comprehensive Income for the period					5.21	(0.60)	(0.17)	0.22	4.66
Total Comprehensive Income for the period					3,235.70	(0.60)	(0.17)	0.22	3,235.15
Dividend including tax thereon					(841.11)				(841.11)
Share based payment expense					98.15				98.15
Employee Stock Options exercised		18.78			(18.78)				-
Transfer to General Reserve on account of employee stock options lapsed			0.27		(0.27)				-
Shares with ESOP Trust		0.76	(0.15)						0.60
As at 31 December 2016	10.13	2,353.56	1,730.47	224.10	20,299.24	0.03	(0.47)	2.56	24,619.62

Refer Note 12.

Mahindra & Mahindra Limited
 Supplementary Accounting Statements for the Nine months ended 31 December, 2016 (Unaudited)

Notes to Accounts

	Rs. crores
	As at 31 December, 2016
1 Property, Plant and Equipment	
Land - Freehold	261.68
Buildings	1,236.23
Plant and Equipment	4,551.51
Office Equipment	33.73
Furniture and Fixtures	68.40
Aircraft	78.03
Vehicles	171.54
	6,401.11
2 Other Intangible Assets	
Development Expenditure	1,164.80
Computer Software	24.80
Others	126.64
	1,316.24
3A Non Current Investments	
Investments in Subsidiaries, Associates and Joint Ventures	12,774.71
Other investments	8.72
	12,783.43
3B Current Investments	
Investments in Equity Instruments	0.01
Investments in Government Securities	1.93
Investments in Debentures/Bonds	240.64
Investments in Mutual Funds	1,196.77
Investments in Certificate of Deposits	222.57
Investments in Commercial Papers	220.45
Investments in Corporate Fixed Deposits	206.17
	2,088.54

Mahindra & Mahindra Limited
Supplementary Accounting Statements for the Nine months ended 31 December, 2016 (Unaudited)

Notes to Accounts

		Rs. crores	
		As at	
		31 December, 2016	
		Current	Non- Current
4	Loans		
	a) Security Deposits		
	- Secured, considered good	-	-
	- Unsecured, considered good	10.59	4.06
	- Doubtful	-	-
		<u>10.59</u>	<u>4.06</u>
	Less: Allowance for bad and doubtful deposits	-	-
		<u>10.59</u>	<u>4.06</u>
	b) Loans to related parties		
	- Secured, considered good	-	-
	- Unsecured, considered good	507.82	1,218.67
	- Doubtful	4.59	10.00
		<u>512.41</u>	<u>1,228.67</u>
	Less: Allowance for bad and doubtful loans	4.59	10.00
		<u>507.82</u>	<u>1,218.67</u>
	C) Other Loans		
	- Secured, considered good	-	-
	- Unsecured, considered good	11.02	145.01
	- Doubtful	7.34	-
		<u>18.36</u>	<u>145.01</u>
	Less: Allowance for bad and doubtful loans	7.34	-
		<u>11.02</u>	<u>145.01</u>
		<u>529.43</u>	<u>1,367.74</u>
5	Other financial assets	Current	Non- Current
	Security deposit	17.61	35.90
	Interest accrued on investments, loans and advances	165.74	-
	Derivative financial assets	7.55	-
	Other financial assets	817.92	25.40
		<u>1,008.82</u>	<u>61.30</u>
	Other financial assets includes sale proceeds of mutual fund receivable.		
6	Others Assets (non-financial)	Current	Non- Current
	Capital advances	-	498.46
	Other advances		
	Balances with government authorities (other than income taxes)	372.27	953.08
	Security deposits	-	4.79
	Others	458.53	550.47
		<u>830.80</u>	<u>2,006.80</u>
7	Inventories		Current
	Raw materials and bought-out components		815.62
	Work-in-Progress		111.63
	Finished products produced		1,050.74
	Stock-in-Trade		470.83
	Manufactured components		98.71
	Stores and spares		64.81
	Tools		43.78
			<u>2,656.12</u>
8	Trade Receivables (Current)		Current
	Outstanding for a period exceeding six months from the date they are due for payment:		
	Unsecured, considered good		178.06
	Doubtful		51.20
			<u>229.26</u>
	Less : Allowance for bad and doubtful trade receivables		51.20
			<u>178.06</u>
	Others - Unsecured, considered good		<u>2,513.51</u>
			<u>2,691.57</u>
9	Cash and cash equivalents		
	Balances with banks		
	- On Current Accounts		214.23
	- Fixed Deposits with original maturity less than 3 months		370.06
			<u>584.29</u>
	Cheques, drafts on hand		327.69
	Cash on hand		0.19
			<u>912.17</u>
10	Other Bank Balances		
	Earmarked balances with banks		17.93
	Balances with Banks on Margin Accounts		8.12
	Fixed Deposits with banks		1,325.00
			<u>1,351.05</u>

Mahindra & Mahindra Limited
Supplementary Accounting Statements for the Nine months ended 31 December, 2016 (Unaudited)

Notes to Accounts

	Rs. crores
11 Equity Share Capital	As at 31 December, 2016
Authorised :	
1,20,00,00,000 Ordinary (Equity) Shares of Rs. 5 each	600.00
25,00,00,000 Unclassified Shares of Rs.100 each	25.00
	<u>625.00</u>
Issued and Subscribed :	
62,10,92,384 Ordinary (Equity) Shares of Rs. 5 each fully paid up	310.55
Less :	
2,78,36,380 issued to ESOP Trust but not allotted to employees	13.92
Adjusted : Issued and Subscribed Share Capital	<u>296.63</u>

(A) Reconciliation of number of Ordinary (Equity) Shares and amount outstanding :

	As at 31 December, 2016	
	No. of shares	Rs. Crores
Issued and Subscribed :		
Balance as at the beginning of the year	62,10,92,384	310.55
Add :		
Shares issued to ESOP Trust	-	-
Balance as at the end of the year	<u>62,10,92,384</u>	<u>310.55</u>
Less :		
Shares issued to ESOP Trust but not allotted to Employees	2,78,36,380	13.92
Adjusted : Issued and Subscribed Share Capital	<u>59,32,56,004</u>	<u>296.63</u>

(B) The Ordinary (Equity) Shares of the Company rank *pari-passu* in all respects including voting rights and entitlement to dividend.

(C) Details of Ordinary (Equity) Shares held by shareholders holding more than 5% of the aggregate shares in the Company :

Name of the Shareholder	As at 31 December, 2016	
	No. of shares	% shareholding
(i) Life Insurance Corporation of India	6,37,75,497	10.27
(ii) Prudential Management and Services Pvt. Ltd.	7,07,60,970	11.39
(iii) M&M Benefit Trust	5,18,35,214	8.35
(iv) The Bank of New York Mellon (for GDR holders)	<u>3,34,99,034</u>	<u>5.39</u>

(D) Issued and Subscribed Share Capital includes an aggregate of 40,647 Ordinary (Equity) Shares of Rs. 5 each allotted as fully paid-up pursuant to Schemes of Arrangement without payment having been received in cash, for a period of five years immediately preceding the end of the financial year 2015-16.

12 Reserves

Description of the nature and purpose of Reserves :

Capital Reserve : The Company was entitled to refund of Octroi based on Octroi refund scheme. The resultant refund was credited to Capital Reserve.

Securities Premium Account : The Securities Premium is created on issue of shares at a premium.

General reserve : The general reserve comprises transfer of profits from retained earnings for appropriation purposes. There is no policy of regular transfer. Items included under General Reserve shall not be reclassified back into the profit or loss.

Debenture Redemption Reserve : Debenture Redemption Reserve is a Statutory Reserve (as per Companies Act, 2013) created out of profits of the Company available for payment of dividend for the purpose of redemption of Debentures issued by the Company. On completion of redemption, the reserve is transferred to Retained Earnings.

Employee Stock Options Outstanding : The Employee Stock Options Outstanding represents reserve in respect of equity settled share options granted to the employees of the Company and group companies, in pursuance of the Employee Stock Option Plan.

	Rs. crores
	Nine Months ended 31 December, 2016
Other Reserves	
(a) Debenture Redemption Reserve	
Balance as at the beginning of the period	7.50
Addition / deletion during the period	-
Balance as at the end of the period	<u>7.50</u>
(b) Employee Stock Options Outstanding	
Balance as at the beginning of the period	137.50
Share based payment expense (including employee stock options to employees of group companies)	98.15
Transfer to Securities Premium account on exercise of employee stock options	(18.78)
Transfer to General Reserve on account of employee stock options lapsed during the period	(0.27)
Balance as at the end of the period	<u>216.60</u>

Mahindra & Mahindra Limited
Supplementary Accounting Statements for the Nine months ended 31 December, 2016 (Unaudited)

Notes to Accounts

	Rs. crores	
	As at	
	31 December, 2016	
13 Non-Current Borrowings		
Debentures		973.59
Term Loan From Banks		356.39
Deferred payment liabilities		915.71
		<u>2,245.69</u>
14 Trade Payables		
	<u>Current</u>	<u>Non Current</u>
Acceptances	606.78	-
Trade payable - Micro and small enterprises	29.97	-
Trade payable - Other than micro and small enterprises	5,692.89	2.15
	<u>6,329.64</u>	<u>2.15</u>
15 Other Non-Current Financial Liabilities		
Security Deposits		115.81
Other long term liabilities		38.66
Derivative financial liabilities		8.75
Financial guarantee contracts		69.59
		<u>232.81</u>
16 Provisions		
	<u>Current</u>	<u>Non-Current</u>
Employee benefits	109.37	508.51
Warranty	219.27	201.37
Others	109.04	24.92
	<u>437.68</u>	<u>734.80</u>
17 Other Non-Financial Liabilities		
	<u>Current</u>	<u>Non-Current</u>
Advances received from customers	220.20	64.13
Statutory dues		
- Taxes payable (other than income taxes)	628.12	-
- Employee recoveries and employer contributions	60.41	-
Gratuity payable	54.66	180.60
Others	2.49	255.68
	<u>965.88</u>	<u>500.41</u>
18 Short Term Borrowings		
Secured:		
Loan repayable on demand		0.46
		<u>0.46</u>
Unsecured :		
Term loan from banks		614.16
		<u>614.16</u>
		<u>614.62</u>
19 Other Current Financial Liabilities		
Current maturities of long-term debt		81.31
Interest accrued and due on borrowings		50.02
Unclaimed dividends		17.93
Unclaimed matured deposits and interest accrued thereon		1.78
Financial Guarantees		11.44
Other liabilities		143.81
		<u>306.29</u>

Mahindra & Mahindra Limited
Supplementary Accounting Statements for the Nine months ended 31 December, 2016 (Unaudited)

Notes to Accounts

	Rs. crores
	Nine Months ended 31 December, 2016
20 Revenue from Operations	
Sale of products	34,256.12
Rendering of Services	337.98
Gross Revenue from Sale of Products and Services	34,594.10
Other operating revenue	
(i) Scrap Sales	63.00
(ii) Government Grant and Incentives (including export benefits)	270.25
(iii) Others	157.16
	35,084.51
21 Other income	
Interest Income	
- On Financial Assets at Amortised Cost	198.44
- On Financial Assets at FVTOCI	31.62
Dividend Income	
- Dividend on financial instruments classified as equity	599.36
- Mutual fund and other investments	47.38
Rental income	
- Operating lease rental income	10.62
Net Gain / (Loss) on sale of Current investments	21.67
Profit on sale of capital assets (net)	24.99
Other Non operating income	100.31
	1,034.39
22 Cost of materials consumed	
Opening stock	738.57
Add: Purchases	15,774.07
	16,512.64
Less: Closing stock	815.62
	15,697.02
23 Changes in inventories of finished goods, work-in-progress and stock-in-trade	
Inventories at the beginning of the year:	
Finished goods produced	1,108.81
Work-in-progress	95.53
Stock-in-trade	543.47
Manufactured Components	110.54
	1,858.35
Add/(less) : Stock Transfer on account of transfer of Agri Business	
Stock-in-Trade	(59.43)
	1,798.92
Less: Inventories at the end of the period:	
Finished goods Produced	1,050.74
Work-in-progress	111.63
Stock-in-trade	470.83
Manufactured Components	98.71
	1,731.91
Net (increase) / decrease in inventory	67.01
24 Employee Benefits Expense	
Salaries, Wages, Bonus, etc.	1,590.69
Contribution to provident and other funds	160.28
Employee stock compensation expense	90.98
Welfare	151.76
	1,993.71
25 Finance Cost	
Interest expense	83.90
Less : Amounts included in the cost of qualifying assets	30.26
	53.64
Other borrowing cost	47.41
	101.05
26 Depreciation and Amortisation Expense	
Depreciation on Property, Plant and Equipment	709.39
Amortisation on other Intangible Assets	275.27
	984.66

Mahindra & Mahindra Limited
Supplementary Accounting Statements for the Nine months ended 31 December, 2016 (Unaudited)

Notes to Accounts

	Rs. crores
	Nine Months ended 31 December, 2016
27 Other Expenses	
Advertisements	371.59
Freight outward and Delivery Charges	662.04
Stores, Tools, Power and Fuel Consumed	288.21
Repairs and Maintenance	257.43
Sales promotion expenses	225.47
Legal and Professional Charges	309.12
Hire and Service Charges	311.94
Warranty expenses	244.02
Miscellaneous Expense	580.27
	3,250.09
28 Exceptional items	
Profit on sale of certain non-current investments	363.78
Profit on transfer of business to a subsidiary	91.00
	454.78

Deloitte Haskins & Sells

Chartered Accountants
706, 'B' Wing, 7th Floor
ICC Trade Tower
Senapati Bapat Road
Pune – 411 016
India

Tel: +91 (020) 6624 4600
Fax: +91 (020) 6624 4605

INDEPENDENT AUDITOR'S REVIEW REPORT ON REVIEW OF SPECIAL PURPOSE CONDENSED FINANCIAL STATEMENTS

TO THE BOARD OF DIRECTORS OF MAHINDRA TWO WHEELERS LIMITED

1. We have reviewed the accompanying Special Purpose condensed financial statements of **MAHINDRA TWO WHEELERS LIMITED** ("the Company"), which comprise the Special Purpose Condensed Balance Sheet as at December 31, 2016, the related Special Purpose Condensed Statement of Profit and Loss, Special Purpose Statement of Changes in Equity and Special Purpose Condensed Cash Flow Statement for the six months ended December 31, 2016, and selected explanatory information.

The Special Purpose condensed financial statements, which is the responsibility of the Company's Management and approved by the Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard ("Ind AS"), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to issue a report on the Statement based on our review.

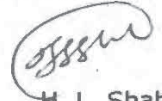
2. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity', issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of Company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.
3. Based on our review conducted as stated above, nothing has come to our attention that causes us to believe that the accompanying Special Purpose condensed financial statements, does not present fairly, in all material respects, the state of affairs of the Company as at December 31, 2016 and of its loss including other comprehensive income, its cash flows and changes in equity for the period then ended, in accordance with generally accepted accounting principles in India.

*h
/*

**Deloitte
Haskins & Sells**

4. This report is being issued for the specific purpose and use by the Management and Board of Directors for their internal reviews and should not be used for any other purpose without our written consent.

For **DELOITTE HASKINS & SELLS**
Chartered Accountants
(Firm Registration No. 117365W)



H. L. Shah
Partner
(Membership No. 033590)

✓ **Mumbai, January 25, 2017**



Mahindra Two Wheelers Limited
Special Purpose Condensed Balance Sheet as at December 31, 2016

Rs. In Lacs.

Particulars	Note No.	As at December 31, 2016		
		Spares	Vehicles	Total
ASSETS				
Non-current assets				
(a) Property, Plant and Equipment	1	43.52	19,488.97	19,532.49
(b) Capital work-in-progress		-	155.49	155.49
(c) Other Intangible assets	2	-	2,073.48	2,073.48
(d) Intangible assets under development		-	268.75	268.75
(e) Financial Assets				
(i) Loans	3	33.66	386.24	419.90
(ii) Others financial assets	4	-	317.95	317.95
(f) Deferred tax assets (net)	5	-	-	-
(g) Other non-current assets	6	182.14	5,954.45	6,136.59
Total Non - Current Assets		259.32	28,645.33	28,904.65
Current assets				
(a) Inventories	7	1,121.22	5,173.77	6,294.99
(b) Financial Assets				
(i) Investments	8	-	730.92	730.92
(ii) Trade receivables	9	232.99	772.69	1,005.68
(iii) Cash and cash equivalents	10	5.12	242.88	248.00
(iv) Loans	3a	-	20.20	20.20
(v) Other financial assets	4a	-	2.83	2.83
(c) Other current assets	6a	136.19	8,725.95	8,862.14
Total Current Assets		1,495.52	15,669.24	17,164.76
Total Assets		1,754.84	44,314.57	46,069.41
EQUITY AND LIABILITIES				
Equity				
(a) Equity Share capital	11	-	299,838.92	299,838.92
(b) Other Equity	11a	847.35	(270,887.19)	(270,039.84)
Total Equity attributable to owners of the Company		847.35	28,951.73	29,799.08
LIABILITIES				
Non-current liabilities				
(a) Provisions	12	6.47	509.49	515.96
(b) Deferred tax liabilities (Net)	5	-	-	-
Total Non - Current Liabilities		6.47	509.49	515.96
Current liabilities				
(a) Financial Liabilities				
(i) Trade payables				
(a) Total Outstanding dues of micros enterprises and small enterprises	13	-	42.21	42.21
(b) Total Outstanding dues of creditors other than micros enterprises and small enterprises		480.39	11,158.22	11,638.61
(ii) Other current financial liabilities	14	196.35	1,146.41	1,342.76
(b) Provisions	12a	40.00	1,029.03	1,069.03
(c) Current Tax Liabilities (Net)		-	-	-
(d) Other current liabilities	15	184.28	1,477.48	1,661.76
Total Current Liabilities		901.02	14,853.35	15,754.37
Total Equity and Liabilities		1,754.84	44,314.57	46,069.41

See accompanying notes to the special purpose condensed financial statements

In terms of our report attached
For Deloitte Haskins & Sells
Chartered Accountants

H. L. Shah
Partner

Date: JANUARY 25, 2017
Place: MUMBAI

For and on behalf of the Board

Director

Director

Chief Financial Officer

Date: 25.01.2017
Place: Mumbai

Mahindra Two Wheelers Limited
Special Purpose Condensed Statement of Profit and Loss for the nine months period ended December 31, 2016

Rs. In Lacs

Particulars	Note No.	For the nine months period ended December 31, 2016		
		Spares	Vehicles	Total
I Revenue from operations	16	3,931.02	24,174.64	28,105.66
II Other Income	17	-	427.31	427.31
III Total Revenue (I + II)		3,931.02	24,601.95	28,532.97
IV EXPENSES				
Cost of materials consumed	18	730.19	15,988.85	16,719.04
Purchases of Stock-in-trade		1,399.62	-	1,399.62
Changes in stock of finished goods, work-in-progress and stock-in-trade (trading goods)	18a	146.15	5,645.62	5,791.77
Excise Duty on sale of goods		467.44	2,311.64	2,779.08
Employee benefits expense	19	189.75	10,353.76	10,543.51
Finance costs	20	49.51	1,046.91	1,096.42
Depreciation and amortisation expense	1&2	15.72	3,779.99	3,795.71
Impairment expenses/losses		-	5,535.06	5,535.06
Other expenses	21	595.31	11,655.77	12,251.08
Total Expenses (IV)		3,593.69	56,317.60	59,911.29
V Profit/(loss) before tax for the period (III - IV)		337.33	(31,715.65)	(31,378.32)
VI Tax Expense				
(1) Current tax		-	-	-
(2) Deferred tax		-	-	-
Total tax expense		-	-	-
VII Profit/(loss) after tax for the period (V - VI)		337.33	(31,715.65)	(31,378.32)
VIII Other comprehensive income				
A (i) Items that will not be reclassified to profit or loss				
(a) Remeasurements of the defined benefit liabilities / (asset)		1.10	59.76	60.86
IX Total comprehensive income for the period		338.43	(31,655.89)	(31,317.46)
X Earnings per equity share (Nominal value per share Rs. 10 each), Not annualised Basic & Diluted (in Rs.)	26			(1.11)

See accompanying notes to the special purpose condensed financial statements

In terms of our report attached
For Deloitte Haskins & Sells
Chartered Accountants

H.L. Shah
Partner

Date: JANUARY 25, 2017
Place: MUMBAI

For and on behalf of the Board

Director

Director

Chief Financial Officer

Date: 25.01.2017
Place: Mumbai

5/

Mahindra Two Wheelers Limited
Special Purpose Condensed Cash Flow Statement for the nine months period ended December 31, 2016

Particulars	Rs. in Lacs.		
	Spares	Vehicles	Total
Cash flows from operating activities	35.01	(22,162.17)	(22,127.16)
Cash flows from investing activities	(1.47)	9,416.67	9,415.20
Cash flows from financing activities	(49.51)	12,848.46	12,798.95
Net cash inflow / (outflow)	(15.97)	102.96	86.99
Cash and cash equivalents at the beginning of the period	21.09	139.92	161.01
Cash and cash equivalents at the end of the period	5.12	242.88	248.00

Notes :

- Figures in brackets represent outflows of cash and cash equivalents.
- Cash and cash equivalents comprise of :

	As at December 31, 2016		
	Spares	Vehicles	Total
Cash on hand	-	0.26	0.26
Balances with Banks	5.12	242.62	247.74
Demand Deposits with Banks	-	-	-
	5.12	242.88	248.00

In terms of our report attached
For Deloitte Haskins & Sells
Chartered Accountants


H. L. Shah
Partner

Date: JANUARY 25, 2017
Place: MUMBAI

For and on behalf of the Board


Director


Director


Chief Financial Officer

Date: 25.01.2017
Place: Mumbai

Mahindra Two Wheelers Limited
Statement of changes in equity for the period ended December 31, 2016

a. Changes in Equity

Particulars	Rs. in Lacs.		
	Spares	Vehicles	Total
Balance at the beginning of the period	-	265,838.92	265,838.92
Shares issued during the period	-	34,000.00	34,000.00
Shares bought back during the period	-	-	-
Balance at the end of the period	-	299,838.92	299,838.92

Mahindra Two Wheelers Limited
Notes to the special purpose condensed financial statements

Note - 1 Property, Plant and Equipment

Rs. In Lacs.

Description of Assets	Buildings	Plant and Equipment	Office Equipment	Furniture and Fixtures	Vehicles	Total
I. Gross Block						
Balance as at 1st April 2016	5,970.46	32,867.90	1,461.35	342.09	1,502.37	42,144.17
Additions	7.25	745.38	1.03	7.96	19.84	781.46
Disposals	-	37.13	15.91	-	495.64	548.68
Closing Balance	5,977.71	33,576.15	1,446.47	350.05	1,026.57	42,376.95
II. Accumulated depreciation and impairment for the period						
Balance as at 1st April 2016	1,361.03	12,476.20	1,165.11	163.17	336.49	15,502.00
Depreciation / amortisation expense for the period	139.26	2,133.91	102.08	23.22	105.19	2,503.66
On disposal of assets	-	28.28	15.85	-	144.47	188.60
Impairment losses recognised earlier	-	2,127.40	-	-	-	2,127.40
Impairment losses recognised during the current period	-	2,900.00	-	-	-	2,900.00
Closing Balance	1,500.29	19,609.23	1,251.34	186.39	297.21	22,844.46
Net block (I-II)	4,477.42	13,966.92	195.13	163.66	729.36	19,532.49
Balance as at December 31, 2016	4,477.42	13,966.92	195.13	163.66	729.36	19,532.49
Balance as on 31st March 2016	4,609.43	18,264.30	296.24	178.92	1,165.88	24,514.77

Note - 1 Property, Plant and Equipment - Spares

Rs. In Lacs.

Description of Assets	Buildings	Plant and Equipment	Office Equipment	Furniture and Fixtures	Vehicles	Total
I. Gross Block						
Balance as at 1st April 2016	2.28	84.09	14.19	2.35	-	102.91
Additions	-	1.47	-	-	-	1.47
Disposals	-	-	-	-	-	-
Closing Balance	2.28	85.56	14.19	2.35	-	104.38
II. Accumulated depreciation and impairment for the period						
Balance as at 1st April 2016	1.15	34.67	7.83	1.49	-	45.14
Depreciation / amortisation expense for the period	1.01	11.86	2.79	0.06	-	15.72
Closing Balance	2.16	46.53	10.62	1.55	-	60.86
Net block (I-II)	0.12	39.03	3.57	0.80	-	43.52
Balance as at December 31, 2016 - Spares	0.12	39.03	3.57	0.80	-	43.52
Balance as on 31st March 2016	1.13	49.42	6.36	0.86	-	57.77

Note - 1 Property, Plant and Equipment - Vehicle

Rs. In Lacs.

Description of Assets	Buildings	Plant and Equipment	Office Equipment	Furniture and Fixtures	Vehicles	Total
I. Gross Block						
Balance as at 1st April 2016	5,968.18	32,783.81	1,447.16	339.74	1,502.37	42,041.26
Additions	7.25	743.91	1.03	7.96	19.84	779.99
Disposals	-	37.13	15.91	-	495.64	548.68
Closing Balance	5,975.43	33,490.59	1,432.28	347.70	1,026.57	42,272.57
II. Accumulated depreciation and impairment for the quarter						
Balance as at 1st April 2016	1,359.88	12,441.53	1,157.28	161.68	336.49	15,456.86
Depreciation / amortisation expense for the period	138.25	2,122.05	99.29	23.16	105.19	2,487.94
On disposal of assets	-	28.28	15.85	-	144.47	188.60
Impairment losses recognised during the current period	-	2,900.00	-	-	-	2,900.00
Impairment losses recognised earlier	-	2,127.40	-	-	-	2,127.40
Closing Balance	1,498.13	19,562.70	1,240.72	184.84	297.21	22,783.60
Net block (I-II)	4,477.30	13,927.89	191.56	162.86	729.36	19,488.97
Balance as at December 31, 2016 - Vehicles	4,477.30	13,927.89	191.56	162.86	729.36	19,488.97
Balance as on 31st March 2016	4,608.30	18,214.88	289.88	178.06	1,165.88	24,457.00

Jan 16
h

Mahindra Two Wheelers Limited
Notes to the special purpose condensed financial statements

Note - 2 : Other Intangible Assets					Rs. in Lacs.
Description of Assets	Technical Knowhow	Development Expenditure	Computer Software	Trademarks/ Brands	Total
Intangible Assets					
I. Gross Block					
Balance as at 1st April 2016	1,236.05	9,239.26	900.68	155.00	11,551.59
Additions from internal developments	-	61.87	-	-	63.87
Disposals or classified as held for sale	-	-	-	-	-
Closing Balance	1,236.05	9,301.13	900.68	155.00	11,613.46
II. Accumulated depreciation and impairment for the period					
Balance as at 1st April 2016	1,256.65	2,575.78	794.95	155.00	5,182.42
Amortisation expense for the period	-	1,248.63	43.42	-	1,292.05
Impairment losses recognised during the current period	-	2,635.26	-	-	2,635.26
Impairment losses recognised earlier	-	412.45	-	-	432.45
Closing Balance	1,256.65	7,291.92	838.41	155.00	9,541.98
Net block (I-II)	-	2,011.21	62.27	-	2,073.48
Balance as at December 31, 2016	-	2,011.21	62.27	-	2,073.48

Note - 3 Non current loans (Unsecured, considered goods unless otherwise stated)

Particulars	Rs. in Lacs		
	As at December 31, 2016		
	Spares	Vehicles	Total
Security Deposits	33.66	371.97	405.63
Loans to employees	-	14.27	14.27
Total	33.66	386.24	419.90

Note - 3a Current Loans (Unsecured, considered goods unless otherwise stated)

Particulars	Rs. in Lacs		
	As at December 31, 2016		
	Spares	Vehicles	Total
Loans to employees	-	20.20	20.20
Total	-	20.20	20.20

Mahindra Two Wheelers Limited
Notes to the special purpose condensed financial statements

Note - 4 Other non current financial assets (Unsecured, considered goods unless otherwise stated)

Particulars	Rs. In Lacs		
	As at December 31, 2016		
	Spares	Vehicles	Total
Balance with Banks (under lien)	-	317.95	317.95
Total	-	317.95	317.95

Note - 4a Other current financial assets (Unsecured, considered goods unless otherwise stated)

Particulars	Rs. In Lacs		
	As at December 31, 2016		
	Spares	Vehicles	Total
Interest Accrued but not due on Fixed Deposit	-	2.83	2.83
Total	-	2.83	2.83

K
/ 500
h

Note - 5 Deffered Taxes

Particulars	Rs. in Lacs		
	As at December 31, 2016		
	Spares	Vehicles	Total
Tax effect of items constituting deferred tax liabilities	-	692.58	692.58
	-	692.58	692.58
Tax effect of items constituting deferred tax assets	-	692.58	692.58
	-	692.58	692.58
Net Deffered Tax Asset/ (Liabilities)	-	-	-

5
/ 500
h

Mahindra Two Wheelers Limited
Notes to the special purpose condensed financial statements

Note - 6 Other non-current assets (Unsecured, considered goods unless otherwise stated)

Rs. In Lacs

Particulars	As at December 31, 2016		
	Spares	Vehicles	Total
(a) Capital advances	-	759.80	759.80
(b) Advance income tax	-	62.28	62.28
(c) VAT credit receivable	182.14	3,516.01	3,698.15
(d) Lease prepayments	-	1,506.25	1,506.25
(e) Others (Stamp duty paid under protest)	-	110.11	110.11
Total	182.14	5,954.45	6,136.59

Note - 6a Other current assets (Unsecured, considered goods unless otherwise stated)

Rs. In Lacs

Particulars	As at December 31, 2016		
	Spares	Vehicles	Total
(a) Lease prepayments	-	23.88	23.88
(b) Balances with government authorities			
(i) CENVAT credit receivable	-	1,552.10	1,552.10
(ii) VAT credit receivable	6.98	134.66	141.64
(iii) Service Tax credit receivable	110.46	6,568.60	6,679.06
(c) Prepaid expenses	0.26	86.03	86.29
(d) Advance to Suppliers	18.49	356.88	375.37
(e) Others	-	3.80	3.80
Total	136.19	8,725.95	8,862.14

Mahindra Two Wheelers Limited
Notes to the special purpose condensed financial statements

Note - 7 Inventories

Rs. In Lacs

Particulars	As at December 31, 2016		
	Spares	Vehicles	Total
(a) Raw materials	-	2,674.15	2,674.15
(b) Work-in-progress	-	289.03	289.03
(c) Finished goods	-	1,702.82	1,702.82
(d) Spares for resale (Manufactured/Traded)	1,121.22	-	1,121.22
(e) Stores and spares	-	507.77	507.77
Total	1,121.22	5,173.77	6,294.99

Included above, goods-in-transit:			
(i) Raw materials	-	145.67	145.67
Total	-	145.67	145.67

ks
Per

Note - 8 Current Investment

Rs. In Lacs.

Particular	As at December 31, 2016		
	Spares	Vehicles	Total
Investment - Mutual Fund			
i) IDFC Mutual fund - Cash fund Growth Regular Plan (37690.942 Units)	-	730.92	730.92
Total	-	730.92	730.92

ks
Per

Mahindra Two Wheelers Limited
Notes to the special purpose condensed financial statements

Note - 9 - Trade receivables

Rs. In Lacs

Particulars	As at December 31, 2016		
	Spares	Vehicles	Total
Trade receivables			
(a) Considered good	232.99	772.69	1,005.68
(b) Doubtful	20.58	446.81	467.39
	253.57	1,219.50	1,473.07
Less: Allowance for Credit Losses	(20.58)	(446.81)	(467.39)
Total	232.99	772.69	1,005.68

h
Sum
h

Note - 10 Cash and Bank Balances

Rs. In Lacs

Particulars	As at December 31, 2016		
	Spares	Vehicles	Total
(a) Cash in hand	-	0.26	0.26
(b) Balances with banks			
(i) In Current Account	5.12	132.04	137.16
(ii) In EEFC accounts	-	110.58	110.58
Total	5.12	242.88	248.00

h
Sum
h

Mahindra Two Wheelers Limited

Notes to the special purpose condensed financial statements

Note - 11 - Share Capital

Rs. in lacs

		As at December 31, 2016	
		Total	
Authorised: 3,500,000,000 equity shares of Rs 10/- each.		350,000.00	
		350,000.00	
Issued, Subscribed and Paid up: 2,998,389,216 equity shares of Rs 10/- each fully paid up.		299,838.92	
Total		299,838.92	
Reconciliation of the no. of shares outstanding at the beginning and at the end of the period:			
		As at December 31, 2016	
		Total	
		Amount in lacs	No. of shares
No of equity shares outstanding at the beginning of the year		265,838.92	2,658,389,216
Add: Additional equity shares issued during the period		34,000.00	340,000,000
Less: Equity Shares forfeited/Bought back during the period		-	-
No of equity shares outstanding at the end of the period		299,838.92	2,998,389,216
Notes:			
i) Number of shares held by each shareholder holding more than 5% shares in the company are as follows:			
Particulars	As at December 31, 2016		
	Number of shares	% Shareholding	
Equity Shares:			
Mahindra Vehicle Manufacturing Limited	2,766,097,344	92.25	
Mahindra & Mahindra Limited	-	-	
Aay Kay Global	213,575,006	7.12	
ii) The Company has only one class of Share i.e. Equity Shares having par value of Rs.10 each. Each holder of Equity Share is entitled to one vote per Share. In the event of liquidation of company, The holder of the Equity Share will be entitled to receive remaining assets, after deducting all it's liabilities, in proportion to the number of Equity Share held			

B
sum
h

Mahindra Two Wheelers Limited
Notes to the special purpose condensed financial statements

Note 11a - Other equity

Particulars	As at December 31, 2016		
	Spares	Vehicles	Total
(a) Securities premium account:			
Balance at April 1, 2016	-	920.54	920.54
Less: Utilised on account of Share issue costs	-	(34.50)	(34.50)
Closing Balance	-	886.04	886.04
(b) General reserve			
Balance at April 1, 2016	508.92	(239,818.58)	(239,309.66)
Add :			
Profit / loss for the period	337.33	(31,715.65)	(31,378.32)
Closing Balance	846.25	(271,534.23)	(270,687.98)
TOTAL (a)	846.25	(270,648.19)	(269,801.94)

(i) Component of other Comprehensive Income (OCI)

Changes to OCI, (as part of retained earnings in statement of changes in equity) is shown below :

Particulars	As at December 31, 2016		
	Spares	Vehicles	Total
Balance at April 1, 2016	-	(298.76)	(298.76)
Add :			
Other comprehensive income for the period	1.10	59.76	60.86
Closing Balance	1.10	(239.00)	(237.90)
TOTAL (b)	1.10	(239.00)	(237.90)
Total Other Equity (a+b)	847.35	(270,887.19)	(270,039.84)

15
ans

Mahindra Two Wheelers Limited
Notes to the special purpose condensed financial statements

Note - 12 Non Current Provisions

Particulars	Rs. In Lacs		
	As at December 31, 2016		
	Spares	Vehicles	Total
(a) Provision for employee benefits Provision for compensated absences	6.47	352.97	359.44
(b) Other Provisions			
Warranty	-	131.97	131.97
Free Service Coupons	-	24.55	24.55
Total	6.47	509.49	515.96

Note - 12a Current Provisions

Particulars	Rs. In Lacs		
	As at December 31, 2016		
	Spares	Vehicles	Total
(a) Provision for employee benefits			
Provision for compensated absences	2.29	125.06	127.35
Provision for Gratuity	1.86	101.40	103.26
(b) Other Provisions			
Warranty	-	416.37	416.37
Free Service Coupons	-	192.74	192.74
Other Provisions for Potential Statutory Liabilities	35.85	193.46	229.31
Total	40.00	1,029.03	1,069.03

K
Sum
h

Note - 13 Trade Payables

Particulars	Rs. In lacs		
	As at December 31, 2016		
	Spares	Vehicles	Total
- Total outstanding dues of Micro and small enterprises	-	42.21	42.21
- Total outstanding dues of other than Micro and small enterprises			
Acceptances	-	545.05	545.05
Others	480.39	10,613.17	11,093.56
Total	480.39	11,200.43	11,680.82

K
Sum
h

Mahindra Two Wheelers Limited
Notes to the special purpose condensed financial statements

Note - 14 Other Current Financial Liabilities

Rs. in lacs

Particulars	As at December 31, 2016		
	Spares	Vehicles	Total
(a) Trade/Security Deposits	196.35	818.22	1,014.57
(b) Payable on purchase of property, plant and equipment	-	328.19	328.19
Total	196.35	1,146.41	1,342.76

K
Sum
A

Note - 15 Other Current Liabilities

Rs. in Lacs

Particulars	As at December 31, 2016		
	Spares	Vehicles	Total
Advances received from customers	154.36	857.36	1,011.72
Statutory dues			
- Taxes payable (other than income taxes)	28.71	554.15	582.86
- Employee Recoveries and Employer Contributions	1.21	65.97	67.18
Total	184.28	1,477.48	1,661.76

A
Sum
A

Mahindra Two Wheelers Limited
Notes to the special purpose condensed financial statements

Note - 16 Revenue from Operations

Particulars	Rs. in Lacs		
	For the period ended December 31, 2016		
	Spares	Vehicles	Total
(a) Revenue from sale of products	3,924.59	23,918.96	27,843.55
(b) Other operating income	6.43	255.68	262.11
Total	3,931.02	24,174.64	28,105.66
Other operating revenues comprise:			
Sale of scrap	6.43	71.59	78.02
Duty drawback and other export incentives	-	184.09	184.09
Total	6.43	255.68	262.11

Le
Pun
h

Note - 17 Other Income

Particulars	Rs. in Lacs		
	For the period ended December 31, 2016		
	Spares	Vehicles	Total
(a) Interest Income on bank deposits	-	80.55	80.55
(b) Royalty	-	261.18	261.18
(c) Gain on sale of current investments	-	85.58	85.58
(d) Miscellaneous Income	-	-	-
Total	-	427.31	427.31

Le
Pun
h

Mahindra Two Wheelers Limited

Notes to the special purpose condensed financial statements

Note - 18 Cost of materials consumed

Particulars	Rs. In Lacs		
	For the period ended December 31, 2016		
	Spares	Vehicles	Total
Opening stock	-	3,408.39	3,408.39
Add: Purchases	730.19	15,762.38	16,492.57
Less: Closing stock	-	3,181.92	3,181.92
Cost of materials consumed	730.19	15,988.85	16,719.04
Materials consumed comprise:			
Raw material	599.67	15,766.50	16,366.17
Other items	130.52	222.35	352.87
Total	730.19	15,988.85	16,719.04

Note - 18a Changes in inventories of finished goods, work-in-progress and stock-in-trade

Particulars	Rs. In Lacs		
	For the period ended December 31, 2016		
	Spares	Vehicles	Total
<u>Inventories at the end of the year:</u>			
Finished goods	-	1,702.82	1,702.82
Work-in-progress	-	289.03	289.03
Stock-in-trade	1,121.22	-	1,121.22
	1,121.22	1,991.85	3,113.07
<u>Inventories at the beginning of the year:</u>			
Finished goods	-	7,264.27	7,264.27
Work-in-progress	-	373.20	373.20
Stock-in-trade	1,267.37	-	1,267.37
	1,267.37	7,637.47	8,904.84
Net (increase) / decrease	146.15	5,645.62	5,791.77

K
 /
 Rm
 A

Mahindra Two Wheelers Limited
Notes to the special purpose condensed financial statements

Note - 19 Employee Benefits Expense

Rs. In Lacs

Particulars	For the period ended December 31, 2016		
	Spares	Vehicles	Total
(a) Salaries and wages, including bonus *	162.80	5,724.91	5,887.71
Less: Salary capitalised	-	170.00	170.00
	162.80	5,554.91	5,717.71
(b) Amount paid towards voluntary retirement scheme	-	4,045.25	4,045.25
(c) Contribution to provident and other funds	18.92	479.21	498.13
(d) Staff welfare expenses	8.04	274.38	282.42
Total	189.75	10,353.76	10,543.51

K
Sum
h

Note - 20 Finance Cost

Rs. In Lacs

Particulars	For the period ended December 31, 2016		
	Spares	Vehicles	Total
(a) Interest expense			
(1) Interest on Fixed Loans	-	78.52	78.52
(2) Interest on loans from related parties	-	16.41	16.41
(3) Other interest expense	49.51	904.73	954.24
	49.51	999.66	1,049.17
(b) Other borrowing cost	-	47.25	47.25
Total	49.51	1,046.91	1,096.42

K
Sum
h

Mahindra Two Wheelers Limited

Notes to the special purpose condensed financial statements

Note - 21 Other Expenses

Rs. In Lacs

Particulars	For the period ended December 31, 2016		
	Spares	Vehicles	Total
Stores consumed	5.27	55.98	61.25
Processing & Machining charges	2.55	291.88	294.43
Cost of Services - Deputation Charges, Software Service, Business Support Service, etc.	224.81	857.94	1,082.75
Power & Fuel	2.05	233.72	235.77
Freight and handling charges	216.87	172.99	389.86
Repairs and maintenance			
- Buildings	-	2.82	2.82
- Machinery	0.97	111.03	112.00
- Others	1.17	133.49	134.66
Rent including lease rentals	53.49	614.37	667.86
Royalty	-	350.00	350.00
Rates and taxes	2.86	55.24	58.10
Insurance	2.26	123.63	125.89
Provision for doubtful debts and advances	13.71	72.21	85.92
Bad Debts Written off	-	0.82	0.82
Warranty Expenses and Free Service Charges (Net of Recoveries)	-	492.89	492.89
Advertisement, Promotion & Selling Expenses	-	4,128.76	4,128.76
Excise duties			
- relating to changes in Inventories of finished goods	(21.93)	(191.57)	(213.50)
- Others	21.93	(438.86)	(416.93)
Loss on sale of Non Current Investments	-	622.98	622.98
Auditors remuneration and out-of-pocket expenses	1.63	31.53	33.16
Stamp duty, registration charges	-	0.09	0.09
Loss on Sale of Property, Plant and Equipment	-	112.38	112.38
Asset Written off	-	2,206.94	2,206.94
Other expenses	67.67	1,614.51	1,682.18
Total	595.31	11,655.77	12,251.08

Hs
 Sum
 a

22. Corporate Information

Mahindra Two Wheelers Ltd. (MTWL) is subsidiary of Mahindra Vehicle Manufacturers Limited (w.e.f 17th February 2016). MTWL is engaged in the business of manufacturing & selling motorized two wheeler vehicles.

MTWL has a manufacturing plant located at Pithampur near Indore and an assembly unit at SUPA near Ahemadnagar. MTWL also has R&D center at Chinchwad, Pune.

23. Basis of preparation, presentation and purpose of these financial statements

These Special Purpose Condensed Financial Statements have been prepared on the historical cost basis, except for certain financial instruments which are measured at fair values at the end of each reporting period and in accordance with measurement and recognition principles in the Indian Accounting Standards (referred to as "Ind AS") notified under Section 133 of the Companies Act, 2013 and other accounting principles generally accepted in India. The accounting policies followed in preparation of these Special Purpose Condensed Financial Statements are consistent with those followed in the preparation of the Special Purpose Condensed Financial Statements for the period ended September 30, 2016. In the opinion of the management, all adjustments which are necessary for a fair presentation have been included.

The Special Purpose Condensed Financial Statements includes presentation of amount pertaining to Two Wheelers Undertaking (Vehicles) and Remaining Business (spares), which have been segregated considering specific assets and liabilities identified to the respective business and interchangeable assets and liabilities allocated on the following basis -

- **Cash and Cash equivalents:** Based on the specific designated bank accounts identified by the Management.
- **Employee Benefits:** In proportionate of the salary cost of the employee identified to the respective business.
- **VAT liabilities, VAT input credits:** In proportionate of the cost of goods sold of the respective business.
- **Equity share capital** has been identified as funding for the Vehicle Business.

These Special Purpose Financial Statements have been prepared for the nine months period ended December 31, 2016, solely for use by the management and the Board of Directors for their internal reviews. Accordingly, comparative figures are not given and the disclosures \ presentations are made only to the extent as required by the management.

First-time adoption of Ind AS:

These special purpose condensed financial statements, for the nine months ended December 31, 2016, are the first the Company has been prepared in accordance with Ind AS. For periods up to and including the year ended March 31, 2016, the Company prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP). In preparing these financial statements, the Company's opening balance sheet was prepared as at April 01, 2015, the Company's date of transition to Ind AS. This note explains the principal adjustments made by the Company in restating its Indian GAAP financial statements, including the balance sheet as at April 01, 2015.



Mahindra Two Wheelers Limited
Notes to the Special Purpose Condensed Financial Statements

Exceptions from full retrospective application:

The Company has applied the following mandatory exceptions from retrospective application of Ind AS:

- De-recognition of financial assets and liabilities exception - Financial assets and liabilities de-recognized before transition date are not re-recognized under Ind AS.
- Estimates exception - On an assessment of the estimates made under the Previous GAAP financial statements of the respective Company entities, the Company has concluded that there is no necessity to revise the estimates under Ind AS, as there is no objective evidence that those estimates were in error. However, estimates, that were required under Ind AS but not required under Previous GAAP, are made by the Company for the relevant reporting dates, reflecting conditions existing as at that date without using any hindsight.
- The remaining mandatory exceptions either do not apply or are not relevant to the Company.

24. Scheme of Arrangement

The Board of Directors of the Company in their meeting held on December 3, 2016, approved the Scheme of Arrangement between the Company and Mahindra & Mahindra Limited ("the Resulting Company") and their respective Shareholders and Creditors ("the Scheme") for demerger of the Two Wheelers Business, inter alia, consisting of entire undertaking, business, activities and operations pertaining to the Two Wheelers Business ("Demerged Undertaking") of the Company and its transfer as a going concern to the Resulting Company with effect from 1st October, 2016 or such other date as may be directed or approved by the High Court ("the Appointed Date"), in consideration of allotment of 1 (One) Ordinary (Equity) Shares of Rs.5 each fully paid-up of the Resulting Company to the shareholders of the Company for every 461 (Four Hundred Sixty One) equity shares fully paid-up held by them in the Company, based on an independent joint valuation report. Fractional entitlements to be rounded-off to the next higher whole number.

Further in terms of the Scheme, the aggregate of balance in Profit and Loss Account as at 30th September, 2016 and the additional amount debited to Reserves (Balance in Profit and Loss Account), if any, arising due to excess of assets over liabilities transferred under the Scheme is to be written off against the Securities Premium Account and the Share Capital of the Company, resulting in reduction of Securities Premium Account, as on close of business hours on 30th September 2016, aggregating Rs.741.73 Lakhs and reduction of the paid-up equity share capital of the Company by Rs. 299,239.24 Lakhs being effect of reduction in face value and paid-up value of each equity share from Rs. 10/- (Rupees Ten only) to Rs.0.02 (Two Paise only) per share.

The Company has submitted the scheme with stock exchange and is in the process of taking necessary steps for obtaining the requisite approvals (shareholders\creditors\authorities \Honorable High Court \ National Company Law Tribunal) as may be required for implementation of the scheme, pending which no adjustments thereof has been made in these financial statement.

25. During the period ended 31st December, 2016, the company has disposed off investment in Mahindra Two Wheelers Europe holding S.a.r.l - Luxembourg for Rs. 19,656 Lacs and accordingly loss amounting to Rs. 622.98 lakhs has been accounted for in the books of account.

Mahindra Two Wheelers Limited
Notes to the Special Purpose Condensed Financial Statements

26. Earnings per share (EPS)

(Rs. In Lacs)

Particulars	For The Nine Months Period Ended December 31, 2016
Net Profit / (Loss) after Tax	(31,378.32)
Weighted average number of equity shares (Basic and Diluted)	2,817,821,943
Face value per share	10
Basic and diluted Earnings per Share	(1.11)

27. Contingent Liabilities

(Rs. In Lacs)

Particulars	As at December 31, 2016
Stamp Duty paid under protest*	110.01
Excise and Service Tax Matters*	7,235.85
Total	7,345.86

* relates to vehicle business.

28. During the current period the Company has continued to incur losses and as at the period end its net-worth is substantially eroded with the accumulated losses aggregating to Rs 270,687.98 Lacs. However, the Company is able to operate uninterruptedly with the continued support from the shareholders with infusion of funds (equity and borrowings). Further considering the proposed scheme of arrangement as discussed in para 24 above and based on the future business plans and the turnaround strategy adopted for the continuing business, in the opinion of the management, the Company will be able to generate profits in the future in excess of its accumulated losses and continue to operate as a going concern.

For and on behalf of the Board of Directors

Director



Director



Chief Financial Officer

Place: Mumbai

Date: 25th Jan. 2017

b h
sem

Mahindra Rise.

Mahindra & Mahindra Limited

Registered Office: Gateway Building, Apollo Bunder, Mumbai – 400 001.

CIN: L65990MH1945PLC004558

website: www.mahindra.com • email: investors@mahindra.com • Tel: +91 22 22895500 • Fax: +91 22 22875485

**BEFORE THE NATIONAL COMPANY LAW TRIBUNAL AT MUMBAI BENCH
Company Scheme Application No. 347 of 2017**

In the matter of Companies Act, 2013;

AND

In the matter of sections 230 to 232 read with section 52 and other applicable provisions of the Companies Act, 2013 as amended, including any statutory modification(s) or re-enactment(s) thereof and corresponding provisions of the Companies Act, 1956 to the extent as may be applicable;

AND

In the matter of Scheme of Arrangement between Mahindra Two Wheelers Limited having CIN: U35911MH2008PLC185462 ('Demerged Company') and Mahindra & Mahindra Limited having CIN: L65990MH1945PLC004558 ('Resulting Company') and their respective Shareholders and Creditors.

MAHINDRA & MAHINDRA LIMITED

(CIN: L65990MH1945PLC004558)

A Listed Company incorporated under the provisions of the Indian Companies Act, VII of 1913 having its Registered Office at Gateway Building, Apollo Bunder, Mumbai - 400 001.

} Applicant Company

FORM OF PROXY

I/We, being the member(s) of _____ shares of the above named company, hereby appoint:

- | | |
|---|--|
| 1. Name: _____
Address: _____
_____ | E-mail Id: _____

Signature: <input style="width: 150px; height: 20px;" type="text"/> , or failing him |
| 2. Name: _____
Address: _____
_____ | E-mail Id: _____

Signature: <input style="width: 150px; height: 20px;" type="text"/> , or failing him |
| 3. Name: _____
Address: _____
_____ | E-mail Id: _____

Signature: <input style="width: 150px; height: 20px;" type="text"/> |

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Meeting of the Equity Shareholders convened pursuant to direction of National Company Law Tribunal, Mumbai Bench to be held on Tuesday, 13th June, 2017 at 3 P.M. at Birla Matushri Sabhagar, 19, Sir Vithaldas Thackersey Marg (New Marine Lines), Mumbai - 400 020 and any adjournment or adjournments thereof, for the purpose of considering and if thought fit approving with or without modification(s), the Scheme of Arrangement as detailed in the Notice of such meeting and to vote, for me/us and in my/our name(s) _____ (here, if for, insert 'FOR', or if against, insert 'AGAINST') the arrangement embodied in the said Scheme as my/our proxy.

Signed this _____ day of _____ 2017

Signature of Shareholder(s)

 Signature of Sole/first holder Signature of Second holder Signature of Third holder

Affix Re.1
Revenue
Stamp

- Notes:**
1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
 2. A person can act as proxy on behalf of Members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. Further, a Member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other Member.
 3. Please affix Revenue Stamp before putting Signature.
 4. All alterations made in the Form of Proxy should be initiated.
 5. Proxy need not be a shareholder of the Applicant Company.
 6. In case of multiple proxies, the proxy later in time shall be accepted.

THIS PAGE IS INTENTIONALLY LEFT BLANK.



MAHINDRA & MAHINDRA LIMITED

(CIN: L65990MH1945PLC004558)

Registered Office: Gateway Building, Apollo Bunder, Mumbai- 400 018, India

Phone: +91 (22) 22895500 Fax: +91 (22) 22875485

Email: investors@mahindra.com Website: www.mahindra.com

ATTENDANCE SLIP

MEETING OF EQUITY SHAREHOLDERS ON 13TH JUNE, 2017.

(PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND IT OVER AT THE REGISTRATION COUNTER AT THE MEETING HALL)

Joint Shareholders may obtain additional attendance slip at the venue of the Meeting.

Name and Address of the Equity Shareholder (In Block Letters)	:
Folio No.	:
DP ID No.	:
Client ID No.	:
Number of shares held	:

I/We hereby record my/our presence at the Meeting of the Shareholders of Mahindra & Mahindra Limited convened pursuant to the Order dated 5th April, 2017 of the National Company Law Tribunal, Mumbai Bench, held at Birla Matushri Sabhagar, 19, Sir Vithaldas Thackersey Marg (New Marine Lines), Mumbai - 400 020 on Tuesday, 13th June, 2017 at 3 P.M.

Name(s) of the Shareholder(s)/Proxy(In Block Letters)

Signature(s) of the Shareholder(s)/Proxy

THIS PAGE IS INTENTIONALLY LEFT BLANK.



The last date for receipt of Postal Ballot is 12th June, 2017, 5:00 P.M.

Mahindra & Mahindra Limited

Registered Office: Gateway Building, Apollo Bunder, Mumbai – 400 001.

CIN: L65990MH1945PLC004558

website: www.mahindra.com • email: investors@mahindra.com • Tel: +91 22 22895500 • Fax: +91 22 22875485

POSTAL BALLOT FORM

1.	Name(s) of Shareholder(s) : (including joint holders, if any)	:	
2.	Registered address of the Sole/First named Shareholder	:	
3.	Registered Folio No./DP ID & Client ID	:	
4.	Number of shares held	:	

I/We hereby exercise my/our vote(s) in respect of the Resolution as detailed in the Notice dated 10th May, 2017 convening Meeting of Equity Shareholders of Mahindra & Mahindra Limited, as directed by National Company Law Tribunal, Mumbai Bench, on Tuesday, 13th June, 2017 at 3:00 P.M. at Birla Matushri Sabhagar, 19, Sir Vithaldas Thackersey Marg (New Marine Lines), Mumbai - 400 020 by sending my/our assent or dissent to the said Resolution by placing a tick mark (√) in the appropriate box below:

Description of the Resolution	No. of Shares for which votes cast	I/We assent to the resolution (FOR)	I/We dissent to the resolution (AGAINST)
Resolution approving Scheme of Arrangement pursuant to sections 230 to 232 read with section 52 of the Companies Act, 2013 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies Act, 1956, as may be applicable, between Mahindra Two Wheelers Limited ("Demerged Company") and Mahindra & Mahindra Limited ("Resulting Company") and their respective Shareholders and Creditors			

Place:

Date:

(Signature of the Shareholder or Authorised Signatory)

ELECTRONIC VOTING PARTICULARS

The E-Voting facility is available at the link <https://evoting.karvy.com>

The electronic voting particulars are set out as below:

EVEN (Electronic Voting Event No.)	USER ID	PASSWORD
3004		

NOTES:

- ❖ Kindly read the instructions printed overleaf carefully before exercising your vote.
- ❖ If the voting rights are exercised electronically then, there is no need to use this form.

INSTRUCTIONS

1. Pursuant to sections 230 to 232 read with sections 108 and 110 of the Companies Act, 2013 read with Companies (Management & Administration) Rules, 2014 and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, assent or dissent of the members in respect of the resolution detailed in the Notice dated 10th May, 2017 convening Meeting of Equity Shareholders of Mahindra & Mahindra Limited, as per directions of Mumbai Bench of National Company Law Tribunal ('NCLT'), on Tuesday, the 13th day of June 2017 at 3:00 P.M. at Birla Matushri Sabhagar, 19, Sir Vithaldas Thackersey Marg (New Marine Lines), Mumbai - 400 020 is being additionally sought through Postal Ballot process/Remote E-voting as per directions of NCLT.
2. A member desiring to exercise vote by postal ballot, may send duly completed form in the enclosed business reply envelope. **The Voting period will commence on and from Sunday, 14th May, 2017 at 9:00 A.M. and end on Monday, 12th June, 2017 at 5:00 P.M.** The envelopes containing Postal Ballot Form should reach the Scrutinizer not later than 5:00 P.M. on 12th June, 2017 failing which, it will be strictly considered that no reply has been received from the member. Postage on the Business Reply Envelope will be borne by the Company. However, envelopes containing Postal Ballot, if sent by Courier or by Registered Post or Speed Post, at the expense of the Member will also be accepted. Postal Ballot Form(s) may also be deposited personally at the Corporate Office of the Company. The Postal Ballot Form received after this date and time will be strictly treated as if reply from the Member has not been received.
3. Assent/Dissent to the proposed resolution may be recorded by placing tick mark (✓) in the appropriate column. Postal Ballot Form bearing (✓) mark in both the column will render the form invalid. Voting in the Postal Ballot cannot be exercised by a Proxy.
4. The Postal Ballot form should be completed and signed by the Shareholder(s). An unsigned Postal Ballot Form will be rejected.
5. In case of joint holding, the Postal Ballot Form should be completed and signed (as per the specimen signature registered with the Company/Depository) by the first named Member and in the absence of such Member, by the next named joint-holder. A Member may sign the Postal Ballot Form through an attorney, in which case the registration number of the Power of Attorney with the Company should be mentioned or a notarised copy of the Power of Attorney should be attached to the Postal Ballot Form. There will be only one Postal Ballot Form for every folio irrespective of the number of joint Member(s).
6. In case of shares held by Companies, Institutional Members (FPIs/Foreign Institutional Investors/Trust/Mutual Funds/Banks etc.) etc., the duly completed Postal Ballot Form, signed by the Authorised Signatory, should also be accompanied by a certified true copy of the Board Resolution/Authority together with the specimen signature(s) of the Authorised Signatory(ies) duly verified. In case of Remote E-voting, documents such as the certified true copy of Board Resolution/Power of Attorney, along with attested specimen signatures, should be E-mailed to the Scrutinizer at sbhagwatcs@yahoo.co.in and to the Company at investors@mahindra.com with a copy marked to evoting@karvy.com
7. A Member neither needs to use all his/her votes nor needs to cast all his/her votes in the same way.
8. An incomplete, unsigned, incorrectly completed, incorrectly ticked, defaced, torn, mutilated, over-written, wrongly signed Postal Ballot Forms will be rejected. The Scrutinizer's decision on the validity of Postal Ballot Form will be final.
9. The signature of the Member on this Postal Ballot Form should be as per the specimen signature furnished by Depositories or registered with the Company, in respect of shares held in Dematerialised form or in physical form, respectively.
10. Voting rights shall be reckoned on the paid up value of shares registered in the name of the Member as on close of business on Monday, the 8th day of May, 2017, being the cut-off date.
11. A Member may request for a duplicate Postal Ballot Form, if so required, from the Company/Karvy Computershare Private Limited ('Karvy'). However, the duly completed duplicate Postal Ballot Form should reach the Scrutinizer not later than the date and time specified above.
12. No Member is entitled to vote on Postal Ballot unless all calls or other sums presently payable by him in respect of shares have been paid.
13. Members are requested not to send any other paper along with the Postal Ballot Form in the enclosed self addressed postage prepaid envelope as all Postal Ballot(s) will be sent to the Scrutinizer and any extraneous paper found in such envelope would be destroyed by the Scrutinizer.
14. Members are requested to fill Postal Ballot Form in indelible ink & avoid filling it by using erasable writing medium(s) like pencil.
15. The proposed Scheme, if assented by majority of Shareholders representing three-fourth of the value, by way of Postal Ballot, Remote E-voting and Voting by Poll at the meeting shall be considered as passed on the date of Meeting i.e. Tuesday, the 13th day of June 2017.
16. In case of any clarification(s)/grievance(s) connected with facility for e-voting, the Members can contact Mr. Prem Kumar M., Manager, Karvy at Karvy Selenium, Tower B, Plot No. 31 & 32, Gachibowli, Financial District, Nanakramguda, Hyderabad, Telangana – 500 032 or at the email ID evoting@karvy.com or on Telephone Nos. 040 – 6716 1500/509, or call Karvy's toll free No. 1800-3454-001.
17. **E-VOTING: In compliance with Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 and provisions of section 108 of the Companies Act, 2013 read with the Rules made thereto, the Company is pleased to provide Remote E-Voting facility (through E-Voting Platform of Karvy <https://evoting.karvy.com>), as an alternate which would enable the Member to cast votes electronically, instead of sending Physical Postal Ballot Form. Please note that Remote E-Voting is optional. In case a Member has voted through Remote E-Voting facility, he does not need to send the physical Postal Ballot Form. In case Member(s) cast their vote via both modes i.e. Physical Ballot as well as Remote E-Voting, then voting done through Remote E-Voting shall prevail and Physical Voting of that Member shall be treated as invalid. Members are requested to refer to the Notice and notes thereto, for detailed instructions with respect to Remote E-voting.**

INSTANCES IN WHICH THE POSTAL BALLOT FORM SHALL BE TREATED AS INVALID OR REJECTED

- (a) A form other than one issued by the company has been used;
- (b) It has not been signed by or on behalf of the Member;
- (c) Signature on the Postal Ballot Form doesn't match the specimen signatures with the Company/Depository;
- (d) It is not possible to determine without any doubt the assent or dissent of the Member;
- (e) Neither assent nor dissent is mentioned;
- (f) Any competent authority has given directions in writing to the company to freeze the Voting Rights of the Member;
- (g) The envelope containing the Postal Ballot Form is received after the last date and time prescribed;
- (h) The postal ballot form, signed in a representative capacity, is not accompanied by a certified copy of the relevant specific authority;
- (i) It is received from a Member who is in arrears of payment of calls;
- (j) It is defaced or mutilated in such a way that its identity as a genuine form cannot be established.



Mahindra & Mahindra Limited

Registered Office: Gateway Building, Apollo Bunder, Mumbai - 400 001.

CIN: L65990MH1945PLC004558

website: www.mahindra.com • email: investors@mahindra.com • Tel: +91 22 22895500 • Fax: +91 22 22875485

BEFORE THE NATIONAL COMPANY LAW TRIBUNAL AT MUMBAI BENCH

Company Scheme Application No. 347 of 2017

In the matter of Companies Act, 2013;

AND

In the matter of sections 230 to 232 read with section 52 and other applicable provisions of the Companies Act, 2013 as amended, including any statutory modification(s) or re-enactment(s) thereof and corresponding provisions of the Companies Act, 1956 to the extent as may be applicable;

AND

In the matter of Scheme of Arrangement between Mahindra Two Wheelers Limited having CIN: U35911MH2008PLC185462 ('Demerged Company') and Mahindra & Mahindra Limited having CIN: L65990MH1945PLC004558 ('Resulting Company') and their respective Shareholders and Creditors.

MAHINDRA & MAHINDRA LIMITED

(CIN: L65990MH1945PLC004558)

A Listed Company incorporated under the provisions of the Indian Companies Act, VII of 1913 } Applicant Company
having its Registered Office at Gateway Building, Apollo Bunder, Mumbai - 400 001.

NOTICE TO SECURED CREDITORS UNDER SECTION 230 OF THE COMPANIES ACT, 2013

You are the secured creditor of Mahindra & Mahindra Limited as on 28th February 2017.

Notice is hereby given in pursuance of sub section (3) of section 230 of the Companies Act, 2013 that as directed by the Mumbai Bench of National Company Law Tribunal by an Order dated 5th April, 2017 passed in Company Scheme Application No. 347 of 2017 under sub-section (1) of section 230 of the Act, a meeting of the members shall be held on 13th June, 2017 at 3:00 P.M. to consider the Scheme of Arrangement between Mahindra Two Wheelers Limited (Demerged Company) and Mahindra & Mahindra Limited (Resulting Company) and their respective Shareholders and Creditors at Birla Matushri Sabhagar, 19, Sir Vithaldas Thackersey Marg (New Marine Lines), Mumbai - 400 020.

A copy of the notice along with all annexures, and Scheme of Arrangement are enclosed.

You are hereby informed that representations, if any, in connection with the proposed arrangement may be made to the National Company Law Tribunal, Mumbai Bench, within thirty (30) days from the date of receipt of this notice. The address of the Tribunal is 6th floor, Fountain Telecom, Building 1, Mahatma Gandhi Road, Fort, Mumbai - 400 001. Copy of the representation shall simultaneously be sent to the Company.

In case no representation is received within the stated period of thirty (30) days, it shall be presumed that you have no representation to make on the proposed scheme of arrangement.

ANAND G. MAHINDRA

DIN : 00004695

Chairman appointed for the meeting of the Equity Shareholders

Dated this 10th day of May, 2017

Enclosures: Copy of notice with statement as required under section 230(3) and annexures to it along with the Scheme of Arrangement.



Mahindra & Mahindra Limited

Registered Office: Gateway Building, Apollo Bunder, Mumbai - 400 001.

CIN: L65990MH1945PLC004558

website: www.mahindra.com • email: investors@mahindra.com • Tel: +91 22 22895500 • Fax: +91 22 22875485

BEFORE THE NATIONAL COMPANY LAW TRIBUNAL AT MUMBAI BENCH Company Scheme Application No. 347 of 2017

In the matter of Companies Act, 2013;

AND

In the matter of sections 230 to 232 read with section 52 and other applicable provisions of the Companies Act, 2013 as amended, including any statutory modification(s) or re-enactment(s) thereof and corresponding provisions of the Companies Act, 1956 to the extent as may be applicable;

AND

In the matter of Scheme of Arrangement between Mahindra Two Wheelers Limited having CIN: U35911MH2008PLC185462 ('Demerged Company') and Mahindra & Mahindra Limited having CIN: L65990MH1945PLC004558 ('Resulting Company') and their respective Shareholders and Creditors.

MAHINDRA & MAHINDRA LIMITED

(CIN: L65990MH1945PLC004558)

A Listed Company incorporated under the provisions of the Indian Companies Act, VII of 1913 } Applicant Company
having its Registered Office at Gateway Building, Apollo Bunder, Mumbai - 400 001.

NOTICE TO UNSECURED CREDITORS UNDER SECTION 230 OF THE COMPANIES ACT, 2013

You are the unsecured creditor of Mahindra & Mahindra Limited as on 28th February, 2017.

Notice is hereby given in pursuance of sub section (3) of section 230 of the Companies Act, 2013 that as directed by the Mumbai Bench of National Company Law Tribunal by an Order dated 5th April, 2017 passed in Company Scheme Application No. 347 of 2017 under sub-section (1) of section 230 of the Act, a meeting of the members shall be held on 13th June, 2017 at 3:00 P.M. to consider the Scheme of Arrangement between Mahindra Two Wheelers Limited (Demerged Company) and Mahindra & Mahindra Limited (Resulting Company) and their respective Shareholders and Creditors at Birla Matushri Sabhagar, 19, Sir Vithaldas Thackersey Marg (New Marine Lines), Mumbai - 400 020.

A copy of the notice along with all annexures, and Scheme of Arrangement are enclosed.

You are hereby informed that representations, if any, in connection with the proposed arrangement may be made to the National Company Law Tribunal, Mumbai Bench, within thirty (30) days from the date of receipt of this notice. The address of the Tribunal is 6th floor, Fountain Telecom, Building 1, Mahatma Gandhi Road, Fort, Mumbai - 400 001. Copy of the representation shall simultaneously be sent to the Company.

In case no representation is received within the stated period of thirty (30) days, it shall be presumed that you have no representation to make on the proposed scheme of arrangement.

ANAND G. MAHINDRA

DIN : 00004695

Chairman appointed for the meeting of the Equity Shareholders

Dated this 10th day of May, 2017

Enclosures: Copy of notice with statement as required under section 230(3) and annexures to it along with the Scheme of Arrangement.