M&M expands global footprint MSAT acquires UK's largest Auto forging company

Auto

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Mumbai: Mahindra and Mahindra Limited (M&M) has acquired 98.6% shares in Stokes Group Limited, U.K. (Stokes) from its existing share holders.

Stokes Group is the largest automotive forging company in UK with state of art "net shaped forging technology". The group includes 3 companies with two manufacturing companies situated at Walsall and Dudley, near Birmingham, U.K. Stokes operates with OEM & tier 1 suppliers, major customers being Koyo Bearings, GWK Group, Land Rover, ZF, Bosch, Benteler, Visteon, Ford and Jaguar. Turnover of Stokes Group was GBP 25 million for the year ended December 31, 2004.

The above acquisition further strengthens M&M's Mahindra Systems and Automotive Technologies (MSAT) Sector. MSAT's unique model aims at offering a full range of services from design to delivery covering engineering services, strategic sourcing of components and supplying of auto component as Tier 1 manufacturers thereby becoming an 'Art to Part' supplier.

Mr. Hemant Luthra, President MSAT said *'the acquisition offers multiple benefits to MSAT & Stokes stakeholders. The customers in Europe can continue to get high quality product from a better capitalized supplier at economic pricing. Indian customers would get access to world class technology and the rich legacy of experience that the Stokes management team brings to the table. Both would benefit from the design capabilities of Mahindra Engineering Services (MES) that can accelerate product development'.*

'The senior management team of Stokes led by Mr. Ian Young, will continue under the M&M umbrella – and their expertise will be used to enhance the quality of our domestic forging business'.

Anand Mahindra, VC & MD said *that 'we believe the Stokes acquisition demonstrates our commitment to build a world class business that serves its global customers and enhances value for M&M's stakeholders'.*

Esther Horwood, Chairperson of Stokes said *'ours has been a leading company for forty years and more than one generation. Our faith in M&M and their promise to uphold the Stokes traditions and hold the company in trust for future generations was instrumental in our decision to hand over the reins to Anand and his excellent team'.*

Khaitan & Co. and Sherrards Solicitors, UK were the legal advisors for the deal to M&M.

About Mahindra & Mahindra:

The US $ 2.59 billion Mahindra Group is the market leader in multi-utility vehicles and tractors in India. With over 60 years of manufacturing experience, the Mahindra group has built a strong base in technology, engineering, marketing and distribution. M&M employs around 11,500 people and has six state-of-the-art manufacturing facilities spread over 500,000 square meters. It also has a significant presence in key sectors of the Indian economy. These include trade and financial services (Mahindra Intertrade, Mahindra & Mahindra Financial Services Ltd.), automotive components, information technology & telecom (Mahindra British Telecom, Bristlecone), and infrastructure development (Mahindra GESCO, Mahindra Holidays & Resorts India Ltd.). M&M is celebrating its 60th anniversary in 2005. It has dedicated 1% of its PAT for CSR.

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