

REF:NS:SEC:  
20<sup>th</sup> January, 2017

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

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

Bourse de Luxembourg  
Societe de la Bourse de Luxembourg  
Societe Anonyme/R.C.B. 6222,  
B.P. 165, L-2011 Luxembourg.

London Stock Exchange Plc  
10 Paternoster Square  
London EC4M 7LS.

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

With reference to the captioned subject, we would like to inform you that pursuant to approval granted by the Board of Directors, the Company has today signed a Share Subscription Agreement for subscribing upto 75.1% of the Share Capital of Hisarlar Makina Sanayi ve Ticaret Anonim Şirketi ("Hisarlar").

The details as required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI Circular No. CIR/CFD/CMD/4/2015 dated 9<sup>th</sup> September, 2015 are given in Annexure A to this letter.

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

This is for your information.

Kindly acknowledge receipt.

Yours faithfully,  
For MAHINDRA & MAHINDRA LIMITED

  
NARAYAN SHANKAR  
COMPANY SECRETARY

Encl.: a/a

## Acquisition (including agreement to acquire):

Sr. No.	Details of Events that need to be provided	Information of such events(s)
a)	name of the target entity, details in brief such as size, turnover etc.;	Hisarlar Makina Sanayi ve Ticaret Anonim Şirketi ("Hisarlar"), Turkey is a leading player in industrial cabinets and agricultural machinery market with revenue of 208 million Turkish Lira for the Financial Year ended 31 <sup>st</sup> December, 2015.
b)	whether the acquisition would fall within related party transaction(s) and whether the promoter/ promoter group/ group companies have any interest in the entity being acquired?  If yes, nature of interest and details thereof and whether the same is done at "arm's length";	At the time of subscription of upto 75.1% of the stake in the Share Capital of Hisarlar, it would not be a related party of the Company and hence the subscription would not fall within related party transaction.  None of the promoter/ promoter group/ group companies have any interest in Hisarlar.
c)	industry to which the entity being acquired belongs;	Farm Equipment sector
d)	objects and effects of acquisition (including but not limited to, disclosure of reasons for acquisition of target entity, if its business is outside the main line of business of the Company);	The Company seeks to acquire Hisarlar to get both distribution network in Turkey market as well as further strengthen its current agri-machinery product portfolio in Europe.
e)	brief details of any governmental or regulatory approvals required for the acquisition;	Anti-trust approvals in Turkey and Germany RBI Approval under FEMA (if applicable)

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f)	indicative time period for completion of the acquisition;	Around 3 months
g)	nature of consideration - whether cash consideration or share swap and details of the same	Cash
h)	cost of acquisition or the price at which the shares are acquired;	The Company will invest Turkish Lira 71 million (equivalent to around USD 19 million and around Rs. 127 crores at exchange rates of 3.80 Turkish Lira per USD and Rs.17.92 per Turkish Lira) as capital infusion in Hisarlar for acquiring a stake of upto 75.1%.
i)	percentage of shareholding / control acquired and / or number of shares acquired;	The Company has agreed to acquire upto 1.42 billion number of shares aggregating upto 75.1% of the Share Capital of Hisarlar.
j)	brief background about the entity acquired in terms of products/line of business acquired, date of incorporation, history of last 3 years turnover, country in which the acquired entity has presence and any other significant information (in brief);	<p>Based out of Turkey and incorporated on 9<sup>th</sup> February, 1977, Hisarlar is a key player in industrial cabinets, machinery components and agriculture machinery industry. Hisarlar has a strong customer base which includes a variety of tractor and heavy machinery manufacturers. It has two production facilities in Western Turkey with around 900 employees.</p> <p>Turnover details:</p> <p>Year ended 31<sup>st</sup> December 2013: 176 mn Turkish Lira</p> <p>Year ended 31<sup>st</sup> December 2014: 205 mn Turkish Lira</p> <p>Year ended 31<sup>st</sup> December 2015: 208 mn Turkish Lira</p>

Press Release

## **Mahindra Farm Equipment Enters Turkey**

*Acquires a 75.1% equity stake in Turkey-based **Hisarlar Makina Sanayi ve Ticaret Anonim Şirketi***

*Enters Turkey; ranks amongst the largest farm equipment markets globally*

**Mumbai, January 20, 2017:** Mahindra & Mahindra Ltd (M&M Ltd), a part of the USD 17.8 billion Mahindra Group, headquartered in Mumbai, India, today announced its foray into Turkey, through the acquisition of **Hisarlar Makina Sanayi ve Ticaret Anonim Şirketi** (Hisarlar), a farm equipment company based in Turkey.

Under the transaction, which is expected to close by April 2017, Mahindra will acquire a 75.1% equity stake in Hisarlar. The association will help in growing the farm equipment business in Turkey and Europe. The balance shareholding will be with European Bank for Reconstruction and Development (EBRD), 18.7%; and the founding Turker family, 6.2%. Further, as part of the transaction, Darby Converging Europe Fund III will exit its investment.

Commenting on the development, **Dr. Pawan Goenka, Managing Director, Mahindra & Mahindra Ltd.** said "Mahindra is the world's No 1 tractor company by volume, with an on ground presence in India, USA, China and Japan, besides many other export markets. Our strategy going forward is to globalise aggressively and also expand our portfolio to include various new categories of farm machinery. This acquisition is an important milestone in our globalisation journey"

**Rajesh Jejurikar, President and Chief Executive, Farm Equipment & Two Wheeler, M&M Ltd.** said, "Hisarlar is a market leader with 45% market share in soil preparation equipment in Turkey. The acquisition of Hisarlar will enable Mahindra to expand its footprint in Turkey and Europe, making this entity a global manufacturing base for various farm implements and tractor cabins".

### **About Hisarlar Makina Sanayi ve Ticaret Anonim Şirketi**

Hisarlar, incorporated in 1977, is a key player in the agriculture machinery industry, tractor cabins and components for off highway machinery.

The company has been owned primarily by the Turker family with equity participation from Darby, a private equity fund which is part of the Franklin Templeton Group, and the European Bank for Reconstruction and Development (EBRD), a leading institutional investor in Turkey.

The company's revenue in 2015 was 208 million Turkish Lira. Exports constitute around 35% of sales. The company has two production facilities in western Turkey and employs a total of about 820 people. Hisarlar is the leader in the soil preparation category of implements with a 45% market share in Turkey. The company has strong brands in this segment, supported by a distribution network of 85 dealers across Turkey.

Besides agricultural machinery, the company manufactures tractor cabins and industrial components.

Turkey is the largest tractor market in terms of production and sales within Europe. During the period 2009-15, on an average, the tractor market stood at 48,450 units. Turkey also has a 3% market share in the agri-machinery industry globally. Agricultural mechanisation in Turkey is growing and the country is also an important market for combine harvesters.

Apart from some imports in harvesters, farm equipment demand in Turkey is primarily met from domestic production. In addition, a significant proportion of agricultural equipment manufactured in Turkey is exported to Central Asia, the Middle East and Africa.

#### The Transaction

Mahindra & Mahindra Ltd. will invest 71 million Turkish Lira (equivalent to around USD 19 million at an exchange rate of 3.80 Turkish Lira per USD) in Hisarlar as fresh equity infusion into the company, which will give M & M Ltd. a 75.1% equity stake. Mahindra & Mahindra will have majority in the board and control the management of Hisarlar, post its investment into the company. As part of the transaction, EBRD is increasing its shareholding to 18.7%, and will be entitled to nominate a Board Director, with the founding Turker family retaining a 6.2% stake.

#### About Mahindra

The Mahindra Group is a USD 17.8 billion federation of companies that enables people to rise through innovative mobility solutions, driving rural prosperity, enhancing urban living, nurturing new businesses and fostering communities. It has a leadership position in utility vehicles, information technology, financial services and vacation ownership in India and is the world's largest tractor company, by volume. It also enjoys a strong presence in aerospace, agribusiness, components, commercial vehicles, consulting services, defence, energy, industrial equipment, logistics, real estate, steel, and two wheelers. Headquartered in India, Mahindra employs over 200,000 people across 100 countries.

Learn more on Mahindra on [www.mahindra.com](http://www.mahindra.com) / Twitter and Facebook: @MahindraRise

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