Mahindra

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REF:NS:SEC:
1st October 2019

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

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

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

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

Sub: Intimation under Regulation 30 read with Schedule III of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 -
Joint Venture with Ford Motor Company Inc.

Dear Sirs,

With reference to the captioned subject , we would like to inform you that, the Company along with Ford Motor Company Inc., USA ("FMC") has today executed a Business Transfer Agreement and Share Subscription Agreement ("the Agreements") to enable the formation of a joint venture by way of the Company and/or its subsidiaries acquiring 51% of the equity share capital of Ardour Automotive Private Limited, presently a wholly owned subsidiary of FMC ("NewCo") in India. The balance 49% equity shareholding in NewCo will be held by FMC and/or any of its affiliates.

NewCo will acquire the automotive business of Ford India Private Limited ("FIPL"), a wholly owned subsidiary of FMC. Upon completion of the aforesaid business transfer, the Agreements contemplate the execution of a Joint Venture Agreement and other ancillary documents between the Company and/or its Subsidiaries and FMC and/or any of its affiliates.

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

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

This is for your information.

Yours faithfully,
For **MAHINDRA & MAHINDRA LIMITED**

NARAYAN SHANKAR
COMPANY SECRETARY
Encl.: as above

Annexure A

Acquisition (including agreement to acquire):

Sr. No.	Details of Events that need to be provided	Information of such events(s)
a)	name of the target entity, details in brief such as size, turnover etc.	Ardour Automotive Private Limited ("NewCo"), is presently a wholly owned subsidiary of Ford Motor Company Inc., USA ("FMC"). NewCo will acquire the automotive business of Ford India Private Limited ("FIPL"), another wholly owned subsidiary of FMC. Date of Incorporation : 26th August, 2019 Turnover, size : Not Applicable (NewCo was incorporated on 26th August, 2019) **About FIPL:** FIPL, is a wholly owned subsidiary of FMC and has been engaged in the automotive business in India since 1995. Currently, it is the sixth largest player in the four wheeled passenger vehicle market in India. As one of the largest exporters of vehicles from India, FIPL manufactures and exports vehicles and engines from its facilities in Chengalpattu, Tamil Nadu and Sanand, Gujarat. For the year ended 31st March 2019, the total revenue of FIPL's Automotive business to be acquired by NewCo was Rs.26,324 crores. FIPL has a separate powertrain facility in Sanand which is essentially used for FMC's global markets, and the Powertrain division of FIPL would not form part of the Automotive business to be acquired by NewCo.



b)	whether the acquisition would fall within related party transaction(s) and whether the promoter/ promoter group/ group companies have any interest in the entity being acquired? If yes, nature of interest and details thereof and whether the same is done at "arm's length"	The initial investment to be made by the Company in NewCo does not fall within the purview of related party transactions. However, post the initial investment, NewCo will become a subsidiary of the Company and as such a related party of the Company. Hence any further investment by the Company in NewCo would fall within the purview of related party transaction. None of the promoter/ promoter group/ group companies have any interest in NewCo.
c)	industry to which the entity being acquired belongs	Upon acquiring the Automotive business from FIPL, NewCo would operate in the Automotive Industry.
d)	objects and effects of acquisition (including but not limited to, disclosure of reasons for acquisition of target entity, if its business is outside the main line of business of listed entity/the Company)	This Joint Venture will further strengthen the Company's presence in the Automotive business. It will help the Company's growth in key emerging markets. Besides, it will help achieve enhanced competitiveness through higher economies of scale across the automotive value chain.
e)	brief details of any governmental or regulatory approvals required for the acquisition / incorporation	The transaction is subject to applicable anti-trust approvals (including Competition Commission of India), regulatory approvals and other approvals as may be required (including approvals from the State Governments of Tamil Nadu and Gujarat).
f)	indicative time period for completion of the acquisition	The completion of the transaction is expected to take place by mid of year 2020.
g)	nature of consideration - whether cash consideration or share swap and details of the same	The consideration would be paid in cash.
h)	cost of acquisition or the price at which the shares are acquired	NewCo would acquire the automotive business of FIPL (along with all the right, title and interest therein, as a going concern, on slump sale basis). The Company and/ or its subsidiaries would hold 51% stake in NewCo and FMC and/ or its affiliates would hold 49% stake in NewCo. The purchase price to be paid by NewCo would be arrived at by deducting from the Enterprise Value, after

<table>
<tr><td></td><td></td><td>making customary closing adjustments, the net debt that would be transferred to NewCo ("Purchase Price"):

<table><tr><td>Particulars</td><td>Rs. crores</td></tr><tr><td>Enterprise Value:</td><td>1,925</td></tr><tr><td>Less: Likely debt to be transferred:</td><td>636</td></tr><tr><td>Likely Equity Value ("Purchase Price")</td><td>1,289</td></tr><tr><td>Likely Equity Value for 51% stake approximately</td><td>657</td></tr></table>
The Company is committed to fund in the aggregate, for acquiring 51% stake and for the future operations of the Company, an amount not exceeding Rs.1,400 crores (which includes the likely investment of about Rs 657 crores for 51% of the Purchase Price as mentioned above)

Similarly, FMC would be committed to fund NewCo towards its 49% stake.</td></tr>
<tr><td>i)</td><td>percentage of shareholding / control acquired and / or number of shares acquired</td><td>The Company and/ or its subsidiaries would hold a 51% stake and FMC and/ or its affiliates would hold a 49% stake in NewCo.</td></tr>
<tr><td>j)</td><td>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)</td><td>NewCo, is a wholly owned subsidiary of FMC and was incorporated on 26th August, 2019. As on date, NewCo has no business line. NewCo is intended to be used as the entity to acquire the automotive business of FIPL. Since, NewCo was formed on 26th August, 2019, the revenue of last three financial years is not applicable.

About FIPL:
FIPL, is a wholly owned subsidiary of FMC and has been engaged in the automotive business in India since 1995. Currently, it is the sixth largest player in the four wheeled passenger vehicle market in India. As one of the largest exporters of vehicles from India, FIPL manufactures and exports vehicles and engines from its facilities in Chengalpattu, Tamil Nadu and Sanand, Gujarat.

The total revenue of FIPL's Automotive business for the last three financial years is as follows:
Year ended 31st March 2019: Rs.26,324 crores.
Year ended 31st March 2018: Rs.25,010 crores.
Year ended 31st March 2017: Rs.22,103 crores</td></tr>
</table>

Annexure B

Arrangements for strategic, technical, manufacturing, or marketing tie-up: Agreement / joint venture (JV) with companies

Sr. No.	Details of Events that need to be provided	Information of such events(s)
a)	name of the entity(ies) with whom agreement/ JV is signed;	The Company along with Ford Motor Company Inc., USA ("FMC") has today executed a Business Transfer Agreement and Share Subscription Agreement ("the Agreements") to enable the formation of a joint venture by way of the Company and/or its subsidiaries acquiring 51% of the equity share capital of Ardour Automotive Private Limited, presently a wholly owned subsidiary of FMC ("NewCo") in India. The balance 49% equity shareholding in NewCo will be held by FMC and/or any of its affiliates. NewCo will acquire the automotive business of Ford India Private Limited ("FIPL"), another wholly owned subsidiary of FMC.
b)	area of agreement/ JV;	The joint venture is in relation to the acquisition of the automotive business of FIPL by NewCo.
c)	domestic/international;	The scope of the joint venture is for India and other international markets.
d)	Share exchange ratio / JV ratio;	The Company and/or its subsidiaries will hold 51% of the equity share capital of NewCo and the balance 49% will be held by FMC and/or any of its affiliates. The above would be effective post completion of Business Transfer Agreement and Share Subscription Agreement.
e)	scope of business operation of agreement / JV;	NewCo would acquire the automotive business of FIPL along with all the right, title and interest therein, as a going concern, on slump sale basis. The Company and/ or its subsidiaries and FMC and/ or its affiliates would hold 51% and 49% respectively in NewCo.
f)	details of consideration paid / received in agreement / JV;	NewCo would acquire the automotive business of FIPL (along with all the right, title and interest therein, as a

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<table>
<tr><td></td><td></td><td>going concern, on slump sale basis). The Company and/ or its subsidiaries and FMC and/ or its affiliates would hold 51% and 49% respectively in NewCo.

The purchase price to be paid by NewCo would be arrived at by deducting from the Enterprise Value, after making customary closing adjustments, the net debt that would be transferred to NewCo ("Purchase Price"):

<table>
<tr><td>Particulars</td><td>Rs. crores</td></tr>
<tr><td>Enterprise Value:</td><td>1,925</td></tr>
<tr><td>Less: Likely debt to be transferred:</td><td>636</td></tr>
<tr><td>Likely Equity Value ("Purchase Price")</td><td>1,289</td></tr>
<tr><td>Likely Equity Value for 51% stake approximately</td><td>657</td></tr>
</table>

The Company is committed to fund in the aggregate, for acquiring 51% stake and for the future operations of the Company, an amount not exceeding Rs.1,400 crores (which includes the likely investment of about Rs 657 crores for 51% of the Purchase Price as mentioned above)

Similarly, FMC would be committed to fund NewCo towards its 49% stake.</td></tr>
<tr><td>g)</td><td>significant terms and conditions of agreement / JV in brief;</td><td>The broad terms of the Joint Venture would be as under:
• The Board of NewCo would comprise of equal number of nominees from the Company and FMC.
• The Chairman of the Board would be nominated by the Company.
• Several customary matters such as approval of budget and business plan of NewCo require an approval from both the Company and FMC, etc.</td></tr>
<tr><td>h)</td><td>whether the acquisition would fall within related party transactions 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 "arms length;</td><td>The initial investment to be made by the Company in NewCo does not fall within the purview of related party transactions. However, post the initial investment, NewCo will become a subsidiary of the Company and as such a related party of the Company. Hence any further investment by the Company in NewCo would fall within the purview of related party transaction.

None of the promoter/ promoter group/ group companies have any interest in NewCo.</td></tr>
</table>

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i)	size of the entity(ies);	NewCo would acquire the automotive business of FIPL (along with all the right, title and interest therein, as a going concern, on slump sale basis) at an enterprise value of Rs.1,925 crores. The purchase price to be paid by NewCo would be arrived after deducting the net debt that would be transferred to NewCo and after making customary closing adjustments ("Purchase Price"). The Company and/ or its affiliates and FMC and/ or its affiliates would hold 51% and 49% respectively in NewCo and would fund the Purchase Price in proportion to their holding though cash infusion into NewCo as equity.
j)	rationale and benefit expected.	This Joint Venture will further strengthen the Company's presence in the Automotive business. It will help the Company's growth in key emerging markets. Besides, this it will help achieve enhanced competitiveness through higher economies of scale across the automotive value chain.



Mahindra and Ford Announce a Joint Venture To Drive Profitable Growth in India and Emerging Markets

- Marks a new era of collaboration, using the strengths of both companies to deliver operational excellence and value to stakeholders

- The partnership will allow Ford and Mahindra to offer new product to customers faster than before and will deliver profitable growth to both companies

- Valued at INR 1,925 crores (US$275 million), the joint venture will drive enhanced competitiveness through greater economies of scale across the automotive value chain, including optimized sourcing, product development, use of relevant technologies and a global network

Mumbai/New Delhi, India, October 1, 2019 – Mahindra & Mahindra Limited and Ford Motor Company have signed a definitive agreement to create a joint venture that will develop, market and distribute Ford brand vehicles in India and Ford brand and Mahindra brand vehicles in high-growth emerging markets around the world.

Mahindra and Ford will form a joint venture, with Mahindra owning a 51 percent controlling stake and Ford owning a 49 percent stake. Ford will transfer its India operations to the joint venture, including its personnel and assembly plants in Chennai and Sanand. Ford will retain the Ford engine plant operations in Sanand as well as the Global Business Services unit, Ford Credit and Ford Smart Mobility.

The joint venture is the next step in the strategic alliance forged between Ford and Mahindra in September 2017 and is expected to be operational by mid-2020, subject to regulatory approvals. The joint venture will be operationally managed by Mahindra, and its governance will be equally composed of representatives of Mahindra and Ford.

The joint venture will be responsible for growing the Ford brand in India and exporting its products to Ford entities globally. Ford will continue to own the Ford brand, and its branded vehicles will be distributed through the current Ford India dealer network. Mahindra will continue to own the Mahindra brand and operate its own independent dealer network in India.

“Mahindra and Ford coming together is a testament to the long history of cooperation and mutual respect between the two companies. Our combined strengths – Mahindra’s expertise in value-focused engineering and its successful operating model, and Ford’s technical expertise, global reach and access to future technology – are a potent recipe for success. At its core, the partnership will be driven by the shared values of both companies, which are focused on caring for our customers, associates and our communities,” said **Anand Mahindra, Chairman, Mahindra Group**.

“Ford and Mahindra have a long history of working together, and we are proud to partner with them to grow the Ford brand in India. We remain deeply committed to our employees, dealers and suppliers, and this new era of collaboration will allow us to deliver more vehicles to consumers in this important market,” said **Bill Ford, executive chairman, Ford Motor Company**.

“At Ford, our purpose for 116 years has always been to drive human progress, and that won’t change. But to continue to do that, we need to evolve with new and faster ways of not only delighting our customers around the world but also solving their very different needs. Strong alliances like this play

a crucial role in assuring we continue to achieve our vision while at the same time staying competitive and delivering value to our global stakeholders," said **Jim Hackett, Ford president and CEO**.

The joint venture expects to introduce three new utility vehicles under the Ford brand, beginning with a new midsize sports utility vehicle that will have a common Mahindra product platform and powertrain.

Another area of focus for the joint venture will be electric vehicles. Ford and Mahindra will collaborate to develop vehicles to support the growth of sustainable mobility across emerging markets.

Driving greater economies of scale across the automotive value chain including sourcing, product development and access to relevant technologies, the joint venture is expected to achieve enhanced efficiencies to strengthen the Ford brand in India. In addition, the joint venture will be a catalyst for growth for the Ford and Mahindra brands in emerging markets, which are growing at double the rate of the global industry.

The joint venture will use the Ford brand distribution network in emerging markets to extend support for export of Mahindra products, in addition to Ford branded vehicles. Exports today form about 7 percent of Mahindra's auto business revenues and its products are exported to South Africa, Nepal, Bangladesh, Sri Lanka and Chile, among other nations and areas.

"Emerging economies including India are expected to account for one in three future vehicle sales," said **Dr. Pawan Goenka, Managing Director, Mahindra & Mahindra Limited**. "The joint venture will have a distinct product portfolio with shared platforms and powertrains, the newest technology, high quality and engineering standards from both Mahindra and Ford, at optimized costs. This winning combination will enable the joint venture to successfully position its vehicles in India, as well as unlock the potential of other highly competitive emerging markets".

"The creation of this joint venture is a pivotal moment in both our companies' histories. Strong alliances such as this play a crucial role for Ford to compete profitably in the high-volume, affordable vehicle segments so popular with our diverse customer base. By combining our respective talents, we will offer more vehicles to more customers in more places than ever before and deliver profitable growth to both Ford and Mahindra," said **Jim Farley, president of Ford New Businesses, Technology & Strategy**.

Ford's newly established International Markets Group (IMG) business unit will play a key role in the process. IMG brings together 100 high-potential, emerged and emerging markets including India Australia, ASEAN, Middle East, Africa and Russia. In addition to the established Ford Ranger and U.S. import businesses in IMG, the formation of this joint venture will add to IMG's portfolio vehicles specifically tailored for emerging markets, and it places India very much at the centre of Ford's strategy for IMG.

Mahindra has led the utility vehicles segment in India for the past seven decades. The spirit of ingenuity has driven Mahindra to be among the few global companies pioneering the development of clean and affordable technology and it is the only player with a portfolio of electric vehicles commercially available in India. Expanding its global presence, Mahindra owns a majority stake in Ssangyong Motor Company in Korea. Mahindra also has entered into the shared mobility space with investments in ridesharing platforms in the United States.

Ford was among the first global automakers to enter India in 1995. As one of the largest exporters of vehicles from the country, Ford manufactures and exports vehicles and engines from its facilities in Chennai, Tamil Nadu and Sanand, Gujarat. India is the third-largest Ford employee base globally, with more than 14,000 people working across the Ford India and Global Business Services operations in Delhi, Chennai and Coimbatore. Under the new structure, Ford will continue its support for all corporate social responsibility initiatives.

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About Mahindra

The Mahindra Group is a USD 20.7 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 enjoys 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 agribusiness, aerospace, commercial vehicles, components, defence, logistics, real estate, renewable energy, speedboats and steel, amongst other businesses. Headquartered in India, Mahindra employs over 240,000 people across 100 countries.

About Ford Motor Company

Ford Motor Company is a global company based in Dearborn, Michigan. The company designs, manufactures, markets and services a full line of Ford cars, trucks, SUVs, electrified vehicles and Lincoln luxury vehicles, provides financial services through Ford Motor Credit Company and is pursuing leadership positions in electrification, autonomous vehicles and mobility solutions. Ford employs approximately 194,000 people worldwide. For more information regarding Ford, its products and Ford Motor Credit Company, please visit www.corporate.ford.com.

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