

**Anand Mahindra Family Trust****Mahindra Family Trust – I**

c/o Kotak Mahindra Trusteeship Services Limited, 27 BKC, 6th Floor, Plot Number C-27, G Block,  
Bandra Kurla Complex, Bandra East, Mumbai – 400 051, Maharashtra

26<sup>th</sup> April, 2021

**The Secretary**  
**Bombay Stock Exchange Limited**  
**Phiroze Jeejeebhoy Towers**  
**Dalal Street, Fort,**  
**Mumbai 400001**

**The Secretary**  
**National Stock Exchange of India Ltd.,**  
**Exchange Plaza, 3<sup>rd</sup> Floor**  
**Plot No. 3-1. “G” Block, I.F.B. Centre,**  
**Bandra-Kurla-Complex, Bandra (East),**  
**Mumbai – 400 051**

Sir,

**Sub:** Securities and Exchange Board of India (“SEBI”) order dated March 26, 2018, passed under section 11 of the SEBI Act, 1992, and regulation 11 of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, in the matter of the proposed acquisition of shares and voting rights in Mahindra and Mahindra Limited (“Order”) on application made by Anand Mahindra Family Trust and Mahindra Family Trust- I represented through its trustee/s (collectively referred as “Acquirers”) on 25<sup>th</sup> January, 2017

This is with reference to above captioned Order. A copy of the Order is annexed hereto as **Annexure 1**.

The Acquirers are required to comply with certain requirements specified in the Order. Further, Paragraph 4 (viii) of the Order requires the Acquirers to get an independent auditor to confirm their compliance with the Order and submit a copy of the same to the stock exchanges and SEBI.

Accordingly, we hereby enclose herewith as **Annexure 2**, a certificate dated 26<sup>th</sup> April, 2021 from S.V. Shah & Associates, Chartered Accountants, in compliance with the aforesaid requirement under the Order.

This is for your information.

**Yours sincerely**



\_\_\_\_\_  
Mr. Anand Gopal Mahindra  
(As trustee of Anand Mahindra Family Trust)



\_\_\_\_\_  
Mrs. Anuradha Mahindra  
(As trustee of Mahindra Family Trust – I)

Copy to:

**Shri Amarjeet Singh**  
**Executive Director, SEBI**  
SEBI Bhavan, Plot No. C4-A, ‘G’ Block,  
Bandra Kurla Complex, Bandra (East),  
Mumbai – 400051

# S. V. SHAH & ASSOCIATES

CHARTERED ACCOUNTANTS

208, Regent Chambers, 2nd Floor,  
Jamnalal Bajaj Road,  
208, Nariman Point,  
Mumbai – 400021.  
Tel.: 022 4344 0123;  
Email- sheetalshah@svshah.com

To

**Anand Mahindra Family Trust (“Acquirer 1”)**

27 BKC, 6<sup>th</sup> Floor, Plot No. C-27,

G Block, Bandra Kurla Complex, Bandra East,

Mumbai - 400051.

and

**Mahindra Family Trust - I (“Acquirer 2”)**

27 BKC, 6<sup>th</sup> Floor, Plot No. C-27,

G Block, Bandra Kurla Complex, Bandra East,

Mumbai - 400051.

**SUBJECT: STATEMENT ON COMPLIANCE STATUS WITH THE SECURITIES AND EXCHANGE BOARD OF INDIA (“SEBI”) ORDER [REF. NO. WTM/GM/CFD/110/2017-2018 DATED 26<sup>TH</sup> MARCH, 2018] (“SEBI Order”), IN THE MATTER OF ACQUISITION OF SHARES AND VOTING RIGHTS IN MAHINDRA & MAHINDRA LIMITED (“Target Company”)**

Dear Sirs,

1. We have examined the attached Statement on Compliance Status with the SEBI Order in the matter of acquisition of shares and voting rights in Mahindra & Mahindra Limited, prepared by the Acquirer 1 and Acquirer 2 and initialed by us for identification purposes only.
2. The purpose of our examination was to determine the compliance with the conditions specified in the SEBI Order.
3. In this connection, we have performed the following procedures:
  - (a) Obtained confirmation from Acquirer 1 and Acquirer 2 on the following matters:
    - (i) ownership or control of voting rights or shares of the Target Company being treated as vesting not only directly with the Trustees but also indirectly with the beneficiaries of the Acquirer 1 and Acquirer 2;
    - (ii) of the appointment of additional/successor trustee/s, if any,
    - (iii) the list of trustee / beneficiaries including confirmation on changes in the trustees / beneficiaries, if any, from the trust deed last submitted to SEBI on 9<sup>th</sup> October, 2017.
    - (iv) on any change in ownership or control of shares or voting rights held by Trust/LLP
  - (b) Obtained the confirmation from Mr. Anand Gopal Mahindra and Mrs. Anuradha Mahindra on the following matters:
    - (i) on delegation of power, if any made, with respect to the right or power reserved to the settlor.
    - (ii) changes in beneficiaries, if any, and whether natural person(s) or a trust are declared as beneficiaries of the Acquirers including verification of prior written consent from SEBI, where applicable.

4. Based on the procedures performed as stated in Paragraph 3 above, information and explanations provided to us and as represented by the Acquirer 1 and Acquirer 2, we hereby confirm the compliance status with the SEBI Order in the matter of acquisition of shares and voting rights in Mahindra & Mahindra Limited, prepared by Acquirer 1 and Acquirer 2 and as given in the attached Statement.
5. The accompanying statement including the compliance with the conditions stated in the SEBI Order is the responsibility of the Acquirer 1 and Acquirer 2. Our responsibility is to perform the procedures mentioned in Paragraph 3 above, on the Statement. We performed these procedures in accordance with the requirements of the Guidance Note on Reports or Certificates for Special Purposes issued by the Institute of Chartered Accountants of India. In addition to the foregoing, our scope of work did not include verification of compliances with requirements under the SEBI SAST Regulations, other circulars, notifications etc. as issued by the relevant regulatory authorities from time to time and any other laws and regulations applicable to the Acquirers.
6. We make no representations regarding compliance with Company Law or any other Statutory requirements, representations regarding questions of legal interpretations nor do we provide any assurance as to any matters relating to the compliance for direct and indirect transfer of shares in the Target Company.
7. This certificate will be intended solely for use of the Acquirer 1 and Acquirer 2 for submission to the Stock exchanges and endorsing a copy to SEBI and should not be used or referred to for any other purpose.
8. We have no responsibility to update this certificate for events and circumstances occurring after the date of this certificate.

For S.V. Shah & Associates  
Chartered Accountants  
Firm Registration No. 139517W

Sheetal V. Shah  
Partner  
Membership No. 102140  
UDIN: 21102140AAAAEK8360

Place: Mumbai  
Date: 26<sup>th</sup> April, 2021

**STATEMENT ON COMPLIANCE STATUS WITH THE SEBI ORDER IN THE MATTER OF ACQUISITION OF SHARES AND VOTING RIGHTS IN MAHINDRA & MAHINDRA LIMITED**

Sr. No.	Particulars	Auditor Remarks
<b>I. Conditions set out in the Order</b>		
a.	The provisions of the SEBI Act and the Regulations framed thereunder will apply on the basis that the ownership or control of shares or voting rights vests not only directly with the Trustees but also indirectly with the beneficiaries of the Acquirers.	According to the information and explanations provided and on the basis of the confirmations received from the Acquirers, we confirm that the ownership or control or voting rights of shares are being treated as if the same are vesting not only directly with the Trustees but also indirectly with the beneficiaries of the Acquirer 1 and Acquirer 2.
b.	The Acquirers shall confirm, on an annual basis, that they are in compliance with this Order. The said confirmation shall be furnished to the Target Company, for the purposes of disclosure as a note to the shareholding pattern to be filed for the quarter ending March 31 each year, under Regulation 31 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.	Annual confirmation from the Acquirers, on compliance with the SEBI Order, has been furnished to the Target Company.
<b>II. Compliance with undertakings given by the Acquirers in the Application and other communications with SEBI</b>		
c.	The Settlor and respective Trustee/s of the Acquirers undertake that they shall not appoint any additional/successor trustee/s, without seeking prior written consent from SEBI if required under the applicable laws prevailing at that point in time except if the said additional/successor trustee/s is/are natural person(s) belonging to the promoter and promoter group of the Target Company.	According to the information and explanations provided and on the basis of the confirmations received from the Acquirers, we confirm that they have not appointed any additional/successor trustee/s as on the date of this report.
d.	Mr. Anand Gopal Mahindra, in his capacity as the settlor of Acquirer 1 and Acquirer 2 undertakes that the right or power reserved to the settlor related to delegation of powers, shall be delegated only to person or persons belonging to the promoter and promoter group of the Target Company.	Based on the confirmation provided by Mr. Anand Gopal Mahindra, we hereby confirm that the Settlor's right and power in relation to delegation of powers has not been delegated to any person other than those belonging to the promoter and promoter group of the Target Company.
e.	Mr. Anand Gopal Mahindra, in his capacity as the settlor of Acquirer 1 undertakes that only natural person(s) or a trust shall be declared as beneficiaries of Acquirer 1. Mr. Anand Gopal Mahindra further undertakes that in cases of trust being declared as a beneficiary where its settlor/s, beneficiary/ies and trustee/s do not belong to the promoter and promoter group of the Target Company, such declaration will be done only after seeking the prior written consent of SEBI.	Based on the confirmation provided by Mr. Anand Gopal Mahindra and Mrs. Anuradha Mahindra, we confirm that there is no change in the beneficiaries from the trust deeds submitted to SEBI on 9th October, 2017

Sr. No.	Particulars	Auditor Remarks
	Mrs. Anuradha Mahindra, in her capacity as the trustee of Acquirer 2 undertakes that only natural person(s) or a trust shall be added as beneficiaries of Acquirer 2. Mrs. Anuradha Mahindra further undertakes that in cases of trust being added as a beneficiary where its settlor/s, beneficiary/ies and trustee/s do not belong to the promoter and promoter group of the Target Company, such addition will be done only after seeking the prior written consent of SEBI.	
f.	There is neither layering in terms of trustees / beneficiaries in case of trusts nor layering by interspersing Trusts	Basis the confirmations received from the Acquirers, we confirm that there is no change in terms of the trustees / beneficiaries from the trust deeds submitted to SEBI on 9th October, 2017
<b>III. Compliance with other conditions set out by the Takeover Panel</b>		
g.	Any change in the trustees / beneficiaries / partners and any change in ownership or control of shares or voting rights held by Trust/LLP shall be disclosed to the concerned stock exchanges with a copy endorsed to SEBI for its record;	On the basis of confirmations received, we hereby confirm that there has been no change in the trustees / beneficiaries / partners nor there has been any change in the ownership or control of shares or voting rights held by Trust from the trust deeds submitted to SEBI on 9th October, 2017

BEFORE THE SECURITIES AND EXCHANGE BOARD OF INDIA, MUMBAI

ORDER

UNDER SECTION 11(1) AND SECTION 11(2)(h) OF THE SEBI ACT REGULATION 11(5) OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVERS) REGULATIONS, 2011.

IN THE MATTER OF PROPOSED ACQUISITION OF SHARES AND VOTING RIGHTS IN MAHINDRA & MAHINDRA LIMITED.

**Background –**

- 1.1 Mahindra & Mahindra Limited (“**Target Company**”) was incorporated on October 02, 1945 under the Indian Companies Act, VII of 1913. The Registered Office of the Target Company is at Gateway Building, Apollo Bunder, Mumbai, Maharashtra - 400001. The shares of the Target Company are listed on BSE Limited (“**BSE**”) and the National Stock Exchange of India Limited (“**NSE**”).
- 1.2 SEBI received an application dated January 25, 2017 (“**Application**”) from Anand Mahindra Family Trust (“**Acquirer 1**”) and Mahindra Family Trust – I (“**Acquirer 2**”) (collectively referred as “**Acquirers**”) (represented by their Trustees – Mr. Anand Gopal Mahindra and Mrs. Anuradha Mahindra) seeking exemption from the applicability of Regulation 3(1) of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 (“**Takeover Regulations**”) in respect of the proposed acquisition of the shareholding and voting rights by the Acquirers in the Target Company.
- 1.3 Regulation 3(1) of the Takeover Regulations read as follows–

**“Substantial acquisition of shares or voting rights. –**

3. (1). No acquirer shall acquire shares or voting rights in a target company which taken together with shares or voting rights, if any, held by him and by persons acting in concert with him in such target company, entitle them to exercise twenty-five per cent or more of the voting rights in such target company unless the acquirer makes a public announcement of an open offer for acquiring shares of such target company in accordance with these regulations.

**Details of the Proposed Acquisition –**

- 1.4 In the Application, the following was stated –

”

- i. The Acquirers are private family trusts set up inter alia for the purposes of providing a suitable succession planning structure for enduring seamless intergenerational transfer of the trust funds amongst the family members who have been identified as beneficiaries.



(TABLE 1)

Acquirer	Settlor	Trustees	Beneficiaries
Acquirer 1	Mr. Anand Gopal Mahindra	Mr. Anand Gopal Mahindra and Mrs. Anuradha Mahindra	<ul style="list-style-type: none"> <li>• Mr. Anand Gopal Mahindra</li> <li>• Mrs. Anuradha Mahindra</li> <li>• Ms Aalika Nishita Mahindra or in the event of her death, her lineal descendants</li> <li>• Ms Divya Anand Mahindra or in the event of her death, her lineal descendants</li> <li>• Any other person/s, arrangements, entity or class of or classes of person which may be added by the Settlor in terms of the Trust Deed</li> <li>• Trust proposed to be created for the benefit of Aalika Nishita Mahindra and her lineal descendants</li> <li>• Trust proposed to be created for the benefit of Divya Anand Mahindra and her lineal descendants</li> </ul>
Acquirer 2	Mr. Anand Gopal Mahindra	Mrs. Anuradha Mahindra	<p>Primary Beneficiary</p> <ul style="list-style-type: none"> <li>• Mrs. Anuradha Mahindra</li> </ul> <p>Secondary Beneficiaries</p> <ul style="list-style-type: none"> <li>• Ms Aalika Nishita Mahindra or in the event of her death, her lineal descendants</li> <li>• Ms Divya Anand Mahindra or in the event of her death, her lineal descendants</li> <li>• Any other person/s, who may be added in terms of the Trust Deed. The said provision of trust deed provides as follows: <ul style="list-style-type: none"> <li>(i) Legally wedded spouses of the lineal descendants of Mr. Anand Gopal Mahindra</li> <li>(ii) Any trust which is exclusively for the benefit of one or more of the beneficiaries (who are natural persons)</li> <li>(iii) Any person (not being a natural person) in which 99% of the ownership and control held by one or more of the beneficiaries (who are natural persons)</li> </ul> </li> </ul>

- ii. While Kotak Mahindra Trusteeship Services Ltd. had been appointed as the Administrative Trustee in respect of the Acquirers, they have subsequently resigned from the position pursuant to Deed of Change of Trusteeship dated January 23, 2017 and have been appointed as a trust manager for the Acquirers in terms of Trust Manager Agreements dated January 23, 2017.
- iii. Currently, the Acquirers do not form part of the promoter or promoter group, and do not hold any shares in the Target Company. However, the settlor and Trustees of the Acquirers are members of the promoter and promoter group of the Target Company. Further, upon completion of the proposed acquisition, the Acquirers will become a member of the promoter and promoter group of the Target Company.
- iv. The proposed transfer of shares by way of settlement into the respective Acquirers would involve direct as well as indirect acquisition of shares of the Target Company as described below:
- A) Settlement of shares of Prudential Management and Services Private Limited (“PMSL”) resulting in indirect transfer of shares in the Target Company:
- PMSL is a member of the promoter and promoter group of the Target Company and holds 11.39% of shares in the Target Company. Mr. Anand Gopal Mahindra jointly with Mrs. Anuradha Mahindra holds 50% of the equity shares capital of PMSL. Mr. Anand Gopal Mahindra and Mr. Keshub Mahindra are directors on the board of



PMSL. As per the Articles of Association of PMSL, all decisions of the board are by a unanimous vote of the directors.

Mr. Anand Gopal Mahindra proposes to settle his shares in Acquirer 1 and Acquirer 2 in the manner set out in the table below:

(TABLE 2)

Transferor	Total shares held in PMSL	% of shares held in PMSL	Shares of PMSL to be transferred to Acquirer 1	Shares of PMSL to be transferred to Acquirer 2
Mr. Anand Gopal Mahindra and Mrs. Anuradha Mahindra	500	50%	250	250

B) Settlement of shares of the Target Company amounting to direct transfer of shares in the Target Company:

Mr. Anand Gopal Mahindra proposed to settle shares of the Target Company held by him jointly with Mrs. Anuradha Mahindra into Acquirer 1 and Acquirer 2 in the manner set out in the table below:

(TABLE 3)

Transferor	Total shares held in the Target Company	% of shares held in Target Company	Shares of Target Company to be transferred to Acquirer 1	Shares of Target Company to be transferred to Acquirer 2
Mr. Anand Gopal Mahindra and Mrs. Anuradha Mahindra	7,15,004	0.12%	3,57,502	3,57,502

- v. Mr. Anand Gopal Mahindra and Mrs. Anuradha Mahindra propose to transfer their respective shares by way of settlement into the Acquirers.
- vi. The shareholding pattern of the Target Company before and after the proposed acquisition is as follows:

(TABLE 4)

	Name	Pre – Acquisition		Post – Acquisition	
		Shares	%	Shares	%
<b>A.</b>	<b>Promoter Group</b>				
1.	PMSL	7,07,60,970 <sup>1</sup>	11.39	7,07,60,970 <sup>2</sup>	11.39
2.	Anand Gopal Mahindra (jointly held with Anuradha Mahindra)	7,15,004	0.12	0	0.00
3.	Other than above	8,58,46,344	13.82	8,58,46,344	13.82
4.	Acquirers	0	0	7,15,004	0.12
	<b>Total</b>	<b>15,73,22,318</b>	<b>25.33</b>	<b>15,73,22,318</b>	<b>25.33</b>
<b>B.</b>	<b>Public Shareholding</b>	43,02,71,032	69.28	43,02,71,032	69.28
<b>C.</b>	<b>Neither Promoters nor Public – Shares underlying DRs</b>	3,34,99,034	5.39	3,34,99,034	5.39
<b>D.</b>	<b>Total (A + B + C)</b>	<b>62,10,92,384</b>	<b>100.00</b>	<b>62,10,92,384</b>	<b>100.00</b>

Note: 1.50% of PMSL's shares are held jointly by Mr. Anand Gopal Mahindra and Mrs. Anuradha Mahindra. 2. Shares held jointly by Mr. Anand Gopal Mahindra and Mrs. Anuradha Mahindra in PMSL, would have been acquired by the Acquirers.



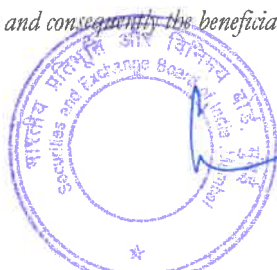


- vii. *On completion of the transfers by way of settlement, the voting rights directly and indirectly acquired by the Acquirers together with those held by PACs with them (i.e. the members of the promoter and promoter group) would entitle them to directly and indirectly exercise more than 25% of the voting rights of the Target Company. The said acquisition would attract the provisions of regulation 3(1) of the Takeover Regulations.*
- viii. *The existing promoters will continue to remain in the sole control of the Target Company and there shall be no change in control of the Target Company by virtue of the aforesaid transfer.*

#### **Grounds for Exemption –**

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- ix. *The proposed transfer is only in the nature of inter-se transfer of shares within the promoter/promoter group, with no change in the overall promoter/promoter group shareholding in the Target Company, which is 25.33%.*
- x. *The beneficiaries as on date and the settlors of the Acquirers belong to the promoter group of the Target Company and hence the Acquirers, post-acquisition, would become PACs within the meaning of regulation 2(q)(2)(iv) of the Takeover Regulations. The trust deeds permit inclusion of additional beneficiaries. The power to add beneficiaries is with the Settlor in case of Acquirer 1 and with the Trustee in case of Acquirer 2.*
- xi. *The Trustees of Acquirer 2 undertake that in the event that the Trustees of Acquirer 2 include any additional beneficiaries not being natural persons ("**Corporate Beneficiaries**") then the Trustees shall ensure that the ownership, control and ultimate beneficial interest in such Corporate Beneficiaries are held by beneficiaries who are (a) natural persons and lineal descendants of the existing beneficiaries; or (b) legally wedded spouse/s of the lineal descendants of Mr. Anand Gopal Mahindra ; or (c) trust/s which is/ are exclusively for the benefit of one or more of the beneficiaries (who are natural persons and who belong to the promoter and promoter group of the Target Company)*
- xii. *The Settlor of Acquirer 1 undertakes that irrespective of whether the additional beneficiaries include any other persons, arrangements, entities or class of or classes of persons added by the Settlor, the control and ultimate beneficial interest in the shares settled in the Trust shall continue to vest with the beneficiaries belonging to (a) the promoter and promoter group of the Target Company or the lineal descendants of such beneficiaries; (b) legally wedded spouse/s of the lineal descendants of Mr. Anand Gopal Mahindra ; or (c) any trust/s which is/ are exclusively for the benefit of one or more of the beneficiaries being natural persons belonging to the promoter and promoter group of the Target Company.*
- xiii. *The Trustees as on date and the settlors of the Acquirers, belong to the promoter group of the Target Company and hence the Acquirers, post-acquisition, would become PACs within the meaning of regulation 2(q)(2)(iv) of the Takeover Regulations. The trust deeds permit appointment of additional/ successor trustees.*
- xiv. *The Settlor and respective Trustee/s of the Acquirers undertake that they shall not appoint any additional/ successor trustee/s, without seeking prior written consent from SEBI if required under the applicable laws prevailing at that point in time except if the said additional/ successor trustee/s is/ are natural person(s) belonging to the promoter and promoter group of the Target Company.*
- xv. *The proposed acquisition is intended to streamline succession and welfare of the members of the Mahindra family being members of the promoter group of the Target Company. As stated above, by way of proposed acquisition, the trustees of the Acquirers, would obtain legal title to the shares held, directly or indirectly, by the same persons in the Target Company. Moreover, the members of the Mahindra family are the only beneficiaries of the Acquirers. Thus, the proposed transfer of shares to the Acquirers would only result in a de jure change of shareholding in the Target Company and consequently the beneficial ownership of the Target Company would remain the same.*



- xvi. *The proposed acquisition would not result in any increase or decrease in the shareholding of the promoter group (the shareholding would remain at 25.33% prior to and post the proposed acquisition), nor would it result in a change in control and management of the Target Company as Mr. Anand Gopal Mahindra and Mrs. Anuradha Mahindra and their immediate relatives would continue to maintain their interest in the Target Company through the Acquirers. The proposed acquisition would also not result in any change in the board of directors of the Target Company. The proposed acquisition would not have any adverse impact on the Target Company or the wider securities market in India and is not expected to cause any appreciable adverse effect on the price of the shares of the Target Company.*
- xvii. *The proposed acquisition is only an arrangement wherein the interest of the beneficiaries in the Target Company will be held/maintained through the Acquirers. Therefore, it will not affect or prejudice the interests of the public shareholders of the Target Company in any manner and there will be no reduction in the holding of the public shareholders in the Target Company.*
- xviii. *The application is filed on the belief that the proposed acquisition is 'in principle' exempted from making an open offer and that as per the spirit of the Takeover Regulations, 2011, no open offer is required to be made when no additional voting rights or control is acquired."*

1.5 Vide letter dated January 31, 2017, the following submissions were made by the Acquirer:

"

- i. *Mr. Anand Gopal Mahindra, in his capacity as the settlor of Acquirer 1 and Acquirer 2 undertakes that the right or power reserved to the settlor related to delegation of powers, shall be delegated only to person or persons belonging to the promoter and promoter group of the Target Company.*
- ii. *Mr. Anand Gopal Mahindra, in his capacity as the settlor of Acquirer 1 undertakes that only natural person(s) or a trust shall be declared as beneficiaries of Acquirer 1. Mr. Anand Gopal Mahindra further undertakes that in cases of trust being declared as a beneficiary where its settlor/s, beneficiary/ies and trustee/s do not belong to the promoter and promoter group of the Target Company, such declaration will be done only after seeking the prior written consent of SEBI.*
- iii. *Mrs. Anuradha Mahindra, in her capacity as the trustee of Acquirer 2 undertakes that only natural person(s) or a trust shall be added as beneficiaries of Acquirer 2. Mrs. Anuradha Mahindra further undertakes that in cases of trust being added as a beneficiary where its settlor/s, beneficiary/ies and trustee/s do not belong to the promoter and promoter group of the Target Company, such addition will be done only after seeking the prior written consent of SEBI.*
- iv. *Mr. Anand Gopal Mahindra, in his capacity as the settlor of Acquirer 1 and Acquirer 2 undertakes that any appointment of an administrator shall be with the prior written consent of SEBI."*

### **Observations of the Takeover Panel on the Application made by the Proposed Acquirer –**

#### **A. Takeover Panel's Recommendations –**

2.1 The Application dated January 25, 2017, was forwarded to the Takeover Panel in terms of the proviso to Regulation 11(5) of the Takeover Regulations. The matter was deliberated by the Takeover Panel in its



meeting held on March 17, 2017 (minutes of the said meeting were approved on April 07, 2017). The Takeover Panel made the following observations –

*“In the case of **Mahindra & Mahindra Limited**, the Panel took note of the undertakings given by the applicants and decided that they submit the revised/amended trust deed(s) with SEBI incorporating the undertakings made by them. The case would then be taken up for further consideration.”*

2.2 Accordingly, vide email dated April 12, 2017, the Acquirers were advised to submit revised/amended trust deeds for further consideration. While no submissions were received from the Acquirers, further meetings of Takeover Panel were held on April 19, 2017 and June 28, 2017. The Takeover Panel recommended certain guidelines which according to them should be complied with by the applicants in cases where acquirer is a trust. The said guidelines were listed as follows:

*“A. The proposed document or deed of the Trust contains the following:*

- i. A restriction on any person other than the individual promoters or their immediate relatives or lineal descendants or legal heirs, being eligible to be Trustees or beneficiaries;*
- ii. A declaration that the beneficial interest of the beneficiaries of the trust has not been and will not in the future, be transferred, assigned or encumbered in any manner including by way of pledge/ mortgage;*
- iii. In case of dissolution of the Trust, the assets will be distributed only to the beneficiaries of the trust or to their legal heirs;*
- iv. The Trustees will not be entitled to transfer or delegate any of their powers to any person other than one or more of themselves.*

*The following undertakings should form part of trust deed:*

- v. Any change in the trustees / beneficiaries / partners and any change in ownership or control of shares or voting rights held by Trust/LLP shall be disclosed within \_\_\_\_\_ to the concerned stock exchanges with a copy endorsed to SEBI for its record;*
- vi. As far as the provisions of the SEBI Act and the regulations framed thereunder are concerned the ownership or control of shares or voting rights will be treated as vesting not only with the Trustees but also indirectly with the beneficiaries ;*
- vii. The liabilities and obligations of individual transferors under the SEBI Act and the regulations framed thereunder will not change or get diluted due to transfers to the Trust / LLP;*
- viii. The Trust / LLP shall confirm, on an annual basis, that it is in compliance with the exemption order passed by SEBI. The said confirmation shall be furnished to the company which it shall disclose prominently as a note to the shareholding pattern filed for the quarter ending March 31 each year, under regulation 31 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015;*
- ix. The Trust / LLP shall get its compliance status certified from an independent auditor annually and furnish the certificate to the Stock Exchanges for public disclosure with a copy endorsed to SEBI for its records.*

*B. The following further conditions are satisfied:*

- x. The proposed acquisition is in accordance with the provisions of the Companies Act, 2013 and other applicable laws;*



- xi. *The transferors are disclosed as promoters in the shareholding pattern filed with the Stock Exchanges for a period of at least 3 years prior to transfer (except for holding on account of inheritance);*
- xii. *There is no layering in terms of trustees / beneficiaries in case of Trusts and partners/LLPs in case of LLPs nor layering by interspersing Trusts and LLPs together;*
- xiii. *The Trust deed / LLP agreement does not contain any limitation of liability of the trustees / beneficiaries / partners in relation to the provisions of the SEBI Act and all regulations framed thereunder.”*

2.3 Deeds of amendment of Acquirer 1 and Acquirer 2 were submitted vide letter dated September 06, 2017. It was also confirmed/undertaken that:

- i. *The proposed acquisition is in accordance with the provisions of the Companies Act, 2013 and other applicable laws;*
- ii. *The transferors are disclosed as promoters in the shareholding pattern filed with the stock exchanges for a period of at least 3 years prior to transfer (except for holding on account of inheritance); and*
- iii. *There is neither layering in terms of trustees / beneficiaries in case of trusts nor layering by interspersing Trusts.*

2.4 The matter was deliberated by the Takeover Panel in its meeting held on September 14, 2017. The Takeover Panel recommended the grant of exemption subject to the following amendments to the provisions of the Trust Deed-

“...:

- i. *Trust Distributor cannot direct the Trustees for distribution of trust fund.*
- ii. *Power to remove Trust Distributor should be in the hands of the Trustees. “*

2.5 Vide letter dated October 09, 2017, the Acquirers submitted the deeds of restatement and amendment for Acquirer 1 and Acquirer 2 and made the following submissions:

*“In addition to the amendments made to the trust deeds of Acquirer 1 and Acquirer 2, we have made further amendments to the Trust Deed/s inter alia to (i) remove the provisions with respect to the role of Administrator in the Trust, (ii) include provision for removal of the Trust Distributor, (iii) remove the power of the Trust Distributor to ‘direct’ the Trustees on the distribution of Trust Fund to the beneficiaries; and (iv) to make consequential amendments in the Trust Deed/s.*

### **Consideration of the Application and Findings –**

3.1 I have considered the Application alongwith further correspondence/submissions/clarifications submitted by the Acquirers; the recommendations of the Takeover Panel and other material available on record.

3.2 From the preceding paragraphs, it is noted that –

- A. The Application submitted is in respect of the proposed acquisition of the shareholding and voting rights in the Target Company i.e. **Mahindra & Mahindra Limited**.
- B. The aforesaid acquisition is proposed to be made by Anand Mahindra Family Trust (“**Acquirer 1**”) and Mahindra Family Trust – I (“**Acquirer 2**”) i.e. the **Proposed Acquirer Trusts**, in TABLE 4 under paragraph 1.4 (vi) above.



- C. The proposed acquisition in the Target Company would entitle the proposed Acquirer to exercise more than 25% of the voting rights, along with the promoters, in the Target Company.
- D. The proposed acquisition transaction is a part of internal re-alignment of holdings within the Promoter Group family.
- E. There will be no change in control of the Target Company pursuant to the proposed acquisition.
- F. There is no new acquisition of shares by the Promoter Group and the pre-acquisition and post-acquisition shareholding of the Promoter Group in the Target Company will remain the same at 25.33%.
- G. There will be no change in the public shareholding of the Target Company.
- H. The Target Company shall continue to be in compliance with the minimum public shareholding requirements under the Securities Contracts Regulation Rules, 1957 (“SCRR”) and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- I. As noted in paragraph No. 2.4 above, in its meeting held on September 14, 2017, the Takeover Panel has also recommended that exemption be granted subject to certain amendments in the Trust Deed which appear to have been carried out by the Acquirers

**Order –**

- 4.1 Considering the aforementioned, I, in exercise of the powers conferred upon me under Regulation 11(5) of the Takeover Regulations read with Section 19 of the Securities and Exchange Board of India Act, 1992 (“SEBI Act”), hereby grant exemption to the Proposed Acquirer Trusts, viz. **Anand Mahindra Family Trust and Mahindra Family Trust – I** (represented by their Trustees – Mr. Anand Gopal Mahindra and Mrs. Anuradha Mahindra), from complying with the requirements of Regulation 3 of the Takeover Regulations with respect to their proposed acquisition/exercise of voting rights in the Target Company, viz. **Mahindra & Mahindra Limited**, by way of proposed transactions as mentioned in the Application.
- 4.2 The exemption so granted shall be subject to the following conditions to be complied with by the Acquirers, in the interest of investors in securities and the securities market- :
- i. The proposed acquisition shall be in accordance with the relevant provisions of the Companies Act, 2013 and other applicable laws.
  - ii. The proposed acquisition shall be completed within a period of 30 days from the date of this order. On completion of the proposed acquisition, the Acquirers shall file a report with SEBI within a period of 21 days from the date of such acquisition, as provided in the Takeovers Regulations.
  - iii. The statements/ averments made or facts and figures mentioned in the Application and in the subsequent correspondence/submissions/clarifications by the Acquirers are true and correct.



- iv. The provisions of the SEBI Act and the Regulations framed thereunder will apply on the basis that the ownership or control of shares or voting rights vests not only directly with the Trustees but also indirectly with the beneficiaries of the Acquirers.
- v. There shall be no limitation of liability of the Trustees/beneficiaries in relation to the provisions of the SEBI Act and all Regulations framed thereunder.
- vi. The Acquirers shall honour their undertakings and shall also ensure compliance with the statements, disclosures and undertakings made in the Application and in their subsequent correspondence.
- vii. The Acquirers shall confirm, on an annual basis, that they are in compliance with this Order. The said confirmation shall be furnished to the Target Company, which shall disclose prominently as a note to the shareholding pattern filed for the quarter ending March 31 each year, under Regulation 31 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- viii. The Acquirers shall get the compliance status certified from an Independent Auditor annually and furnish the same to the stock exchanges with a copy endorsed to SEBI for its records.
- ix. The Acquirers shall also ensure that the covenants in the Trust Deed are not contrary to the above conditions and undertaking provided by the transferors. In such case, the Trust Deed shall be suitably modified and expeditiously reported to SEBI.
- 4.3 The exemption granted above is limited to the requirements of making open offer under the Takeover Regulations and shall not be construed as exemption from the disclosure requirements under Chapter V of the Takeover Regulations; compliance with the SEBI (Prohibition of Insider Trading) Regulations, 2015; Listing Agreement/SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 or any other applicable Acts, Rules and Regulations.
- 4.4 The Application dated January 25, 2017 (read with further correspondence/submissions/ clarifications) filed by Anand Mahindra Family Trust and Mahindra Family Trust – I (represented by their Trustees – Mr. Anand Gopal Mahindra and Mrs. Anuradha Mahindra), is accordingly disposed of.

Place: Mumbai  
Date: March 26, 2018



**G. MAHALINGAM**  
**WHOLE TIME MEMBER**  
**SECURITIES AND EXCHANGE BOARD OF INDIA**