

Press Release

Mahindra Engineering Services and Tech Mahindra Come Together to Boost Engineering Prowess

The Boards propose to merge both the companies to consolidate offerings and leadership position in Engineering Services Space

Mumbai – Nov 29, 2013: The Board of Directors of Tech Mahindra Limited (“Tech Mahindra”) and Mahindra Engineering Services Limited, (“MES”), in their respective meetings held today, approved a proposal to merge MES with Tech Mahindra.

Mahindra Engineering Services Limited. is a global engineering consultant and service provider catering to automotive, aerospace, defense & manufacturing industries. It boasts of 1300+ employees and revenues of INR 250.59 crore as of FY13.

This merger, subject to necessary regulatory approvals, will see the creation of one of the prominent players providing engineering services from India with strengths in Aerospace and Automotive verticals. MES will benefit due to the larger global reach and deeper resource pool of Tech Mahindra, while Tech Mahindra will gain access to some of the key automotive clients across the globe.

Karthikeyan Natarajan, Global Head – Integrated Engineering Services, Tech Mahindra, said, *“Mahindra Engineering Services (MES) and Tech Mahindra’s Integrated Engineering Services (IES) merger strengthens the existing services portfolio, enhances presence in US and Germany, provides scale and brings in new clients for further expansion. Our Innovation and Product development expertise synergizing with the MES domain expertise enables the most comprehensive solution portfolio for our customers and the world at large“*

“This merger is a big leap for us towards addressing growing business demands. Our joint go-to-market strategy will help us capture newer markets and enhance our service portfolio especially in Aerospace and Embedded services segments while bringing value to all our stakeholders,” says **Prashant Kamat, CEO, Mahindra Engineering Services Limited.**

Key highlights of the merger

- The exchange ratio recommended by the valuers and approved by both the boards is 5 shares of Tech Mahindra (face value of Rs. 10 each), for every 12 shares of Mahindra Engineering Services Limited (face value of Rs.10 each)
- Tech Mahindra will issue 0.426 crore new shares, thereby increasing its outstanding shares to 23.73 crore
- The merger is subject to all regulatory authority approvals and the entire process could take approximately 8-9 months, however given the regulatory process involved it is difficult to predict the exact timeframe

Advisors

- S.R. Batliboi & Co. LLP and B S R and Associates carried out the valuation and jointly recommended the share swap ratio
- ICICI Securities Limited provided a fairness opinion on the swap ratio to the Board of Tech Mahindra
- SBI Capital Markets Ltd provided a fairness opinion on the swap ratio to the Board of MES
- Khaitan & Co. acted as Legal Advisor for the transaction

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About Tech Mahindra

Tech Mahindra represents the connected world, offering innovative and customer-centric information technology services and solutions, enabling Enterprises, Associates and the Society to Rise™. We are a USD 2.6 billion company with 83,000 professionals across 49 countries, helping over 560 global customers including Fortune 500 companies. Our Consulting, Enterprise and Telecom solutions, platforms and reusable assets connect across a number of technologies to derive tangible business value.

We are part of the USD 16.2 billion Mahindra Group that employs more than 180,000 people in over 100 countries. The Group operates in the key industries that drive economic growth, enjoying a leadership position in [tractors](#), [utility vehicles](#), [after-market](#), [information technology](#) and [vacation ownership](#).

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About Mahindra Engineering

Mahindra Engineering Services Limited (MES). is a global engineering consultant and service provider catering to automotive, aerospace, defense & manufacturing industries. It's a part of Mahindra Systech; a leading business sector of US \$ 16.2 billion Mahindra Group. MES provides full service art-to-part solutions to global customers by integrating design, manufacturing, and sourcing capabilities including, concept engineering, design, virtual validation, prototyping, testing, manufacturing, contract sourcing, supply of components, etc.

For Further Queries:

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