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Mahindra

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REF:NS:SEC:
23rd May, 2013

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

Dear Sir,

Sub: Ssangyong Motor receives KRW 80 billion paid-in capital for stock

Please find enclosed a Press Release pertaining to the captioned subject issued by Ssangyong Motor Company Limited, a subsidiary of the Company.

Kindly take the above on record.

Yours faithfully,
For MAHINDRA & MAHINDRA LIMITED

NARAYAN SHANKAR
COMPANY SECRETARY

Encl: as above

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SSANGYONG

Press Release

May 23, 2013 (Thursday)

Ssangyong Motor receives KRW 80 billion paid-in capital for stock

▪ Paid-in capital of 80 billion won through preferential allotment involving Mahindra successfully completed; approx. 14.5 million new shares to be issued
▪ By securing liquidity for the company, expectations high for new production development including small CUV and greater financial soundness
▪ Since acquisition by Mahindra, investment in the size of approx. 500 billion won approved till present, which includes investment for a small CUV project

Ssangyong Motor (CEO Lee Yoo Il; www.smotor.com), part of the USD 15.9 billion Mahindra Group, announced on May 23, 2013 that the full payment of 80 billion won for the new shares has been received from its majority shareholder Mahindra & Mahindra Group and that the paid-in capital increase was successfully completed.

Ssangyong Motor decided to make a third party allotment (Preferential Offer) to Mahindra on Feb. 14, 2013 to secure investment funds for new products.

The most recent increase in the paid-in capital results from the issuance of some 14.545 million new shares (capital increase ratio of 11.9%). All of the new shares will be locked up for one year, and the expected listing date is scheduled for June 7, 2013. After this, Mahindra's shareholding ratio in Ssangyong Motor will increase from 69.63% to 72.85%.

As the paid-in capital increase got completed smoothly, Ssangyong Motor's new product development such as the small CUV, which will be launched in 2015, will gain further momentum. Furthermore, the company's debt ratio will decline and cash liquidity will improve, which will further strengthen the company's financial soundness.

Also, this paid-in capital increase serves as a message to show the strong commitment of the majority shareholder Mahindra and its confidence in the turnaround of Ssangyong Motor. This will greatly boost Ssangyong Motor's external credit worthiness.

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Apart from the 80 billion won paid-in capital, Mahindra agreed to roll over the corporate bond worth 95.4 billion won that was scheduled to mature in 2014, by another year. This is an additional source of fund for Ssangyong Motor. With this, the company expects more tangible results from synergy in various areas of sales, sourcing, etc.

Mahindra invested 522.5 billion won in 2011 to acquire 70% of Ssangyong Motor Company, and since the acquisition, Ssangyong Motor Board of Directors has approved a total investment of approx. 500 billion won until now, which includes 295.8 billion won investment for small-sized new engine development and CUV development projects.

Lee Yoo-il, CEO of Ssangyong Motor, commented, "The 80 billion won paid-in capital for stock has been received, and the paid-in capital increase has been successfully completed." He added that "As we have secured the funds, we will vigorously proceed with our investments for new product development such as small engines and small CUV and make utmost efforts for an early turnaround of the company and improve the corporate value."

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