Mahindra announces entry into Micro Irrigation Business

Signs agreement to acquire 38% stake in EPC Industrie Limited

- **Mahindra to acquire 38% equity in EPC Industrie Limited.**
- **Acquisition is through Preferential allotment to be made by EPC Industrie Ltd.**
- **Mahindra & Mahindra Ltd will be making a Public Announcement for an Open Offer.**

Mumbai Feb 9, 2011: The Board of Mahindra & Mahindra Ltd. approved the acquisition of 38% equity in EPC Industrie Limited (EPC), a listed company on the Bombay Stock Exchange Limited. The acquisition is through preferential allotment of shares by EPC. As per the SEBI Takeover Regulations, Mahindra & Mahindra Ltd. will be making a Public Announcement (PA) for an Open Offer to public shareholders of EPC to acquire additional stake in EPC.

This is a related diversification for Mahindra in the agriculture space where it has a major presence in machinery and services through the Farm Equipment Sector. More than 80% of available water in India is consumed in agriculture. Micro irrigation is a water efficient irrigation technology. It reduces the amount of water and other inputs required for cultivation while improving productivity.

Dr. Pawan Goenka, President, Automotive and Farm Equipment Sectors, Mahindra & Mahindra Ltd. said, "I am pleased to announce Mahindra's entry into the fast growing micro-irrigation space. Micro-irrigation is a national imperative. With rising population and reducing water availability, micro-irrigation is an important method to reduce water consumption in agriculture to raise agricultural productivity in the country."

Mahindra is the largest manufacturer of tractors in the world by volume. It has a substantial presence in the Indian tractor industry with a market share of 42% and is the undisputed leader for the last 27 years.

The Farm Equipment Sector has been working in the wider agriculture domain through Mahindra Shubhlabh Services Ltd. with initiatives like Mahindra Samriddhi. The Sector's vision is to "Deliver FarmTech Prosperity" and help its customers *Rise*. Micro-irrigation, through all the benefits it brings to the farmer, such as reduced requirement of water, fertilizers, pesticides, de-weeding, electricity, labour etc., ensures a 20 to 30% reduction in the cost of cultivation with an accompanying 10 to 20% increase in productivity. Entry in the micro-irrigation business is thus a relevant and important step towards achieving the Sector's vision.

EPC is one of the pioneering companies in India in the micro-irrigation space. It currently operates in more than 12 states through a wide network of dealers and sells drip irrigation systems, sprinkler irrigation systems and industrial pipes. The products from EPC are known for

their high quality and technology. The acquisition will help synergize the distribution strength of Mahindra with the industry expertise that EPC possesses.

"This is a win-win for both EPC and Mahindra. The business will now be able to grow and cater to the needs of millions of farmers in India. Mahindra's presence will lead to the penetration of the technology in remote corners of rural India and thus help enhance the prosperity of many more farmers," said Mr. Ashok Sharma, EVP, Agri and Engine Application Business.

Mr. Khanna, Promoter, EPC Industrie Limited said "I am excited with this development and look forward to a period of great growth for the company. A revitalized EPC will now have the opportunity to play a very important role in helping the farmer community to improve yields and manage the water resources more meaningfully"

About EPC Industrie Ltd.

EPC Industrie Ltd. was established in 1981. The company was founded by Mr. K. Khanna, a technocrat who is an alumnus of IIT, Mumbai. He is a pioneer in the industry and has been an active participant in shaping it over the years. The company is based in Nashik, Maharashtra. and is known for its quality product. EPC Industrie has grown to be one of the top five companies in India in the micro-irrigation space. In recent times the company has experienced rapid business growth.

About The Mahindra Group

The Mahindra Group focuses on enabling people to rise. Mahindra operates in the key industries that drive economic growth, enjoying a leadership position in tractors, utility vehicles, information technology, and vacation ownership. Mahindra has a presence in the automotive industry, agribusiness, aerospace, components, consulting services, defense, energy, finance and insurance, industrial equipment, logistics, real estate, retail, steel, and two wheelers. A US $7.1 billion multinational group based in Mumbai, India, Mahindra employs more than 112,000 people in over 79 countries. In 2010, Mahindra was named among the Forbes Asian Fab 50 and the Credit Suisse Great Brands of Tomorrow. Its flagship company Mahindra & Mahindra Limited has recently earned the distinction of being the only Indian automobile manufacturer to feature in the top 10 list of the Carbon Disclosure Leadership Index in India,- 2010, created by the Carbon Disclosure Project (CDP). For more information, visit www.mahindra.com

For further enquiries, please contact:

Ms. Roma Balwani
Sr. VP & Head - Corporate Communication
Mahindra & Mahindra Ltd
Tel: (91-22) 2490 1441
Fax: (+91-22) 2490 0830
Email: balwani.roma@mahindra.com

Pooja Sabharwal
Partner Associate
Genesis Burson-Marsteller
Tel: (91-22) 4417 4505 Fax: (91-22) 24911788
Mobile: (+91) 9833362466
Email: pooja.sabharwal@bm.com