

M&M Holds a Special Board Meeting to Review Investment in SsangYong Motor Company

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Mumbai, April 3, 2020 – Mahindra & Mahindra Ltd. (M&M) Board of Directors held a special meeting to review investment in SsangYong Motor Company (SYMC) and at the same time to discuss the approach to capital allocation in light of the COVID 19 impact.

The request from the management and labour union of SsangYong Motor Company (SYMC) for fresh injection of equity from M&M to help the company fund 500 billion KRW (USD 406M) of requirements over the next three years, was considered by the Board.

The Board noted that large parts of the global economy are under shutdown. India particularly is under an unprecedented 21-day complete lockdown. Only emergency services are operating while, everything else is closed.

The Board has also initiated several measures to tighten capital allocation norms and ensure that M&M remains strong through the current crisis and beyond.

After lengthy deliberation given the current and projected cash flows, the M&M Board took a decision that M&M will not be able to inject any fresh equity into SYMC and has urged SYMC to find alternate sources of funding.

However, with a view to enable SYMC to have continuity of business operations, whilst they are exploring alternate sources of funding, the board has authorised the M&M management to consider a special one-time infusion of upto 40 billion KRW (USD 32M) over the next three months.

Moreover, M&M would make every effort to continue to support to all other non-fund initiatives that are currently in place to help SYMC reduce Capex, save costs and secure funds. Examples of such support are:

- Capex-free access to Mahindra's new platforms such as W601
- Support technology programs which would help reduce SYMC's capex
- Support the material cost reduction program that is currently underway
- Support SYMC management to find new investors

The Board hoped that the employees and management at SYMC understand the magnitude of the unfortunate and unforeseen crisis created by the COVID-19 virus, which has compelled it to take the difficult decision

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The Mahindra Group is a 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, defense, logistics, real estate, renewable energy, speedboats and steel, amongst other businesses. Headquartered in India, Mahindra employs over 240,000 people across 100 countries.

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