

REF:NS:SEC
22nd December, 2020

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

BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street, Fort,
Mumbai 400 001.

Bourse de Luxembourg
Societe de la Bourse de Luxembourg
Societe Anonyme/R.C.B. 6222,
B.P. 165, L-2011 Luxembourg.

London Stock Exchange Plc
10 Paternoster Square
London EC4M 7LS.

Dear Sirs,

Sub: **Notification of non-payment of Loans by SsangYong Motor Company, a material Subsidiary of the Company**

This is in furtherance to our letters dated 15th December, 2020 and 21st December, 2020.

The Company had vide its letter dated 15th December, 2020 informed that:-

- 1) SsangYong Motor Company, a material subsidiary of the Company ("SYMC"), listed in South Korea inter-alia had outstanding loans aggregating 100 billion Korean Won ("KRW") (approximately Rs.680 crores) from JP Morgan Chase Bank, N.A., Seoul Branch ("JP Morgan"), BNP Paribas, Seoul Branch and Bank of America N.S., Seoul Branch;
- 2) The Company has made a commitment to cover the above-mentioned loans given by the Banks and that the final liability of the Company would be limited to the extent not recovered from SYMC;
- 3) Out of the abovementioned total outstanding amount with these banks, SYMC had missed repayments of the loans aggregating approx. 60 billion KRW (approx. Rs 408 crores) which were due and payable on 14th December, 2020.

Subsequently, the Company vide its letter dated 21st December, 2020 had informed about SYMC filing an application for commencement of rehabilitation procedure with the Seoul Bankruptcy Court under the Debtor Rehabilitation and Bankruptcy Act of South Korea and for an Autonomous Restructuring Support (ARS) program which is a court designed process.



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Following SYMC's application for rehabilitation dated 21st December, 2020, JP Morgan has issued a notice to SYMC demanding the repayment of outstanding loan amount of 40 billion KRW (approx. Rs.268 Crores) along with interest.

SYMC has today intimated to the Korean Stock Exchange that it could not repay the loan amount of 40 billion KRW (approx. Rs.268 Crores) to JP Morgan on account of SYMC's application for rehabilitation.

The details as required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI Circular No. CIR/CFD/CMD/4/2015 dated 9th September, 2015 and SEBI Circular SEBI/HO/CFD/CMD1/CIR/P/2019/140 dated 21st November, 2019 are given in Annexure A to this letter.

You are requested to kindly note the same and acknowledge receipt.

Yours faithfully,
For MAHINDRA AND MAHINDRA LIMITED

NARAYAN SHANKAR
COMPANY SECRETARY

Annexure A

Sr. No.	Details of Events that need to be provided	Information of such events(s)
a)	name of party for which such guarantees or indemnity or surety was given	SsangYong Motor Company, a material subsidiary of the Company ("SYMC"), listed in South Korea.
b)	whether the promoter/ promoter group/ group companies have any interest in this transaction? If yes, nature of interest and details thereof and whether the same is done at "arms length";	The promoter/promoter group/group companies of the Company do not have interest in this transaction, except that the Company has made a commitment to the Bankers of SYMC to cover the loan detailed in c) and d) below
c)	brief details of such guarantee or indemnity or becoming a surety viz. brief details of agreement entered (if any) including significant terms and conditions, including amount of guarantee	<p>SYMC had inter alia outstanding loans aggregating 100 billion KRW (approximately Rs.680 crores) from JP Morgan Chase Bank, N.A. ("JP Morgan"), BNP Paribas, and Bank of America which are covered under commitments made by the Company to the Bankers of SYMC.</p> <p>Out of the abovementioned total outstanding amount:</p> <ul style="list-style-type: none"> (i) SYMC had missed repayments of the loans aggregating approx. 60 billion KRW which were due and payable on 14th December, 2020; (ii) SYMC could not repay the loan amount of 40 billion KRW (approx. Rs.268 Crores) to JP Morgan on account of SYMC's application for rehabilitation. <p>Following SYMC's application for rehabilitation dated 21st December, 2020, JP Morgan had issued a notice to SYMC demanding the repayment of outstanding loan amount of 40 billion</p>

		KRW (approx. Rs.268 Crores) along with interest.
d)	Impact of such guarantees or indemnity or surety on the Company	<p>SYMC has today intimated to the Korean Stock Exchange that it could not repay the loan amount of 40 billion KRW (approx. Rs.268 Crores) to JP Morgan on account of SYMC's application for rehabilitation.</p> <p>The Company has made a commitment to cover the above-mentioned loan to the Bank and its final liability will be limited to the extent of amount not recovered from SYMC.</p> <p>Upon payment of the dues by the Company to the Bank, the Company will be subrogated to all the rights of the Bank against SYMC and the Company will step into the shoes of the Bank as creditor, and will be entitled to all rights which the Bank had against SYMC, with respect to this loan.</p>
e)	Nature of default	Non repayment of loan by SYMC, a material subsidiary of the Company as mentioned in point c) and d) above.
f)	Time of occurrence	22 nd December, 2020
g)	person(s) involved	SYMC, a material subsidiary of the Company
h)	estimated amount involved (if any)	As mentioned in point c) and d) above.
i)	whether such fraud /default/ arrest has been reported to appropriate authorities	N.A.
j)	corrective measures taken by the listed entity on account of such fraud /default	Not applicable.
k)	Date of making the disclosure	22 nd December, 2020
l)	Nature of obligation	Issue of Commitment by the Company to the Banker of SYMC
m)	Name of the Lender(s)	JP Morgan Chase Bank, N.A., Seoul Branch;
n)	Date of default	22 nd December, 2020 - Non repayment of loan by SYMC as mentioned in c) and d) above

o)	Current default amount (break-up of non-payment of principal and interest in INR crore)	The repayment obligations missed by SYMC are as mentioned in c) and d) above
p)	Details of the obligation (total principal amount in INR crore, tenure, interest rate, secured / unsecured etc.)	As mentioned in point c) and d) above. The facility was unsecured but a Commitment to cover the loan was issued by the Company on behalf of SYMC to JP Morgan.
q)	Total amount of outstanding borrowings from Banks / financial institutions (in INR crore)	Relevant details of the outstanding borrowings are mentioned in Point c) and d) above.
r)	Total financial indebtedness of the listed entity including short-term and long-term debt (in INR crore)	The missing of repayment relates to SYMC. Relevant details of the commitment given by the Company are mentioned in Point c) and d) above.