

Press Release

For Immediate Dissemination

National Housing Bank invests in Mahindra Rural Housing Finance Ltd. Rights Issue**Invests at a premium of Rs. 15 per share**

June 12, 2013, Mumbai: Mahindra Rural Housing Finance Ltd. (MRHFL), a subsidiary of Mahindra & Mahindra Financial Services Ltd. (MMFSL), has announced that the National Housing Bank (NHB), the principal agency promoting housing finance institutions both at the local and regional levels, has invested in the company's Rights Issue at a premium of Rs. 15 per share.

In F-13, MRHFL demonstrated healthy growth of 60% in disbursements over the previous year and has projected healthy growth for F-14 as well. The company announced this Rights Issue in Q1 of F14 to enable it to gather sufficient equity capital for the long term.

In addition to functioning as the nodal agency for the housing finance industry in India, the NHB also plays a developmental role.

"This investment is a clear validation of the success of Mahindra Rural Housing Finance's inclusive economic development model which seeks to provide affordable housing for rural India. The NHB's support will not only grow the brand but will also help the company fulfil its aspiration of becoming the leading player in the rural market," said **Anand Mahindra, Chairman, Mahindra Group.**

"By pledging to uplift rural communities via easier access to housing finance, we will not only contribute to financial inclusion but will also improve social equity in a sustainable manner. This is aligned with the principle of shared value, which involves creating economic value while simultaneously building value for society by addressing its challenge," said **Ramesh Iyer, Chairman, Mahindra Rural Housing Finance Ltd.**

The rural housing finance market in India is growing at a rapid rate, propelled by several growth drivers such as increase in population and disposable income, decreasing household size, increasing household formation and greater penetration of housing finance players.

Headquartered in Mumbai, MRHFL seeks to expand access to cost-effective and flexible home loans to a wide base of customers in rural India, ensuring that the basic need of shelter of this large "under banked" customer base is met expediently. MRHFL's mission to Transform Rural Lives is the guiding force for its employees. The company aspires to be the leader in the rural market in terms of profitability, growth, awareness and trust and by 2016 it aims to achieve a loan book size of approx. USD 1 billion by providing home loans to customers in rural and semi-urban India.

About Mahindra

The Mahindra Group focuses on enabling people to rise through solutions that power mobility, drive rural prosperity, enhance urban lifestyles and increase business efficiency.

A USD 15.9 billion multinational group based in Mumbai, India, Mahindra employs more than 155,000 people in over 100 countries. Mahindra operates in the key industries that drive economic growth, enjoying a leadership position

in tractors, utility vehicles, information technology and vacation ownership. In addition, Mahindra enjoys a strong presence in the agribusiness, aerospace, components, consulting services, defence, energy, financial services, industrial equipment, logistics, real estate, retail, steel and two wheeler industries.

In 2012, Mahindra featured on the Forbes Global 2000 list, a listing of the biggest and most powerful listed companies in the world.

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