Mahindra Holidays & Resorts India Limited files its Draft Red Herring Prospectus with the SEBI

Hospitality

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Mumbai: Mahindra Holidays & Resorts India Limited (the 'Company'), a leisure hospitality provider offering quality family holidays and part of the Mahindra Group of Companies, has filed its Draft Red Herring Prospectus ('DRHP') with the Securities and Exchange Board of India ('SEBI') for an Initial Public Offering ('IPO') of 10,719,347 equity shares of Rs 10 each for cash at a price ('Equity Shares') to be decided through a 100% book-building process (the 'Issue'). The Issue would constitute 13.0% of the fully diluted post-issue paid-up capital of the Company.

The Issue comprises a Fresh Issue of 4,122,826 equity shares and an Offer for Sale of 6,596,521 equity shares by Mahindra Holdings & Finance Limited (the 'Selling Shareholder'). The Selling Shareholder is considering a Pre-IPO Sale of up to 2,473,695 Equity Shares to certain investors ('Pre-IPO Sale'). The Selling Shareholder will complete the transfer and sale of such Equity Shares prior to the filing of the RHP with the Registrar of Companies ('RoC'). If the Pre-IPO Sale is completed, the Offer for Sale and consequently the

Issue size offered to the public would be reduced to the extent of such Pre-IPO Sale, subject to a minimum Issue size of 10% of the post Issue capital being offered to the public.

The objects of this Issue include financing the expansion of some of its existing resorts and setting up of new projects. The Company has plans to construct new resorts and projects at Pondicherry, Kumbalgarh (Rajasthan), Kadambakkam (Tamil Nadu), Binsar (Uttaranchal), Theog (Himachal Pradesh) and Tungi (Maharashtra).

The Equity Shares offered through this DRHP are proposed to be listed on the National Stock Exchange of India Limited ('NSE') and the Bombay Stock Exchange Limited ('BSE').

The Company provides family holidays primarily through vacation ownership memberships. Its resorts offer the use of furnished accommodation, such as apartments and cottages, and an experience through resort specific amenities and facilities, such as restaurants, ayurvedic spas, kid's clubs and a variety of holiday activities. It seeks to be the preferred partner to the urban family for family holidays and holiday services in India. Within a decade, the Company has successfully become a provider of quality family holidays having a pan-India coverage with a total of 21 resorts and 14 branch offices, 43 direct and 80 franchisee retail sales outlets as of October 31, 2007. As of October 31, 2007, it has 63,375 vacation ownership members.

MHRIL's flagship service offering is Club Mahindra Holidays, currently it entitles members the choice of holidaying at any of its 19 resorts, for seven days each year, in a season and apartment type of their choice, for 25 years. In addition, its members can choose to access a range of resorts globally through its RCI affiliation

The Global Coordinator and Book Running Lead Manager ('GCBRLM') to the Issue is Kotak Mahindra Capital Company Limited and the BRLM is HSBC Securities and Capital Markets (India) Private Limited.

About Mahindra Holidays & Resorts India Limited

Mahindra Holidays and Resorts India Limited (MHRIL), is a subsidiary of Mahindra and Mahindra Ltd. one of the most respected industrial houses in India. MHRIL is a leading player in the leisure hospitality industry. It provides quality family holidays primarily through vacation ownership memberships. MHRIL's flagship brand is Club Mahindra Holidays. MHRIL currently provides its 63,375 members a choice of 21 resorts in India and Thailand and in addition, through affiliations provides access to over 4000 resorts, worldwide.

Mahindra Holidays & Resorts India Limited is proposing, subject to market conditions and other considerations, a public issue of its equity shares and has filed its Draft Red Herring Prospectus ('DRHP') with the Securities & Exchange Board of India ('SEBI'). The DRHP is available on the website of SEBI at www.sebi.gov.in; on the website of the GCBRLM at www.kotak.com and on that of the BRLM at www.hsbc.co.in. This press release does not constitute or form part of any offer or invitation to sell or issue, or any solicitation of any offer to purchase or subscribe for, any equity shares, nor shall it or any part of it nor the fact of its distribution form the basis of, or be relied on in connection with, any contract or investment decision. Any potential investor should note that investment in equity shares involves a high degree of risk. For details, potential investors should refer to the DRHP filed with the SEBI including the section titled 'Risk Factors'. The Equity Shares of the Company have not been and will not be registered under the U.S. Securities Act 1933, as amended or any state securities laws in the United States. This announcement has been prepared for publication in India and may not be released in the United States. This announcement does not constitute an offer of securities for sale in any jurisdiction, including the United States, and any securities described in this announcement may not be offered or sold in the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act.

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