

MAHINDRA & MAHINDRA LIMITED

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Press Release

M&M + MVML Revenue Rs. 11961 crore – up 14 %

M&M + MVML PAT Rs. 962 crore – up 16%

Mumbai, 10th Aug 2016: The Board of Directors of Mahindra and Mahindra Limited today announced the unaudited financial results of the company for the quarter ended 30th June 2016. The results are for the first time being published under the new Indian Accounting Standard (IND AS) which became applicable from 1st April 2016.

Q1 F2017 – M&M + MVML* Results

- Gross Revenues and Other Income Rs. 11961 crore, up 14 % YoY
- Profit from ordinary activities before tax Rs. 1318 crore, up 15% YoY
- Profit from ordinary activities after tax Rs. 962 crore, up 16% YoY

- 110959 vehicles sold, a YoY growth of 9.7%
- 55909 utility vehicles sold, a YoY growth of 13%, maintaining market leadership with 31.6% market share
- 71785 tractors sold in the domestic market, a YoY growth of 21%, continuing leadership position with an increased market share of 43.9%
- Total exports of 13515 numbers (10569 vehicles & 2946 tractors)

Q1 F2017 – M&M Standalone results

- Gross Revenues and Other Income Rs. 12160 crore, up 14% YoY
- Profit from ordinary activities after tax Rs. 955 crore, up 12% YoY

Outlook:

Despite rising global uncertainties, India's economic recovery is slowly but surely gaining momentum. While public investment expenditures remain strong, urban demand has been picking up pace since the third quarter of the previous fiscal and is expected to receive further impetus from the Seventh Pay Commission awards, which will be given effect in the current month. More importantly, the double digit growth in domestic sales of tractors and two wheelers witnessed in the first quarter of 2016-17 suggests that a recovery in rural demand is now underway.

* The combined results of M&M and MVML (manufacturing unit) provide a comprehensive view of the company's performance.

Given the robust rainfall received thus far, and IMD's prediction of normal rains for the rest of the monsoon season, rural demand can be expected to gather further strength in the coming months, providing a much needed boost to industrial activity in the country. Weak external demand, underutilized capacities and balance sheet stress, however, continue to weigh heavily on domestic private investment. But, led by the positive outlook on consumer demand as well as renewed reform efforts by the government in recent months, business confidence is now ticking up and could lead to recovery in private capital expenditures towards the last quarter of this fiscal. Thus, even as we recognize the downside risks currently emanating from major advanced economies, our outlook on domestic growth remains positive and we look to the future with confidence.