

MAHINDRA & MAHINDRA LIMITED

Registered Office: Gateway Building, Apollo Bunder, Mumbai 400 001.
Tel: +91 22 22021031, Fax: +91 22 22875485
Website: www.mahindra.com, Email: group.communications@mahindra.com
CIN No. L65990MH1945PLC004558

Press Release

M&M + MVML Revenue (excluding GST impact) Rs. 12577 crore

M&M + MVML PAT (excluding GST impact) Rs. 862 crore

Mumbai, 4th Aug 2017: The Board of Directors of Mahindra and Mahindra Limited today announced the unaudited financial results for the quarter ended 30th June 2017 of the company and the consolidated Mahindra Group.

Q1 F2018 – M&M + MVML*

		<u>Excluding GST</u>	<u>Including GST</u>
Gross Revenues and Other Income	Rs Crore	12577	12433*
Profit from ordinary activities before tax	Rs Crore	1298	1154*
Profit from ordinary activities after tax	Rs Crore	862	768*
Vehicles sold	Nos	112293	
Tractors sold	Nos	81270	
Exports (vehicles and tractors)	Nos	8031	

* Due to the unavailability of input credit for certain taxes paid, as well as due to Tractors being exempt from excise duty in the earlier regime, the company to ensure minimum impact for customers, has made provision for dealer support in respect of duty paid goods lying with dealers amounting to Rs 144 crores.

Automotive Business: The automotive industry in Q1 F2018 was impacted due to the impending transition to GST from 1st July 2017 with the Passenger Vehicles sales being adversely impacted in anticipation of a price reduction due to GST and reporting a nominal growth of 4.4%. The sales of Heavy Commercial Vehicle goods segment showed a dip as a result of pre-buying of BS3 vehicles in Q4 F2017, saturation of replacement demand and production constraints of BS4 models leading to Q1 F2018 sales being the lowest in past 13 quarters.

Tractor Business: Based on a normal monsoon outlook, tractors sales continued to post growth for the months of April and May 2017. However June 2017 witnessed a de-growth of 1.7% owing to the uncertainty with regard to transition to a GST regime. Overall the domestic tractor industry witnessed a growth of 8.5% in Q1 F2018. The company however, outperformed the industry and grew 13.2% leading to the highest ever domestic tractor market share for a quarter at 45.8%.

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

Q1 F2018 – M&M Standalone results

		<u>Excluding GST</u>	<u>Including GST</u>
Gross Revenues and Other Income	Rs Crore	12684	12540
Profit from ordinary activities after tax	Rs Crore	860	766

Q1 F2018 – Group Consolidated Results

Gross Revenues and Other Income Rs.23212 crore (USD 3.5 Billion),

Profit before tax Rs.1574 crore (USD 236.5 million),

Profit after tax after Non-Controlling Interest Rs.859 crore (USD 129.0 million)

A full summation of Gross Revenues and other income of all the group companies taken together for the quarter ended 30th June 2017 is **Rs. 33105 crore (USD 5.0 billion)**.

Outlook:

India's macro-fundamentals remain robust due to sustainable growth, steady commodity prices and continuing push to the reforms drive by the government, which has just rolled out the GST - the biggest tax reform attempted in the country that will alter the landscape in due course of time.

The twin deficits remain under control and CPI inflation has fallen below the RBI's lower bound of 2%. The monsoon has covered the whole country ahead of schedule. Cumulative seasonal rainfall and Kharif sowing has been higher than normal so far. The RBI has lowered the Repo rate in its latest policy and may ease further, if the monsoon turns out to be well spread and inflation readings remain benign.

India's growth momentum is likely to pick up in the coming quarters with ongoing re-monetisation, further easing of interest rates and fillip to consumption demand. Your company remains geared to capitalise on these opportunities through its reach, products and focus on innovative technology.

Note: Translation of rupee to dollar is a convenience translation at the average exchange rate for the twelve month period ended 30th June 2017.

Additional information [not subjected to limited review and not under Regulation 33 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015]

THE UNAUDITED COMBINED RESULTS OF MAHINDRA & MAHINDRA LIMITED AND MAHINDRA VEHICLE MANUFACTURERS LIMITED*

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Rs. Crores

	Quarter ended 30th June			
	2017		2016	
	Amount	% to Net sales	Amount	% to Net sales
1. Gross sales & operating income	12304.81	110.91	11831.50	112.42
Less: Excise duty on sales	1210.71	10.91	1306.83	12.42
Total Income from operations (net)	11094.10	100.00	10524.67	100.00
2. Expenses :				
a. Material costs	7598.42	68.49	7194.27	68.36
b. Employee benefits expense	781.45	7.04	715.45	6.80
c. Depreciation and amortisation expense	378.29	3.41	348.44	3.31
d. Other expenses (Net of cost of manufactured products capitalised)	1260.32	11.36	1117.86	10.62
e. Total expenses (a+b+c+d)	10018.48	90.30	9376.02	89.09
3. Profit from operations before other income & finance costs (1 - 2)	1075.62	9.70	1148.65	10.91
4. Other income	128.16	1.16	129.44	1.23
5. Profit from ordinary activities before finance costs (3 + 4)	1203.78	10.86	1278.09	12.14
6. Finance costs	49.94	0.45	51.46	0.49
7. Profit from ordinary activities after finance costs but before exceptional items (5 - 6)	1153.84	10.41	1226.63	11.65
8. Exceptional items	-	-	91.00	0.86
9. Profit from ordinary activities before tax (7 + 8)	1153.84	10.41	1317.63	12.51
10. Provision for tax expenses	385.57	3.48	356.31	3.39
11. Net Profit from ordinary activities after tax (9 - 10)	768.27	6.93	961.32	9.12
12. Other Comprehensive Income after tax	4.04	0.04	3.85	0.04
13. Total Comprehensive Income after tax (11 + 12)	772.31	6.97	965.17	9.16

*Mahindra Vehicle Manufacturers Limited (MVML), a 100% subsidiary of the Company.
Previous years figures have been regrouped wherever necessary.

Additional information [not subjected to limited review and not under Regulation 33 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015]

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Segment wise Revenues, Results and Capital Employed :

	Rs. Crores	
	Quarter ended 30th June	
	2017	2016
	Amount	Amount
A. Segment Revenue : (Net sales & operating income)		
Automotive Segment	6538.59	6492.46
Farm Equipment Segment	4286.08	3806.67
Other Segments	415.35	349.42
Total	11240.02	10648.55
Less : Intersegment Revenue	145.92	123.88
Net sales & operating income	11094.10	10524.67
B. Segment Results :		
Automotive Segment	457.96	510.47
Farm Equipment Segment	741.99	755.50
Other Segments	24.52	16.28
Unrealised Profit	0.01	0.17
Total Segment Results	1224.48	1282.42
Less :		
Finance Costs	49.94	51.46
Other un-allocable expenditure net off un-allocable income (includes exceptional items)	20.70	(86.67)
Total Profit before tax	1153.84	1317.63
C. Capital Employed : (Segment assets - Segment liabilities)		
Automotive Segment	9197.20	9036.95
Farm Equipment Segment	3245.42	2697.63
Other Segments	288.26	216.51
Unrealised Profit	(0.01)	(0.02)
Total Segment Capital Employed	12730.87	11951.07

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Rs. in Crores

STATEMENT OF STANDALONE UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED 30TH JUNE, 2017

Particulars	Quarter Ended			Year Ended
	Jun-17	Mar-17	Jun-16	Mar-17
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
1. Revenue from Operations.....	12335.56	12011.54	11942.90	47096.04
Other income (note 2)	204.64	308.10	216.72	1342.49
Total Income.....	12540.20	12319.64	12159.62	48438.53
2. Expenses :				
a. Cost of materials consumed.....	5947.02	5223.88	5110.17	20913.11
b. Purchases of stock-in-trade.....	2429.96	3064.30	2948.54	10893.63
c. Changes in inventories of finished goods, stock-in-trade and work-in-progress.....	43.33	(71.03)	(29.85)	(4.01)
d. Excise Duty	759.85	886.39	902.11	3310.68
e. Employee benefits expense.....	693.79	601.66	650.44	2595.37
f. Finance costs	30.77	44.52	32.89	145.58
g. Depreciation and amortisation expense.....	343.87	342.50	311.73	1327.16
h. Other expenses (Net of cost of manufactured products capitalised).....	1195.05	1367.88	1067.40	4617.97
Total expenses (a+b+c+d+e+f+g+h).....	11443.64	11460.10	10993.43	43799.49
3. Profit before exceptional items and tax (1-2)	1096.56	859.54	1166.19	4639.04
4. Exceptional items (net).....	-	93.68	91.00	548.46
5. Profit before tax (3 + 4)	1096.56	953.22	1257.19	5187.50
6. Tax Expense				
a. Current Tax.....	218.10	93.22	263.94	998.26
b. Deferred Tax.....	112.50	134.84	38.30	233.59
7. Profit after tax (5 - 6).....	765.96	725.16	954.95	3955.65
8. Other Comprehensive Income				
8 a. (i) Items that will not be reclassified to profit or loss.....	1.92	(12.97)	2.65	(5.02)
(ii) Income tax relating to items that will not be reclassified to profit or loss.....	(0.45)	4.55	(0.92)	1.80
8 b. (i) Items that will be reclassified to profit or loss.....	3.88	9.24	3.30	8.67
(ii) Income tax relating to items that will be reclassified to profit or loss.....	(1.34)	(3.03)	(1.31)	(3.00)
9. Total Comprehensive Income for the period (7 + 8).....	769.97	722.95	958.67	3958.10
10 a. Basic Earnings per share Rs	12.90 *	12.22 *	16.11 *	66.70
10 b. Diluted Earnings per share Rs.....	12.85 *	12.17 *	16.04 *	66.37
11. Paid-up equity share capital (Face value Rs. 5 per share)	296.87	296.81	296.39	296.81
12. Reserves and Surplus.....				25372.75

* not annualised

Segment wise Revenues, Results, Assets and Liabilities :

Rs. in Crores

Particulars	Quarter Ended			Year Ended
	Jun-17	Mar-17	Jun-16	Mar-17
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
A. Segment Revenue : (Revenue from operations)				
Automotive Segment.....	7682.16	8910.72	7825.80	32019.68
Farm Equipment Segment.....	4321.08	2793.85	3837.34	13901.90
Other Segments.....	437.15	388.32	365.81	1516.87
Total	12440.39	12092.89	12028.95	47438.45
Less: Intersegment Revenue.....	104.83	81.35	86.05	342.41
Revenue from operations.....	12335.56	12011.54	11942.90	47096.04
B. Segment Results:				
Automotive Segment.....	303.39	283.25	342.61	1412.78
Farm Equipment Segment.....	741.98	466.90	755.50	2561.68
Other Segments.....	24.52	23.99	16.28	73.30
Total Segment Results.....	1069.89	774.14	1114.39	4047.76
Less :				
Finance Costs	30.77	44.52	32.89	145.58
Other un-allocable expenditure net of un-allocable income (includes exceptional items).....	(57.44)	(223.60)	(175.69)	(1285.32)
Total Profit before tax.....	1096.56	953.22	1257.19	5187.50
C. Segment assets:				
Automotive Segment.....	13184.66	12837.20	12632.10	12837.20
Farm Equipment Segment.....	5994.20	5214.00	5147.32	5214.00
Other Segments.....	578.67	488.60	467.04	488.60
Total Segment Assets.....	19757.53	18539.80	18246.46	18539.80
Unallocated Corporate Assets	21158.18	20798.51	18532.03	20798.51
Total Assets	40915.71	39338.31	36778.49	39338.31
D. Segment liabilities:				
Automotive Segment.....	6447.01	6491.44	6120.74	6491.44
Farm Equipment Segment.....	2748.78	2235.81	2449.69	2235.81
Other Segments.....	290.42	291.27	250.54	291.27
Total Segment Liabilities.....	9486.21	9018.52	8820.97	9018.52
Unallocated Corporate Liabilities	4975.31	4650.23	4547.68	4650.23
Total Liabilities	14461.52	13668.75	13368.65	13668.75

Notes:

1 These financial results have been prepared in accordance with the recognition and measurement principles under Ind AS as prescribed under section 133 of the Companies Act, 2013 read with the relevant rules issued thereunder and the other accounting principles generally accepted in India.

2 Other Income includes dividend received from Subsidiaries, Associates and Joint Venture

Quarter Ended			Rs. in Crores
Jun-17	Mar-17	Jun-16	Year Ended Mar-17
(Unaudited)	(Audited)	(Unaudited)	(Audited)
92.96	-	99.93	599.36

3 The Board of Directors of the Company at their meeting held on 3rd December 2016, had approved the Scheme of Arrangement between Mahindra Two Wheelers Limited (MTWL), a step-down subsidiary of the Company, and the Company and their respective Shareholders and Creditors, which inter-alia, envisages demerger of the Two Wheeler Undertaking of MTWL (which consists of manufacturing and selling of Two Wheelers) (The 'Scheme') and transfer and vesting thereof as a going concern into the Company. The Appointed Date of the Scheme would be 1st October 2016 or such other date as may be approved. The Shareholders of both the Companies approved the scheme on 13th June 2017. The Scheme will be given effect to on receipt of requisite approvals / consent from NCLT and filing of such approvals with the ROC.

4 The figures for the quarter ended 31st March, 2017 are the balancing figures between the audited figures in respect of the full financial year and the limited reviewed year to date figures upto the third quarter of the relevant financial year.

5 The above results were approved by the Board of Directors of the Company at the Board Meeting held on 4th August, 2017.

6 In compliance with Regulation 33 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, a limited review of the above results has been carried out by the Statutory Auditors.

For and on behalf of the Board of Directors

Mumbai, 4th August, 2017

Anand G. Mahindra
Executive Chairman

Additional information [not subjected to limited review and not under Regulation 33 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015]

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STATEMENT ON UNAUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER ENDED 30TH JUNE, 2017

(Rs. Crores)

Particulars	Quarter ended 30th June		Year Ended 31st March
	2017	2016	2017
Gross Revenue & Other Income	23,212	22,374	89,713
Profit for the period attributable to Owners of the Company	859	944	3,698
Basic Earning per share (not annualised*) Rs.	15.85 *	17.46 *	68.33
Diluted Earning per share (not annualised*) Rs.	15.77 *	17.37 *	67.95

Note:

1. The above results have not been subjected to a limited review by Statutory Auditors.

Additional information [not subjected to limited review and not under Regulation 33 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015]

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Mahindra & Mahindra Group

Unaudited Segment Revenues and Segment Results

(Rs Crores)

Segment	Q1 FY 2018		Q1 FY 2017	
	Revenue	Results	Revenue	Results
Automotive	13,026	346	13,303	462
Farm Equipment	5,764	727	5,278	769
Financial Services	1,944	341	1,731	264
Real Estate	140	21	95	18
Hospitality	555	39	508	11
Two Wheelers	313	(70)	378	(165)
Others	1,601	77	1,186	(5)
Add / (Less): Inter segment revenue / results	(260)	(22)	(233)	(8)
Total Segment Revenue and Results	23,083	1,459	22,246	1,346
Net Unallocable (Expenses) / Gains		(108)		(73)
Net unallocable Interest (Expense)		(122)		(101)
Net unallocable Interest Income		82		81
Add / (Less)- Share of Associates / Joint Ventures		263		285
Profit Before Tax		1,574		1,538
Tax Expense		(604)		(495)
Profit After Tax		970		1,043
Profit for the period attributable to :				
Owners of the Company		859		944
Non controlling interests		111		99

Note:

1. The above results have not been subjected to a limited review by Statutory Auditors.