

**Press Release**  
**For immediate dissemination**

**M&M Q4 Net Spurts**

**Mumbai, 28<sup>th</sup> May 2009:** The Board of Directors of Mahindra and Mahindra Limited today announced the financial results for the quarter ended 31<sup>st</sup> March 2009 of the company and the audited results for the year ended 31<sup>st</sup> March 2009 for the company and the consolidated Mahindra Group.

**Q4 F2009 – M&M Standalone results**

The Gross Revenues and Other Income of Mahindra & Mahindra Ltd. for the quarter ended 31<sup>st</sup> March 2009 is **Rs.4171.6 crores** as against Rs.3666.3 crores during the corresponding period last year – **a growth of 13.8%**. The Net Profit before tax from ordinary activities for the quarter is **Rs. 508.6 crores** as against Rs.304.8 crores in Q4 last year – **a growth of 66.9%**. After providing for tax, the same is **Rs. 418.1 crores** for the current Q4 as against Rs. 221.1 crores in the same period last year – **a growth of 89.1%**.

The Scheme of Arrangement for the merger of Punjab Tractors Ltd. (PTL) with the company was approved by the Punjab & Haryana High Court during the current quarter and the company has given effect to the same w.e.f. 1<sup>st</sup> August 2008 as per the order. During the quarter the Ministry of Corporate Affairs issued a notification providing companies with an option, with retrospective effect from 1<sup>st</sup> April 2007, to capitalize exchange differences arising on foreign currency loans to the extent they were used to finance fixed assets and amortize the balance equally over the period up to 31<sup>st</sup> March 2011 or the date of maturity of loan whichever is earlier. The company has chosen to adopt the above option. Excluding the impact of exchange difference and other special/exceptional items (see annexure) the PAT for the current Quarter was Rs.279.5 crores as against Rs.208.9 crores in Q4 last year – **a growth of 33.8%**.

The current quarter continued to be an extremely challenging one for both auto and tractor businesses. Though there was a some improvement in the consumer sentiment and credit availability, the after effects of the global financial meltdown continued to be felt during the quarter. The company's sales of UVs, as compared to an industry decline of 11%, grew by 12% to 48088 nos. against 42999 nos. sold in Q4 last year. The company achieved a dominating market share of 63% in the UV market during the quarter. This strong performance was mainly due to the excellent sales of Bolero and Xylo. The response to the launch of Xylo was especially heart-warming with bookings crossing the 15000 mark in the first three months of the launch. The domestic tractor demand witnessed a decline of 2.3% during the quarter. The company's domestic tractor sales excluding the Swaraj tractors were 19426 nos. during the quarter against 20360 nos. sold in Q4 last year. The sale of Swaraj tractors during the quarter was 9253 nos. as against 7895



nos. sold in Q4 last year- a growth of 17.2%. Including Swaraj Tractors, the Company's sales during the current quarter grew by 1.5% to 28679 nos. as compared to 28255 nos. in Q4 last year and its market share was 38.9%.

### **F2009 - M&M Standalone results**

The Gross Revenues and other income of Mahindra & Mahindra Ltd. during the year ended 31<sup>st</sup> March 2009 is **Rs.15072.2 crores** as against Rs. 13301.4 crores in the previous year – **a growth of 13.3%**. The Net Profit from ordinary activities after tax for the current year is **Rs. 836.8 crores** as against Rs.1103.4 crores in the previous year. Excluding the impact of exchange difference and other special/ exceptional items (see annexure), the profit after tax during the year is **Rs. 921.7 crores** against Rs. 860.4 crores in the previous year.

The profits pertaining to an earlier period arising from the merger of a wholly owned subsidiary of the company, recognized during the current year have been reported as a special adjustment after ascertaining profit after tax from ordinary activities for the period.

The Board of Directors has recommended a dividend of **Rs. 10.00** per share which will absorb a sum of **Rs. 312.06 crores** inclusive of tax (previous year Rs. 11.50 per share which absorbed an amount of Rs. 321.09 crores ) and will be paid to those shareholders whose names stand registered in the books of the company as on the book closure date.

### **F2009 – Group Consolidated Results**

The Gross Revenues and Other Income for the year ended 31<sup>st</sup> March 2009 **grew by 8.9%** to **Rs. 29099.7 crores (USD 6.3 billion)** from Rs.26726.2 crores (USD 6.6 billion) in last year. The profit before exceptional items and tax for the current year is **Rs. 2330.5 crores (USD 506.2 million)** as compared to Rs. 2798.3 crores (USD 693.2 million) last year. The consolidated group profit for the year after exceptional items, prior-period adjustments and tax and after deducting minority interests is **Rs.1405.4 crores (USD 305.3 million)** as compared to Rs.1571.1 crores (USD 389.2 million) earned in the previous year. The group results were affected by the downturn in the automotive and auto-components industry the world over and the consequent poor showing during the year of company subsidiaries operating in these industries. The steep decline during the year in the value of the rupee also adversely impacted the group profits.

As on 31<sup>st</sup> March, 2009 the Group comprised of 97 Subsidiaries, 4 Joint Ventures and 11 Associates. During the year, some of the major group companies like Tech Mahindra and Mahindra Finance significantly improved their performance over the previous year. The performance of Tech Mahindra Group with a 19% growth in revenues and over 208% increase in profits, and that of Mahindra Finance with a 13% revenue growth and a 21% profit growth, deserve special mention.

**Outlook:**

The financial crisis that hit the developed world in September last year has impacted economic growth across the globe. While the advanced countries stare at a sharp and protracted contraction, the Indian economy continues to grow albeit at a much slower pace than earlier. Manufacturing activities in the country have been hit particularly sharply by the meltdown in global financial and trade flows. However, the growth in motor vehicle sales in March and April, rise in PMI index for India to level above 50 in April and the installation of a pro-reform and stable government ushered in by the recent elections augur well for a recovery of the economy in the near term. The company, given its continuous focus on cost controls, new product developments & innovations and process efficiencies, is poised to quickly take advantage of the expected positive turn of events.

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**Note:** Translation of rupee to dollar is a convenience translation at the average exchange rate prevailing in the respective years.

**About The Mahindra Group**

The US \$6.3 billion Mahindra Group is among the top 10 industrial houses in India. Mahindra is the market leader in multi-utility vehicles in India. It made a milestone entry into the passenger car segment with the Logan. Mahindra & Mahindra is the only Indian company among the top tractor brands in the world.

The Group has a leading presence in key sectors of the Indian economy, including the financial services, trade, retail and logistics, automotive components, after-market, information technology and infrastructure development. Mahindra has made an entry in the two-wheeler segment which will see the company emerge as a full-range player with a presence in almost every segment of the automobile industry.

Mahindra's Farm Equipment Sector is the proud recipient of the Japan Quality Medal, the only tractor company worldwide to be bestowed this honour. It also holds the distinction of being the only tractor company worldwide to win the Deming Prize. The US based Reputation

Institute recently ranked Mahindra among the top 10 Indian companies in its Global 200: The World's Best Corporate Reputations list.

Mahindra is also one of the few Indian companies to receive an A+ GRI checked rating for its first Sustainability Report for the year 2007-08.

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