

THE RESILIENCE TO RISE.



### **RESILIENCE THROUGH CUSTOMER CENTRICITY**

Ranked 3rd in JD Power SSI survey  
Ranked 4th in JD Power CSI Study

### **RESILIENCE THROUGH MARKET LEADERSHIP**

Sustained market leadership in Tractors for over 3 decades

5 millionth vehicle rolled out in January 2015

### **RESILIENCE THROUGH PORTFOLIO DIVERSIFICATION**

Market value of investments in listed entities ~ Rs. 30,000 crores (invested value – ~ Rs. 4,200 crores)

## **Resilience**

### **RESILIENCE THROUGH STRONG FINANCIALS**

EBITDA (including MVML) grew at 19% CAGR over the last decade

AAA rating from all major rating agencies citing Mahindra's "Resilience to Economic Cycles"

### **RESILIENCE THROUGH INNOVATION**

World class R&D Center at Mahindra Research Valley, Chennai  
100% increase in patent applications

### **RESILIENCE IN VALUE CREATION**

Share price growth at 25% CAGR over the last decade

Unbroken dividend record since listing on BSE in 1956



In January 2015, Mahindra rolled out its 5 millionth vehicle from its automotive plant at Kandivali, Mumbai. The company's legendary 4x4 off-road vehicle, the Mahindra Thar was chosen for this momentous milestone. Dr. Pawan Goenka, Executive Director, Mahindra & Mahindra Ltd. and Group President (Auto & Farm Sector) presided over the ceremony and dedicated this significant achievement to each and every member of the Mahindra family.



## Mahindra Drives in the New Age XUV500

The New Age XUV 500 is packed with a host of cutting-edge technology features, bold new cheetah-inspired exterior styling, plush and premium new interiors, exhilarating performance and best-in-class safety.

## Mahindra pioneers technologically superior farming solutions with the Arjun Novo

Technologically advanced and stylishly designed, the Arjun Novo has created new benchmarks in performance, technology and ergonomics and is one of the most comfortable tractors in its category.



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## Driving Positive Change

Corporate Social Responsibility or CSR is an integral part of the Mahindra Group with Education, Public Health and the Environment forming the key focus areas of our programme.

From providing academic, material and social support to underprivileged girls across India through Project **Nanhi Kali** to supporting Impact India's Lifeline Express, the world's first hospital on wheels, the Mahindra Group seeks to drive positive change and help make the world a better place. The Mahindra Group has pledged to support the Prime Minister's CLEAN INDIA campaign through the Swachh Bharat Swachh Vidhyalaya program, by committing to build 1,000 toilets blocks (preferably for girls) in government schools across 13 states of India.

Employees across the Group also devote their personal time and energy to help the disadvantaged through ESOPs or the Employee Social Options Programme. From blood donation drives and sapling plantation to visits to old age homes, our Esops volunteers are making a difference to the lives of many.

We present a few glimpses of Mahindra's CSR activities through the year.

### A blood donation drive in progress



Tech Mahindra Foundation participates in a Swachh Bharat Campaign



Mahindra Lifespaces conducts a medical camp

### Mahindra Intertrade donates educational material to school children





Training underway at a Mahindra Pride School

Mahindra Pride School graduates take on the retail sector



Mahindra Intertrade donates toys to underprivileged children



Mahindra Holidays helps flood affected villagers



A smiling Nanhi Kali goes to school



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## Chairman Emeritus & Board of Directors

Left to Right:

**Standing:** Anupam Puri, Bharat Doshi, Dr. Pawan Kumar Goenka,  
Anand G. Mahindra, M. M. Murugappan, Nadir B. Godrej,  
S. B. Mainak, Vikram Singh Mehta

**Seated:** R. K. Kulkarni, Deepak S. Parekh, Keshub Mahindra  
(Chairman Emeritus), Dr. Vishakha N. Desai



## Group Executive Board

### Left to Right

**Standing:** Ulhas Yargop, Group President (IT Sector) & Group CTO, Pravin Shah, President & Chief Executive (Automotive), Rajesh Jejurikar, President & Chief Executive (Farm Equipment & Two Wheeler), Zhooben Bhiwandiwalla, Managing Partner - Mahindra Partners & President (Group Legal), Ruzbeh Irani, President (Group Communications & Ethics) & Chief Brand Officer, Harsh Kumar, Managing Director (Mahindra Intertrade Ltd.), Ramesh Iyer, Managing Director (Mahindra & Mahindra Financial Services Ltd.) & President (Financial Services Sector), Rajeev Dubey, Group President (HR & Corporate Services) & CEO (After-Market Sector), C.P. Gurnani, Managing Director & CEO - Tech Mahindra, Kavinder Singh, Managing Director & CEO (Mahindra Holidays and Resorts India Ltd.) & President (Leisure & Hospitality Sector), Johng-sik Choi, President & CEO - Ssangyong Motor Co.

**Seated:** Anish Shah, Group President (Strategy), V S Parthasarathy, Group CFO, Group CIO & President (Group Finance and M&A), Anand Mahindra, Chairman & Managing Director, Mahindra & Mahindra Ltd., Rajan Wadhera, President & Chief Executive (Truck & Power Train), Head - Mahindra Research Valley (MRV), Ashok Sharma, President & Chief Executive (Agri and Africa & South Asia Operations), Anita Arjundas, Managing Director & CEO (Mahindra Lifespace Developers Ltd.) & President (Real Estate Sector), Pawan Goenka, Executive Director - Mahindra & Mahindra Ltd. & Group President (Auto and Farm Sector), S. P. Shukla, Group President and CEO (Aerospace & Defence Sector), S. Durgashankar, President (Group M&A, Corporate Accounts & Group Secretarial)

## COMMITTEES OF THE BOARD

### Audit Committee

Mr. Deepak S. Parekh - Chairman  
Mr. Nadir B. Godrej  
Mr. M. M. Murugappan  
Mr. R. K. Kulkarni  
Mr. Bharat Doshi

### Stakeholders Relationship Committee

Mr. R. K. Kulkarni - Chairman  
Mr. Anand G. Mahindra  
Mr. Bharat Doshi  
Dr. Vishakha N. Desai

### Governance, Nomination and Remuneration Committee

Mr. M. M. Murugappan - Chairman  
Mr. Nadir B. Godrej  
Mr. Vikram Singh Mehta  
Mr. R. K. Kulkarni

### Corporate Social Responsibility Committee

Dr. Vishakha N. Desai - Chairperson  
Mr. Anand G. Mahindra  
Dr. Pawan Goenka  
Mr. Bharat Doshi  
Mr. R. K. Kulkarni  
Mr. Vikram Singh Mehta

### Strategic Investment Committee

Mr. Anand G. Mahindra - Chairman  
Mr. Bharat Doshi  
Mr. Deepak S. Parekh  
Mr. Nadir B. Godrej  
Mr. Vikram Singh Mehta  
Mr. Anupam Puri

### Loans & Investment Committee

Mr. Anand G. Mahindra - Chairman  
Mr. Bharat Doshi  
Dr. Pawan Goenka  
Mr. R. K. Kulkarni  
Mr. Vikram Singh Mehta

### Research & Development Committee

Mr. M. M. Murugappan - Chairman  
Mr. Anand G. Mahindra  
Dr. Pawan Goenka  
Mr. Bharat Doshi  
Mr. Nadir B. Godrej

### Risk Management Committee

Dr. Pawan Goenka - Chairman  
Mr. Deepak S. Parekh  
Mr. Nadir B. Godrej  
Mr. M. M. Murugappan  
Mr. R. K. Kulkarni  
Mr. Bharat Doshi

## CHAIRMAN EMERITUS

Mr. Keshub Mahindra

## BOARD OF DIRECTORS

Mr. Anand G. Mahindra  
Chairman & Managing Director

Dr. Pawan Goenka  
Executive Director

Mr. Bharat Doshi

Mr. Deepak S. Parekh

Mr. Nadir B. Godrej

Mr. M. M. Murugappan

Mr. R. K. Kulkarni

Mr. Anupam Puri

Dr. Vishakha N. Desai

Mr. Vikram Singh Mehta

Mr. S. B. Mainak  
Nominee of Life Insurance Corporation  
of India

Mr. Narayan Shankar  
Company Secretary

## BANKERS

Bank of America N.A.  
Bank of Baroda  
Bank of India  
Canara Bank  
Central Bank of India  
HDFC Bank Limited  
Standard Chartered Bank  
State Bank of India  
Union Bank of India

## AUDITORS

Deloitte Haskins & Sells  
Tower 3, 27<sup>th</sup> – 32<sup>nd</sup> Floor,  
Indiabulls Finance Centre,  
Elphinstone Mill Compound,  
Senapati Bapat Marg,  
Elphinstone (W), Mumbai 400 013

## ADVOCATES

Khaitan & Co.,  
One Indiabulls Centre,  
13<sup>th</sup> Floor, 841, Senapati Bapat Marg,  
Elphinstone Road, Mumbai 400 013

## REGISTERED OFFICE

Gateway Building, Apollo Bunder,  
Mumbai 400 001

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DIRECTORS'  
REPORT



## Directors' Report

### Dear Shareholders

Your Directors present their Report together with the audited financial statements of your Company for the year ended 31<sup>st</sup> March, 2015.

#### A. FINANCIAL AND OPERATIONAL HIGHLIGHTS

	(Rs. in crores)	
	2015	2014
Gross Income	41,982	43,838
Less: Excise Duty on Sales	2,188	2,612
Net Income	39,794	41,226
Profit before Depreciation, Finance Costs, Exceptional items and Taxation	5,022	5,439
Less: Depreciation/Amortisation	975	863
Profit before Finance Costs, Exceptional items and Taxation	4,047	4,576
Less: Finance Costs	214	259
Profit before Exceptional items and Taxation	3,833	4,317
Add: Exceptional items	336	52
Profit before Taxation	4,169	4,369
Less: Provision for Tax – Current Tax (including MAT credit entitlement)	743	350
Less: Provision for Tax – Deferred Tax (Net)	105	261
Profit for the year	3,321	3,758
Balance of profit for earlier years	12,325	9,952
Less: Transfer to Debenture Redemption Reserve	17	17
Profits available for appropriation	15,629	13,693
Add: Reversal of income tax on dividend paid for 2013-14	3	—
Less: Transfer to General Reserve	—	400
Proposed Dividends	745	862
Income-tax on Proposed Dividend	102	104
Depreciation as per transitional provision specified in Schedule II of the Companies Act, 2013 – [Net of Tax of Rs. 18.24 crores]	35	—
Dividend for 2012-13 paid on shares issued in June, 2013	—	2
Income-tax on Dividend Paid	—	*
Balance carried forward	14,750	12,325

\* denotes amounts less than Rs. 50 lakhs

Stabilisation and recovery are the two words that best characterise India's economic performance in the Financial Year 2014-15. Supported by benign prices across the commodity complex – food, metals and crude oil, the country's macros witnessed a sharp and reassuring consolidation. The centre's fiscal deficit dropped to 4.1% from 4.4% a year ago and is set to consolidate further in the current Financial Year. The country's balance of payments registered a healthy surplus, while the current account deficit came in below 2% of GDP for the second year in succession. Furthermore, consumer price inflation is currently trending around the 5% mark, a sharp drop from the entrenched double digit price acceleration experienced during the last couple of years and considerably below the 8% target that the RBI had set for itself a year ago. The latter's monetary stance has, consequently, eased considerably and may ease further in the coming months.

Economic activity, at the same time, witnessed a steady, albeit slow, recovery through the year. While the regulatory and procedural reforms undertaken by the new Government since taking office in June last year did help improve the business climate prevailing in the country, weak demand continued to constrain private sector activity for the second year in succession. With global growth across developed and emerging markets remaining below par in 2014, external demand remained tepid and uninspiring through the year. At the same time, a poor monsoon season coupled with benign food prices severely constrained rural incomes and domestic demand. The one bright spot was the turnaround in investment plans and expenditures signalled by the sharp pick up in capital goods production and new project announcements in the second half of 2014-15, which portends well for future growth.

However, even amidst this scenario, your Company demonstrated resilience to economic cycles with a decline of only 3.47% in net income at Rs. 39,794 crores in the year under review as against Rs. 41,226 crores in the previous year.

The Profit for the year before Depreciation, Finance Costs, Exceptional items and Taxation recorded a decrease of 7.67% at Rs. 5,022 crores as against Rs. 5,439 crores in the previous year. Similarly, Profit after tax declined by 11.62% at Rs. 3,321 crores as against Rs. 3,758 crores in the previous year.

Your Company continues with its rigorous cost restructuring exercises and efficiency improvements which have resulted in significant savings through continued focus on cost controls and process efficiencies.

No material changes and commitments have occurred after the closure of the Financial Year 2014-15 till the date of this Report, which would affect the financial position of your Company.

## Performance Review

### **Automotive Division:**

Your Company's Automotive Division recorded total sales of 3,96,534 vehicles and 59,404 three-wheelers as compared to 4,34,505 vehicles and 64,510 three-wheelers in the previous year registering a decline of 8.7% in vehicle sales and a decline of 7.9% in three-wheeler sales.

On the domestic sales front, your Company sold 2,23,968 Passenger Vehicles [including 2,06,837 Utility Vehicles (UVs), 13,947 Multi Purpose Vehicles (MPVs) and 3,184 Cars] which is a decline of 11.9% over the previous year's volumes of 2,54,344 Passenger Vehicles [including 2,19,421 UVs, 25,189 MPVs and 9,734 Cars]. In the commercial vehicle segment, your Company sold 1,45,010 vehicles [including 15,255 vehicles < 2T GVW and 1,29,755 vehicles between 2-3.5T GVW] registering a decline of 4.8% over the previous year's volume of 1,52,398 commercial vehicles, [including 29,223 vehicles < 2T GVW and 1,23,175 vehicles between 2-3.5T GVW]. In the three-wheeler segment, your Company sold 56,764 three-wheelers registering a decline of 9.3% over the previous year's volume of 62,614 three-wheelers.

For the year under review, the Passenger Vehicle (PV) industry has shown signs of revival, but this has been patchy. The Car industry growth is largely driven by new launches. Your Company's volume decline in the UV segment is a reflection of the UV market shift towards compact UVs attracting lower excise rates. The < 2T Light Commercial Vehicle (LCV) industry continues to shrink and the 2 to 3.5T LCV industry (Pick-Ups) suffered due to slowdown in Agri incomes and finance availability.

Your Company's UV sales volume declined by 5.7%, but your Company continued to maintain its leadership position in the domestic UV market by posting a market share of 37.4%. During this year, Bolero sales once again crossed the milestone of 1 lakh sales in a year. This is the fourth consecutive year that Bolero has achieved this milestone. Also, Bolero retained the title of India's largest selling Sports Utility Vehicle (SUV) for the 9<sup>th</sup> consecutive year. It is also the 5<sup>th</sup> highest selling passenger

vehicle in India. In September, 2014, the Company launched the New Generation Scorpio. The New Generation Scorpio is built on an all new platform and comes with contemporary styling and advanced technology features. New Generation Scorpio is all set to take the Scorpio brand to new heights. The Scorpio posted record sales since launch and strengthened its iconic status with sales of over 50,000 units for the fourth successive year. The XUV500 continued to be the customer's choice in the premium UV segment with sales of over 34,000 units in the year.

In the Pick-Up segment of commercial vehicles (LCV 2 to 3.5T), your Company strengthened its leadership position with a market share of 73.3% (a gain of 9.5% points).

Your Company recorded total sales of 8,912 commercial vehicles [including 5,413 LCVs in the LCV > 3.5T segment and 3,499 HCVs (Heavy Commercial Vehicles)] which is a growth of 9.2% over the previous year's volumes of 8,161 commercial vehicles [including 5,876 LCVs in the LCV > 3.5T segment and 2,285 HCVs].

In the Overseas market, your Company's volume grew 1.8% over the previous year. While the markets of Sri Lanka, Nepal, Bangladesh and Bhutan witnessed good growth, there was a decline in Chile and South Africa. During the year under review, your Company sold 27,556 vehicles and 2,640 three-wheelers in the overseas market as compared to 27,763 vehicles [including 452 vehicles sourced from the erstwhile "Trucks and Bus Division of Mahindra Trucks and Buses Limited" which subsequently got demerged into the Company] and 1,896 three-wheelers in the previous year.

Spare parts sales for the year stood at Rs. 1,609.90 crores (including exports of Rs. 104.04 crores) as compared to Rs. 1,427.81 crores (including exports of Rs. 92.98 crores) in the previous year, registering a growth of 12.8%.

### **Farm Division:**

In the Financial Year 2014-15, the Indian tractor industry witnessed a steep decline of 13.1%. This was on account of poor monsoon followed by unseasonal rains. The domestic market recorded sales of 5,50,963 tractors as compared to 6,33,656 tractors in the previous year.

In the face of this challenging industry situation, your Company's Farm Division (including Swaraj Division) recorded sales of 2,34,766 tractors as against 2,68,487 tractors sold in the previous year, registering a decline of 12.6%.

Your Company's sales in the domestic market stood at 2,21,020 tractors as compared to 2,58,339 tractors in the previous year, registering a decline of 14.4%. However, your Company continues to be the market leader with a 40% market share. With a vision to offer class leading tractors to the Indian farmer, your Company launched the technologically advanced and stylishly designed Arjun Novo. Arjun Novo is the first tractor model to roll out of the all new high Horse Power (HP) platform, creating new benchmarks in performance, technology, comfort and ergonomics. Arjun Novo boasts of a wide array of world-class and category first features.

For the year under review, your Company exported 13,746 tractors registering a growth of 35.5% over the previous year. This is the highest ever tractor exports by the Company.

Beyond tractors, your Company has presence in crop care solutions and distribution of seeds. The focus of this business is to provide quality inputs and help improve farm productivity. In the Financial Year 2014-15, this business saw a good growth of 49.6% in terms of revenue.

In the power generation space, under the Mahindra Powerol Brand, your Company continues to be amongst the leaders in the industry. Your Company earned a revenue of Rs. 834.5 crores in the current Financial Year as against Rs. 775.5 crores in the previous year, registering a growth of 7.6%. Along with the revenue growth, your Company has improved its presence in the retail segment and made good progress in the 'Energy Management Solutions' space.

Spare parts sales for the year stood at Rs. 549.43 crores (including exports of Rs. 48.84 crores) as compared to Rs. 521.71 crores (including exports of Rs. 39.91 crores) in the previous year, registering a growth of 5.3%.

### Current Year's review

During the period 1<sup>st</sup> April, 2015 to 28<sup>th</sup> May, 2015, 58,905 vehicles were despatched as against 59,243 vehicles during the corresponding period of the previous year. During the same period, 37,519 tractors were despatched as against 43,826 tractors despatched during the corresponding period in the previous year.

Looking ahead, your Company expects that the economic recovery, currently underway, will gather further strength through 2015-16, led by a pick up in mining and infrastructural activity. The global economy, while rife with risks, is forecast to grow at a faster pace in 2015-16. Exports, consequently, are expected to pick up pace in this Financial Year. While rural

incomes are difficult to forecast, the El Nino warning currently in place, suggests that rural demand may remain below par this year as well. However, multiplier effects flowing from Government and, to a smaller extent, private sector initiatives in the infrastructure space – roads, mining, power, railways, urbanisation and smart cities – including projects already under implementation, will help sustain demand through the year.

### Finance

The Financial Year 2014-15 witnessed divergent economic performance and monetary policies around the world. The United States economy saw continued improvement with job creation, the US Fed ended its quantitative easing (QE) program in October, 2014 and is the only economy among G-20 countries expected to go into an interest rate hike cycle. On the other hand, stagnant economic activity and falling commodity prices (especially crude) prompted central banks in Europe and Japan to embark on QE programs. Emerging markets witnessed a fall in growth rates, led by a slowdown in China, a steep contraction in Russia and a recession in Brazil. A large number of central banks have cut rates in the fourth quarter of the Financial Year 2014-15 as they fight the threat of deflation with the collapse in crude and other commodity prices. The latest World Economic Outlook by IMF projects the global growth to remain moderate in 2015. The outlook for advanced economies is improving, while growth in emerging markets and developing economies is projected to be lower, primarily reflecting weaker prospects for some large emerging market economies and oil-exporting countries. Financial Year 2014-15 witnessed unprecedented strength in the US Dollar against most currencies. Countries over-reliant on commodity exports saw their currencies coming under pressure. Indian Rupee remained in a relatively narrow band as the new Government's commitment towards fiscal prudence and progressive economic policies, led to surge of foreign flows into the country (both FDI and FII). The Reserve Bank of India (RBI) steadily intervened in the forex market to augment its forex reserves.

On the interest rate front, RBI, stayed on its path of inflation targeting. With the CPI inflation target of 8% by March, 2015 comfortably achieved (Inflation for March, 2015 at 5.25%) and the future outlook for coming quarters being benign, RBI reduced repo rate by cumulative of 50 bps in the last quarter of the Financial Year 2014-15. RBI, in addition, effectively managed the systemic liquidity conditions by way of its liquidity management framework comprising fixed and variable rate repo and reverse repo, term repo and marginal

standing facility. Going forward, while RBI is expected to broadly maintain an accommodative policy stance, future policy actions will be dependent on evolving data points.

Your Company continued to focus on managing cash efficiently and ensured that it had adequate liquidity and back up lines of credit. During the course of the year, your Company repaid Rs. 489 crores of borrowings from internal accruals. The Company's Bankers continue to rate your Company as a prime customer and extend facilities/services at prime rates. Your Company follows a prudent financial policy and aims not to exceed an optimum financial gearing at any time. The Company's total Debt to Equity Ratio was 0.19 as at 31<sup>st</sup> March, 2015.

Even in this challenging environment, in recognition of its prudent financial policies, your Company for the first time now enjoys the highest level of rating from all major rating agencies at the same time.

Your Company has been rated by CRISIL Limited (CRISIL), ICRA Limited (ICRA) and Credit Analysis & Research Limited (CARE) for its banking facilities under Basel II norms. All have re-affirmed the highest credit rating for your Company's Short Term facilities. During the year, CRISIL and ICRA have upgraded their ratings on your Company's long-term bank facilities and Non-Convertible Debenture (NCD) programme to 'CRISIL AAA/Stable' and '[ICRA] AAA (stable)' respectively. Further, CARE has also revised the ratings of the Company's long-term bank facilities upwards to 'CARE AAA'. India Ratings and Research (Ind-Ra, a Fitch Group Company) has assigned Long-Term Issuer Rating of 'IND AAA' with a Stable outlook to your Company since last year.

The AAA ratings indicate highest degree of safety regarding timely servicing of financial obligations and is also a vote of confidence reposed in your Company's Management by the rating agencies. It is an acknowledgement of the strong credit profile of your Company over the years, resilience in earnings despite cyclical upturns/downturns, robust financial flexibility arising from the significant market value of its holdings and prudent management.

During the year, your Company earned recognition for "Best Financing Solution" from Treasury Today Asia for its issuance of 50 year Non-Convertible Debentures, which was the first of its kind in the Indian financial markets.

### **Investor Relations (IR)**

In the continuous search for excellence, your Company continued to engage with investors in many ways, including one on one meetings, telepresence meetings, participation

in investor conferences, quarterly earnings calls and annual analyst meet. Your Company interacted with around 650 Indian and overseas investors and analysts (excluding quarterly earnings calls and specific event related calls) during the year. Your Company continuously strives to improve IR engagement with International and Indian investors and has set up feedback mechanism to measure IR effectiveness. Structured con-calls and periodic investor/analyst interactions with the Chairman & Managing Director, Executive Director and Business Heads were organised during the year. Your Company always believes in leading from the front with emerging best practices in IR and building a relationship of mutual understanding with investor/analysts. As a key milestone in this continuing endeavour, your Company organised its first ever con-call on Environment, Social and Corporate Governance (ESG) call for analysts and investors. The Company ensures that critical information about the Company is available to all the investors by uploading all such information at the Company's website. Your Company has created a 'Group Investor Relations Council' to share best practices across all the listed group companies and learn from each other.

### **Dividend**

Your Directors are pleased to recommend a dividend of Rs. 12 per Ordinary (Equity) Share of the face value of Rs. 5 each, payable to those Shareholders whose names appear in the Register of Members as on the Book Closure Date. The equity dividend outgo for the Financial Year 2014-15, inclusive of tax on distributed profits (after reducing the tax on distributed profits of Rs. 50.15 crores on the dividends receivable from the subsidiaries during the current Financial Year) would absorb a sum of Rs. 846.89 crores [as against Rs. 963.01 crores comprising the dividend of Rs. 13.50 per Ordinary (Equity) Share and also a Special Dividend of Re. 0.50 per Ordinary (Equity) Share aggregating Rs. 14 per Ordinary (Equity) Share of the face value of Rs. 5 each and tax thereon paid for the previous year].

## **B. CONSOLIDATED FINANCIAL STATEMENTS**

The Consolidated Financial Statements of the Company and its subsidiaries, prepared in accordance with the Companies Act, 2013 and applicable Accounting Standards form part of this Annual Report.

The Consolidated Financial Statements presented by the Company include the financial results of its subsidiary companies, associates and joint ventures.

## Subsidiary, Joint Venture and Associate Companies

The Group Companies continue to contribute to the overall growth in revenues of the Company.

Tech Mahindra Limited (TML), the Company's Flagship Company in the IT Sector, has reported a consolidated revenue of Rs. 22,621 crores in the current year as compared to Rs. 18,831 crores in the previous year – an increase of 20.1%. Its consolidated Profit After Tax is Rs. 2,628 crores as compared to Rs. 3,029 crores in the previous year.

The Group's finance company Mahindra & Mahindra Financial Services Limited (Mahindra Finance), reported a total consolidated income of Rs. 6,061 crores during the current year as compared to Rs. 5,301 crores in the previous year registering a growth of 14.3%. The consolidated Profit After Tax for the year is Rs. 913 crores as compared to Rs. 954 crores in the previous year.

Mahindra Lifespace Developers Limited (MLDL), your Company's subsidiary in the business of real estate and infrastructure registered a consolidated operating income of Rs. 1,086 crores as compared to Rs. 705 crores in the previous year registering a growth of 54.0%. The consolidated Profit After Tax for the year is Rs. 266 crores as compared to Rs. 101 crores in the previous year.

Ssyangyong Motor Company (SYMC), the Korean subsidiary of the Company has reported consolidated revenues of Rs. 18,316 crores in the current fiscal year as compared to Rs. 20,303 crores in the previous year. The consolidated loss for the year is Rs. 721 crores as compared to a profit of Rs. 88 crores in the previous year. SYMC is working on improving its profitability, which will strengthen its financial condition.

The consolidated Group Profit for the year after exceptional items, tax and after deducting minority interests is Rs. 3,137 crores as against Rs. 4,667 crores earned in the previous year.

During the year under review, Competent Hotels Private Limited, Mahindra Racing UK Limited, Mahindra UNIVEG Private Limited, MHR Holdings (Mauritius) Limited, Covington S.à.r.l., Lords Freight (India) Private Limited, Mriyalguda Farm Solution Limited, Mahindra Two Wheelers Europe Holdings S.à.r.l., Mahindra Industrial Park Chennai Limited, Peugeot Motocycles S.A.S., Peugeot Motocycles Italia S.p.A and Peugeot Motocycles Deutschland GmbH became subsidiaries of your Company.

During the year under review, Jiangxi Mahindra Yueda Tractor Company Limited, Mahindra Holidays and Resorts USA Inc., Mahindra Conveyor Systems Private Limited, Bell Tower Resorts Private Limited, Mahindra Gears Cyprus Limited, Mahindra

Engineering Services Limited, Mahindra Engineering Services (Europe) Limited, Mahindra Engineering GmbH, Mahindra Technologies Services Inc., Mahindra Ugine Steel Company Limited, Mahindra Gears International Limited, Mahindra Gears Global Limited, Metalcastello S.P.A., Crest Geartech Private Limited, Mahindra Gears & Transmissions Private Limited, Mahindra Investments (India) Private Limited, Gateway Housing Finance Corporation Limited and Mahindra Construction Company Limited ceased to be subsidiaries of your Company.

During the year under review, Mahindra Construction Company Limited became an associate of your Company and Mriyalguda Farm Solutions Limited ceased to be an associate of your Company.

Subsequent to the year end, Divine Solren Private Limited has become a subsidiary of your Company and Mahindra Business & Consulting Services Private Limited ("MBCSPL") ceased to be a subsidiary of your Company pursuant to the Scheme of Amalgamation of MBCSPL with Mahindra & Mahindra Financial Services Limited, the appointed date of which was 1<sup>st</sup> April, 2014.

During the year, Mahindra United Football Club Private Limited has changed its name to Mahindra Internet Commerce Private Limited, Mahindra Housing Private Limited has changed its name to Industrial Cluster Private Limited, Defence Land Systems India Private Limited has changed its name to Defence Land Systems India Limited, Mahindra Investments (International) Private Limited has changed its name to Mahindra HZPC Private Limited.

Subsequent to the year end, Mriyalguda Farm Solution Limited has changed its name to Mahindra eMarket Limited and Mahindra EPC Services Private Limited has changed its name to Mahindra Susten Private Limited.

A Report on the performance and financial position of each of the subsidiaries, associates and joint venture companies included in the Consolidated Financial Statement is provided in Form AOC-1 and forms part of this Annual Report.

The Policy for determining material subsidiaries as approved by the Board is uploaded on the Company's website and can be accessed at the Web link <http://www.mahindra.com/Investors/Mahindra-and-Mahindra/Governance>

## C. JOINT VENTURES, ACQUISITIONS AND OTHER MATTERS

### Formation of Joint Venture with Holland based company HZPC for seed potatoes

Your Company, through its Agri Business vertical has entered into a Joint Venture with Holland based HZPC in April, 2014

to offer the best quality seed potatoes to farmers within and outside India. Your Company holds 60% in this JV Company which is formed and made operational in the name and style of "Mahindra HZPC Private Limited". The balance 40% is held by HZPC. HZPC is one of the leading innovative companies in the world in potato breeding and seed potato growing. The Joint Venture will benefit from the expertise of both companies where HZPC with their strong R&D focus will bring in access to latest technology, new varieties and open up global markets for the Indian farmers, while your Company will contribute through its strong farmer connect, wide spread domestic distribution and agronomy expertise. The new company is in the process of constructing a state of the art facility to produce high quality tissue culture plants, mini-tubers and early generation seed potatoes.

#### **Mahindra Shubhlabh Services Limited (MSSL) enters into Joint Venture with Belgium based Fresh Produce Company**

Mahindra Shubhlabh Services Limited (MSSL), an unlisted subsidiary of your Company entered into a Joint Venture with UNIVEG, a Belgium based Fresh Produce Company in April, 2014. Your Company holds 60% in this JV Company which is formed and made operational in the name and style of "Mahindra UNIVEG Private Limited". The balance 40% is held by UNIVEG. The Joint Venture will focus on developing fresh fruit supply chain to provide high quality fruits that meets the needs of both the domestic and international markets. UNIVEG will provide technical know-how and best practices in quality control, post-harvest handling of fresh produce, ripening process and farm agronomy practices and procedures to meet international quality standards.

#### **Mahindra Two Wheelers and Peugeot Motorcycles strategic partnership**

Mahindra Two Wheelers Limited, an unlisted subsidiary of your Company (MTWL), as part of its strategic initiative, has acquired in January, 2015 a 51% stake in Peugeot Motorcycles (Peugeot Scooters), part of the Euro 54 billion PSA (Peugeot) Group based in France. Peugeot Scooters is a key urban mobility player in Europe for over one century and is the oldest motorised two-wheeler manufacturer in the world. It offers one of the most comprehensive range of scooters and mopeds, from 50cc to 400cc, including the successful three-wheeled scooter – Metropolis, in the European market. The partnership would enable both MTWL and Peugeot Scooters to speed up their international expansion by driving synergies and leveraging respective strengths.

#### **Strategic Partnership with Mitsubishi Heavy Industries through acquisition of 33% stake in Mitsubishi Agricultural Machinery**

In line with the vision of the Farm Equipment Sector (FES) to become a global full line player in the agriculture machinery space and to deliver "Farm Tech Prosperity", your Company signed a definitive agreement on 21<sup>st</sup> May, 2015, for acquiring a 33% voting stake in Mitsubishi Agricultural Machinery Co. Ltd. (MAM) through fresh issue of common shares and Class A (non-voting) shares of MAM.

The transaction is expected to close by October, 2015. The new funding will be used for investment in new product development and to increase MAM's capital base. Mitsubishi Agricultural Machinery is a full range agri-machinery company producing and selling tractors, combine harvesters, rice transplanters and other agri-machinery. It had revenues of approximately JPY 50 billion (USD 408 million) in 2014-15. This partnership will enhance the product development capability of FES, strengthen your Company's position in the North American market and help your Company to gain entry to new markets.

#### **Mahindra First Choice Wheels Limited (MFCWL) raises \$15 million from San Francisco Based Valiant Capital**

Valiant Capital Management, L.P., a San Francisco based investment advisory firm, has invested USD 15 million (Rs. 94 crores) in Mahindra First Choice Wheels Limited, an unlisted subsidiary of your Company (MFCWL), which is also India's No. 1 multi-brand used vehicle company. This is the second round of external private equity raised by MFCWL, with the first one in 2008 from Delhi based Phi Capital, which continues to be an investor in MFCWL.

The capital raised by MFCWL will be used to fund its growth plans over the next few years, to accelerate both the expansion of its physical network as well as adoption of its technology-enabled products and services used by industry stakeholders. In addition, it plans to use the funds to broaden its reach for its products and services across other used-vehicle categories.

Your Company, as part of the secondary offer, has divested 1.5% of its stake in favour of Valiant. At the conclusion of the transaction, your Company holds 43.7% as at 31<sup>st</sup> March, 2015. However, your Company has a right to appoint majority of Directors and by virtue of section 2(87)(i) of the Companies Act, 2013, MFCWL continues to be a subsidiary of your Company.

### **Mahindra Engineering Services Limited (MESL) completes merger with Tech Mahindra Limited (Tech M)**

A merger scheme of Mahindra Engineering Services Limited, an unlisted subsidiary of your Company (MESL) was announced on 29<sup>th</sup> November, 2013 and was reported last year. Further to this, the Hon'ble High Court of Judicature at Bombay on 31<sup>st</sup> October, 2014 sanctioned the Scheme of Amalgamation and Arrangement of MESL with Tech Mahindra Limited (Tech M) and their respective Shareholders. The merger is effective from 8<sup>th</sup> December, 2014. The Appointed Date of the Scheme is 1<sup>st</sup> April, 2013.

### **Mahindra CIE Merger**

On 31<sup>st</sup> October, 2014, Mahindra CIE Automotive Limited (formerly known as Mahindra Forgings Limited) received the approval from the Hon'ble High Court of Judicature at Bombay for the Merger Schemes namely (a) the Scheme of Amalgamation of Mahindra Hinoday Industries Limited (MHIL), Mahindra Ugine Steel Company Limited (MUSCO), Mahindra Gears International Limited (MGIL), Mahindra Investments (India) Private Limited (MIPL) and Participaciones Internacionales Autometal Tres, S.L. (PIA 3) with Mahindra CIE Automotive Limited (MCIE) (the Integrated Scheme) and (b) the Scheme of Amalgamation of Mahindra Composites Limited (MCL) with MCIE (Composites Scheme). The Appointed Date for the Merger Schemes was 1<sup>st</sup> October, 2013 and Effective Date of the Merger Schemes was 10<sup>th</sup> December, 2014.

## **D. INTERNAL FINANCIAL CONTROLS**

Your Company has in place, adequate internal financial controls with reference to financial statements, commensurate with the size, scale and complexity of its operations. During the year, such controls were tested and no reportable material weaknesses in the design or operation were observed.

## **E. MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

A detailed analysis of your Company's performance is discussed in the Management Discussion and Analysis Report, which forms part of this Annual Report.

## **F. CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES**

All Related Party Transactions entered during the year were in the Ordinary Course of Business and on Arm's Length basis. No Material Related Party Transactions, i.e. transactions exceeding ten percent of the annual consolidated turnover as per the last

audited financial statements, were entered during the year by your Company. Accordingly, the disclosure of Related Party Transactions to be provided under section 134(3)(h) of the Companies Act, 2013, in Form AOC – 2 is not applicable.

The policy on Related Party Transactions as approved by the Board is uploaded on the Company's website and can be accessed at the Web link: <http://www.mahindra.com/Investors/Mahindra-and-Mahindra/Governance>

## **G. AUDITORS**

### **Statutory Auditors and Auditors' Report**

Messrs. Deloitte Haskins & Sells, Chartered Accountants (ICAI Registration No. 117364W) were re-appointed as the Statutory Auditors of the Company to hold office from the conclusion of the 68<sup>th</sup> Annual General Meeting (AGM) held on 8<sup>th</sup> August, 2014 until the conclusion of the third consecutive AGM of the Company to be held in the year 2017 (subject to ratification of their appointment by the Members at every AGM held after the AGM held on 8<sup>th</sup> August, 2014).

As required under the provisions of section 139(1) of the Companies Act, 2013, the Company has received a written consent from Messrs. Deloitte Haskins & Sells, Chartered Accountants to their appointment and a Certificate, to the effect that their appointment, if made, would be in accordance with the Companies Act, 2013 and the Rules framed thereunder and that they satisfy the criteria provided in section 141 of the Companies Act, 2013.

The Members are requested to ratify the appointment of the Statutory Auditors as aforesaid and fix their remuneration.

The Auditors' Report does not contain any qualification, reservation or adverse remark.

### **Secretarial Auditor**

Pursuant to the provisions of section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed Mr. Sachin Bhagwat, Practising Company Secretary (Certificate of Practice Number: 6029) to undertake the Secretarial Audit of the Company.

In terms of provisions of sub-section 1 of section 204 of the Companies Act, 2013, the Company has annexed to this Board Report as Annexure I, a Secretarial Audit Report given by the Secretarial Auditor.

The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

## Cost Auditors

The Board had appointed Messrs. N. I. Mehta & Co., Cost Accountants (Firm Registration Number 000023), as Cost Auditor for conducting the audit of cost records of the Company for the Financial Year 2014-15.

However, as per the Companies (Cost Records and Audit) Rules, 2014 (the Rules) issued by Ministry of Corporate Affairs vide Notification dated 30<sup>th</sup> June, 2014, the requirement for Cost Audit was not applicable to the Company for the Financial Year 2014-15. Accordingly, Cost Audit was not conducted for the Financial Year 2014-15.

Further, Ministry of Corporate Affairs vide its Notification dated 31<sup>st</sup> December, 2014 amended the Rules, pursuant to which certain products of the Company now require maintenance of Cost Audit records and conduct of Cost Audit with effect from 1<sup>st</sup> April, 2015.

Accordingly, the Board of Directors on the recommendation of the Audit Committee, appointed Messrs. N. I. Mehta & Co., Cost Accountants, as the Cost Auditors of the Company for the Financial Year 2015-16 under section 148 of the Companies Act, 2013. Messrs. N. I. Mehta & Co. have confirmed that their appointment is within the limits of section 141(3)(g) of the Companies Act, 2013 and have also certified that they are free from any disqualifications specified under section 141(3) and proviso to section 148(3) read with section 141(4) of the Companies Act, 2013.

The Audit Committee has also received a Certificate from the Cost Auditors certifying their independence and arm's length relationship with the Company.

As per the provisions of the Companies Act, 2013, the remuneration payable to the Cost Auditor is required to be placed before the Members in a General Meeting for their ratification. Accordingly, a Resolution seeking Member's ratification for the remuneration payable to Messrs. N. I. Mehta & Co., Cost Auditors is included in the Notice convening the Annual General Meeting.

## H. PARTICULARS OF LOANS, GUARANTEES, INVESTMENTS AND SECURITIES

Particulars of the loans given, investment made or guarantee given or security provided and the purpose for which the loan or guarantee or security is proposed to be utilised by the recipient of the loan or guarantee or security are provided in Note Nos. 43, 13A and 13B to the Standalone Financial Statements.

## I. PUBLIC DEPOSITS AND LOANS/ADVANCES

Your Company has discontinued its Fixed Deposits Scheme for 36 months with effect from the close of office hours on 31<sup>st</sup> January, 2014 and has also discontinued acceptance of Fixed Deposits with effect from 1<sup>st</sup> April, 2014.

Out of the previously accepted total of 6,610 deposits of Rs. 5,910.80 lakhs from the public and shareholders as at 31<sup>st</sup> March, 2015, 162 deposits amounting to Rs. 79.43 lakhs, had matured and had not been claimed as at the end of the Financial Year. Since then, 50 of these deposits of the value of Rs. 33.12 lakhs have been claimed and 1 of these deposits of the value of Rs. 0.10 lakhs has been transferred to the Investor Protection Fund.

There was no default in repayment of deposits or payment of interest thereon during the year under review. There are no deposits which are not in compliance with the requirements of Chapter V of the Companies Act, 2013.

The particulars of loans/advances and investment in its own shares by listed companies, their subsidiaries, associates, etc., required to be disclosed in the Annual Accounts of the Company pursuant to Clause 32 of the Listing Agreement are furnished separately.

## J. EMPLOYEES

### Key Managerial Personnel (KMP)

The following have been designated as the Key Managerial Personnel of the Company pursuant to sections 2(51) and 203 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

- a) Mr. Anand G. Mahindra – Chairman & Managing Director
- b) Dr. Pawan Goenka – Executive Director – Mahindra & Mahindra & Group President (Auto and Farm Sector)
- c) Mr. V S Parthasarathy – Group CFO, Group CIO & President (Group Finance and M&A)
- d) Mr. Narayan Shankar – Company Secretary

None of the KMP has resigned during the year under review.

### Employees' Stock Option Scheme

During the year under review, the Trustees of Mahindra & Mahindra Employees' Stock Option Trust have not granted any Stock Options to employees under the Mahindra & Mahindra

Limited Employees Stock Option Scheme 2010 and the Mahindra & Mahindra Limited Employees Stock Option Scheme 2000 (hereinafter collectively referred to as “the Schemes”).

Details of the shares issued under the Schemes, as also the disclosures in compliance with SEBI (Share Based Employee Benefits) Regulations, 2014 read with erstwhile SEBI (Employees Stock Option Scheme and Employees Stock Purchase Scheme) Guidelines, 1999 are set out in Annexure II to this Report.

### Particulars of Employees and related disclosures

The Company had 404 employees who were in receipt of remuneration of not less than Rs. 60,00,000 during the year ended 31<sup>st</sup> March, 2015 or not less than Rs. 5,00,000 per month during any part of the year.

Disclosures with respect to the remuneration of Directors, KMPs and employees as required under section 197 of the Companies Act, 2013 read with Rule 5 (1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given in Annexure III to this Report.

Details of employee remuneration as required under provisions of section 197 of the Companies Act, 2013 read with Rule 5(2) & 5(3) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are available at the Registered Office of the Company during working hours 21 days before the Annual General Meeting and shall be made available to any Shareholder on request. Such details are also available on your Company’s website at: <http://www.mahindra.com/Investors/Mahindra-and-Mahindra/Resource>

### Industrial Relations

The year under review has witnessed positive vibes in Industrial Relations Scenario across all manufacturing locations for the Automotive and Farm Equipment Sectors.

Employees have always been valuable assets of the Company and focus was laid in propagating proactive and employee centric practices at the shop floor. The Company’s endeavour has been to ensure transparent communication of overall business goals and implement an efficient concern resolution mechanism.

Your Company has adopted a more holistic approach to enhance skill and capabilities of employees at the shop floor through Mahindra Skill Excellence Initiative. For the year under review, there was participation of over 1,800 employees across all manufacturing facilities. Your Company had one highly skilled associate, representing India at the World Skill Competition 2014, held at Leipzig Germany.

Over the years, your Company has inculcated a culture of continuous improvement through investment in training of employees for resolving quality concerns, reducing cost, ensuring safety and improving productivity. Processes have been established wherein employees are encouraged to generate and implement improvement ideas. For the year under review, the workmen generated about 20 ideas per person.

Your Company has taken initiatives to measure Employee Engagement and Satisfaction through an Employee Satisfaction Survey (ESS). Employee Engagement for all the Company’s Plants shows improvement over the previous years.

In January, 2015, your Company signed a wage settlement at the Automotive Unit of the Zaheerabad Plant.

The proactive and participative approach adopted, has benefitted the Company not just with zero production loss in the Financial Year, but has also helped create a peaceful, healthy and collaborative work environment.

### Safety, Occupational Health and Environment

Your Company has a well-established Safety, Occupational Health & Environmental Policy (SH&E Policy) which is in line with the National Safety, Occupational Health & Environmental Policy. The Company Policy has been further drilled down, through the Policy for the Automotive and Farm Equipment Sectors, followed by the respective Plant Policy. Each Plant has displayed and communicated the SH&E Policy to all stakeholders. Objectives and Targets derived from the new amended SH&E Policy are supported by focussed management programs, safety i4, safety Kaizens and mistake proofing projects.

The Safety & Occupational Health of its employees is embedded as core organisational values of your Company. The SH&E Policy, inter alia, covers and ensures safety of public, employees, plant and equipment, ensures compliance on a monthly basis, imparts training to all its employees and stakeholders as per training calendar. It also carries out statutory safety assurance and audits of its facilities by absorbing all new amended legal requirements, conducts regular internal and external medical and occupational check-up of its employees and promotes health-friendly sustainable activities.

Your Company continued with its commitment to improve the wellbeing of its employees and contract workmen by establishing Health and Wellness Goals. To achieve the same, your Company organised Occupational Health Examination Camps, medical check-ups, consultation and counselling sessions. Way2Wellness training sessions covering topics on

Health were conducted. World Health Day, World Heart Day, World Kidney Day and World Diabetes Day are being celebrated.

Your Company observed Road Safety Week, Safety Week and Fire Service Day across locations with active participation from employees and other stakeholders. World Environment Day, World Earth Day, World Water Day, Energy Conservation Week and Water Conservation Week are being celebrated through stakeholder engagement and employee's involvement.

Your Company's sustainability roadmap is based on the fundamentals of Planet, People and Profit. Various projects have been implemented by your Company by effective implementation of management driven initiatives in the areas of Air Pollution, Water, Waste Water, Solid Waste Management and Greenbelt Development with new techniques.

Your Company's Sustainability Reporting System, provides a framework for setting and review of targets towards Safety, Health and Environment.

All Plants of the Automotive and Farm Equipment Sectors have been recertified with amended standard for ISO 14001: 2004 & OHSAS 18001: 2007.

Your Company's commitment to environment stems from the Mahindra Group's abiding concern for Stakeholder engagement. The Company has ensured that its operations have a minimal impact on the environment by implementing a robust Environmental Management System. Further, your Company has taken initiatives to extend sustainability awareness to its business associates through 'Green Supply Chain Management'. Support is also provided by conducting risk management exercise.

Goals on Sustainable development are included in the Balanced Scorecard for various businesses under the Automotive and Farm Equipment Sectors. These measures have seen an improvement in performance year on year.

## **K. BOARD & COMMITTEES**

### **Directors**

The Board of Directors based on the recommendation of the Governance, Nomination and Remuneration Committee had appointed Mr. Bharat Doshi as an Additional Director of the Company with effect from 14<sup>th</sup> November, 2013. Thereafter at the Annual General Meeting of the Company held on 8<sup>th</sup> August, 2014 he was appointed as a Director liable to retire by rotation.

The Board of Directors based on the recommendation of the Governance, Nomination and Remuneration Committee had appointed Mr. S. B. Mainak as an Additional Director of the Company representing Life Insurance Corporation of India with effect from 13<sup>th</sup> November, 2013. Thereafter at the Annual General Meeting of the Company held on 8<sup>th</sup> August, 2014 he was appointed as a Director liable to retire by rotation.

The Board of Directors had based on the recommendation of the Governance, Nomination and Remuneration Committee and subject to the approval of the Members to be obtained at the ensuing Annual General Meeting of the Company, appointed Dr. Pawan Goenka as an Additional Director and Executive Director of the Company for a period of 5 years with effect from 23<sup>rd</sup> September, 2013 to 22<sup>nd</sup> September, 2018. Thereafter at the Annual General Meeting of the Company held on 8<sup>th</sup> August, 2014 he was appointed as a Director liable to retire by rotation and as an Executive Director of the Company.

The Board of Directors at its Meeting held on 30<sup>th</sup> May, 2014 had appointed Mr. M. M. Murugappan, Mr. Deepak S. Parekh, Mr. Nadir B. Godrej, Mr. R. K. Kulkarni, Mr. Anupam Puri, Dr. Vishakha N. Desai and Mr. Vikram Singh Mehta as Independent Directors, based on the recommendation of the Governance, Nomination and Remuneration Committee. The Members of the Company at the Annual General Meeting held on 8<sup>th</sup> August, 2014 appointed Mr. R. K. Kulkarni, Mr. Anupam Puri, Dr. Vishakha N. Desai and Mr. Vikram Singh Mehta as Independent Directors for a period of 5 consecutive years commencing from 8<sup>th</sup> August, 2014, Mr. M. M. Murugappan and Mr. Nadir B. Godrej for a period of 4 consecutive years commencing from 8<sup>th</sup> August, 2014 and Mr. Deepak S. Parekh for a period of 3 consecutive years commencing from 8<sup>th</sup> August, 2014.

As mentioned in the previous Annual Report, Mr. Narayanan Vaghul and Mr. A. K. Nanda did not seek re-appointment and accordingly ceased to be Directors upon expiry of their term at the 68<sup>th</sup> Annual General Meeting held on 8<sup>th</sup> August, 2014.

Mr. Anand G. Mahindra retires by rotation and, being eligible, offers himself for re-appointment at the 69<sup>th</sup> Annual General Meeting of the Company scheduled to be held on 7<sup>th</sup> August, 2015.

Mr. Bharat Doshi, Non-Executive Director has conveyed his desire to relinquish his position as a Director of the Company with effect from the conclusion of the 69<sup>th</sup> Annual General Meeting scheduled to be held on 7<sup>th</sup> August, 2015.

The Board acceded to his request and placed on record its deep appreciation of the invaluable counsel rendered by Mr. Bharat Doshi to the Company during his tenure as a Director of the Company.

#### Quote from Chairman Emeritus

*"Bharat Doshi joined the Company in 1973. He was elected to the M&M Board in 1992 and appointed Executive Director thereafter.*

*Bharat in his capacity as Group CFO laid down uncompromising standards of value and ethics which led to transparency, trust and confidence. He created operational techniques, which guided the Organisation in its efforts to achieve excellence. His unique understanding of human nature endeared him to many and earned him universal respect.*

*Bharat truly epitomizes the resilient character of M&M's culture. Although he is stepping down from the M&M Board, I am very happy that he will continue to be associated with the Group in other areas. His knowledge and experience will continue to be available to the Group."*

The Company has received declarations from all the Independent Directors of the Company confirming that they meet the criteria of independence as prescribed both under the Companies Act, 2013 and Clause 49 of the Listing Agreement entered with the Stock Exchanges.

Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Board has carried out an annual evaluation of its own performance and that of its Committees as well as performance of the Directors individually. Feedback was sought by way of a structured questionnaire covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance and the evaluation was carried out based on responses received from the Directors.

A separate exercise was carried out by the Governance, Nomination and Remuneration Committee of the Board to evaluate the performance of individual Directors. The performance evaluation of the Non-Independent Directors and the Board as a whole was carried out by the Independent Directors. The performance evaluation of the Chairman of the Company was also carried out by the Independent Directors, taking into account the views of the Executive Director and Non-Executive Directors. The Directors expressed their satisfaction with the evaluation process.

The details of programs for familiarisation of the Independent Directors with the Company, their roles, rights, responsibility in the Company, nature of the industry in which the Company operates, business model of the Company and related matters are available on the website of the Company at the web-link: <http://www.mahindra.com/Investors/Mahindra-and-Mahindra/Governance>

In line with the principles of transparency and consistency, your Company has adopted the following Policies which, inter alia, include criteria for determining qualifications, positive attributes and independence of a Director.

- a) Policy on Appointment of Directors and Senior Management and succession planning for orderly succession to the Board and the Senior Management.
- b) Policy for remuneration of the Directors, Key Managerial Personnel and other employees.

The Policies mentioned at 'a' and 'b' above are attached as Annexure IV-A and IV-B respectively and form part of this Report.

#### Directors' Responsibility Statement

Pursuant to section 134(5) of the Companies Act, 2013, your Directors, based on the representations received from the Operating Management, and after due enquiry, confirm that:

- (a) in the preparation of the annual accounts for the Financial Year ended 31<sup>st</sup> March, 2015, the applicable accounting standards have been followed;
- (b) the Directors had in consultation with Statutory Auditors, selected accounting policies and applied them consistently, and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31<sup>st</sup> March, 2015 and of the profit of the Company for the year ended on that date;
- (c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and irregularities;
- (d) the Directors have prepared the annual accounts on a going concern basis;
- (e) the Directors have laid down adequate Internal Financial Controls to be followed by the Company and such Internal

Financial Controls were operating effectively during the Financial Year ended 31<sup>st</sup> March, 2015;

- (f) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively throughout the Financial Year ended 31<sup>st</sup> March, 2015.

### **Board Meetings and Annual General Meeting**

A calendar of Meetings is prepared and circulated in advance to the Directors.

During the year 1<sup>st</sup> April, 2014 to 31<sup>st</sup> March, 2015, five Board Meetings were held on the following dates – 30<sup>th</sup> May, 2014, 8<sup>th</sup> August, 2014, 31<sup>st</sup> October, 2014, 13<sup>th</sup> February, 2015 and 26<sup>th</sup> March, 2015. The 68<sup>th</sup> Annual General Meeting (AGM) of the Company was held on 8<sup>th</sup> August, 2014.

### **Meetings of Independent Directors**

The Independent Directors of the Company meet before the Board Meetings without the presence of the Chairman & Managing Director or Executive Director or other Non-Independent Directors or Chief Financial Officer or any other Management Personnel.

These Meetings are conducted in an informal and flexible manner to enable the Independent Directors to discuss matters pertaining to, inter alia, review of performance of Non-Independent Directors and the Board as a whole, review the performance of the Chairman of the Company (taking into account the views of the Executive and Non-Executive Directors), assess the quality, quantity and timeliness of flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

### **Audit Committee**

This Committee comprises of the following Directors viz. Mr. Deepak S. Parekh (Chairman of the Committee), Mr. Nadir B. Godrej, Mr. M. M. Murugappan, Mr. R. K. Kulkarni and Mr. Bharat Doshi. Except for Mr. Bharat Doshi, all the Members are Independent Directors. All the Members of the Committee possess strong accounting and financial management knowledge. The Company Secretary of the Company is the Secretary of the Committee.

All the recommendations of the Audit Committee were accepted by the Board.

## **L. GOVERNANCE**

### **Corporate Governance**

Your Company has a rich legacy of ethical governance practices many of which were implemented by the Company, even before they were mandated by law. Your Company is committed to transparency in all its dealings and places high emphasis on business ethics. A Report on Corporate Governance along with a Certificate from the Statutory Auditors of the Company regarding compliance with the conditions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement form part of this Annual Report.

### **Vigil Mechanism**

The Vigil Mechanism as envisaged in the Companies Act, 2013, the Rules prescribed thereunder and the Listing Agreement is implemented through the Company's Whistle Blower Policy to enable the Directors and employees of the Company to report genuine concerns, to provide for adequate safeguards against victimisation of persons who use such mechanism and make provision for direct access to the Chairman of the Audit Committee.

Whistle Blower Policy of the Company is available on the Company's website at the web-link: <http://www.mahindra.com/Investors/Mahindra-and-Mahindra/Governance>

Further details are available in the Report on Corporate Governance that forms part of this Annual Report.

### **The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013**

The Company has in place an Anti-Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this Policy. The Policy is gender neutral.

The following is a summary of sexual harassment complaints received and disposed off during the year 2014-15:

- (a) Number of complaints of sexual harassment received during the year – 3
- (b) Number of complaints disposed off during the year – 3
- (c) Number of cases pending for more than 90 days – 0
- (d) Number of workshops/awareness programme against sexual harassment carried out – 10

- (e) Nature of action taken by the employer or District Officer  
– 1 Warning Letter, 2 Respondent Employees Resigned.

### Business Responsibility Report

The 'Business Responsibility Report' (BRR) of your Company for the year 2014-15 forms part of this Annual Report, in compliance with Clause 55 of the Listing Agreement. This disclosure on certain non-financial parameters is a mandatory requirement for the top 100 listed companies (based on market capitalisation) on the National Stock Exchange of India Limited and BSE Limited.

Your Company strongly believes that sustainable and inclusive growth is possible by using the levers of environmental and social responsibility while setting aspirational targets and improving economic performance to ensure business continuity and rapid growth. Your Company is committed to leverage 'Alternative Thinking' to build competitive advantage in achieving high shareholder returns through customer centricity, innovation, good governance and inclusive human development while being sensitive to the environment.

### Risk Management

Your Company has a well-defined risk management framework in place. The risk management framework works at various levels across the enterprise. These levels form the strategic defence cover of the Company's risk management. The Company has a robust Organisational structure for managing and reporting on risks.

Your Company has constituted a Risk Management Committee of the Board which is authorised to monitor and review risk management plan and risk certificate. The Committee is also empowered, inter alia, to review and recommend to the Board the modifications to the Risk Management Policy. Further, the Board has constituted a Corporate Risk Council comprising the Senior Executives of the Company. The terms of reference of the Council comprises review of risks and Risk Management Policy on periodic intervals.

The Board has approved the modifications to the Risk Management Policy which are made with the intention of increasing the spectrum and reach of the risk management processes across the Company. The Risk Management Policy, inter alia, includes identification therein of elements of risk, including those that may threaten the existence of the Company. Risk management process has been established across the organisation and is designed to identify, assess and frame a response to threats that affect the achievement of its objectives. Further, it is embedded across all the major

functions and revolves around the goals and objectives of the organisation.

## M. CORPORATE SOCIAL RESPONSIBILITY AND RELATED MATTERS

### Corporate Social Responsibility (CSR)

Since its inception your Company has been a socially responsible corporate, making investments in the community which go beyond any mandatory legal and statutory requirements. The redefined 'Core Purpose' of the Company is to "challenge conventional thinking and innovatively use all our resources to drive positive change in the lives of our stakeholders and communities across the world, to enable them to RISE". In line with the Company's Core purpose, the CSR vision is "to focus our efforts within the constituencies of girls, youth & farmers by innovatively supporting them through programs designed in the domains of education, health and environment, while harnessing the power of technology. By investing our CSR efforts in these critical constituencies which contribute to nation building and the economy, your Company will enable the stakeholders and communities to RISE."

### CSR Policy

The Corporate Social Responsibility Committee had formulated and recommended a Corporate Social Responsibility Policy to the Board of the Company which was subsequently adopted by it and is being implemented by the Company. The web-link to the CSR Policy is – <http://www.mahindra.com/resources/RHS-Elements/5.0-How-we-help/Mahindra-CSR-Policy.pdf>

A brief overview of projects or programs proposed to be undertaken is available at the web-link <http://www.mahindra.com/How-We-Help>

### CSR Committee

Your Company has constituted a CSR Committee comprising of Dr. Vishakha N. Desai (Chairperson), Mr. Anand G. Mahindra, Mr. Bharat Doshi, Mr. R. K. Kulkarni, Dr. Pawan Goenka and Mr. Vikram Singh Mehta to monitor the CSR activities.

### CSR Initiatives

Major CSR initiatives undertaken by the Company during the Financial Year 2014-15 were as follows:

- a. **Project Nanhi Kali:** Provision of educational support to underprivileged girls from poor urban, remote rural and conflict afflicted communities across India.

- b. Mahindra Pride School:** Livelihood training program for youth from socially and economically disadvantaged groups.
- c. Lifeline Express:** A Mobile hospital on a train, providing medical interventions and surgeries in remote rural areas.
- d. Mahindra Hariyali:** Afforestation initiative to improve green cover and protect bio-diversity in the country and also contribute to the livelihood of farmers.
- e. Swachh Bharat Swachh Vidyalaya:** Construction of toilets primarily for girls in Government Schools.
- f. Integrated Watershed Development Project:** A public private partnership with the Government of Madhya Pradesh for conservation of soil and water.
- g. Mahindra Saarthi Abhiyaan:** Scholarships to daughters of truck drivers which allow them to pursue higher education thus reducing drop outs amongst girls.
- h. Vijay Vidharba:** Improving livelihood opportunities and prosperity of farmers by training them in effective farming practices including soil health, crop planning, creating model farms with bio-dynamic farming practices, etc., thereby increasing crop productivity.
- i. Biogas Project:** Setting up a biogas plant to convert food waste and other waste into energy.
- j. BAJA:** Training under-graduate engineering students in automotive engineering enabling them to get jobs in the automobile industry.
- k. Employee Social Options (Esops):** The Company's Esops program supports employees in creating volunteering projects based on the needs of underprivileged communities in and around their places of work.

During the year under review, your Company spent Rs. 83.24 crores on CSR activities. The amount equal to 2% of the average net profit for the past three Financial Years is Rs. 83.03 crores. The detailed Annual Report on CSR activities is annexed herewith and marked as Annexure V.

### Sustainability Initiatives

During the year under review, the 7<sup>th</sup> Sustainability Report for the year 2013-14 was released and like earlier six years this Report was also externally assured by KPMG with GRI checked application level A+.

Your Company continued its 'Sustainability' journey retaining the focus on Environmental, Social and Governance (ESG) parameters, through successful implementation of several

projects like water management and energy conservation, while consolidating the initiatives of the previous years.

Over the years, after consistently evolving on sustainability performance, it was time for your Company to significantly raise the bar and widen the sustainability horizon. During the year under review, your Company looked deeper into existing as well as emerging materiality issues and aligned the sustainability actions with newer expectations of external stakeholders to crystallise business specific Sustainability Roadmap for a period of 3 years. The issues included in the roadmaps are Eco-efficiency, Green Supply Chain Management, Responsible Product Development, Employee Care and Development and Community Development. To ensure that the roadmaps remain relevant at all times, an annual review and realignment process has been put in place.

During the year, your Company achieved the status of being a Water Positive Company using offsetting methodology. The Micro Irrigation installations in Gujarat have saved 8.4 million m<sup>3</sup> of water against the 6.1 million m<sup>3</sup> water consumed by the entire Mahindra Group Companies put together. This is verified with limited level of assurance by Bureau Veritas Certification (BVCI) based on references, data, documentation, records and invoices submitted. This is a step towards conserving water which is a fast depleting essential resource for survival.

Your Company also believes in actively collaborating with the other players in the Indian Industry to respond to the Country's emerging challenges. Hence, your Company has signed up for the India Business and Bio-diversity Initiative (IBBI) with CII-ITC CESD.

Complete details of the Sustainability performance for 2014-15 will be elaborated in the GRI Report which is under preparation and will be ready for release shortly.

The consistent performance of your Company on the ESG dimensions was recognised during the year, by way of:

- Getting listed on the Dow Jones Sustainability Index - 2014 under the 'Emerging Market Index' for the consecutive second year with improvement in percentile scores.
- Retaining its position in the top 10 in the India 200 Carbon Disclosure Leadership Index 2014.
- Appearing 3<sup>rd</sup> in the list of Top 100 companies in India for Sustainability and CSR presented by Economic Times Corporate Dossier, in partnership with Futurescape and IIM Udaipur.
- Featuring in Sustainalytics – Channel NewsAsia Sustainability Ranking – the first of its kind in Asia.

### Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

The information pertaining to conservation of energy, technology absorption, foreign exchange earnings and outgo as required under section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is furnished in Annexure VI and is attached to this Report.

## N. SECRETARIAL

### Share Capital

During the year under review, your Company allotted 52,00,000 Ordinary (Equity) Shares of Rs. 5 each to the Trustees of Mahindra & Mahindra Employees' Stock Option Trust. Consequently, the issued, subscribed and paid-up Share Capital of the Company stood at Rs. 310.55 crores as at 31<sup>st</sup> March, 2015 comprising of 62,10,92,384 Ordinary (Equity) Shares of Rs. 5 each fully paid-up.

### Extract of Annual Return

Pursuant to sub-section 3(a) of section 134 and sub-section (3) of section 92 of the Companies Act, 2013 read with Rule 12(1) of the Companies (Management and Administration) Rules, 2014, an extract of the Annual Return as on 31<sup>st</sup> March, 2015 in Form No. MGT 9 is attached herewith as Annexure VII and forms part of this Report.

### General

The Chairman & Managing Director of the Company did not receive any remuneration or commission from any of its

subsidiaries. The Whole Time Director of the Company did not receive any commission from any of its subsidiaries. However, the Whole Time Director has exercised ESOPs of subsidiaries of the Company during the year, which were granted in the earlier year(s).

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions/ events on these items during the year under review:

1. Issue of equity shares with differential rights as to dividend, voting or otherwise.
2. Issue of Shares (Including Sweat Equity Shares) to employees of the Company under any Scheme save and except ESOS referred to in this Report.
3. Significant or material orders passed by the Regulators or Courts or Tribunals which impact the going concern status and the Company's operations in future.
4. Voting rights which are not directly exercised by the employees in respect of shares for the subscription/ purchase of which loan was given by the Company (as there is no scheme pursuant to which such persons can beneficially hold shares as envisaged under section 67(3)(c) of the Companies Act, 2013).

For and on behalf of the Board

**ANAND G. MAHINDRA**

Chairman & Managing Director

Mumbai, 29<sup>th</sup> May, 2015

## ANNEXURE I

### SECRETARIAL AUDIT REPORT

For the Financial Year ended 31 March, 2015

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,  
The Members,  
Mahindra and Mahindra Limited  
Gateway Building, Apollo Bunder  
Mumbai 400 001

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Mahindra and Mahindra Limited (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conduct/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31 March, 2015, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31 March, 2015 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of foreign direct investment, overseas direct investment and external commercial borrowings;

- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (Not applicable to the Company during the Audit period);
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Not applicable to the Company during the Audit period); and
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (Not applicable to the Company during the Audit period).

I further report that having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, the Company has complied with the following laws applicable specifically to the Company:

- (a) The Motor Vehicles Act, 1988 and the Rules made thereunder;

- (b) The Tractor Cess Rules, 1992;
- (c) The Batteries (Management and Handling) Rules, 2001;
- (d) The Petroleum Act, 1934 and the Rules made thereunder;
- (e) The Ozone Depleting Substances (Regulation and Control) Rules 2000 and The Ozone Depleting Substances (Regulation and Control) Amendment Rules, 2001;
- (f) The Plastic Manufacture, Sale and Usage Rules, 1999;
- (g) Food Safety and Standards Act, 2006;
- (h) Insecticide Act, 1968 & Rules made thereunder;
- (i) Agricultural Produce (Grading and Marking) Act, 1937;
- (j) The Seeds Act, 1966;
- (k) The Seeds Control Order, 1983;
- (l) Mandi taxes of various States;
- (m) The Essential Commodities Act, 1955.

I have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by the Institute of Company Secretaries of India (Not notified and hence not applicable to the Company during the Audit period);
- (ii) Listing Agreements entered into by the Company with BSE Ltd. and the National Stock Exchange of India Ltd.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

I further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

As per the minutes of the meetings duly recorded and signed by the Chairman, the decisions of the Board were unanimous and no dissenting views have been recorded.

I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period no specific events / actions took place having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc. referred to above.

Place : Pune  
Date : 19 May 2015

Sachin Bhagwat  
ACS: 10189  
CP: 6029

## ANNEXURE II

### ESOP SCHEMES

Disclosures in compliance with the SEBI (Share Based Employee Benefits) Regulations, 2014 read with erstwhile SEBI (Employees Stock Option Scheme and Employees Stock Purchase Scheme) Guidelines, 1999:

A	Options granted	Mahindra & Mahindra Limited Employees Stock Option Scheme - 2000 ("2000 Scheme") – 1,52,00,898 Mahindra & Mahindra Limited Employees Stock Option Scheme - 2010 ("2010 Scheme") – 48,87,568															
B	The pricing formula	2000 Scheme											2010 Scheme				
		1 <sup>st</sup> Tranche	2 <sup>nd</sup> Tranche	3 <sup>rd</sup> Tranche	4 <sup>th</sup> Tranche	5 <sup>th</sup> Tranche	6 <sup>th</sup> Tranche	7 <sup>th</sup> Tranche	8 <sup>th</sup> Tranche	9 <sup>th</sup> Tranche	10 <sup>th</sup> Tranche	11 <sup>th</sup> Tranche	1 <sup>st</sup> Tranche	2 <sup>nd</sup> Tranche	3 <sup>rd</sup> Tranche	4 <sup>th</sup> Tranche	
		Average price preceding the specified date – 27 <sup>th</sup> September, 2001	Average price preceding the specified date – 30 <sup>th</sup> May, 2003	Discount of 5.13% on the average price preceding the specified date – 31 <sup>st</sup> May, 2004	Discount of 4.85% on the average price preceding the specified date – 30 <sup>th</sup> May, 2005	Average price preceding the specified date – 14 <sup>th</sup> September, 2005	Discount of 5.02% on the average price preceding the specified date – 29 <sup>th</sup> May, 2006	Discount of 4.89% on the average price preceding the specified date – 13 <sup>th</sup> September, 2006	Discount of 4.97% on the average price preceding the specified date – 30 <sup>th</sup> July, 2007	Discount of 4.97% on the average price preceding the specified date – 4 <sup>th</sup> August, 2008	Discount of 5.03% on the average price preceding the specified date – 30 <sup>th</sup> July, 2009	Discount of 4.97% on the average price preceding the specified date – 7 <sup>th</sup> August, 2012	Options issued at Par specified date – 29 <sup>th</sup> October, 2010	Options issued at Par specified date – 9 <sup>th</sup> December, 2011	Options issued at Par specified date – 25 <sup>th</sup> October, 2012	Options issued at Par specified date – 13 <sup>th</sup> November, 2013	
		Average price	–	Average of the daily high and low of the prices for the Company's Equity Shares quoted on BSE Limited during 15 days preceding the specified date.													
		The specified date	–	Date on which the Governance, Nomination and Remuneration Committee decided to recommend to the Mahindra & Mahindra Employees' Stock Option Trust ("Trust"), the grant of Options.													
C	Options vested	2000 Scheme – 1,41,22,126 2010 Scheme – 30,10,471															
D	Options exercised	2000 Scheme – 1,19,40,410 2010 Scheme – 25,09,952															
E	The total number of shares arising as a result of exercise of option	2000 Scheme – 45,88,703 Equity Shares of Rs. 10 each. These were transferred from the Trust to the Eligible Employees prior to sub-division of the Face Value of Equity Share from Rs. 10 to Rs. 5. 2000 Scheme – 73,51,707 Equity Shares of Rs. 5 each. These were transferred from the Trust to the Eligible Employees during the period 1 <sup>st</sup> April, 2010 to 31 <sup>st</sup> March, 2015. 2010 Scheme – 25,09,952 Equity Shares of Rs. 5 each. These were transferred from the Trust to the Eligible Employees during the period 1 <sup>st</sup> April, 2011 to 31 <sup>st</sup> March, 2015.															
F	Options lapsed	2000 Scheme – 16,52,179 2010 Scheme – 5,66,653															
G	Variation of terms of options	At the Sixty-first Annual General Meeting of the Company held on 30 <sup>th</sup> July, 2007, 2000 Scheme was amended to provide for recovery from Eligible Employees, the fringe benefit tax in respect of Options which are granted to or vested or exercised by the Eligible Employees on or after 1 <sup>st</sup> April, 2007.															
H	Money realised by exercise of options	2000 Scheme – Rs. 3,00,00,08,315 2010 Scheme – Rs. 1,25,49,760 This amount was received by the Trust.															
I	Total number of options in force	2000 Scheme – 16,08,309 2010 Scheme – 18,10,963															
J	Employee-wise details of options granted to:																
	(i) Senior managerial personnel	As per details of employee-wise options (Please refer O)															

(ii) Any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during that year	2000 Scheme				2010 Scheme	
	Names	Options granted during the year ended 31 <sup>st</sup> March, 2004*	Names	Options granted during the year ended 31 <sup>st</sup> March, 2005*	Names	Options granted during the year ended 31 <sup>st</sup> March, 2014
	Mr. Raghunath Murti	15,000	Mr. Pranab Datta	15,240	Mr. Rajesh Jejurikar	36,901
	Mr. Hemant Luthra	15,240	Mr. Rajeev Dubey	15,000**	Mr. Ramakrishna Subbaraman	23,146
	Mr. Ramesh Iyer	25,920	Mr. Allen Sequeira	10,160		
—	—	Mr. Prince M. Augustin	5,080			
	* The Options granted stand augmented by an equal number of Options and the Exercise Price stands reduced to half on account of the 1:1 Bonus Issue made in September, 2005.					
	** The Options granted and outstanding as of 30 <sup>th</sup> March, 2010, stand augmented by an equal number of Options and the Exercise Price stands reduced to half on account of the sub-division of the Face Value of Equity Share from Rs. 10 to Rs. 5.					
(iii) Identified employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant	Nil					
K Diluted Earnings Per Share (EPS) pursuant to issue of shares on exercise of option calculated in accordance with Accounting Standard (AS) 20 'Earnings per Share'	Rs. 53.66					
L Where the company has calculated the employee compensation cost using the intrinsic value of the stock options, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognised if it had used the fair value of the options, shall be disclosed. The impact of this difference on profits and on EPS of the company shall also be disclosed.	The Company has calculated the employee compensation cost using the intrinsic value of stock options. Had the fair value method been used, in respect of stock options granted on or after 30 <sup>th</sup> June, 2003, under 2000 Scheme and 2010 Scheme, the employee compensation cost would have been lower by Rs. 1.94 crores, Profit after tax higher by Rs. 1.94 crores and the basic and diluted earnings per share would have been higher by Rs. 0.03 and Rs. 0.03 respectively.					
M Weighted-average exercise prices and weighted-average fair values of options shall be disclosed separately for options whose exercise price either equals or exceeds or is less than the market price of the stock.	2000 Scheme			2010 Scheme		
	Options Grant Date	Exercise price (Rs.)	Fair value (Rs.)	Options Grant Date	Exercise price (Rs.)	Fair value (Rs.)
	No options were granted during the year, hence no valuation					

N	A description of the method and significant assumptions used during the year to estimate the fair values of options, including the following weighted-average information:	2000 Scheme	2010 Scheme
		No options were granted during the year	
	(i) risk-free interest rate,		
	(ii) expected life,		
	(iii) expected volatility,		
	(iv) expected dividends, and		
	(v) the price of the underlying share in market at the time of option grant.		

## O. DETAILS OF EMPLOYEE-WISE OPTIONS [Please refer J(i)]

Name of Senior Managerial Persons (including key managerial personnel) to whom Stock Options have been granted	2000 Scheme								2010 Scheme
	Options granted in December, 2001* (@)	Options granted in May, 2003* (@@)	Options granted in June, 2005** (\$)	Options granted in October, 2005 (#)	Options granted in September, 2006* (\$\$)	Options granted in July, 2007 (\$\$\$)	Options granted in August, 2008 (\$\$\$\$)	Options granted in August, 2012 (\$\$\$\$\$)	Options granted in January, 2011 (\$\$\$\$\$)
Mr. Bharat Doshi	1,00,000	Nil	*10,000***	Nil	11,345***	*8,362***	*29,039***	Nil	71,080
Dr. Pawan Goenka	25,290	Nil	*7,500***	*15,000***	11,345***	12,543***	37,336***	Nil	71,080
Mr. Deepak S. Parekh	20,000	Nil	*5,000	Nil	Nil	Nil	Nil	Nil	Nil
Mr. Nadir B. Godrej	20,000	Nil	*5,000	Nil	Nil	Nil	Nil	Nil	Nil
Mr. M. M. Murugappan	20,000	Nil	*5,000	Nil	Nil	Nil	Nil	Nil	Nil
Mr. A. K. Nanda (##)	1,00,000	Nil	*10,000	Nil	11,345***	*8,362***	*24,890***	Nil	Nil
Mr. Narayanan Vaghul (##)	20,000	Nil	*5,000	Nil	Nil	Nil	Nil	Nil	Nil
Mr. R. K. Kulkarni	20,000	Nil	*5,000	Nil	Nil	Nil	Nil	Nil	Nil
Mr. Anupam Puri	20,000	Nil	&5,000***	Nil	Nil	Nil	Nil	Nil	Nil
Dr. Vishakha N. Desai	Nil	Nil	Nil	Nil	Nil	Nil	Nil	10,000	Nil
Mr. Vikram Singh Mehta	Nil	Nil	Nil	Nil	Nil	Nil	Nil	10,000	Nil
Mr. S. B. Mainak	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Mr. V S Parthasarathy	5,080	Nil	*5,000	Nil	4,747***	*4,797***	*12,479***	Nil	31,523
Mr. Narayan Shankar	Nil	1,780	*1,250	Nil	1,727***	*2,705***	5,626***	Nil	9,088

& Unexercised options lapsed

## ceased to be a Director with effect from 8<sup>th</sup> August, 2014.

Options granted on	Vesting period	Exercise period	Exercise price
(@) December, 2001	Already vested in December, 2002	Within five years from the date of vesting	**Rs. 59 per share***
(@@) May, 2003	Already vested in May, 2004	Within five years from the date of vesting	**Rs. 123 per share***
(\$)	June, 2005	Already vested in June, 2006	**Rs. 454 per share***
(#)	October, 2005	Already vested in October, 2006	Rs. 361 per share***
(\$\$)	September, 2006	Four equal instalments in September, 2007, 2008, 2009 and 2010 respectively	Rs. 616 per share***
(\$\$\$)	July, 2007	Four equal instalments in July, 2008, 2009, 2010 and 2011 respectively	Rs. 762 per share***
(\$\$\$\$)	August, 2008	Four equal instalments in August, 2009, 2010, 2011 and 2012 respectively	Rs. 500 per share***
(\$\$\$\$\$)	August, 2012	Four equal instalments in August, 2013, 2014, 2015 and 2016 respectively	Rs. 662 per share
(\$\$\$\$\$\$)	January, 2011	Five equal instalments in January, 2012, 2013, 2014, 2015 and 2016 respectively	Rs. 5 per share

\* All these Options have been exercised.

\*\* The Options granted stands augmented by an equal number of Options and the Exercise Price stands reduced to half on account of the 1:1 Bonus Issue made in September, 2005.

\*\*\* Further, the number of Stock Options granted and outstanding as on 30<sup>th</sup> March, 2010, stands augmented by an equal number of Options and Exercise Price stands reduced to half on account of Sub-division of each Ordinary (Equity) Share of the Company having a Face Value of Rs. 10 each fully paid-up into 2 (Two) Ordinary (Equity) Shares of the Face Value of Rs. 5 each fully paid-up.

## ANNEXURE III

## DETAILS OF REMUNERATION

Details pertaining to remuneration as required under section 197(12) read with Rule 5(1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the Financial Year 2014-15, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the Financial Year 2014-15 and the comparison of remuneration of each Key Managerial Personnel (KMP) against the performance of the Company are as under:

Sr. No.	Name of Director/KMP	Designation	Remuneration of Director/KMP for the Financial Year 2014-15 (Rs. in crores) (Excluding perquisite value of ESOPs exercised)	Remuneration of Director/KMP for the Financial Year 2014-15 (Rs. in crores) (Including perquisite value of ESOPs exercised)	% increase in Remuneration in the Financial Year 2014-15 (Excluding perquisite value of ESOPs exercised)	% increase in Remuneration in the Financial Year 2014-15 (Including perquisite value of ESOPs exercised)	Ratio of Remuneration of each Director to median remuneration (including perquisite value of ESOPs exercised) of employees for the Financial Year	Comparison of the Remuneration of the KMP against the performance of the Company (Excluding perquisite value of ESOPs exercised)	Comparison of the Remuneration of the KMP against the performance of the Company (Including perquisite value of ESOPs exercised)
1.	Mr. Anand Mahindra	Chairman & Managing Director	5.98	5.98	15.33%	15.33%	90.61	Remuneration increased by 15.33% whereas profit before tax decreased by 4.59%	Remuneration increased by 15.33% whereas profit before tax decreased by 4.59%
2.	Dr. Pawan Goenka	Executive Director	5.98	10.38	33.35% <sup>§</sup>	131.64% <sup>§</sup>	157.21	Remuneration increased by 33.35% whereas profit before tax decreased by 4.59%	Remuneration increased by 131.64% whereas profit before tax decreased by 4.59%
3.	Mr. Deepak S. Parekh <sup>#</sup>	Independent Director	0.33	0.33	22.76%	22.76%	4.98		
4.	Mr. Nadir B. Godrej <sup>#</sup>	Independent Director	0.33	0.33	33.33%	33.33%	4.97		
5.	Mr. M. M. Murugappan <sup>#</sup>	Independent Director	0.34	0.34	31.56%	31.56%	5.17		
6.	Mr. Bharat Doshi	Non-Executive Director	0.64	2.51	-91.23%	-70.61%	38.04		
7.	Mr. A. K. Nanda <sup>@</sup>	Non-Executive Director	0.27	0.27	-35.53%	-35.53%	—		
8.	Mr. Narayanan Vaghul <sup>#@</sup>	Independent Director	0.11	0.11	-56.73%	-56.73%	—		
9.	Mr. R. K. Kulkarni <sup>#</sup>	Independent Director	0.36 <sup>*</sup>	0.36	39.38%	39.38%	5.40		
10.	Mr. Anupam Puri <sup>#</sup>	Independent Director	0.25	0.25	11.36%	11.36%	3.71		
11.	Mr. S. B. Mainak <sup>^</sup> (Nominee of LIC)	Nominee Director	0.22 <sup>**</sup>	0.22	203.45%	203.45%	3.33		
12.	Dr. Vishakha N. Desai <sup>#</sup>	Independent Director	0.27	0.27	27.64%	27.64%	4.02		
13.	Mr. Vikram Singh Mehta <sup>#</sup>	Independent Director	0.30	0.30	32.46%	32.46%	4.57		
14.	Mr. V S Parthasarathy	Group CFO, Group CIO & President (Group Finance and M&A)	2.52	4.05	15.84%	49.30%	—	Remuneration increased by 15.84% whereas profit before tax decreased by 4.59%	Remuneration increased by 49.30% whereas profit before tax decreased by 4.59%
15.	Mr. Narayan Shankar	Company Secretary	0.96	2.17	8.15%	145.01%	—	Remuneration increased by 8.15% whereas profit before tax decreased by 4.59%	Remuneration increased by 145.01% whereas profit before tax decreased by 4.59%

<sup>#</sup> The remuneration of Independent Directors covers sitting fee and commission.

<sup>@</sup> Ceased to be a Director with effect from 8<sup>th</sup> August, 2014.

<sup>^</sup> Mrs. D. Vijayalakshmi, Nominee of LIC resigned with effect from 5<sup>th</sup> June, 2013 and Mr. S. B. Mainak was appointed as an Additional Director with effect from 13<sup>th</sup> November, 2013.

<sup>\*</sup> Paid/Payable to Khaitan & Co., in which Mr. R. K. Kulkarni is a Partner.

<sup>\*\*</sup> Paid/Payable to LIC.

<sup>§</sup> Dr. Pawan Goenka was appointed as an Executive Director with effect from 23<sup>rd</sup> September, 2013. For the purpose of ascertaining % increase in remuneration in the Financial Year 2014-2015, his remuneration as a President-Automotive and Farm Equipment Sectors for the period 1<sup>st</sup> April, 2013 to 22<sup>nd</sup> September, 2013 is also considered for a meaningful comparison.

**I. The ratio of the remuneration of each director to the median remuneration of the employees of the company for the Financial Year:**

The median remuneration of employees of the Company during the Financial Year was Rs. 6.60 lakhs and ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the Financial Year is provided in the above table.

**II. The percentage increase in the median remuneration of employees in the Financial Year:**

In the Financial Year, there was an increase of 12.00% in the median remuneration of employees.

**III. The number of permanent employees on the rolls of Company:**

There were 19,836 permanent employees on the rolls of the Company as on 31<sup>st</sup> March, 2015.

**IV. The explanation on the relationship between average increase in remuneration and company performance:**

Relationship between average increase in remuneration and company performance is:

The average remuneration increased by 13% in 2014-15 whereas the Profit before Tax decreased by 4.59% in 2014-15.

As per the remuneration policy of your Company, employees are compensated broadly in comparison with the median of the comparator basket, on the basis of performance, potential and criticality for achieving competitive advantage in the business. The compensation structure has been built by regular annual benchmarking over the years with relevant players across the industry in which your Company operates in. Salary increases during the year were in line with your Company's performance as well as per Company's market competitiveness.

**V. Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company:**

The total remuneration of Key Managerial Personnel increased by 70.23% from Rs. 13.26 crores in 2013-14 to Rs. 22.58 crores in 2014-15 whereas the Profit before Tax decreased by 4.59% to Rs. 4,168.89 crores in 2014-15 (Rs. 4,369.43 crore in 2013-14).

**VI. Variations in the market capitalisation of the company, price earnings ratio as at the closing date of the current Financial Year and previous Financial Year and percentage increase or decrease in the market quotations of the shares of the company in comparison to the rate at which the company came out with the last public offer in case of listed companies:**

The market capitalisation as on 31<sup>st</sup> March, 2015 was Rs. 73,732.98 crores (Rs. 60,387.49 crores as on 31<sup>st</sup> March, 2014). The price earnings ratio of the Company was 21.14 as at 31<sup>st</sup> March, 2015 and was 15.40 as at 31<sup>st</sup> March, 2014.

The Initial Public offer was made by the Company in the year 1955 and the issue was for 2,16,382 Ordinary Shares of Rs.10 each, at par. The shares of the Company were first listed on the BSE Limited in the year 1956. The closing share price of the Company at BSE Limited on 31<sup>st</sup> March, 2015 was Rs. 1,187.15 per equity share of face value of Re. 5 each indicating a Compounded Annual Growth Rate of 14.38%. This is after giving effect to the subdivision of face value of shares from Rs. 10 to Rs. 5 and benefit on account of shares issued by way of Bonus but excluding the dividend accrued.

**VII. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last Financial Year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:**

Average percentage increase made in the salaries of employees other than the managerial personnel in the last Financial Year i.e. 2014-15 was 14.05% whereas the increase in the managerial remuneration for the Financial Year 2014-15 was 5%.

**Justification:** Increase in remuneration of the Chairman & Managing Director and Whole Time Director is decided based on the individual performance, inflation, prevailing industry trends and benchmarks.

The remuneration of Non-Executive Directors consists of commission, sitting fees and perquisites, if any. While deciding the remuneration, various factors such as Director's participation in Board and Committee Meetings during the year, other responsibilities undertaken, such as membership or Chairmanship of Committees, etc. were taken into consideration.

**VIII. The key parameters for any variable component of remuneration availed by the Directors:**

The key parameters for the variable component of remuneration availed by the Directors are considered by the Board of Directors based on the recommendations of the Governance, Nomination and Remuneration Committee as per the Policy for Remuneration of the Directors, Key Managerial Personnel and other Employees.

**IX. The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year:**

Not applicable.

**X. Affirmation that the remuneration is as per the remuneration policy of the company:**

It is hereby affirmed that the remuneration paid is as per the Policy for Remuneration of the Directors, Key Managerial Personnel and other Employees.

## ANNEXURE IV-A

### POLICY ON APPOINTMENT OF DIRECTORS AND SENIOR MANAGEMENT AND SUCCESSION PLANNING FOR ORDERLY SUCCESSION TO THE BOARD AND THE SENIOR MANAGEMENT

#### DEFINITIONS

The definitions of some of the key terms used in this Policy are given below.

**“Board”** means Board of Directors of the Company.

**“Company”** means Mahindra & Mahindra Limited.

**“Committee(s)”** means Committees of the Board for the time being in force.

**“Employee”** means employee of the Company whether employed in India or outside India including employees in the Senior Management Team of the Company.

**“HR”** means the Human Resource Department of the Company.

**“Key Managerial Personnel”** (KMP) refers to key managerial personnel as defined under the Companies Act, 2013 and includes:

- (i) Managing Director (MD), or Chief Executive Officer (CEO); or Manager; or Whole Time Director (WTD)
- (ii) Chief Financial Officer (CFO); and
- (iii) Company Secretary (CS).

**“Governance, Nomination and Remuneration Committee”** (GNRC) means Governance, Nomination and Remuneration Committee of Board of Directors of the Company for the time being in force.

**“Senior Management”** means personnel of the Company who are members of its Core Management Team excluding Board of Directors comprising of all members of management one level below the executive directors including the functional heads.

#### I. APPOINTMENT OF DIRECTORS

- The GNRC reviews and assesses Board composition and recommends the appointment of new Directors. In evaluating the suitability of individual Board member, the GNRC shall take into account the following criteria regarding qualifications, positive attributes and independence of director:
  1. All Board appointments will be based on merit, in the context of the skills, experience, independence and knowledge, for the Board as a whole to be effective.
  2. Ability of the candidates to devote sufficient time and attention to his professional obligations as Independent Director for informed and balanced decision making.
  3. Adherence to the Code of Conduct and highest level of Corporate Governance in letter and in spirit by the Independent Directors.
- Based on recommendation of the GNRC, the Board will evaluate the candidate(s) and decide on the selection

of the appropriate member. The Board through the Chairman & Managing Director will interact with the new member to obtain his/her consent for joining the Board. Upon receipt of the consent, the new Director will be co-opted by the Board in accordance with the applicable provisions of the Companies Act, 2013 and Rules made thereunder.

#### REMOVAL OF DIRECTORS

If a Director is attracted with any disqualification as mentioned in any of the applicable Act, rules and regulations thereunder or due to non-adherence to the applicable policies of the company, the GNRC may recommend to the Board with reasons recorded in writing, removal of a Director subject to the compliance of the applicable statutory provisions.

#### SENIOR MANAGEMENT PERSONNEL

The GNRC shall identify persons who are qualified to become directors and who may be appointed in senior management team in accordance with the criteria laid down above.

Senior Management personnel are appointed or promoted and removed/relieved with the authority of Chairman & Managing Director based on the business need and the suitability of the candidate. The details of the appointment made and the personnel removed one level below the Key Managerial Personnel during a quarter shall be presented to the Board.

#### II. SUCCESSION PLANNING:

##### Purpose:

The Talent Management Policy sets out the approach to the development and management of talent in the Mahindra Group to ensure the implementation of the strategic business plans of the Group and the Group Aspiration of being among the Top 50 globally most-admired brands by 2021.

##### Board:

The successors for the Independent Directors shall be identified by the GNRC at least one quarter before expiry of the scheduled term. In case of separation of Independent Directors due to resignation or otherwise, successor will be appointed at the earliest but not later than the immediate next Board meeting or three months from the date of such vacancy, whichever is later.

The successors for the Executive Director(s) shall be identified by the GNRC from among the Senior Management or through external source as the Board may deem fit.

The GNRC will accord due consideration for the expertise and other criteria required for the successor.

The Board may also decide not to fill the vacancy caused at its discretion.

### Senior Management Personnel:

A good succession-planning program aims to identify high growth individuals, train them and feed the pipelines with new talent. It will ensure replacements for key job incumbents in KMPs and senior management positions in the organization.

Significantly, we have a process of identifying Hi-pots and critical positions. Successors are mapped for these positions at the following levels:

1. Emergency successor
2. Ready now
3. Ready in 1 to 2 years
4. Ready in 2 to 5 years
5. Ready in more than 5 years

in order to ensure talent readiness as per a ladder approach.

### Policy Statement

The Talent Management framework of the Mahindra Group has been created to address three basic issues:

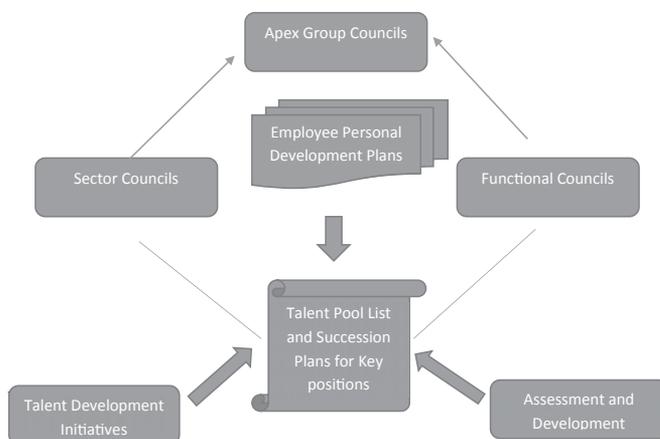
- 1) Given the strategic business plans, do we have the skills and competencies required to implement them? If not, how do we create them – by developing them internally or through lateral induction from outside?
- 2) For critical positions, what is the succession pipeline?
- 3) What are the individual development plans for individuals both in the succession pipeline as well as others?

The framework lays down an architecture and processes to address these questions using the 3E approach:

- a) **Experience** i.e. both long and short-term assignments. This has 70% weightage.
- b) **Exposure** i.e. coaching and mentoring – 20% weightage.
- c) **Education** i.e. learning and development initiatives – 10% weightage.

The Talent Management process is applicable to all employees. Over the years, the Talent Management framework has become a well-structured and process-oriented system which is driven by an interactive and collaborative network of Talent Councils at the Group and Sector Levels. These Talent Councils, which consist mainly of Senior business leaders supported by HR, are a mix of Sector (Business) and Functional Councils coordinated by an Apex Talent Council, headed by the Group Chairman. The Apex Council reviews the work done by the Talent Councils and facilitates movement of talent across Sectors. The Sector/Functional Councils meet regularly throughout the year and the Apex Council interacts with each one of them separately once a year, and in addition conducts an integrated meeting where the Chairpersons of all the Councils are present.

The Talent Management process can be represented pictorially as under:



The talent pipeline is maintained and developed so as to ensure that there is a seamless flow of talent. An important part of this exercise is drawing up and implementing IDAPs (Individual Development Action Plans) for every Executive concerned using the 3E approach mentioned above.

For and on behalf of the Board

**ANAND G. MAHINDRA**  
Chairman & Managing Director

Mumbai, 29<sup>th</sup> May, 2015

## ANNEXURE IV-B

### POLICY FOR REMUNERATION OF THE DIRECTORS, KEY MANAGERIAL PERSONNEL AND OTHER EMPLOYEES

#### Purpose

This Policy sets out the approach to Compensation of Directors, Key Managerial Personnel and other employees in Mahindra and Mahindra Limited.

#### Policy Statement

We have a well-defined Compensation policy for Directors, Key Managerial Personnel and all employees, including the Chairman, Presidents and other Members of the Group Executive Board who are employees of the Company. The overall compensation philosophy which guides us is that in order to achieve global leadership and dominance in domestic markets, we need to attract and retain high performers by compensating them at levels that are broadly comparable with the median of the comparator basket while differentiating people on the basis of performance, potential and criticality for achieving competitive advantage in the business.

In order to effectively implement this, we have built our Compensation structure by a regular annual benchmarking over the years with relevant players across the industry we operate in.

#### NON-EXECUTIVE INCLUDING INDEPENDENT DIRECTORS:

The Governance, Nomination and Remuneration Committee (GNRC) shall decide the basis for determining the compensation, both Fixed and variable, to the Non-Executive Directors, including Independent Directors, whether as commission or otherwise. The GNRC shall take into consideration various factors such as director's participation in Board and Committee meetings during the year, other responsibilities undertaken, such as membership or Chairmanship of committees, time spent in carrying out their duties, role and functions as envisaged in Schedule IV of the Companies Act, 2013 and Clause 49 of the Listing Agreement with Stock Exchanges and such other factors as the GNRC may consider deem fit for determining the compensation. The Board shall determine the compensation to Non-Executive Directors within the overall limits specified in the Shareholders resolution.

#### Executive Directors:

The remuneration to Chairman & Managing Director and Executive Director(s) shall be recommended by GNRC to the Board. The remuneration consists of both fixed compensation and variable compensation and shall be paid as salary, commission, performance bonus, stock options (where applicable), perquisites and fringe benefits as approved by the Board and within the overall limits specified in the Shareholders resolution. While the fixed compensation is determined at the time of their appointment, the variable compensation will be determined annually by the GNRC based on their performance.

#### Key Managerial Personnel (KMPs)

The terms of remuneration of Chief Financial Officer (CFO) shall be determined by the Audit Committee from time to time. The terms of remuneration of the Company Secretary shall be finalised/revised either by any Director or Mr. Rajeev Dubey or

Mr. V. S. Parthasarathy or Mr. S. Durgashankar or such other person as may be authorised by the Board from time to time. The remuneration shall be consistent with the competitive position of the salary for similar positions in the industry and their Qualifications, Experience, Roles and Responsibilities. Pursuant to the provisions of section 203 of the Companies Act, 2013 the Board shall approve the remuneration at the time of their appointment.

The remuneration to directors, KMPs and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.

#### Employees

We follow a differential approach in choosing the comparator basket for benchmarking, depending upon the level in the organization:

- a. For all employees from Operational to Executive Band, we benchmark with a set of comparators from the same industry.
- b. For Strategic band and above, we have a position-based approach and the comparator basket includes benchmarks from across relevant industries.

We have a CTC (Cost to Company) concept which includes a fixed component (Guaranteed Pay) and a variable component (Performance pay). The percentage of the variable component increases with increasing hierarchy levels, as we believe employees at higher positions have a far greater impact and influence on the overall business result. The CTC is reviewed once every year and the compensation strategy for positioning of individuals takes into consideration the following elements:

- Performance
- Potential
- Criticality
- Longevity in grade

Remuneration for the new employees other than KMPs and Senior Management Personnel will be decided by the HR, in consultation with the concerned business unit head at the time of hiring, depending upon the relevant job experience, last compensation and the skill-set of the selected candidate.

The Company may also grant Stock Options to the Employees and Directors (other than Independent Directors and Promoter) in accordance with the ESOP Scheme of the Company and subject to the compliance of the applicable statutes and regulations.

For and on behalf of the Board

**ANAND G. MAHINDRA**

Chairman & Managing Director

Mumbai, 29<sup>th</sup> May, 2015

## ANNEXURE V

### CORPORATE SOCIAL RESPONSIBILITY

#### ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (“CSR”) ACTIVITIES FOR THE FINANCIAL YEAR 2014-15

1. A brief outline of the Company’s CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs:

Since its inception Mahindra & Mahindra Limited has been a socially responsible corporate making investments in the community which go beyond any mandatory legal and statutory requirements. The redefined ‘Core Purpose’ of the Company is to “challenge conventional thinking and innovatively use all our resources to drive positive change in the lives of our stakeholders and communities across the world, to enable them to RISE”. In line with the Core purpose, the Company’s CSR vision is “to focus our efforts within the constituencies of girls, youth & farmers by innovatively supporting them through programs designed in the domains of education, health and environment, while harnessing the power of technology. By investing our CSR efforts in these critical constituencies who contribute to nation building and the economy, we will enable our stakeholders and communities to RISE.” During the year, the Company has spent Rs. 83.24 crores on CSR activities.

The amount equal to 2% of the average net profit for the past three Financial Years is Rs. 83.03 crores.

Web link to the CSR Policy – <http://www.mahindra.com/resources/RHS-Elements/5.0-How-we-help/Mahindra-CSR-Policy.pdf>

2. The Composition of the CSR Committee:
 

Dr. Vishakha N. Desai	-	Chairperson
Mr. Anand G. Mahindra	-	Member
Mr. Bharat Doshi	-	Member
Mr. R. K. Kulkarni	-	Member
Dr. Pawan Goenka	-	Member
Mr. Vikram Singh Mehta	-	Member
3. Average net profit of the company for last three Financial Years: Rs. 4,151.74 crores.
4. Prescribed CSR Expenditure (two per cent. of the amount as in item 3 above): Rs. 83.03 crores.
5. Details of CSR spent during the Financial Year:
  - (a) Total amount to be spent for the Financial Year: Rs. 83.03 crores.
  - (b) Amount unspent, if any: NA

(c) Manner in which the amount spent during the Financial Year is detailed below:

Sr. No.	CSR Project or activity identified	Sector in which the project is covered (As in Schedule VII)	Projects or programs 1) Local areas or Other 2) Specify the state and district where projects or programs was undertaken	Amount Outlay (Budget) Project or program wise (In crores)	Amount spent on the project or programs 1) Direct expenditure on projects or programs 2) overheads (In crores)	Cumulative Expenditure upto the reporting period	Amount spent: direct or through implementing agency
1	2	3	4	5	6	7	8
1.	<b>NANHI KALI</b> – Provides educational support (material and academic) to underprivileged girls. In the Financial Year 2014-15 the project supported the education of 1,13,124 girls. Of these 14,262 girls were supported by the Company while the Mahindra Group as a whole supported 45,602 girls.	<b>Promotion of Education</b>	Others – 9 states of Maharashtra, Chhattisgarh, Andra Pradesh, Tamil Nadu, Delhi, Rajasthan, Karnataka, Haryana and Madhya Pradesh	6.31	6.32	6.32	Through an implementing agency – <b>K. C. Mahindra Education Trust</b>

Sr. No.	CSR Project or activity identified	Sector in which the project is covered (As in Schedule VII)	Projects or programs 1) Local areas or Other 2) Specify the state and district where projects or programs was undertaken	Amount Outlay (Budget) Project or program wise (In crores)	Amount spent on the project or programs 1) Direct expenditure on projects or programs 2) overheads (In crores)	Cumulative Expenditure upto the reporting period	Amount spent: direct or through implementing agency
1	2	3	4	5	6	7	8
2.	<b>MAHINDRA PRIDE SCHOOL (MPs)</b> – Provides 3 month livelihood training in Hospitality, Retail and IT for youth from socially and economically disadvantaged backgrounds. In the Financial Year 2014-15, the Mahindra Group supported 5 MPs in Pune, Chennai, Patna, Chandigarh and Srinagar through which 3,515 students were trained. The Company supported the school in Srinagar where 375 students were trained this year.	<b>Promoting employment enhancement vocation skills and livelihood enhancement projects</b>	Others – Srinagar	1.50	1.50	1.50	Through an implementing agency – <b>K. C. Mahindra Education Trust</b>
3.	<b>K C MAHINDRA SCHOLARSHIP FOR POST GRADUATE STUDIES ABROAD</b> – Interest free loan scholarships to students to pursue post graduate studies abroad. In the Financial Year 2014-15 45 students received this scholarship.	<b>Promotion of Education</b>	Others – Mumbai, Maharashtra	0.50	0.50	0.50	Through an implementing agency – <b>K. C. Mahindra Education Trust</b>
4.	<b>MAHINDRA SCHOLARSHIP FOR UWC STUDENTS</b> – need based scholarships for students studying at Mahindra UWC College, Pune. 50 scholarships were awarded in the Financial Year 2014-15.	<b>Promotion of Education</b>	Others – Pune, Maharashtra	6.00	6.00	6.00	Direct – <b>Mahindra United World College</b>
5.	<b>SEVA MANDIR</b> – Provides quality education to 1,217 children in the age group of 6-14 years, through 38 Shiksha Kendra's.	<b>Promotion of Education</b>	Others – Districts of Udaipur and Rajsamand in Rajasthan.	0.27	0.25	0.25	Through an implementing agency – <b>Seva Mandir</b>
6.	<b>NAMASTE SCHOLARSHIP</b> – Enables economically disadvantaged youth to undergo livelihood training in Auto Skills at Mahindra Namaste Private Limited 1450 Mahindra Namaste scholarships @ INR 34,000/- will be given over 3 years.	<b>Promoting employment enhancement vocation skills and livelihood enhancement projects</b>	Others – Bangalore, Karnataka	2.47	2.47	2.47	Through an implementing agency – <b>Naandi Foundation</b>
7.	<b>SWACHH BHARAT SWACHH VIDYALAYA</b> – Constructing 5,000 toilets primarily for girls in Government schools under the Swachha Bharat Swaccha Vidhyalaya Program.	<b>Promoting preventive healthcare &amp; sanitation</b>	Others – Assam, Bihar, Chattishgarh, Gujarat, Haryana, Jharkhand, Karnataka, Manipur, Meghalaya, Rajasthan, Telangana, Uttar Pradesh, Andhra Pradesh	14.39	14.40	14.40	Through an implementing agency – <b>Mahindra Foundation</b>

Sr. No.	CSR Project or activity identified	Sector in which the project is covered (As in Schedule VII)	Projects or programs 1) Local areas or Other 2) Specify the state and district where projects or programs was undertaken	Amount Outlay (Budget) Project or program wise (In crores)	Amount spent on the project or programs 1) Direct expenditure on projects or programs 2) overheads (In crores)	Cumulative Expenditure upto the reporting period	Amount spent: direct or through implementing agency
1	2	3	4	5	6	7	8
8.	<b>JAMMU &amp; KASHMIR DISASTER RELIEF</b> – Contribution to Prime Minister's fund for J&K disaster relief	<b>Contribution to Prime Minister's National relief Fund</b>	Others – Jammu & Kashmir	2.00	2.00	2.00	Through an implementing agency – <b>Prime Minister's Fund for J&amp;K disaster relief</b>
9.	<b>CYCLONE HUDHUD RELIEF PROGRAM</b> – Planting 6.2 lakh trees in cyclone affected areas to restore ecological sustainability in the area as well as provide direct livelihood support to 4,000 Adivasi families	Ensuring Environmental Sustainability	Others – 7 affected Mandals of Visakhapatnam District (Araku, Paderu, Dumbriguda, Anantagiri, Hukumpeta, Peddabayallu and Munchingput)	1.50	1.50	1.50	Through an implementing agency – <b>Naandi Foundation</b>
10.	<b>PROJECT HARIYALI</b> - Tree plantation to increase green cover & improve livelihood of farmers. In the Financial Year 2014-15 the Mahindra Group planted 1.55 million trees and has planted more than 7.98 million trees across India till date.	Ensuring Environmental Sustainability	Others – Araku, Andhra Pradesh	1.60	1.60	1.60	Through an implementing agency – <b>Naandi Foundation</b>
11.	<b>SOCIAL SCIENCE RESEARCH</b> – at the Centre for Research & Rural Industrial Development	Promotion of Education	Others – Chandigarh	0.50	0.10	0.10	Through an implementing agency – <b>Centre for Research &amp; Rural Industrial Development</b>
12.	<b>CARE FOR SENIOR CITIZENS</b> – Adhata Trust	Promoting the setting up of old age homes, day care centers and such facilities for senior citizens	Others – Mumbai, Maharashtra	0.50	0.80	0.80	Through an implementing agency – <b>Adhata Trust</b>
13.	<b>MAHINDRA EDUCATIONAL INSTITUTIONS</b> – The Mahindra Group committed to support Mahindra Educational Institutions (MEI) a not-for-profit company, incorporated in April, 2013, with the objective to establish various premium educational institutions in the country.	Promotion of Education	Others – Hyderabad, Andhra Pradesh	3.40	3.73	3.73	Through an implementing agency – <b>Mahindra Educational Institutions</b>

Sr. No.	CSR Project or activity identified	Sector in which the project is covered (As in Schedule VII)	Projects or programs 1) Local areas or Other 2) Specify the state and district where projects or programs was undertaken	Amount Outlay (Budget) Project or program wise (In crores)	Amount spent on the project or programs 1) Direct expenditure on projects or programs 2) overheads (In crores)	Cumulative Expenditure upto the reporting period	Amount spent: direct or through implementing agency
1	2	3	4	5	6	7	8
14.	<b>EMPLOYEE SOCIAL OPTIONS (ESOPs)</b> – Volunteering activities carried out by Mahindra employees for the benefit of local communities.	Promotion of Education, promoting preventive health care and sanitation, ensuring environmental sustainability.	Local – Mumbai Maharashtra  Others – Palghar, Maharashtra, Jammu & Kashmir	0.58	0.37	0.37	Direct
15.	<b>VIJAY VIDARBHA</b> – The objective is development of Vidharba Region of Maharashtra, which is plagued with drought leading to poor crop. It includes training farmer families in soil health and crop planning, creating model farms with bio-dynamic farming practices, planting income generating trees, developing community farming centers and development and distribution of organic fertilizers	Rural Development	Nagpur	5.62	5.62	5.62	Through an implementing agency – ESOPS & Naandi Foundation
16.	<b>SWACHH BHARAT SWACHH VIDYALAYA</b> – Constructing toilets primarily for girls in government schools under the Swachh Bharat Swacch Vidyalaya Program along with conducting cleanliness drives	Promoting Preventive Healthcare & Sanitation	Chandigarh, Haridwar, Igatpuri, Kandivli, Nagpur, Rudrapur, Zaheerabad, Jaipur, Lucknow, Nasik, Vikramgad & Chennai	3.70	3.70	3.70	Through an implementing agency – ESOPS, MACE, Swajan Social Development and Health Education Samiti, Innovaid Consultancy Services, Samhita Social Ventures and Nirmala Niketan Institute Research
17.	<b>AGRI PRODUCTIVITY ENHANCEMENT</b> – The Agri Productivity focus is on replicating the domain expertise of Watershed Management, Drip Irrigation, Community Farming and Agriculture Education in Schools in the Rajasthan and Maharashtra Farming Belts.	Rural Development	Gujarat, Madhya Pradesh, Rajasthan and Maharashtra	3.00	3.00	3.00	Through an implementing agency – ESOPS, Sadguru Water and Dev. Foundation, Cropin Tech. ESP, Swades and KARM
18.	<b>INTEGRATED WATERSHED DEVELOPMENT PROJECT</b> – PPP with Government of Madhya Pradesh (MP) which has impacted 11,000 households, leading to increased ground water table to > 1.6 mtrs & increase in crop productivity by 28%.	Rural Development	Madhya Pradesh	2.74	2.74	2.74	PPP with Govt. of MP and Raa Media

Sr. No.	CSR Project or activity identified	Sector in which the project is covered (As in Schedule VII)	Projects or programs 1) Local areas or Other 2) Specify the state and district where projects or programs was undertaken	Amount Outlay (Budget) Project or program wise (In crores)	Amount spent on the project or programs 1) Direct expenditure on projects or programs 2) overheads (In crores)	Cumulative Expenditure upto the reporting period	Amount spent: direct or through implementing agency
1	2	3	4	5	6	7	8
19.	<b>BIO GAS PROJECT</b> – The Company has entered into a Tripartite Agreement with Naandi Foundation and Mahindra World City Developers Limited to set up a biogas plant which will convert food and other waste into energy.	Rural Development	Chennai	2.67	2.67	2.67	Through an implementing agency – Naandi Foundation
20.	<b>MAHINDRA PARK</b> – The Traffic Education Park educates 'Children' on Road Safety Rules and Guidelines. The Park, the first of its kind is set up at Nashik and will be open for Public and serve as an interactive mode for education in the domain.	Promotion of Education	Nasik	2.50	2.50	2.50	Through an implementing agency – Nasik First
21.	<b>MAHINDRA HARIYALI</b> – Tree plantation to increase green cover and improve livelihood of farmers. In the Financial Year 2014-15 M&M – AFS planted 1 million trees.	Ensuring Environmental Sustainability	Igatpuri, Nasik, Haridwar, Jharkhand, Kandivli, Zaheerabad, Nagpur, Rudrapur, Chandigarh, Jaipur and Satara	2.44	2.44	2.44	Through an implementing agency – ESOPS, PWD - Government of Maharashtra, NCSN , CCF, Center for Rural Research & Community Development, Swajan Social Development, and Health Education Samiti, Lokbiradari Prkalp, Nature Lovers, Karm & Lahs Pratishthan
22.	<b>LIFELINE EXPRESS</b> – Also known as 'Hospital on Wheels' provided medical treatment to over 15,000 people.	Promoting Preventive Healthcare and Sanitation	Zaheerabad, Gorakhpur and Khandwa	2.36	2.36	2.36	Through an implementing agency – Impact India & Vision India Foundation
23.	<b>PROJECT HUNNAR</b> is a Vocational Education project where auto sales and services courses are provided to 10 <sup>th</sup> pass students	Promotion of Education	Nagpur, Jaipur, Pune, Nashik, Jhajjar, Bulandshahr, Sitapur, Ajmer, Bharatpur and Coimbatore	1.80	1.80	1.80	Through an implementing agency – Labour Net Services
24.	<b>MAHINDRA SAARTHI ABHIYAAN</b> is an initiative to provide educational support to Drivers' Daughters through scholarships. In the Financial Year 2014-15, 1,108 scholarships were awarded.	Promotion of Education	Rajasthan, Bihar, Maharashtra and Chennai	1.63	1.63	1.63	Direct

Sr. No.	CSR Project or activity identified	Sector in which the project is covered (As in Schedule VII)	Projects or programs 1) Local areas or Other 2) Specify the state and district where projects or programs was undertaken	Amount Outlay (Budget) Project or program wise (In crores)	Amount spent on the project or programs 1) Direct expenditure on projects or programs 2) overheads (In crores)	Cumulative Expenditure upto the reporting period	Amount spent: direct or through implementing agency
1	2	3	4	5	6	7	8
25.	<b>BAJA</b> – Trains under graduate engineering students in automotive engineering enabling them to get jobs in the automobile industry. The project promotes education through Project based Learning	Promotion of Education	Indore, MP	1.05	1.05	1.05	Through an implementing agency – SAE India
26.	<b>PROJECT ARAKU</b> – Promotes Livelihood Enhancement of the Adivasis in Araku by planting trees to restore the living eco system of the community. In the Financial Year 2014-15 a million fruit bearing trees were planted under this project.	Rural Development	Andhra Pradesh	1.00	1.00	1.00	Through an implementing agency – Naandi Foundation
27.	<b>MAHINDRA PRIDE SCHOOL</b> – Provides 3 month livelihood training in Hospitality, Retail and IT for youth from socially and economically disadvantaged backgrounds. In the Financial Year 2014-15, the Mahindra Group supported 5 MPS's in Pune, Chennai, Patna, Chandigarh and Srinagar through which 3,515 students were trained. The Company – AFS supported the school in Chandigarh where 749 students were trained this year.	Promoting employment enhancement vocation skills and livelihood enhancement projects	Chandigarh	0.80	0.80	0.80	Through an implementing agency – K C Mahindra Education Trust
28.	<b>MAHINDRA CARE</b> – In the Financial Year 2014-15, 100 Medical Camps were organized under this program for testing the overall health of over 17,000 beneficiaries including eye checkups and distribution of 5400 spectacles.	Promoting Preventive Healthcare and Sanitation	Andhra Pradesh, Rajasthan, Madhya Pradesh and Uttar Pradesh	0.72	0.72	0.72	Through an implementing agency – Hexacraft Events and Vision Springs
29.	<b>HEALTH CAMPS</b> – Health Camps are conducted across Plants on a regular basis which provide free Symptomatic Medical Treatment to the deprived sections of the slum community.	Promoting Preventive Healthcare and Sanitation	Bihar, Lucknow, Nagpur, Nasik, Zaheerabad, Vikramgad, Rajasthan, Bihar and Chennai	0.68	0.68	0.68	Through an implementing agency – ESOPS, Rotary Club of India, Sevamob, Anantara Solutions Private Limited and Isha Advertising Private Limited

Sr. No.	CSR Project or activity identified	Sector in which the project is covered (As in Schedule VII)	Projects or programs 1) Local areas or Other 2) Specify the state and district where projects or programs was undertaken	Amount Outlay (Budget) Project or program wise (In crores)	Amount spent on the project or programs 1) Direct expenditure on projects or programs 2) overheads (In crores)	Cumulative Expenditure upto the reporting period	Amount spent: direct or through implementing agency
1	2	3	4	5	6	7	8
30.	<b>QUALITY EDUCATION IN SCHOOLS</b> – This program aims to reach out to all local, neighboring government run schools in the neighboring communities that do not have the ability or funding to provide Computer Education, English Communication Skills, Civic Awareness Classes, etc. The main objective of this program is to supplement their education bringing them at par with privately run schools.	Promotion of Education	Haridwar, Igatpuri, Jaipur, Kandivli, Nasik, Rudrapur, Chennai and Zaheerabad	0.62	0.62	0.62	Through an implementing agency – ESOPS, Swajan Social Development and Health Education Samiti & Suyash Agency
31.	<b>OTHERS</b> – The AFS Sector carried out CSR projects across its factory and office locations pan India. In addition to the projects mentioned above, the CSR projects ranged from blood donation camps, provision of clean drinking water, health services for differently abled, HIV/AIDS awareness, vocational training of youth and solar electrification of villages to name a few.			8.37	8.37	8.37	
	<b>TOTAL</b>			<b>83.22</b>	<b>83.24</b>	<b>83.24</b>	

6. In case the company has failed to spend the two per cent, of the average net profit of the last three Financial Years or any part thereof, the company shall provide the reasons for not spending the amount in its Board Report – Not applicable, since the Company believes that the above projects and activities fall within the purview of Schedule VII of the Companies Act, 2013.

7. A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company:

The implementation and monitoring of CSR Policy is in compliance with CSR objectives and Policy of the Company.

**ANAND G. MAHINDRA**  
Chairman & Managing Director

**DR. VISHAKHA N. DESAI**  
Chairperson - CSR Committee

Mumbai, 29<sup>th</sup> May, 2015

## ANNEXURE VI

### CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

SECTION 134(3)(M) OF THE COMPANIES ACT, 2013 READ WITH RULE 8(3) OF THE COMPANIES (ACCOUNTS) RULES, 2014 IS FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2015

#### (A) Conservation of Energy

##### (i) The steps taken/impact on conservation of energy:

Your Company has always considered energy and natural resource conservation as a focus area and has been consciously making efforts towards improving the energy performance year on year. Energy efficiency improvement initiatives have been implemented across all the Plants and offices by undertaking various energy and resource conservation projects for Sustainable development.

Your Company ensures strict compliance with all the statutory requirements and has taken several sustainable steps voluntarily to contribute towards better environment. Select few steps/impact are listed below:

- Reduction in specific carbon footprint.
- Conservation of natural resources like oil and fuel.
- Use of renewable energy in manufacturing.
- Use of natural lighting and natural ventilation.
- Encouraging green building initiatives.
- Reduction in specific water footprint.
- Rain water harvesting, water recycling and water conservation.
- Reduce, reuse, recycle of waste and eco-friendly waste disposal.
- Waste heat recovery from CED ovens in Paint shop.
- Wet on Wet process in paint shop.
- Paint shop spray booth Venturi gap adjustment.
- Three stage filtration for painting booth in paint shop.
- Installation of turbine air ventilators at PT-CED area.
- Top coat booth air balancing based on painting area.

- Optimisation of PMR hydraulic pump operation.
- Exhaust gas partial bypass, through fresh air unit in top coat oven.
- Effective removal of oil from the degreasing bath at tractor line.
- Optimisation of running of CED paint circulation pump.
- Installation of forced draft energy efficient cooling tower in place of cross draft cooling tower.
- Installation of energy efficient gun at foundry moulding air line.
- Variable frequency drive for cooling tower fan and other applications.
- Auto electric valve on machines to eliminate the compressed air losses.
- Hydraulic motor control interlocks with machine control to avoid idle running of motor.
- Replacement of filter press methodology with natural drying of sludge at ETP.
- Optimisation of ETP/STP blower operation.
- Thyristor control heating in furnaces.
- LED Light in office in place of CFL in offices.
- Magnetic induction lamps in place of conventional lamps at shop floors.

Your Company believes in employee involvement for delivering better results. Towards this goal, the Company has taken multiple initiatives. Select few are listed below:

- Resource conservation month celebration in December coinciding with National Energy Conservation Week at all Plants.
- Oath for energy conservation at all locations.
- Product Expo to spread awareness about Green products available in the market.
- Online Energy Quiz for employees.
- E-mailer's and Wallpapers for Awareness.
- Display of Posters and slogans on Energy Conservation.

- Slogan, poster and suggestion competition for employees on Energy efficiency.
- Extensive involvement of shop floor operating teams in improvement activities and projects.
- Use expertise available with employees to spread the importance of Energy Conservation in nearby schools and colleges.

**(ii) The steps taken by the Company for utilising Alternate Sources of Energy:**

- Use of solar power through open access. Automotive Division Plant at Zaheerabad has sourced 7.4% solar power of their total power requirement.
- Renewable energy certificates for RPO compliance.
- Procured renewable energy certificates equivalent to mitigate 6,550 Tons of CO<sub>2</sub>.
- Use crop waste briquette, in place of LPG for cooking food at Swaraj Plant canteen.
- Solar water heating in place of conventional electrical heating for LPG vaporisers at the Zaheerabad Plant of the Automotive Division.

**(iii) The capital investment on energy conservation equipments:**

The Company has focused on investing in modern technology for improving the specific energy consumption. This investment has been broadly done in the areas of heat recovery, energy efficient LED and Magnetic Induction lighting, hybrid heat pump and various other energy conservation technology and initiatives. For the year under review, the total capital investment on energy conservation equipment is Rs. 433.25 lakhs.

**(B) Technology Absorption**

**(i) The efforts made towards technology absorption:**

During the year under review, the focus of Automotive Division continued on technology upgradation and capability development in the core areas of Power train, Safety, weight reduction, alternate material and developing capabilities for increasing reliability in Automotive Electronics.

Your Company has continued its endeavor to develop and absorb advanced technologies for its product range to meet the requirements of a globally competitive market. On the tractor front, special focus and efforts are being put to develop electronic systems and other features to provide enhanced productivity and comfort to the farmers.

On the Power Train Engineering front, your Company has assimilated the knowledge and absorbed the technology to design and develop new Gasoline Engines. The Company has worked along with renowned consultants to reduce friction in Powertrain. In the domain of Transmission, your Company is in the process of absorbing new technologies to design and develop transmissions which are lighter, quieter and more efficient.

In its endeavour to build capability for NVH prediction in prototype vehicles, the Company has installed state of the art equipment for BSR (Buzz, Squeak and Rattle) study at MRV. Also, the capability in the field of Electrical and electronics technologies for infotainment validation has been enhanced.

The Company continues its experimental research on alternate fuel technologies like Bio Fuel, Bio CNG, Hydrogen ICE and fuel cells. Many programs are being done jointly with industry and academia to keep these technologies ready for commercial deployment, should the opportunities arise.

**(ii) The benefits derived like product improvement, cost reduction, product development or import substitution:**

- Special focus and efforts have resulted in electronic systems on Tractors which provides productivity and comfort for the farmers.
- Emphasis on use of new materials to reduce weight of aggregates and parts.
- Develop new technologies and keep them ready for deployment on products in the field of:
  - Advanced Electronics.
  - Fuel Efficient and Performance Enhanced Power train.
  - Alternate fuels.
  - High performance lubricants.

(iii) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year):

Sr. No.	Technology Imported	Year of Import	Status
1.	Duel Fuel Technology	2012	Technology Absorbed
2.	Technology for NVH Improvement	2012	Technology Absorbed
3.	Hybrid Vehicle Technology	2012	In the process of Absorption
4.	CNG Injection Technology	2013	Technology Absorbed
5.	Hydrogen Fuel Technology	2013	Technology Absorbed
6.	Duel Clutch Transmission Technology	2013	Technology Absorbed
7.	Advanced Engine Exhaust After Treatment Technology	2013	In the process of Absorption
8.	Vehicle Comfort & Handling Technology	2013	Technology Absorbed
9.	Aero Acoustics development	2014	Technology Absorbed
10.	Electrical and electronics architecture validation technology	2014	In the process of Absorption
11.	Electrical and electronic technologies for infotainment validation	2014	Technology Absorbed
12.	New 6 Speed Transmission technology	2014	In the process of Absorption
13.	New Gasoline Engine Technology	2015	In the process of Absorption
14.	ICV Transmission Technology	2015	In the process of Absorption
15.	New Diesel Engine development	2015	Technology Absorbed

All imported technologies 'In the process of Absorption' would be absorbed as per the respective Technology Absorption Schedule.

(iv) The expenditure incurred on Research and Development:

The Company spent Rs. 1,533.66 crores (including Rs. 785.63 crores on Capital Expenditure) for Research & Development work during the year, which was approximately 3.65% of the total turnover.

### (C) Foreign Exchange Earnings and Outgo

The Company continues to strive to improve its export earnings. Further details in respect of exports are set out elsewhere in the Annual Report.

The information on foreign exchange earned in terms of actual inflows during the year and the foreign exchange outgo during the year in terms of actual outflows is furnished in the Notes to Accounts.

For and on behalf of the Board

**ANAND G. MAHINDRA**

Chairman & Managing Director

Mumbai, 29<sup>th</sup> May, 2015

## ANNEXURE VII

### EXTRACT OF ANNUAL RETURN

#### FORM NO. MGT-9

As on the financial year ended on 31.03.2015

Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management & Administration) Rules, 2014.

#### I. REGISTRATION & OTHER DETAILS:

1.	CIN	L65990MH1945PLC004558
2.	Registration Date	02-10-1945
3.	Name of the Company	Mahindra and Mahindra Limited
4.	Category/Sub-category of the Company	Public Company/Limited by shares
5.	Address of the Registered office & contact details	Mahindra and Mahindra Limited Gateway Building, Apollo Bunder, Mumbai - 400001, Maharashtra Tel: +91-22-22895500 Fax: +91-22-22875485
6.	Whether listed company	Yes/No
7.	Name, Address & contact details of the Registrar and Transfer Agent, if any.	Sharepro Services (India) Private Limited Unit: Mahindra and Mahindra Limited 13AB, Samhita Warehousing Complex, 2 <sup>nd</sup> Floor, Sakinaka Telephone Exchange Lane, Off Andheri Kurla Road, Sakinaka, Andheri (East), Mumbai - 400072 Tel: +91-22-67720400/300 Fax: +91-22-28591568 Email: sharepro@shareproservices.com

#### II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company:

S. No.	Name and Description of main Products / Services	NIC Code of the Product/ Service	% to total turnover of the Company
1.	Manufacture of Passenger Car	29101	38.65
2.	Manufacture of Commercial vehicles such as vans, lorries, over the road tractors for semi-trailers, etc	29102	20.78
3.	Manufacture of tractors used in agriculture and forestry	28211	27.62
	TOTAL		87.05

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**

Sr. No	Name of the Company	Address of the Company	CIN/GLN	Holding / Subsidiary / Associate	% Holding*	Applicable Section
1	<b>Mahindra Engineering and Chemical Products Limited</b>	Gateway Building, Apollo Bunder, Mumbai-400001	U74999MH1954PLC019908	Subsidiary	100.00%	2(87)(ii)
2	** Retail Initiative Holdings Limited	Mahindra Towers, P. K. Kurne Chowk, Worli, Mumbai-400018	U67110MH2008PLC188837	Subsidiary	100.00%	2(87)(ii)
3	♣ Mahindra Retail Private Limited	Mahindra Towers, P. K. Kurne Chowk, Worli, Mumbai-400018	U52190MH2007PTC173762	Subsidiary	96.22%	2(87)(ii)
4	ψ Mahindra Internet Commerce Private Limited (Formerly known as Mahindra United Football Club Private Limited)	Mahindra Towers, P. K. Kurne Chowk, Worli, Mumbai-400018	U52399MH2008PTC187927	Subsidiary	100.00%	2(87)(ii)
5	<b>Mahindra HZPC Private Limited</b> (Formerly known as Mahindra Investments (International) Private Limited)	Mahindra Towers, Near Doordarshan Kendra, Pandurang Budhkar Marg, Worli, Mumbai-400018	U01403MH2013PTC242474	Subsidiary	59.95%	2(87)(ii)
6	<b>Mahindra Intertrade Limited</b>	Mahindra Towers, P. K. Kurne Chowk, Worli, Mumbai-400018	U51900MH1978PLC020222	Subsidiary	100.00%	2(87)(ii)
7	@ Mahindra MiddleEast Electrical Steel ServiceCentre (FZC)	Sharjah Airport International Free Zone, P3 11/12 Post Box: 8114, Sharjah UAE.	Foreign Company	Subsidiary	90.00%	2(87)(ii)
8	@ Mahindra Steel Service Centre Limited	Mahindra Towers, P. K. Kurne Chowk, Worli, Mumbai-400018	U27100MH1993PLC070416	Subsidiary	61.00%	2(87)(ii)
9	@ Mahindra Auto Steel Private Limited	Mahindra Towers, P. K. Kurne Chowk, Worli, Mumbai-400018	U27100MH2013PTC250979	Subsidiary	51.00%	2(87)(ii)
10	@ Mahindra Electrical Steel Private Limited	Mahindra Towers, P. K. Kurne Chowk, Worli, Mumbai-400018	U27100MH2009PTC193205	Subsidiary	100.00%	2(87)(ii)
11	<b>Mahindra Consulting Engineers Limited</b>	Gateway Building, Apollo Bunder, Mumbai-400001	U74210MH1993PLC074723	Subsidiary	54.16%	2(87)(ii)
12	<b>Mahindra Holidays &amp; Resorts India Limited</b>	No. 17 & 18, 2nd floor, Mahindra Towers, Patullos Road, Chennai-600002.	L55101TN1996PLC036595	Subsidiary	75.00%	2(87)(ii)
13	+ Competent Hotels Private Limited (w.e.f. 18 <sup>th</sup> June, 2014)	Unit No. 873, 8 <sup>th</sup> Floor, Aggarwal Cyber Plaza II, Plot No. C-7, Netaji Subhash Place, Pitampura, New Delhi, Delhi-110034	U55101DL1986PTC114589	Subsidiary	100.00%	2(87)(ii)
14	+ MHR Holdings (Mauritius) Limited (w.e.f. 11 <sup>th</sup> July, 2014)	IFS Court, Twenty Eight Cyber City, Ebene, Mauritius	Foreign Company	Subsidiary	100.00%	2(87)(ii)
15	^ Covington S.à r.l. (w.e.f. 17 <sup>th</sup> July, 2014)	16, Avenue Pasteur, L-2310 Luxembourg, Grand Duchy of Luxembourg	Foreign Company	Subsidiary	100.00%	2(87)(ii)
16	+ Mahindra Hotels and Residences India Limited	No. 17 & 18, 2nd floor, Mahindra Towers, Patullos Road, Chennai-600002.	U55101TN2007PLC063285	Subsidiary	100.00%	2(87)(ii)
17	+ Heritage Bird (M) Sdn.Bhd	802, 8th Floor, Block C, Kelana Square, 17, Jalan SS7/26, 47301 Petaling Jaya, Selangor. Malaysia.	Foreign Company	Subsidiary	100.00%	2(87)(ii)

Sr. No	Name of the Company	Address of the Company	CIN/GLN	Holding / Subsidiary / Associate	% Holding*	Applicable Section
18	+ MH Boutique Hospitality Limited	No. 33/118-119 Wall Street Tower Building, 23 <sup>rd</sup> Floor Surawongse Road, Suriyawongse sub-district, Bangrak District, Bangkok, Thailand	Foreign Company	Subsidiary	49.00%	2(87)(i)
19	± Infinity Hospitality Group Company Limited	No. 20 Soi Sukhumvit 7 (Lerdsin 2), Sukhumvit Road, Khwaeng Khlongtoey Nua, Khet Wattana Bangkok.	Foreign Company	Subsidiary	100.00%	2(87)(ii)
20	+ Divine Heritage Hotels Private Limited	No. 24, 25 & 26, Mahindra Towers, Durga Vihar Colony, Tonk Road, Jaipur-302018.	U55101RJ2008PTC025734	Subsidiary	100.00%	2(87)(ii)
21	+ Holiday on Hills Resorts Private Limited	Village Siharateh, Kandaghat, District Solan, Himachal Pradesh-173215	U55101HP1996PTC017806	Subsidiary	100.00%	2(87)(ii)
22	+ Gables Promoters Private Limited	No - 504, Block A, 5th Floor, ELANTE Office Suites, Plot No - 178-178/A, Industrial Area, Phase 1, Chandigarh-160 001	U45209CH2012PTC033473	Subsidiary	100.00%	2(87)(ii)
23	<b>NBS International Limited</b>	10 Stone Bldg., Shop No.1, Opp Chowpatty Sea Face, Mumbai-400007	U18101MH1995PLC095482	Subsidiary	100.00%	2(87)(ii)
24	<b>Mahindra Sanyo Special Steel Private Limited</b>	74, Ganesh Apartment, Opp: Sitaldevi Temple L.J. Road, Mahim West, Mumbai-400016.	U27310MH2011PTC223696	Subsidiary	51.00%	2(87)(ii)
25	<b>Mahindra Gujarat Tractor Limited</b>	Vishwamitri, near Railway Overbridge, Vadodara-390011	U34100GJ1978PLC003127	Subsidiary	60.00%	2(87)(ii)
26	<b>Mahindra Holdings Limited</b>	Mahindra Towers, P. K. Kurne Chowk, Worli, Mumbai-400018	U65993MH2007PLC175649	Subsidiary	100.00%	2(87)(ii)
27	⊖ Mahindra Punjab Tractors Private Limited	Mahindra Towers, P. K. Kurne Chowk, Worli, Mumbai-400018	U29253MH2009PTC196365	Subsidiary	100.00%	2(87)(ii)
28	⊖ Mahindra EPC Services Private Limited (Name changed to Mahindra Susten Private Limited (w.e.f. 18.05.2015)	Mahindra Towers, P. K. Kurne Chowk, Worli, Mumbai-400018	U74990MH2010PTC207854	Subsidiary	100.00%	2(87)(ii)
29	¥ Mahindra Offgrid Services Private Limited	Mahindra Towers, P. K. Kurne Chowk, Worli, Mumbai-400018	U40300MH2010PTC205946	Subsidiary	100.00%	2(87)(ii)
30	• Brightsolar Renewable Energy Private Limited	Mahindra Towers, P. K. Kurne Chowk, Worli, Mumbai-400018	U40108MH2013PTC250683	Subsidiary	100.00%	2(87)(ii)
31	• Cleansolar Renewable Energy Private Limited	Mahindra Towers, P. K. Kurne Chowk, Worli, Mumbai-400018	U40108MH2013PTC250684	Subsidiary	100.00%	2(87)(ii)
32	⊖ Mahindra Namaste Private Limited	Mahindra Towers, P. K. Kurne Chowk, Worli, Mumbai-400018	U80302MH2010PTC198303	Subsidiary	100.00%	2(87)(ii)
33	⊖ Mahindra Integrated Business Solutions Private Limited	Mahindra Towers, P. K. Kurne Chowk, Worli, Mumbai-400018	U74999MH2011PTC212468	Subsidiary	100.00%	2(87)(ii)
34	⊖ Mahindra Telecommunications Investment Private Limited	Gateway Building, Apollo Bunder, Mumbai-400001	U63040MH1993PTC070642	Subsidiary	100.00%	2(87)(ii)

Sr. No	Name of the Company	Address of the Company	CIN/GLN	Holding / Subsidiary / Associate	% Holding*	Applicable Section
35	<b>Mriyalguda Farm Solution Limited</b> (w.e.f. 11 <sup>th</sup> August, 2014) (Name changed to Mahindra eMarket Limited w.e.f. 07.04.2015)	Mahindra Towers, P. K. Kurne Chowk, Worli, Mumbai-400018	U72900MH2000PLC129103	Subsidiary	69.00%	2(87)(ii)
36	<b>Mahindra Lifespace Developers Limited</b>	Mahindra Towers, P. K. Kurne Chowk, Worli, Mumbai-400018	L45200MH1999PLC118949	Subsidiary	50.83%	2(87)(ii)
37	∞ Mahindra Infrastructure Developers Limited	Mahindra Towers, P. K. Kurne Chowk, Worli, Mumbai-400018	U45201MH2001PLC131942	Subsidiary	100.00%	2(87)(ii)
38	∞ Mahindra World City Developers Limited	Ground Floor "Mahindra Towers" 17/18, Patullous Road, Chennai-600002.	U92490TN1997PLC037551	Subsidiary	89.00%	2(87)(ii)
39	® Mahindra Industrial Park Chennai Limited (w.e.f. 22 <sup>nd</sup> December, 2014)	Ground Floor, Mahindra Towers, No. 17/18 Patullous Road, Chennai-600002	U45209TN2014PLC098543	Subsidiary	100.00%	2(87)(ii)
40	∞ Mahindra World City (Jaipur) Limited	4 <sup>th</sup> Floor, 411, Neelkanth Tower, Bhawani Singh Road, C-Scheme, Jaipur, Rajasthan-302001	U45209RJ2005PLC021207	Subsidiary	74.00%	2(87)(ii)
41	∞ Mahindra Integrated Township Limited	Administrative Block, Central Avenue, Mahindra World City, Natham Sub(PO); Chengelpet, Kancheepuram, Tamil Nadu-603002	U74140TN1996PLC068288	Subsidiary	99.14%	2(87)(ii)
42	\$ Mahindra Residential Developers Limited	Mahindra World City, Administrative Block, Chegalpattu, Tamil Nadu-603002	U45200TN2008PLC066292	Subsidiary	100.00%	2(87)(ii)
43	∞ Mahindra World City (Maharashtra) Limited	Mahindra Towers, P. K. Kurne Chowk, Worli, Mumbai-400018	U45309MH2005PLC156225	Subsidiary	100.00%	2(87)(ii)
44	∞ Knowledge Township Limited	Mahindra Towers, P. K. Kurne Chowk, Worli, Mumbai-400018	U72900MH2007PLC173137	Subsidiary	100.00%	2(87)(ii)
45	∞ Mahindra Bebanco Developers Limited	Mahindra Towers, P. K. Kurne Chowk, Worli, Mumbai-400018	U45203MH2008PLC183107	Subsidiary	70.00%	2(87)(ii)
46	∞ Raigad Industrial & Business Park Limited	Mahindra Towers, P. K. Kurne Chowk, Worli, Mumbai-400018	U70102MH2009PLC193399	Subsidiary	100.00%	2(87)(ii)
47	∞ Industrial Township (Maharashtra) Limited	Mahindra Towers, P. K. Kurne Chowk, Worli, Mumbai-400018	U45203MH2008PLC184190	Subsidiary	100.00%	2(87)(ii)
48	∞ Anthurium Developers Limited	Mahindra Towers, P. K. Kurne Chowk, Worli, Mumbai-400018	U70109MH2010PLC203619	Subsidiary	100.00%	2(87)(ii)
49	∞ Industrial Cluster Private Limited (Formerly known as Mahindra Housing Private Limited)	Mahindra Towers, P. K. Kurne Chowk, Worli, Mumbai-400018	U70102MH2013PTC241512	Subsidiary	100.00%	2(87)(ii)
50	<b>Mahindra &amp; Mahindra Financial Services Limited</b>	Gateway Building, Apollo Bunder, Mumbai-400001	L65921MH1991PLC059642	Subsidiary	51.20%	2(87)(ii)
51	≈ Mahindra Insurance Brokers Limited	Mahindra Towers, P. K. Kurne Chowk, Worli, Mumbai-400018	U65990MH1987PLC042609	Subsidiary	85.00%	2(87)(ii)
52	≈ Mahindra Rural Housing Finance Limited	Mahindra Towers, P. K. Kurne Chowk, Worli, Mumbai-400018	U65922MH2007PLC169791	Subsidiary	87.50%	2(87)(ii)

Sr. No	Name of the Company	Address of the Company	CIN/GLN	Holding / Subsidiary / Associate	% Holding*	Applicable Section
53	≈ ⊕ Mahindra Business & Consulting Services Private Limited	Sadhana House, 2 <sup>nd</sup> floor, 570, P.B. Marg, Worli, Mumbai-400018	U72200MH2008PTC186789	Subsidiary	100.00%	2(87)(ii)
54	≈ Mahindra Assets Management Company Private Limited	Mahindra Towers, P. K. Kurne Chowk, Worli, Mumbai-400018	U65900MH2013PTC244758	Subsidiary	100.00%	2(87)(ii)
55	≈ Mahindra Trustee Company Private Limited	Mahindra Towers, P. K. Kurne Chowk, Worli, Mumbai-400018	U67100MH2013PTC245464	Subsidiary	100.00%	2(87)(ii)
56	<b>Bristlecone Limited</b>	M&C Corporate Services Ltd., P.O. Box 309GT, Ugland House, South Church St., George Town, Grand Cayman, Cayman Islands.	Foreign Company	Subsidiary	77.71%	2(87)(ii)
57	Ω <b>Bristlecone Inc</b>	488 Ellis Street, Mountain View, CA 94043	Foreign Company	Subsidiary	100.00%	2(87)(ii)
58	Ω Bristlecone India Limited	Gateway Building, Apollo Bunder, Mumbai-400001	U30007MH1991PLC064368	Subsidiary	100.00%	2(87)(ii)
59	⊘ Bristlecone (Singapore) Pte. Limited	3, Anson Road, # 27-01 Springleaf Tower, Singapore-079909.	Foreign Company	Subsidiary	100.00%	2(87)(ii)
60	⊘ Bristlecone GmbH	Schiff-Martini & Cie. GmbH, De-Saint-Exupéry-Straße 8, Condor Platz, 60549 Frankfurt am Main, Germany	Foreign Company	Subsidiary	100.00%	2(87)(ii)
61	Ω Bristlecone UK Limited	Abacus House, 33, Gutter Lane, London-EC2V8AR.	Foreign Company	Subsidiary	100.00%	2(87)(ii)
62	Ω Bristlecone (Malaysia) Sdn.Bhd	Level 18, The Gardens North Tower, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur.	Foreign Company	Subsidiary	100.00%	2(87)(ii)
63	Ω Bristlecone Consulting Limited	1500 Royal Centre 1055 West Georgia Street Vancouver, BC V6E 4N7.	Foreign Company	Subsidiary	100.00%	2(87)(ii)
64	Ω Bristlecone International AG	Rheinweg 7, 8200 Schaffhausen	Foreign Company	Subsidiary	100.00%	2(87)(ii)
65	<b>Mahindra First Choice Wheels Limited</b>	Gateway Building, Apollo Bunder, Mumbai -400001	U64200MH1994PLC083996	Subsidiary	43.70%	2(87)(i)
66	<b>Mahindra USA Inc.</b>	9020 Jackrabbit Road, Suite 600, Houston, Texas-77095, USA.	Foreign Company	Subsidiary	100.00%	2(87)(ii)
67	≠ Mahindra North American Technical Center, Inc.	1055 West Square Lake Road, Troy, MI, 48098	Foreign Company	Subsidiary	100.00%	2(87)(ii)
68	<b>Mahindra Shubhlabh Services Limited</b>	Mahindra Towers, P. K. Kurne Chowk, Worli, Mumbai-400018	U01409MH2000PLC125781	Subsidiary	100.00%	2(87)(ii)
69	⊕ Mahindra UNIVEG Private Limited (w.e.f. 9 <sup>th</sup> July, 2014)	Mahindra Towers, P. K. Kurne Chowk, Worli, Mumbai-400018	U01403MH2014PTC255946	Subsidiary	60.00%	2(87)(ii)
70	<b>Mahindra &amp; Mahindra South Africa (Proprietary) Limited</b>	Mahindra & Mahindra South Africa (Proprietary) Limited, PO Box 69079, Highveld Park 0169, Eco Fusion no 6, Block C, First floor, 324 Witch Hazel Street, Highveld X59, Pretoria, South Africa.	Foreign Company	Subsidiary	100.00%	2(87)(ii)
71	<b>Mahindra Overseas Investment Company (Mauritius) Limited</b>	IFS Court TwentyEight, Cybercity Ebene - Mauritius	Foreign Company	Subsidiary	100.00%	2(87)(ii)

Sr. No	Name of the Company	Address of the Company	CIN/GLN	Holding / Subsidiary / Associate	% Holding*	Applicable Section
72	≡ Mahindra Tractor Assembly Inc.	Corporation Service Company, 2711 Centreville Road, Suite 400, Wilmington, County of Newcastle, Delaware-19808.	Foreign Company	Subsidiary	100.00%	2(87)(ii)
73	≡ Mahindra Racing S.r.l.	Via della Mercede, 11 00187 Roma	Foreign Company	Subsidiary	100.00%	2(87)(ii)
74	≡ Mahindra-BT Investment Company (Mauritius) Limited	IFS Court TwentyEight, Cybercity Ebene- Mauritius	Foreign Company	Subsidiary	57.00%	2(87)(ii)
75	≡ Mahindra Europe S.r.l.	Mahindra Europe Srl Via Cancelliera, 3500040 – Ariccia – Roma, Italy	Foreign Company	Subsidiary	100.00%	2(87)(ii)
76	≡ Mahindra Graphic Research Design S.r.l.	Via del Babuino 51 – 00187 ROMA – ITALY	Foreign Company	Subsidiary	100.00%	2(87)(ii)
77	≡ Mahindra Racing UK Limited (w.e.f. 22 <sup>nd</sup> May, 2014)	Abacus House, 33, Gutter Lane, London, EC 2V 8AR	Foreign Company	Subsidiary	100.00%	2(87)(ii)
78	≡ Mahindra Yueda (Yancheng) Tractor Company Limited	9, Nenjiang Road, Yancheng Economic Development Zone, Jiangsu Province, China.	Foreign Company	Subsidiary	51.00%	2(87)(ii)
79	≡ Mahindra Emirates Vehicle Armouring FZ-LLC	P.O. Box No. 39893, Al Jazeera, Al Hamra. (Free Zone), RAKIA Industrial park, WFZ-08, Ras Al Khaimah, United Arab Emirates	Foreign Company	Subsidiary	51.00%	2(87)(ii)
80	<b>Mahindra Automobile Distributor Private Limited</b>	Gateway Building, Apollo Bunder, Mumbai-400001	U34100MH2005PTC153702	Subsidiary	95.00%	2(87)(ii)
81	<b>Mahindra Trucks and Buses Limited</b>	Gateway Building, Apollo Bunder, Mumbai-400001	U63040MH1994PLC079098	Subsidiary	100.00%	2(87)(ii)
82	<b>Mahindra Vehicle Manufacturers Limited</b>	Mahindra Towers, P. K. Kurne Chowk, Worli, Mumbai-400018	U34100MH2007PLC171151	Subsidiary	100.00%	2(87)(ii)
83	<b>Mahindra Logistics Limited</b>	Mahindra Towers, P. K. Kurne Chowk, Worli, Mumbai-400018	U63000MH2007PLC173466	Subsidiary	84.01%	2(87)(ii)
84	π 2 X 2 Logistics Private Limited	Mahindra Towers, P. K. Kurne Chowk, Worli, Mumbai-400018	U63000MH2012PTC237062	Subsidiary	55.00%	2(87)(ii)
85	π Lords Freight (India) Private Limited (w.e.f. 7 <sup>th</sup> August, 2014)	Unit No. 511, 5 <sup>th</sup> Floor, Crescent Business Park, Sumitha Complex, Safedpul, Sakinaka, Andheri (E), Mumbai-400072.	U63030MH2011PTC216628	Subsidiary	60.00%	2(87)(ii)
86	<b>Mahindra Heavy Engines Private Limited</b>	Mahindra Towers, P. K. Kurne Chowk, Worli, Mumbai-400018	U35914MH2007PTC169753	Subsidiary	100.00%	2(87)(ii)
87	<b>Mahindra Aerospace Private Limited</b>	Mahindra Towers, P. K. Kurne Chowk, Worli, Mumbai-400018	U63033MH2008PTC179520	Subsidiary	66.67%	2(87)(ii)
88	Δ Mahindra Aerospace Australia Pty. Limited	C/-O, Pitcher Partners, Level 19, 15 William Street, Melbourne VIC 3000	Foreign Company	Subsidiary	100.00%	2(87)(ii)
89	α Aerostaff Australia Pty. Limited	Latrobe Valley Airfield, 75 Airfield Road, Morwell VIC 3840	Foreign Company	Subsidiary	100.00%	2(87)(ii)
90	α Gipp Aero Investments Pty. Limited	Latrobe Valley Airfield, 75 Airfield Road, Morwell VIC 3840	Foreign Company	Subsidiary	75.10%	2(87)(ii)

Sr. No	Name of the Company	Address of the Company	CIN/GLN	Holding / Subsidiary / Associate	% Holding*	Applicable Section
91	∑ Gippsaero Pty. Limited	Latrobe Valley Airfield, 75 Airfield Road, Morwell VIC 3840	Foreign Company	Subsidiary	100.00%	2(87)(ii)
92	∑ GA8 Airvan Pty. Limited	Latrobe Valley Airfield, 75 Airfield Road, Morwell VIC 3840	Foreign Company	Subsidiary	100.00%	2(87)(ii)
93	∑ GA200 Pty. Limited	Latrobe Valley Airfield, 75 Airfield Road, Morwell VIC 3840	Foreign Company	Subsidiary	100.00%	2(87)(ii)
94	∑ Airvan Flight Services Pty. Limited	Latrobe Valley Airfield, 75 Airfield Road, Morwell VIC 3840	Foreign Company	Subsidiary	100.00%	2(87)(ii)
95	∑ Nomad TC Pty. Limited	Latrobe Valley Airfield, 75 Airfield Road, Morwell VIC 3840	Foreign Company	Subsidiary	100.00%	2(87)(ii)
96	Δ Mahindra Aerostructures Private Limited	Mahindra Towers, P. K. Kurne Chowk, Worli, Mumbai-400018	U35122MH2011PTC212744	Subsidiary	100.00%	2(87)(ii)
97	<b>Mahindra First Choice Services Limited</b>	Mahindra Towers, P. K. Kurne Chowk, Worli, Mumbai-400018	U35999MH2008PLC180385	Subsidiary	100.00%	2(87)(ii)
98	<b>Mahindra Automotive Australia Pty. Limited</b>	4/20, Buttonwood Place, Willawong, QLD 4110, Australia	Foreign Company	Subsidiary	100.00%	2(87)(ii)
99	<b>Mahindra Two Wheelers Limited</b>	Mahindra Towers, P. K. Kurne Chowk, Worli, Mumbai-400018	U35911MH2008PLC185462	Subsidiary	88.91%	2(87)(ii)
100	! Mahindra Two Wheelers Europe Holding , S.a r.l. (w.e.f. 2 <sup>nd</sup> December, 2014)	16, Avenue Pasteur, L-2310 Luxembourg, Grand Duchy of Luxembourg	Foreign Company	Subsidiary	100.00%	2(87)(ii)
101	@@ Peugeot Motocycles S.A.S. (w.e.f. 19 <sup>th</sup> January, 2015)	Rue du 17 Novembre F25350 Mandeure, France	Foreign Company	Subsidiary	51.00%	2(87)(ii)
102	*** Peugeot Motocycles Italia S.p.A (w.e.f. 19 <sup>th</sup> January, 2015)	199 via Gallarate, 20154 Milano, Italia	Foreign Company	Subsidiary	100.00%	2(87)(ii)
103	*** Peugeot Motocycles Deutschland GmbH (w.e.f. 19 <sup>th</sup> January, 2015)	Kurhessen Strasse, 13. 64536, Mörfelden-Walldorf Deutschland	Foreign Company	Subsidiary	100.00%	2(87)(ii)
104	<b>Defence Land Systems India Limited</b> (Formerly known as Defence Land Systems India Private Limited)	Mahindra Towers, P. K. Kurne Chowk, Worli, Mumbai-400018	U29268MH2009PLC190702	Subsidiary	100.00%	2(87)(ii)
105	<b>Mahindra Reva Electric Vehicles Private Limited</b>	122E, Bommasandra Industrial Area, Bommasandra, Bangalore-560099	U34101KA1996PTC020195	Subsidiary	75.72%	2(87)(ii)
106	<b>Ssangyong Motor Company</b>	455-12 Dongsak-ro, Pyeongtaek-si, 459-711 Gyeonggi-do, Korea	Foreign Company	Subsidiary	73.23%	2(87)(ii)
107	⊕⊕ Ssangyong European Parts Center B.V.	IABC 5253-5254, 4814RD Breda, the Nederland	Foreign Company	Subsidiary	100.00%	2(87)(ii)
108	⊕⊕ Ssangyong Motor (Shanghai) Company Limited	Room 1209 No. 500 Binke Road Baoshuiqu Waigaoqiao Shanghai, China	Foreign Company	Subsidiary	100.00%	2(87)(ii)
109	<b>EPC Industrie Limited</b>	Plot no. H - 109, MIDC, Ambad, Nashik-422010, Maharashtra	L25200MH1981PLC025731	Subsidiary	54.78%	2(87)(ii)
110	<b>Swaraj Automotives Limited</b>	Phase IV, S.A.S Nagar, Distt. Mohali, Punjab-160055.	L45202PB1974PLC003516	Subsidiary	71.19%	2(87)(ii)
111	<b>Mahindra Defence Systems Limited</b>	Mahindra Towers, P. K. Kurne Chowk, Worli, Mumbai-400018	U75220MH2012PLC233889	Subsidiary	100.00%	2(87)(ii)

Sr. No	Name of the Company	Address of the Company	CIN/GLN	Holding / Subsidiary / Associate	% Holding*	Applicable Section
112	₹ Mahindra Telephonics Integrated Systems Limited	Mahindra Towers, P. K. Kurne Chowk, Worli, Mumbai-400018	U75302MH2013PLC242268	Subsidiary	74.00%	2(87)(ii)
113	₹ Mahindra Defence Naval Systems Private Limited	Mahindra Towers, P. K. Kurne Chowk, Worli, Mumbai-400018	U75144MH2012PTC231267	Subsidiary	100.00%	2(87)(ii)
114	<b>Mahindra 'Electoral Trust' Company</b>	Mahindra Towers, P. K. Kurne Chowk, Worli, Mumbai-400018	U93000MH2013NPL251507	Subsidiary	100.00%	2(87)(ii)
115	Mahindra Construction Company Limited (w.e.f. 13 <sup>th</sup> March, 2015)	Mahindra Towers, P. K. Kurne Chowk, Worli, Mumbai-400018	U45200MH1992PLC068846	Associate	37.49%	2(6)
116	Swaraj Engines Limited	Phase Ivsas Nagar Mohali, Distt Ropar, Punjab	L50210PB1985PLC006473	Associate	33.22%	2(6)
117	Officemartindia.com Limited.	Gateway Building, Apollo Bunder, Mumbai-400001	U74999MH2000PLC126610	Associate	50.00%	2(6)
118	Mega One Stop Farm Services Limited	Mahindra Towers, P. K. Kurne Chowk, Worli, Mumbai-400018	U01110MH2000PLC128757	Associate	45.00%	2(6)
119	Kota Farm Services Limited	Mahindra Towers, P. K. Kurne Chowk, Worli, Mumbai-400018	U02005MH2001PLC131699	Associate	45.00%	2(6)
120	Mahindra CIE Automotive Limited	Mahindra Towers, P. K. Kurne Chowk, Worli, Mumbai-400018	L27100MH1999PLC121285	Associate	20.21%	2(6)
121	Mahindra Sona Limited	Gateway Building, Apollo Bunder, Mumbai-400001	U30007MH1994PLC081637	Associate	29.77%	2(6)
122	Mahindra & Mahindra Contech Limited	Gateway Building, Apollo Bunder, Mumbai 400 039	U74140MH1992PLC066606	Associate	23.33%	2(6)
123	Tech Mahindra Limited	Gateway Building, Apollo Bunder, Mumbai-400001	L64200MH1986PLC041370	Associate	26.67%	2(6)

\* Percentage holding in Subsidiaries represents aggregate percentage of shares held by the Company and/or its subsidiaries.

\*\* a subsidiary of Mahindra Engineering and Chemical Products Limited

♣ a subsidiary of Retail Initiative Holdings Limited

ψ a subsidiary of Mahindra Retail Private Limited

@ a subsidiary of Mahindra Intertrade Limited

+ a subsidiary of Mahindra Holidays & Resorts India Limited

± a subsidiary of MH Boutique Hospitality Limited

⊖ a subsidiary of Mahindra Holdings Limited

¥ a subsidiary of Mahindra EPC Services Private Limited

• a subsidiary of Mahindra Offgrid Services Private Limited

∞ a subsidiary of Mahindra Lifespace Developers Limited

\$ a subsidiary of Mahindra Integrated Township Limited

≈ a subsidiary of Mahindra & Mahindra Financial Services Limited

⊕ Amalgamated with Mahindra & Mahindra Financial Services Limited from 1<sup>st</sup> April, 2014, being the Appointed Date. The Scheme of Amalgamation has been made effective from 18<sup>th</sup> April, 2015, by filing the certified copy of the Order with the Registrar of Companies, Maharashtra, Mumbai.

Ω a subsidiary of Bristlecone Limited

Ⓒ a subsidiary of Bristlecone India Limited

≠ a subsidiary of Mahindra USA Inc.

≡ a subsidiary of Mahindra Overseas Investment Company (Mauritius) Limited

π a subsidiary of Mahindra Logistics Limited

Δ a subsidiary of Mahindra Aerospace Private Limited

α a subsidiary of Mahindra Aerospace Australia Pty. Limited

Σ a subsidiary of Gipp Aero Investments Pty. Limited

⊖⊖ a subsidiary of Ssanyong Motor Company

£ a subsidiary of Mahindra Defence Systems Limited

φ a subsidiary of Mahindra Shubhlabh Services Limited

! a subsidiary of Mahindra Two Wheelers Limited

@@ a subsidiary of Mahindra Two Wheelers Europe Holdings, S.à.r.l.

\*\*\* a subsidiary of Peugeot Motorcycles S.A.S.

⊗ a subsidiary of Mahindra World City Developers Limited

^ a subsidiary of M/S. MHR Holdings (Mauritius) Limited

#### IV. SHAREHOLDING PATTERN (Equity Share Capital Break-up as percentage of Total Equity)

##### i) Category-wise Shareholding

Category of Shareholders	No. of Shares held at the beginning of the year [As on 1 <sup>st</sup> April, 2014]				No. of Shares held at the end of the year [As on 31 <sup>st</sup> March, 2015]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/ HUF	3998552	0	3998552	0.64	3998552	0	3998552	0.64	0.00
b) Central Govt	0	0	0	0.00	0	0	0	0.00	0.00
c) State Govt(s)	0	0	0	0.00	0	0	0	0.00	0.00
d) Bodies Corp.	71128386	0	71128386	11.55	71128386	0	71128386	11.45	-0.10
e) Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
f) Any other									
i) M&M Benefit Trust	51835214	0	51835214	8.42	51835214	0	51835214	8.35	-0.07
ii) ESOP Trust	26099905	0	26099905	4.24	29700106	0	29700106	4.78	0.54
iii) Employees Welfare Trust	2030870	0	2030870	0.33	2030870	0	2030870	0.33	0.00
<b>Sub-total (A) (1)</b>	<b>155092927</b>	<b>0</b>	<b>155092927</b>	<b>25.18</b>	<b>158693128</b>	<b>0</b>	<b>158693128</b>	<b>25.55</b>	<b>0.37</b>
<b>(2) Foreign</b>									
a) NRIs - Individuals	651772	0	651772	0.11	605772	0	605772	0.10	-0.01
b) Others - Individuals	0	0	0	0.00	0	0	0	0.00	0.00
c) Bodies Corp	0	0	0	0.00	0	0	0	0.00	0.00
d) Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
e) Any Other	0	0	0	0.00	0	0	0	0.00	0.00
<b>Sub-total (A) (2)</b>	<b>651772</b>	<b>0</b>	<b>651772</b>	<b>0.11</b>	<b>605772</b>	<b>0</b>	<b>605772</b>	<b>0.10</b>	<b>-0.01</b>
<b>Total shareholding of Promoter (A) = (A) (1)+(A) (2)</b>	<b>155744699</b>	<b>0</b>	<b>155744699</b>	<b>25.29</b>	<b>159298900</b>	<b>0</b>	<b>159298900</b>	<b>25.65</b>	<b>0.36</b>
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds / UTI	7892472	1020	7893492	1.28	16522890	1020	16523910	2.66	1.38
b) Banks / FI	827554	44532	872086	0.14	1584917	44532	1629449	0.26	0.12
c) Central Govt	268923	0	268923	0.05	300036	0	300036	0.05	0.00
d) State Govt(s)	0	442132	442132	0.07	0	442132	442132	0.07	0.00
e) Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
f) Insurance Companies	88344707	5912	88350619	14.34	95707419	5912	95713331	15.41	1.07
g) FIs	227372341	7736	227380077	36.92	211196535	7736	211204271	34.00	-2.92
h) Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
i) Others (specify)									
i) Foreign Portfolio-Corp	0	0	0	0.00	22524345	0	22524345	3.63	3.63
<b>Sub-total (B)(1):-</b>	<b>324705997</b>	<b>501332</b>	<b>325207329</b>	<b>52.80</b>	<b>347836142</b>	<b>501332</b>	<b>348337474</b>	<b>56.08</b>	<b>3.28</b>

Category of Shareholders	No. of Shares held at the beginning of the year [As on 1 <sup>st</sup> April, 2014]				No. of Shares held at the end of the year [As on 31 <sup>st</sup> March, 2015]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>2. Non-Institutions</b>									
a) Bodies Corp.									
i) Indian	31552105	68488	31620593	5.13	27942981	68092	28011073	4.51	-0.62
ii) Overseas	1607720	240	1607960	0.26	1607720	240	1607960	0.26	0.00
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	32844867	5151313	37996180	6.17	32193062	5007554	37200616	5.99	-0.18
ii) Individual shareholders holding nominal share capital in excess of Rs.1 lakh	8820551	182448	9002999	1.46	8813500	0	8813500	1.42	-0.04
c) Others (specify)			0			0		0.00	0.00
i) Qualified Foreign Investor	75	0	75	0.00	0	0	0	0.00	0.00
ii) Non Resident Indians	1546094	400612	1946706	0.32	1567257	359310	1926567	0.31	-0.01
iii) Foreign Nationals	597	0	597	0.00	569	0	569	0.00	0.00
iv) Trusts	920279	0	920279	0.15	1673721	0	1673721	0.27	0.12
v) Clearing Members	1767939	0	1767939	0.29	426549	0	426549	0.07	-0.22
vi) Foreign Corporate Bodies	19345653	0	19345653	3.14	381622	0	381622	0.06	-3.08
Sub-total (B)(2):-	<b>98405880</b>	<b>5803101</b>	<b>104208981</b>	<b>16.92</b>	<b>74606981</b>	<b>5435196</b>	<b>80042177</b>	<b>12.89</b>	<b>-4.03</b>
<b>Total Public Shareholding (B)=(B)(1)+ (B)(2)</b>	<b>423111877</b>	<b>6304433</b>	<b>429416310</b>	<b>69.72</b>	<b>422443123</b>	<b>5936528</b>	<b>428379651</b>	<b>68.97</b>	<b>-0.75</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	30730343	1032	30731375	4.99	33412801	1032	33413833	5.38	0.39
<b>Grand Total (A+B+C)</b>	<b>609586919</b>	<b>6305465</b>	<b>615892384</b>	<b>100.00</b>	<b>615154824</b>	<b>5937560</b>	<b>621092384</b>	<b>100.00</b>	<b>0.00</b>

## ii) Shareholding of Promoters

Sl. No	Shareholder's Name	Shareholding at the beginning of the year [As on 1 <sup>st</sup> April, 2014]			Shareholding at the end of the year [As on 31 <sup>st</sup> March, 2015]			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Keshub Mahindra	442296	0.07	0	442296	0.07	0	0.00
2	Anand Gopal Mahindra	715004	0.12	0	715004	0.12	0	0.00
3	Anjali Mehra	142604	0.02	0	142604	0.02	0	0.00
4	Anuja P Sharma	34259	0.00	0	34259	0.00	0	0.00
5	Anuradha Mahindra	228545	0.04	0	228545	0.04	0	0.00
6	Gautam P Khandelwal	300	0.00	0	300	0.00	0	0.00
7	Leena S Labroo	786192	0.13	0	786192	0.13	0	0.00
8	Radhika Nath	46808	0.00	0	46808	0.00	0	0.00
9	Sanjay Labroo	72720	0.01	0.01	72720	0.01	0.01	0.00
10	Sudha K Mahindra	726016	0.12	0	726016	0.12	0	0.00
11	Uma R Malhotra	779808	0.13	0	779808	0.13	0	0.00
12	Deveshwar Jagat Sharma	12000	0.00	0	12000	0.00	0	0.00
13	Dhruv S Sharma	12000	0.00	0	12000	0.00	0	0.00
14	Yuthica Keshub Mahindra	651772	0.11	0	605772	0.10	0	-0.01
15	Kema Services International Private Limited	367416	0.06	0	367416	0.06	0	0.00
16	Prudential Management and Services Private Limited	70760970	11.49	2.04	70760970	11.39*	1.58	-0.10*
17	Anand Mahindra, Bharat Doshi, A. K. Nanda - Trustees - Mahindra & Mahindra Employees Stock Option Trust	26099905	4.24	0	29700106	4.78	0	0.54
18	A. M. Choksey, M. A. Nazareth - Trustees - M and M Employees Welfare Fund	1263156	0.21	0	1263156	0.21	0	0.00
19	A. M. Choksey, M. A. Nazareth - Trustees - M and M Farm Equipment Sector Employees Welfare Fund	682914	0.11	0	682914	0.11	0	0.00
20	A. M. Choksey, M. A. Nazareth - Trustees - MSL Employees Welfare Fund.	84800	0.01	0	84800	0.01	0	0.00
21	Bharat N Doshi, A. K. Nanda - Trustees - M&M Benefit Trust	51835214	8.42	0	51835214	8.35*	0	-0.07*
	<b>Total</b>	<b>155744699</b>	<b>25.29</b>	<b>2.05</b>	<b>159298900</b>	<b>25.65</b>	<b>1.59</b>	<b>0.36</b>

\* Decrease in the % of total shares is due to increase in paid-up share capital during the year.

## iii) Change in Promoters' Shareholding

Sl No.	Particulars	Shareholding at the beginning of the year [As on 1 <sup>st</sup> April, 2014]		Increase/ Decrease in No. of shares	Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company		No. of shares	% of total shares of the company
1	At the beginning of the year - As on 1 <sup>st</sup> April, 2014	155744699	25.29			
2	Decrease - 21 <sup>st</sup> April, 2014 <sup>\$</sup>			-30080	155714619	25.28
3	Decrease - 13 <sup>th</sup> May, 2014 <sup>\$</sup>			-52717	155661902	25.27
4	Decrease - 21 <sup>st</sup> May, 2014 <sup>\$</sup>			-24341	155637561	25.27
5	Decrease - 13 <sup>th</sup> June, 2014 <sup>\$</sup>			-65208	155572353	25.26
6	Decrease - 23 <sup>rd</sup> June, 2014 <sup>\$</sup>			-56616	155515737	25.25
7	Decrease - 10 <sup>th</sup> July, 2014 <sup>\$</sup>			-158068	155357669	25.22
8	Decrease - 18 <sup>th</sup> July, 2014 <sup>\$</sup>			-95042	155262627	25.21
9	Decrease - 12 <sup>th</sup> August, 2014 <sup>\$</sup>			-201976	155060651	25.18
10	Decrease - 14 <sup>th</sup> August, 2014 - Market Sale <sup>#</sup>			-10000	155050651	25.17
11	Decrease - 18 <sup>th</sup> August, 2014 - Market Sale <sup>#</sup>			-6000	155044651	25.17
12	Decrease - 19 <sup>th</sup> August, 2014 - Market Sale <sup>#</sup>			-30000	155014651	25.17
13	Decrease - 22 <sup>nd</sup> August, 2014 <sup>\$</sup>			-28838	154985813	25.16
14	Increase - 2 <sup>nd</sup> September, 2014 - Allotment of shares to ESOP Trust			5200000	160185813	25.79
15	Decrease - 12 <sup>th</sup> September, 2014 <sup>\$</sup>			-70389	160115424	25.78
16	Decrease - 22 <sup>nd</sup> September, 2014 <sup>\$</sup>			-26570	160088854	25.78
17	Decrease - 20 <sup>th</sup> October, 2014 <sup>\$</sup>			-75794	160013060	25.76
18	Decrease - 12 <sup>th</sup> November, 2014 <sup>\$</sup>			-14157	159998903	25.76
19	Decrease - 20 <sup>th</sup> November, 2014 <sup>\$</sup>			-23178	159975725	25.76
20	Decrease - 12 <sup>th</sup> December, 2014 <sup>\$</sup>			-44439	159931286	25.75
21	Decrease - 19 <sup>th</sup> December, 2014 <sup>\$</sup>			-36155	159895131	25.74
22	Decrease - 13 <sup>th</sup> January, 2015 <sup>\$</sup>			-54880	159840251	25.74
23	Decrease - 21 <sup>st</sup> January, 2015 <sup>\$</sup>			-26794	159813457	25.73
24	Decrease - 16 <sup>th</sup> February, 2015 <sup>\$</sup>			-106560	159706897	25.71
25	Decrease - 24 <sup>th</sup> February, 2015 <sup>\$</sup>			-89071	159617826	25.70
26	Decrease - 17 <sup>th</sup> March, 2015 <sup>\$</sup>			-156030	159461796	25.67
27	Decrease - 24 <sup>th</sup> March, 2015 <sup>\$</sup>			-162896	159298900	25.65
28	At the end of the year - As on 31 <sup>st</sup> March, 2015				159298900	25.65

<sup>\$</sup> Transfer of Shares pursuant to exercise of Stock Options by Mahindra & Mahindra Employees Stock Option Trust (ESOP Trust).

<sup>#</sup> Transfer by Ms. Yuthica Mahindra.

iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs)

1. LIFE INSURANCE CORPORATION OF INDIA						
	Increase or Decrease / Reasons	Shareholding at the beginning of the year		Increase/ Decrease in No. of shares	Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company		No. of Shares	% of total shares of the Company
At the beginning of the year – 01.04.2014		70077205	11.38			
04.04.2014	Decrease / Transfer			-36675	70040530	11.37
11.04.2014	Decrease / Transfer			-391405	69649125	11.31
25.04.2014	Decrease / Transfer			-135000	69514125	11.29
02.05.2014	Decrease / Transfer			-224480	69289645	11.25
09.05.2014	Decrease / Transfer			-165407	69124238	11.22
20.06.2014	Decrease / Transfer			-17694	69106544	11.22
27.06.2014	Decrease / Transfer			-295828	68810716	11.17
04.07.2014	Decrease / Transfer			-45000	68765716	11.17
11.07.2014	Decrease / Transfer			-61703	68704013	11.16
01.08.2014	Decrease / Transfer			-45000	68659013	11.15
08.08.2014	Decrease / Transfer			-85000	68574013	11.13
15.08.2014	Decrease / Transfer			-280286	68293727	11.09
22.08.2014	Decrease / Transfer			-145000	68148727	11.07
29.08.2014	Decrease / Transfer			-187270	67961457	11.03
05.09.2014	Decrease / Transfer			-267683	67693774	10.90
12.09.2014	Increase / Transfer			222864	67916638	10.94
19.09.2014	Increase / Transfer			1009436	68926074	11.10
30.09.2014	Increase / Transfer			1768480	70694554	11.38
03.10.2014	Increase / Transfer			271319	70965873	11.43
10.10.2014	Increase / Transfer			853901	71819774	11.56
07.11.2014	Increase / Transfer			402971	72222745	11.63
14.11.2014	Increase / Transfer			997041	73219786	11.79
21.11.2014	Increase / Transfer			1154566	74374352	11.97
28.11.2014	Increase / Transfer			1014436	75388788	12.14
05.12.2014	Increase / Transfer			129010	75517798	12.16
19.12.2014	Increase / Transfer			620363	76138161	12.26
31.12.2014	Increase / Transfer			336126	76474287	12.31
02.01.2015	Increase / Transfer			60399	76534686	12.32
09.01.2015	Increase / Transfer			794173	77328859	12.45
16.01.2015	Increase / Transfer			220000	77548859	12.49
06.02.2015	Increase / Transfer			20500	77569359	12.49
13.02.2015	Increase / Transfer			640000	78209359	12.59
13.03.2015	Decrease / Transfer			-6000	78203359	12.59
At the end of the year – 31.03.2015					78203359	12.59

2. GOLBOOT HOLDINGS LIMITED #						
	Increase or Decrease / Reasons	Shareholding at the beginning of the year		Increase/ Decrease in No. of shares	Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company		No. of Shares	% of total shares of the Company
At the beginning of the year – 01.04.2014		18791948	3.05			
16.05.2014	Decrease / Transfer			-7000000	11791948	1.91
18.07.2014	Decrease / Transfer			-11791948	0	0.00
At the end of the year – 31.03.2015					0	0.00

# Ceased to be in the list of Top 10 shareholders as on 31-03-2015. The same is reflected above since the shareholder was one of the Top 10 shareholders as on 01-04-2014.

3. NATIONAL WESTMINSTER BANK PLC AS DEPOSITARY OF FIRST STATE ASIA PACIFIC LEADERS FUND A SUB FUND OF FIRST STATE INVESTMENTS ICVC						
	Increase or Decrease / Reasons	Shareholding at the beginning of the year		Increase/ Decrease in No. of shares	Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company		No. of Shares	% of total shares of the company
At the beginning of the year – 01.04.2014		17998785	2.92			
04.04.2014	Decrease / Transfer			-431404	17567381	2.85
18.07.2014	Decrease / Transfer			-117158	17450223	2.83
08.08.2014	Increase / Transfer			343998	17794221	2.89
12.09.2014	Decrease / Transfer			-1261171	16533050	2.66
19.09.2014	Decrease / Transfer			-637536	15895514	2.56
30.09.2014	Decrease / Transfer			-131690	15763824	2.54
07.11.2014	Decrease / Transfer			-83469	15680355	2.52
14.11.2014	Decrease / Transfer			-373366	15306989	2.46
21.11.2014	Decrease / Transfer			-414622	14892367	2.40
28.11.2014	Decrease / Transfer			-285372	14606995	2.35
16.01.2015	Decrease / Transfer			-798062	13808933	2.22
23.01.2015	Decrease / Transfer			-44525	13764408	2.22
30.01.2015	Decrease / Transfer			-1296020	12468388	2.01
06.02.2015	Decrease / Transfer			-476120	11992268	1.93
13.02.2015	Decrease / Transfer			-216418	11775850	1.90
20.02.2015	Decrease / Transfer			-167989	11607861	1.87
At the end of the year – 31.03.2015					11607861	1.87

4. DODGE AND COX INTERNATIONAL STOCK FUND						
	Increase or Decrease / Reasons	Shareholding at the beginning of the year		Increase/ Decrease in No. of shares	Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company		No. of Shares	% of total shares of the Company
At the beginning of the year – 01.04.2014		13910309	2.26			
25.04.2014	Increase / Transfer			13120	13923429	2.26
13.02.2015	Increase / Transfer			67517	13990946	2.25
20.02.2015	Increase / Transfer			167000	14157946	2.28
27.03.2015	Increase / Transfer			95668	14253614	2.29
31.03.2015	Increase / Transfer			358524	14612138	2.35
At the end of the year – 31.03.2015					14612138	2.35

**5. EUROPACIFIC GROWTH FUND**

	Increase or Decrease / Reasons	Shareholding at the beginning of the year		Increase/ Decrease in No. of shares	Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company		No. of Shares	% of total shares of the Company
At the beginning of the year – 01.04.2014		10840000	1.76**			
Nil movement during the year				0		
At the end of the year – 31.03.2015					10840000	1.75**

\*\* Decrease in the % of total shares is due to increase in paid-up share capital during the year.

**6. GOVERNMENT OF SINGAPORE**

	Increase or Decrease / Reasons	Shareholding at the beginning of the year		Increase/ Decrease in No. of shares	Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company		No. of Shares	% of total shares of the Company
At the beginning of the year – 01.04.2014		10716641	1.74			
04.04.2014	Increase / Transfer			147152	10863793	1.76
11.04.2014	Decrease / Transfer			-107002	10756791	1.75
18.04.2014	Decrease / Transfer			-427128	10329663	1.68
25.04.2014	Increase / Transfer			345587	10675250	1.73
02.05.2014	Increase / Transfer			306731	10981981	1.78
09.05.2014	Increase / Transfer			252287	11234268	1.82
30.05.2014	Decrease / Transfer			-87854	11146414	1.81
06.06.2014	Increase / Transfer			210421	11356835	1.84
13.06.2014	Increase / Transfer			45267	11402102	1.85
20.06.2014	Decrease / Transfer			-16804	11385298	1.85
30.06.2014	Decrease / Transfer			-34624	11350674	1.84
04.07.2014	Decrease / Transfer			-12165	11338509	1.84
11.07.2014	Decrease / Transfer			-3346	11335163	1.84
01.08.2014	Decrease / Transfer			-162461	11172702	1.81
29.08.2014	Decrease / Transfer			-42109	11130593	1.81
05.09.2014	Decrease / Transfer			-45179	11085414	1.78
12.09.2014	Increase / Transfer			3384	11088798	1.79
30.09.2014	Decrease / Transfer			-71112	11017686	1.77
03.10.2014	Increase / Transfer			23968	11041654	1.78
10.10.2014	Increase / Transfer			43101	11084755	1.78
17.10.2014	Decrease / Transfer			-3495	11081260	1.78
24.10.2014	Decrease / Transfer			-2734	11078526	1.78
31.10.2014	Increase / Transfer			2522	11081048	1.78
07.11.2014	Increase / Transfer			146826	11227874	1.81
14.11.2014	Increase / Transfer			162644	11390518	1.83
21.11.2014	Decrease / Transfer			-4485	11386033	1.83
28.11.2014	Decrease / Transfer			-11352	11374681	1.83
05.12.2014	Decrease / Transfer			-23664	11351017	1.83
12.12.2014	Increase / Transfer			11095	11362112	1.83

## 6. GOVERNMENT OF SINGAPORE

	Increase or Decrease / Reasons	Shareholding at the beginning of the year		Increase/ Decrease in No. of shares	Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company		No. of Shares	% of total shares of the Company
19.12.2014	Decrease / Transfer			-5301	11356811	1.83
31.12.2014	Decrease / Transfer			-30325	11326486	1.82
16.01.2015	Increase / Transfer			104590	11431076	1.84
13.02.2015	Increase / Transfer			95695	11526771	1.86
20.02.2015	Decrease / Transfer			-4501	11522270	1.86
06.03.2015	Increase / Transfer			18569	11540839	1.86
27.03.2015	Increase / Transfer			25401	11566240	1.86
At the end of the year – 31.03.2015					11566240	1.86

## 7. ICICI PRUDENTIAL LIFE INSURANCE COMPANY LTD.

	Increase or Decrease / Reasons	Shareholding at the beginning of the year		Increase/ Decrease in No. of shares	Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company		No. of Shares	% of total shares of the Company
At the beginning of the year – 01.04.2014		9020857	1.46			
04.04.2014	Increase / Transfer			21646	9042503	1.47
11.04.2014	Increase / Transfer			3598	9046101	1.47
18.04.2014	Increase / Transfer			4459	9050560	1.47
25.04.2014	Increase / Transfer			3307	9053867	1.47
02.05.2014	Decrease / Transfer			-7831	9046036	1.47
09.05.2014	Decrease / Transfer			-81646	8964390	1.46
16.05.2014	Decrease / Transfer			-75081	8889309	1.44
23.05.2014	Decrease / Transfer			-24365	8864944	1.44
30.05.2014	Decrease / Transfer			-25086	8839858	1.44
06.06.2014	Decrease / Transfer			-58861	8780997	1.43
13.06.2014	Decrease / Transfer			-73977	8707020	1.41
20.06.2014	Decrease / Transfer			-91804	8615216	1.40
27.06.2014	Decrease / Transfer			-28059	8587157	1.39
30.06.2014	Decrease / Transfer			-1433	8585724	1.39
04.07.2014	Decrease / Transfer			-12344	8573380	1.39
11.07.2014	Increase / Transfer			6070	8579450	1.39
18.07.2014	Decrease / Transfer			-60207	8519243	1.38
25.07.2014	Increase / Transfer			35920	8555163	1.39
01.08.2014	Increase / Transfer			1212	8556375	1.39
08.08.2014	Decrease / Transfer			-71593	8484782	1.38
15.08.2014	Increase / Transfer			930	8485712	1.38
22.08.2014	Increase / Transfer			21838	8507550	1.38

**7. ICICI PRUDENTIAL LIFE INSURANCE COMPANY LTD.**

	Increase or Decrease / Reasons	Shareholding at the beginning of the year		Increase/ Decrease in No. of shares	Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company		No. of Shares	% of total shares of the Company
29.08.2014	Increase / Transfer			1155	8508705	1.38
05.09.2014	Decrease / Transfer			-5591	8503114	1.37
12.09.2014	Decrease / Transfer			-28139	8474975	1.36
19.09.2014	Decrease / Transfer			-14194	8460781	1.36
30.09.2014	Increase / Transfer			6417	8467198	1.36
03.10.2014	Decrease / Transfer			-2944	8464254	1.36
10.10.2014	Increase / Transfer			5226	8469480	1.36
17.10.2014	Decrease / Transfer			-74898	8394582	1.35
24.10.2014	Increase / Transfer			30595	8425177	1.36
31.10.2014	Increase / Transfer			18182	8443359	1.36
07.11.2014	Decrease / Transfer			-80389	8362970	1.35
14.11.2014	Increase / Transfer			2170	8365140	1.35
21.11.2014	Increase / Transfer			44128	8409268	1.35
28.11.2014	Increase / Transfer			273331	8682599	1.40
05.12.2014	Increase / Transfer			77658	8760257	1.41
12.12.2014	Increase / Transfer			560156	9320413	1.50
19.12.2014	Increase / Transfer			193420	9513833	1.53
31.12.2014	Increase / Transfer			22770	9536603	1.54
02.01.2015	Increase / Transfer			7325	9543928	1.54
09.01.2015	Increase / Transfer			59291	9603219	1.55
16.01.2015	Increase / Transfer			66064	9669283	1.56
23.01.2015	Increase / Transfer			15708	9684991	1.56
30.01.2015	Decrease / Transfer			-5780	9679211	1.56
06.02.2015	Increase / Transfer			289936	9969147	1.61
13.02.2015	Increase / Transfer			1130111	11099258	1.79
20.02.2015	Decrease / Transfer			-8160	11091098	1.79
27.02.2015	Decrease / Transfer			-48399	11042699	1.78
06.03.2015	Increase / Transfer			109155	11151854	1.80
13.03.2015	Decrease / Transfer			-57629	11094225	1.79
20.03.2015	Decrease / Transfer			-49233	11044992	1.78
27.03.2015	Increase / Transfer			189314	11234306	1.81
31.03.2015	Increase / Transfer			52919	11287225	1.82
At the end of the year – 31.03.2015					11287225	1.82

**8. GENERAL INSURANCE CORPORATION OF INDIA**

	Increase or Decrease / Reasons	Shareholding at the beginning of the year		Increase/ Decrease in No. of shares	Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company		No. of Shares	% of total shares of the Company
At the beginning of the year – 01.04.2014		8250400	1.34			
25.04.2014	Decrease / Transfer			-25000	8225400	1.34
23.05.2014	Decrease / Transfer			-50000	8175400	1.33
25.07.2014	Decrease / Transfer			-3671	8171729	1.33
01.08.2014	Decrease / Transfer			-71329	8100400	1.32
22.08.2014	Decrease / Transfer			-50000	8050400	1.31
21.11.2014	Decrease / Transfer			-19000	8031400	1.29
28.11.2014	Decrease / Transfer			-101762	7929638	1.28
05.12.2014	Decrease / Transfer			-29238	7900400	1.27
19.12.2014	Increase / Transfer			20000	7920400	1.28
31.12.2014	Increase / Transfer			25000	7945400	1.28
At the end of the year – 31.03.2015					7945400	1.28

**9. ARANDA INVESTMENTS (MAURITIUS) PTE LTD.**

	Increase or Decrease / Reasons	Shareholding at the beginning of the year		Increase/ Decrease in No. of shares	Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company		No. of Shares	% of total shares of the Company
At the beginning of the year – 01.04.2014		5670230	0.92			
16.05.2014	Increase / Transfer			900000	6570230	1.07
20.03.2015	Increase / Transfer			1380518	7950748	1.28
At the end of the year – 31.03.2015					7950748	1.28

**10. VANGUARD EMERGING MARKETS STOCK INDEX FUND, ASERIES OF VANGUARD INTERNATIONAL EQUITY INDEX FUND**

	Increase or Decrease / Reasons	Shareholding at the beginning of the year		Increase/ Decrease in No. of shares	Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company		No. of Shares	% of total shares of the company
At the beginning of the year – 01.04.2014		5452984	0.89			
04.04.2014	Increase/ Transfer			33840	5486824	0.89
11.04.2014	Increase/ Transfer			41454	5528278	0.90
18.04.2014	Increase/ Transfer			5922	5534200	0.90
23.05.2014	Increase/ Transfer			15228	5549428	0.90
11.07.2014	Increase/ Transfer			29610	5579038	0.91
25.07.2014	Increase/ Transfer			32680	5611718	0.91
01.08.2014	Increase/ Transfer			52288	5664006	0.92
22.08.2014	Increase/ Transfer			20425	5684431	0.92
12.09.2014	Increase/ Transfer			22876	5707307	0.92

**10. VANGUARD EMERGING MARKETS STOCK INDEX FUND, ASERIES OF VANGUARD INTERNATIONAL EQUITY INDEX FUND**

	Increase or Decrease / Reasons	Shareholding at the beginning of the year		Increase/ Decrease in No. of shares	Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company		No. of Shares	% of total shares of the company
28.11.2014	Increase/ Transfer			22876	5730183	0.92
05.12.2014	Increase/ Transfer			20425	5750608	0.93
09.01.2015	Decrease/ Transfer			-33497	5717111	0.92
16.01.2015	Decrease/ Transfer			-14706	5702405	0.92
23.01.2015	Decrease/ Transfer			-13889	5688516	0.92
06.02.2015	Decrease/ Transfer			-4085	5684431	0.92
13.02.2015	Decrease/ Transfer			-16340	5668091	0.91
27.03.2015	Decrease/ Transfer			-228562	5439529	0.88
31.03.2015	Decrease/ Transfer			-11895	5427634	0.87
At the end of the year – 31.03.2015					5427634	0.87

**11. ABU DHABI INVESTMENT AUTHORITY - GULAB \***

	Increase or Decrease / Reasons	Shareholding at the beginning of the year		Increase/ Decrease in No. of shares	Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company		No. of Shares	% of total shares of the company
At the beginning of the year – 01.04.2014		4535366	0.74			
06.06.2014	Increase/ Transfer			546387	5081753	0.83
27.06.2014	Increase/ Transfer			3739	5085492	0.83
30.06.2014	Increase/ Transfer			542	5086034	0.83
04.07.2014	Increase/ Transfer			14355	5100389	0.83
11.07.2014	Increase/ Transfer			73639	5174028	0.84
18.07.2014	Increase/ Transfer			23673	5197701	0.84
05.09.2014	Increase/ Transfer			31600	5229301	0.84
19.09.2014	Increase/ Transfer			13402	5242703	0.84
28.11.2014	Increase/ Transfer			79770	5322473	0.86
12.12.2014	Increase/ Transfer			32182	5354655	0.86
06.03.2015	Decrease/ Transfer			-62497	5292158	0.85
At the end of the year – 31.03.2015					5292158	0.85

\* Not in the list of Top 10 shareholders as on 01-04-2014. The same has been reflected above since the shareholder was one of the Top 10 shareholders as on 31-03-2015.

**v) Shareholding of Directors and Key Managerial Personnel:**

Sl No.	Shareholding of each of the Directors and Key Managerial Personnel	Shareholding at the beginning of the year [As on 1 <sup>st</sup> April, 2014]		Increase/ Decrease in No. of shares	Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company		No. of shares	% of total shares of the company
1.	<b>Directors</b>					
1	<b>Mr. Anand Gopal Mahindra (Chairman and Managing Director, Key Managerial Personnel)</b>					
	<b>At the beginning of the year – 01.04.2014</b>	715004	0.12			
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):			0		
	<b>At the end of the year – 31.03.2015</b>				715004	0.12
2	<b>Dr. Pawan Goenka (Executive Director, Key Managerial Personnel)</b>					
	<b>At the beginning of the year – 01.04.2014</b>	150768	0.02			
	Decrease – 03.06.2014 - Market Sale			-10000	140768	0.02
	Decrease – 04.06.2014 - Market Sale			-10000	130768	0.02
	Decrease – 06.06.2014 - Market Sale			-14040	116728	0.02
	Increase – 18.07.2014 - Exercise of ESOPs			7000	123728	0.02
	Increase – 12.08.2014 - Exercise of ESOPs			13486	137214	0.02
	Increase – 24.03.2015 - Exercise of ESOPs			20486	157700	0.03
	<b>At the end of the year – 31.03.2015</b>				157700	0.03
3	<b>Mr. Bharat Doshi</b>					
	<b>At the beginning of the year – 01.04.2014</b>	595508	0.10			
	Increase – 16.02.2015 - Exercise of ESOPs			14216	609724	0.10
	<b>At the end of the year – 31.03.2015</b>				609724	0.10
4	<b>Mr. Deepak Parekh</b>					
	<b>At the beginning of the year – 01.04.2014</b>	112180	0.02			
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):			0		
	<b>At the end of the year – 31.03.2015</b>				112180	0.02
5	<b>Mr. Nadir B Godrej</b>					
	<b>At the beginning of the year – 01.04.2014</b>	383086	0.06			
	Increase – 23.06.2014 - Market Purchase			5000	388086	0.06
	Increase – 24.06.2014 - Market Purchase			2000	390086	0.06
	Increase – 25.06.2014 - Market Purchase			2800	392886	0.06
	Increase – 26.06.2014 - Market Purchase			5000	397886	0.06
	Increase – 27.06.2014 - Market Purchase			5000	402886	0.07
	Increase – 13.08.2014 - Market Purchase			3000	405886	0.07
	Increase – 22.08.2014 - Market Purchase			2200	408086	0.07
	Increase – 03.09.2014 - Market Purchase			1233	409319	0.07
	Increase – 04.09.2014 - Market Purchase			2000	411319	0.07
	Increase – 08.09.2014 - Market Purchase			4000	415319	0.07
	Increase – 09.09.2014 - Market Purchase			2000	417319	0.07
	Increase – 10.09.2014 - Market Purchase			2000	419319	0.07
	Increase – 15.09.2014 - Market Purchase			2500	421819	0.07
	Increase – 16.09.2014 - Market Purchase			1000	422819	0.07
	Increase – 18.09.2014 - Market Purchase			2000	424819	0.07
	Increase – 19.09.2014 - Market Purchase			2200	427019	0.07
	Increase – 22.09.2014 - Market Purchase			1000	428019	0.07
	<b>At the end of the year – 31.03.2015</b>				428019	0.07

SI No.	Shareholding of each of the Directors and Key Managerial Personnel	Shareholding at the beginning of the year [As on 1 <sup>st</sup> April, 2014]		Increase/ Decrease in No. of shares	Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company		No. of shares	% of total shares of the company
6	<b>Mr. M. M. Murugappan</b>					
	<b>At the beginning of the year – 01.04.2014</b>	100000	0.02			
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):			0		
	<b>At the end of the year – 31.03.2015</b>				100000	0.02
7	<b>Mr. A. K. Nanda</b>					
	<b>At the beginning of the year – 01.04.2014</b>	213058	0.03		213058	0.03
	Decrease – 23.06.2014 - Market Sale			-5000	208058	0.03
	Decrease – 24.06.2014 - Market Sale			-5000	203058	0.00
	<b>As on 08.08.2014 (ceased to be a Director w.e.f. 08.08.2014)</b>				203058	0.03
8	<b>Mr. N. Vaghul</b>					
	<b>At the beginning of the year – 01.04.2014</b>	100000	0.02			
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):			0		
	<b>As on 08.08.2014 (ceased to be a Director w.e.f. 08.08.2014)</b>				100000	0.02
9	<b>Mr. R. K. Kulkarni</b>					
	<b>At the beginning of the year – 01.04.2014</b>	83088	0.01			
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):			0		
	<b>At the end of the year – 31.03.2015</b>				83088	0.01

Note: Mr. Anupam Puri, Dr. Vishakha Desai, Mr. Vikram Singh Mehta and Mr. S. B. Mainak did not hold any shares of the Company during the financial year 2014-15.

SI No.	Shareholding of each of the Directors and Key Managerial Personnel	Shareholding at the beginning of the year [As on 1 <sup>st</sup> April, 2014]		Increase/ Decrease in No. of shares	Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company		No. of shares	% of total shares of the company
II.	<b>Key Managerial Personnel</b>					
1	<b>Mr. V S Parthasarathy</b>					
	<b>At the beginning of the year – 01.04.2014</b>	52974	0.01			
	Increase – 23.06.2014 - Exercise of ESOPs			6304	59278	0.01
	Decrease – 13.08.2014 - Market Sale			-5000	54278	0.01
	Increase – 24.02.2015 -Exercise of ESOPs			6304	60582	0.01
	<b>At the end of the year – 31.03.2015</b>				60582	0.01
2	<b>Mr. Narayan Shankar</b>					
	<b>At the beginning of the year – 01.04.2014</b>	6792	0.00			
	Increase – 23.06.2014 - Exercise of ESOPs			1817	8609	0.00
	Decrease – 25.08.2014 - Market Sale			-3000	5609	0.00
	Increase – 24.03.2015 - Exercise of ESOPs			10147	15756	0.00
	<b>At the end of the year – 31.03.2015</b>				15756	0.00

**V. INDEBTEDNESS**

Indebtedness of the Company including interest outstanding/accrued but not due for payment:

(Rs. lakhs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	47029.31	350470.77	7075.63	404575.71
ii) Interest due but not paid	–	–	–	–
iii) Interest accrued but not due	960.37	1054.67	362.90	2377.94
<b>Total (i+ii+iii)</b>	<b>47989.68</b>	<b>351525.44</b>	<b>7438.53</b>	<b>406953.65</b>
<b>Change in Indebtedness during the financial year</b>				
● Addition	3274.88	30322.22	649.44	34246.54
● Reduction	37450.36	27119.92	1872.63	66442.91
<b>Net Change</b>	<b>(34175.49)</b>	<b>3202.31</b>	<b>(1223.19)</b>	<b>(32196.37)</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	13334.01	353681.12	5910.80	372925.92
ii) Interest due but not paid	–	–	–	–
iii) Interest accrued but not due	480.18	1046.62	304.54	1831.35
<b>Total (i+ii+iii)</b>	<b>13814.19</b>	<b>354727.74</b>	<b>6215.34</b>	<b>374757.27</b>

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:****A. Remuneration to Managing Director, Whole-time Directors and/or Manager:**

(Rs. lakhs)

Sl No.	Particulars of Remuneration	Name of MD/WTD/ Manager		
		Mr. Anand Mahindra (MD/CEO)	Dr. Pawan Goenka (WTD)	Total Amount (Rs.)
1	Gross salary			
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	274.68	305.00	579.68
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	5.81	9.53	15.34
	(c) Profits in lieu of salary under Section 17(3) Income-tax Act, 1961	0.00	0.00	0.00
2	Stock Option*	N.A.	440.35	440.35
3	Sweat Equity	0.00	0.00	0.00
4	Commission – as % of profit	280.03	245.81	525.84
5	Others – contribution to funds	37.66	37.11	74.77
	<b>Total (A)</b>	<b>598.18</b>	<b>1,037.80</b>	<b>1,635.98</b>
	Ceiling as per the Act			38,623.80
		(being 10% of the net profits of the Company calculated as per Section 198 of the Companies Act, 2013)		

\* The amount indicates perquisite value of ESOPs of the Company exercised during the year.

**B. Remuneration to other directors**

(Rs. lakhs)

Sl. No.	Particulars of Remuneration	Name of Directors										Total Amount					
		Mr. Deepak S. Parekh	Mr. Nadir B. Godrej	Mr. M. M. Murugappan	Mr. Narayanan Vaghul@	Mr. R. K. Kulkarni	Mr. Anupam Puri	Dr. Vishakha N. Desai	Mr. Vikram Singh Mehta	Mr. Bharat Doshi	Mr. A. K. Nanda@		Mr. S.B. Mainak (Nominee of LIC)				
1	Independent Directors																
	Fee for attending board/committee meetings	8.90	12.80	10.10	2.70	13.10	4.50	4.90	10.20	-	-	-	-	-	-	-	67.20
	Commission	24.00	20.00	24.00	8.55	22.58	20.00	21.65	20.00	-	-	-	-	-	-	-	160.78
	Others, please specify	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total (1)	32.90	32.80	34.10	11.25	35.68	24.50	26.55	30.20	-	-	-	-	-	-	-	227.98
2	Other Non-Executive Directors																
	Fee for attending board/committee meetings	-	-	-	-	-	-	-	-	-	-	-	13.50	3.20	4.00	-	20.70
	Commission	-	-	-	-	-	-	-	-	-	-	20.00	8.55	18.00	-	-	46.55
	Others – Perquisite value of ESOPs, Housing, Car and Medical	-	-	-	-	-	-	-	-	-	-	217.60*	14.83	-	-	-	232.43
	Total (2)	-	-	-	-	-	-	-	-	-	-	251.10	26.58	22.00	-	-	299.68
	Total (B)=(1+2)	32.90	32.80	34.10	11.25	35.68	24.50	26.55	30.20	26.58	22.00	251.10	26.58	22.00	-	-	527.66
	Total Managerial Remuneration#																2,163.64
	Overall Ceiling as per the Act																3,862.38

\* The amount includes perquisite value of ESOPs of the Company exercised during the year.

# Total remuneration to Managing Director, Whole-Time Director and other Directors (being the total of A and B).

@ Ceased to be a Director with effect from 8<sup>th</sup> August, 2014.

(being 1% of the net profits of the Company calculated as per Section 198 of the Companies Act, 2013)

## C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

(Rs. lakhs)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		
		CS	CFO	Total
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	90.90	236.59	327.49
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0.29	2.98	3.27
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	0.00	0.00	0.00
2	Stock Option*	121.49	152.62	274.11
3	Sweat Equity	0.00	0.00	0.00
4	Commission – as % of profit	0.00	0.00	0.00
5	Others – contribution to funds	4.81	12.65	17.46
	<b>Total</b>	<b>217.49</b>	<b>404.84</b>	<b>622.33</b>

\* The amount indicates perquisite value of ESOPs of the Company exercised during the year.

## VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES: NIL

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment / Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
<b>A. COMPANY</b>					
Penalty					
Punishment					
Compounding					
<b>B. DIRECTORS</b>					
Penalty					
Punishment					
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty					
Punishment					
Compounding					

For and on behalf of the Board

**ANAND G. MAHINDRA**  
Chairman & Managing Director

Mumbai, 29<sup>th</sup> May, 2015

Particulars of loans/advances and investment in its own shares by listed companies, their subsidiaries, associates, etc., required to be disclosed in the Annual Accounts of the Company pursuant to Clause 32 of the Listing Agreement.

Loans and advances in nature of loans to subsidiaries:

Rupees in crores

Name of the Company	Balances as on 31 <sup>st</sup> March 2015	Maximum outstanding during the year
Mahindra Gujarat Tractor Limited	1.00	1.00
Mahindra Shubhlabh Services Limited	0.68	0.68
Bristlecone Limited	113.38	113.38
Mahindra Overseas Investment Company (Mauritius) Limited	76.86	80.40
Mahindra Two Wheelers Limited	–	235.50
Mahindra Heavy Engines Private Limited	–	18.00
Mahindra Retail Private Limited	–	15.00
Mahindra Gears International Limited (upto 10 <sup>th</sup> December, 2014)	–	45.32
Mahindra HZPC Private Limited (Formally known as Mahindra Investments (International) Private Limited)	–	1.53

*Except as indicated above, the Company has not made any loans and advances in the nature of loans to associates or loans and advances in the nature of loans where there is no repayment schedule or repayment beyond seven years or no interest or interest below section 186 of the Companies Act, 2013.*

MANAGEMENT  
DISCUSSION AND  
ANALYSIS





## Management Discussion and Analysis

Mahindra & Mahindra Limited (M&M) or (Mahindra) is the flagship company of the Mahindra Group, which consists of 137 companies with diverse business interests across the globe and aggregate revenues of around US \$ 16.9 billion. The Financial Year 2014-15 was characterised by an economic environment that was lukewarm. A below par monsoon affected domestic demand even while global demand remained sluggish. While, as compared to the previous year, the automotive industry was in better shape overall it is still some distance away from full recovery. During the year, the tractor industry also faced strong headwinds and steep industry slowdown. Impact of this sluggish economic environment was felt by your Company as well, with the Automotive Sector registering a decline of 8.3% in vehicle sales and tractor sales declining by 12.6%, respectively, compared to the previous year. Even amidst this scenario, your Company demonstrated its resilience, with a Net Income for the year of Rs. 39,794 crores, a decline of only 3.5%, as compared to the previous year and Profit Before Tax of Rs. 4,169 crores, a decline of only 4.6% over the previous year.

### INDUSTRY STRUCTURE, OVERVIEW AND TRENDS

The Indian automotive industry comprises of a number of players, both Indian and multinational, with varying degrees of presence in different segments. Currently, nine of the top ten global automotive manufacturers have a presence in India, which clearly points to India's importance as a strategic automotive market. After more than a decade of establishing a manufacturing base in India, MNC OEMs have garnered an 84.9% share of the domestic Passenger Vehicles (PV) market and are also increasingly using India as an export base. Currently, 22.1% of MNC production is exported from India. However, in the Commercial Vehicle (CV) space, Indian OEMs continue to dominate the industry with 96.1% market share.

#### Global Automotive Industry

In the calendar year (CY) 2014, global automotive sales stood at a record 88.2 million vehicles, a growth of around 3% over the

previous year. This growth was primarily driven by China, USA and Japan, which collectively account for 52% of the global automotive market. Source: OICA (Organisation Internationale des Constructeurs d'Automobiles).

China retained the distinction of being the world's largest automotive market for the 6<sup>th</sup> consecutive year with total sales of 23.5 million vehicles, a growth of around 7%. The US market which had hit a low in 2008 has been on a slow recovery path registering a growth of 6% in CY 2014. However, the China-US market size gap widened to 6.6 million vehicles from 4.5 million vehicles in CY 2012.

European auto sales turned positive after two years of decline. Growth was seen in key markets like Germany (3%), France (0.2%) and Italy (5.1%). However, the UK market posted 9.5% growth on the back of stronger consumer confidence.

The automotive markets in Brazil and Russia continued to decline for the second consecutive year. In CY 2014, the Brazilian automotive market was down 7.1% while the Russian automotive market registered a decline of 15.1%.

#### Indian Automotive Industry

The financial year 2014-15 saw the beginning of a turnaround for the Indian auto industry. Riding on signs of economic growth, positive sentiment in the country and new launches by OEMs in the car segment, the industry (excluding two wheelers) reported a growth of 3.6%.

However, on closer scrutiny it is apparent that the industry is still some distance away from a full recovery. In passenger vehicles, five of the top 10 OEMs have registered a decline. The Medium and Heavy Commercial Vehicle (MHCV) segment has shown growth after almost two years. However, volumes are still 33.4% below the peak year volumes of 2012-13. There is overcapacity in the industry and deep discounting continues. In the Light Commercial Vehicle (LCV) segment, volume decline continues into the 8th straight quarter.

*"Life doesn't get easier or more forgiving, we get stronger and more resilient" – Steve Maraboli*

The slowdown in rural consumption and agri incomes is reflected in the demand for two wheelers (especially motorcycles) and three wheelers, with a marked slowdown in H2 FY2015 as compared to H1 FY2015.

In the Financial Year 2014-15, interest rates were on the higher side, but a drop in fuel prices and only a marginal escalation of vehicle prices (as a result of benign commodity prices) resulted in the cost of ownership remaining unchanged for the consumer. With deregulation of fuel prices, the differential between petrol and diesel prices has reduced and there is a noticeable shift in preference for petrol and CNG as a fuel, especially in the car and van segments.

The Utility Vehicle (UV) segment posted a growth of 5.3%, driven by 10.9% growth in the Compact UV segment, whereas

the rest of the UV segment (large UVs) has declined by 1.5%. The growth in Compact UVs is on account of consumer preference for smaller, more car like vehicles and the lower excise duty on sub 4m vehicles. However, UVs as a vehicle category continue to find preference with the customer. The ratio of UVs to passenger vehicles remained at ~ 21% over the last two years.

The uptick in the MHCV segment is driven by the partial lifting of the mining ban, opening up of investment in the road and infrastructure sectors and some revival of manufacturing in H2 FY15. However, LCV < 3.5 tons (50% of total CV industry by volume) continues to be under pressure in the face of a slowdown in rural consumption and drop in agri incomes and consumer durables.

The table below shows the size of various segments of the Indian auto industry spanning Financial Year 2012-13 to Financial Year 2014-15.

Segment	Industry Domestic Sales			YOY Growth	
	FY13	FY14	FY15	FY14	FY15
Passenger Cars	1,874,055	1,786,826	1,876,017	-4.7%	5.0%
Utility Vehicles	553,662	525,839	553,699	-5.0%	5.3%
MPV (Vans)	237,298	190,844	171,395	-19.6%	-10.2%
<b>Passenger Vehicles</b>	<b>2,665,015</b>	<b>2,503,509</b>	<b>2,601,111</b>	<b>-6.1%</b>	<b>3.9%</b>
MHCV	268,689	200,618	232,755	-25.3%	16.0%
MHCV Passenger	46,913	38,709	36,837	-17.5%	-4.8%
MHCV Goods	221,776	161,909	195,918	-27.0%	21.0%
LCV	524,522	432,233	382,206	-17.6%	-11.6%
LCV Passenger	47,827	42,799	44,816	-10.5%	4.7%
LCV Goods < 2T GVW	247,426	166,974	131,455	-32.5%	-21.3%
LCV Goods 2 3.5T GVW	190,442	193,025	177,134	1.4%	-8.2%
LCV Goods > 3.5T GVW	38,827	29,435	28,801	-24.2%	-2.2%
<b>Total CV</b>	<b>793,211</b>	<b>632,851</b>	<b>614,961</b>	<b>-20.2%</b>	<b>-2.8%</b>
3W Passenger	441,124	385,384	432,234	-12.6%	12.2%
3W Goods	97,166	94,701	99,693	-2.5%	5.3%
<b>3W</b>	<b>538,290</b>	<b>480,085</b>	<b>531,927</b>	<b>-10.8%</b>	<b>10.8%</b>
Scooter	2,923,424	3,602,743	4,505,529	23.2%	25.1%
Motorcycles	10,085,000	10,481,115	10,743,549	3.9%	2.5%
Mopeds	788,761	722,920	755,503	-8.3%	4.5%
<b>2W</b>	<b>13,797,185</b>	<b>14,806,778</b>	<b>16,004,581</b>	<b>7.3%</b>	<b>8.1%</b>
<b>Total Domestic</b>	<b>17,793,701</b>	<b>18,423,223</b>	<b>19,752,580</b>	<b>3.5%</b>	<b>7.2%</b>
<b>Total Domestic (Exc. 2W)</b>	<b>3,996,516</b>	<b>3,616,445</b>	<b>3,747,999</b>	<b>-9.5%</b>	<b>3.6%</b>

*"Smooth Seas do not make a skillful sailor" – An African proverb*

### Indian Tractor Industry

Similar to the auto industry, the domestic tractor market too, has a mix of Indian origin and international manufacturers and is segmented by horsepower.

In the Financial Year 2014-15, the Indian tractor market (the world’s largest by volume), declined by 13.1% to reach 550,963 units. This is the worst decline the tractor industry has witnessed since the Financial Year 2002-03. The industry was very badly hit in the second half of the year, registering a decrease of 25.3% (Q3 decline of 21.8% and Q4 decline of 29.9%) while H1 registered a marginal decrease of 0.5%.

This sharp drop is primarily attributed to a weak sentiment in the agri sector. To begin with, India had a poor monsoon which was characterised by below normal rainfall with uneven spread and timing. This resulted in a reduction in Kharif sowing by 2% and in Rabi sowing by 5%. Kharif and Rabi food grain production also declined by 3.2% and 7.2%, respectively. The situation was further aggravated due to unseasonal rains and hailstorms in Q4 F15 which damaged food grains and horticulture crops. Overall, food grain production in the Financial Year 2014-15 was lower by 5.3%.

The crop prices for this year remained subdued. This was the result of international commodity prices hitting their lowest point in six years and only a marginal increase (1% to 4%) in the declared Minimum Support Prices (MSPs).

For the year under review, all states (except Karnataka) registered a decline in growth. The worst affected states were Madhya Pradesh (27% decline), Maharashtra (24% decline), Tamil Nadu (19% decline), Chhattisgarh (18% decline) and Andhra Pradesh (16% decline). Uttar Pradesh retained its No. 1 position in tractor sales, but registered a 4% reduction in growth over the previous year.

Analysing the tractor industry by horsepower segments, only the < 20 HP and > 50 HP segments (constituting 10% of the tractor market) registered a growth of 8% and 5%, respectively. The bulk of the market comprising the 30 to 50 HP segments declined by 15% for the year under review.

The table below summarises the growth across various HP segments of the tractor industry.

Segment	Industry		
	F15	F14	Growth
Total	550,963	633,656	-13.1%
<20	24,081	22,252	8.2%
20-30	35,785	48,562	-26.3%
30-40	202,308	223,141	-9.3%
40-50	255,953	308,482	-17.0%
>50	32,836	31,219	5.2%



*“Never give up, for that is just the time and place that the tide will turn” – Harriet B. Stowe*

## Your Company's Performance

Despite these economic headwinds, with the Automotive and Farm Sectors working together with strong customer focus at the front end and structured synergy at the back end, your Company demonstrated its resilience and ability to successfully withstand adversity. During the Financial Year 2014-15, your Company sold 464,850 vehicles (a decline of 8.3% in comparison to the previous year) and 234,766 tractors (a decline of 12.6% over the previous year). The Automotive and Farm Sectors, along with their subsidiary companies and joint ventures, achieved aggregate global sales of 860,557 vehicles and tractors (601,900 vehicles and 258,657 tractors).

### Automotive Sector

During the year under review, your Company maintained its position as the 3rd largest Passenger Vehicle company and as the 2<sup>nd</sup> largest Commercial Vehicle company in India. Your Company's share of the total Indian auto industry stood at 11.6%. In January 2015, your Company rolled out its 5 millionth (50 lacs) vehicle from the company's plant in Kandivali, Mumbai. Mahindra's legendary 4x4 offroader, the Mahindra Thar, was rolled out as the 5 millionth vehicle.

For the year under review, despite market challenges in key business segments, your Company achieved overall volumes of 434,654 vehicles in the domestic market, a decline of only 9.0% over the previous year.

The table below summarises your Company's performance across all industry segments.

Segment	M&M		Industry		M&M Mkt. Share	
	FY15	Growth	FY15	Growth	FY15	FY14
Utility Vehicles	206,837	-5.7%	553,699	5%	37.4%	41.7%
Cars	3,184	-67.3%	420,907	21.5%	0.8%	2.8%
Vans	13,947	-44.6%	171,395	-10.2%	8.1%	13.2%
LCV Goods <2T GVW	15,255	-47.8%	131,455	-21.3%	11.6%	17.5%
LCV Goods 2 to 3.5T GVW	129,755	5.3%	177,134	-8.2%	73.3%	63.8%
3W	56,764	-9.3%	531,927	10.8%	10.7%	13.0%
LCV Passengers	3,394	-7.5%	44,816	4.7%	7.6%	8.6%
LCV Goods > 3.5T GVW	2,019	-8.5%	28,801	-2.2%	7%	7.5%
HCV Goods (>16.2T)	3,499	53.1%	125,613	42.6%	2.8%	2.6%
AS (Domestic) Total	434,654	-9.0%	2,185,747	5.9%	19.9%	23.1%

Strong customer focus lays the foundation for resilience. Your Company demonstrated its customer focus by maintaining its leadership position in the domestic Utility Vehicle (UV) market with a 37.4% share. In the UV2 (UV > 4,400 mm and price upto Rs. 15 lac) category, your Company holds a share of 54.3%, while in the UV1 (UV < 4,400 mm and price upto Rs. 15 lac) category, it has a 29.6% market share.

*"The question is not what you look at, but what you see" – Henry David Thoreau*

Bolero sales once again crossed the milestone of 1 lac sales in a year, making this the fourth consecutive year that it has achieved this milestone. It is also the 5<sup>th</sup> largest selling Passenger Vehicle in India and has retained the title of India's largest selling SUV for the 9<sup>th</sup> successive year. The Scorpio posted record sales since its launch in 2002, strengthening its iconic status with sales of over 50,000 units for the fourth successive year. The XUV500 continued to be the customer's choice in the premium UV segment with over 34,000 sales in the year, a growth of 14.7% over the previous year.

In the market segment of LCV goods < 3.5T, which accounts for 50% of the total CV industry, your Company has regained the No. 1 spot after 10 years, with a market share of 47%. In the Pik-UP sub-segment (LCV goods 2 to 3.5T), your Company cemented its leadership position with a gain of 9.5% points over the previous year, market share being 73.3%.

Your Company recorded total sales of 8,912 commercial vehicles [including 5,413 LCVs in the LCV > 3.5T segment and 3,499 HCVs (Heavy Commercial Vehicles)] which is a growth of 9.2% over the previous year's volumes of 8,161 commercial vehicles [including 5,876 LCVs in the LCV > 3.5T segment and 2,285 HCVs].

### Product Launches and Customer Centricity

In September 2014, your Company launched the New Generation Scorpio which is built on an all new platform and offers contemporary styling and advanced technology features. The New Scorpio has received multiple awards since launch, of which six awards are for SUV of the year.



Since its launch in 2011, the XUV500 has carved a special niche in the minds of Indian consumers. In February 2015, your Company launched the XUV500 Xclusive Edition which comes packed with a host of premium luxury features such as electric sunroof, convenient reverse camera and voice messaging system, sporty aluminium pedals, stylish grey alloy wheels, 6-way power-adjustable driver's seat (optional) and illuminated scuff plates. This was followed by the launch of the New Age XUV500 with an array of cutting-edge technology features, bold new cheetah-inspired exterior styling, plush and premium new interiors, great performance and best-in-class safety.



*"It is not the strongest of the species that survive, nor the most intelligent, but the one most responsive to change." – Charles Darwin*

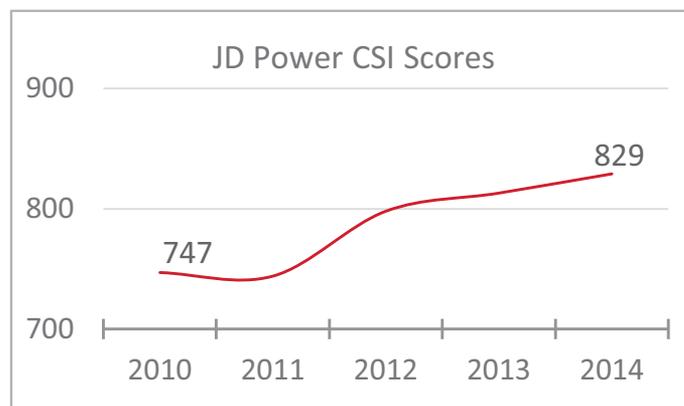
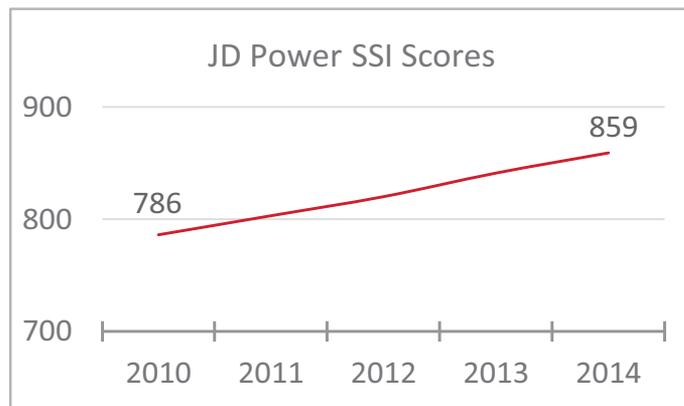
Your Company also launched refresh versions and variants of its Thar, Xylo, Bolero Maxi Truck (BMT), Bolero Camper and Alfa models.



In the heavy commercial vehicle segment, your Company introduced the TRUXO 37, the new HCV Rigid Cargo carrier in the 37 T GVW category. The product offers best-in-class payload and fuel efficiency along with other distinctive features like lowest turning radius for better manoeuvrability. The TRUXO 37 is fast emerging as your Company's flagship HCV product and has also received industry recognition at the Apollo-CV Awards hosted by the popular CV magazine.

Over the past few years, your Company has worked tirelessly to improve customer satisfaction on both the product and the dealership side. The results of these efforts are reflected in the score and rank received by the Mahindra brand in the JD Power CSI and SSI surveys. For 2014, Mahindra was ranked 4<sup>th</sup> (along with Toyota) in the JD Power CSI study, while in the JD Power SSI survey, Mahindra was ranked 3<sup>rd</sup> along with

Honda and Hyundai. The graphs below show the consistent improvement made by your Company in the JD Power CSI and SSI scores.



In line with its core value of customer first, your Company has developed a network that reaches out to all corners of India. Mahindra vehicles can now be serviced in 478 of the total 657 districts in India.

### Overseas Operations

The Automotive Sector of your Company exported a total of 30,196 vehicles during the Financial Year 2014-15, posting a growth of 1.8% over the previous year.

The Scorpio Pik-Up continues to take the largest share of the export product pie, followed by the Bolero, while the XUV500 performed well in South Africa and Chile.

During the Financial Year 2014-15, Sri Lanka, Nepal, Bangladesh, Chile and South Africa continued to be significant overseas

*"There is a tide in the affairs of men, which when taken at the flood, leads on to fortune" – Shakespeare*

markets for the Company. While there was good growth in exports to Sri Lanka, Nepal, Bangladesh, Bhutan and various countries in the African region, exports to South Africa and Chile witnessed a decline. Your Company continues to focus on building the brand and channel in focused markets.



### Gearing Up for tomorrow

Over the last few years, your Company has taken strategic steps in its journey towards becoming a globally recognised automotive manufacturer.

Located in Mahindra World City Chennai, Mahindra Research Valley (MRV) is home to over 2500 engineers who are engaged in your Company's new technology and product programmes. The XUV500 was the first product to emerge from this crucible of innovation and creativity and today, three new product platforms are set to roll out from here. This includes two new passenger UV platforms which will give Mahindra a competitive edge in the growing compact UV segment. In addition to the new platforms, your Company has also been working on refresh versions of existing products which will be launched soon.

On the powertrain front, your Company has developed gasoline powertrains, in response to the growing preference for petrol as a fuel. Mahindra's all new compact UV platform which is set to launch in the Financial Year 2015-16 will incorporate the first gasoline powertrain. In addition to this,

work is underway on joint development with Ssangyong Motors, Korea, for a new engine family with both diesel and gasoline fuel options.

Building adequate capacity for the future has always been a key focus area for your Company. Mahindra Vehicle Manufacturers Ltd. (MVML), a 100% subsidiary of your Company with its plant located at Chakan near Pune, is Mahindra's largest manufacturing facility in India. During the Financial Year 2014-15, it signed an MoU with the Government of Maharashtra to invest an additional Rs. 4,000 crore over a 7 year period in Chakan, in its next phase of expansion. The State Government has conferred the status of 'Ultra Mega Project' to this proposed expansion. In addition to Chakan, your Company has also augmented capacity at its plant at Zaheerabad in Telengana. This extra capacity is specifically for manufacture of the new small commercial vehicle platform.

Your company believes in the future of electric mobility and continues to develop battery operated Electric powertrains and electric vehicles (EVs) through its subsidiary, Mahindra Reva Electric Vehicles Private Limited.

### Farm Sector

Continuing its journey towards delivering 'Farm Tech Prosperity' to Indian farmers, your Company has made good progress in the areas of farm mechanisation (tractors and implements) and the agriculture value chain.

### Tractor and Farm Mechanisation Business

Financial Year 2014-15 saw completion of 32 years of Mahindra leadership in the domestic tractor market, with a market share of 40%.

During the financial year, the tractor industry faced severe headwinds. In line with this, for the period under review, your Company sold 234,766 tractors (domestic plus export) under the Mahindra and Swaraj brands, as against 268,487 tractors sold in the previous year, a decline of 12.6%.

Continuing with its focus on the customer and new product development, in August 2014, your Company launched the Arjun NOVO in the > 50 HP tractor segment, developed on a new platform at Mahindra Research Valley (MRV). The Arjun NOVO is currently available in 50 and 57 HP variants and is

*"Victory is the child of preparation & determination" – Sean Hampton*

a class leading product with several first-of-its-kind features, making it an apt choice for the evolved, knowledgeable and technology savvy farmer. The Arjun NOVO has been received very well in the high HP markets of Andhra Pradesh, Maharashtra and Chhattisgarh. In addition to the Arjun NOVO, your Company also launched upgraded versions of existing models, with the objective of strengthening its product portfolio.



### Global Footprint

For the year under review, your Company achieved a milestone of exporting the highest ever number of tractors from India. Exports from India stood at 13,746 tractors, a growth of 35.5% as compared to the previous year. Your Company continued to strengthen its global footprint with a focus on the key markets of USA and China, amongst other regions. Total tractor volumes outside India stood at 36,107 tractors.

### USA

Mahindra USA, a subsidiary of your Company, crossed the 15,000 annual volume mark for the first time, achieving its highest ever billings and retails. It also achieved an all-time high market share of 10% (a growth of 2% points) in the 0-80 HP segment in the US market. Mahindra USA continues to expand its reach by taking efforts to strengthen the Mahindra brand in this market, especially by enhancing its presence in the digital space.

### China

China, the second largest tractor market in the world, is facing challenging times and continued to decline for the third consecutive year. For the year under review, the industry shrunk by 17% over the previous year. In line with the tractor industry in China, volumes from the Mahindra Yueda Yancheng Tractor Company Limited (MYYTCL) – a subsidiary of your Company – saw a decline, reaching 11,710 units in the domestic market, as compared to 19,042 units sold in the same period last year. At the same time, exports from China declined 21% to 2,033 units.

### REST OF THE WORLD

For the year under review, growth came from the SAARC region with Nepal and Bangladesh registering good progress. Algeria continued to be the biggest market for Mahindra Tractors even though the African markets registered a decline in volumes.

### Towards Farm Tech Prosperity

Agriculture in India faces multiple challenges. The key amongst them include (i) low productivity as compared to developed countries (ii) increasing labour scarcity coupled with high labour costs (iii) limited application of modern farming techniques (iv) lack of proper post-harvest supply chain infrastructure and (v) Inadequate access to markets.

To address these challenges, your Company offers a complete range of mechanisation solutions, micro-irrigation systems, agricultural inputs and modern agronomy advisory services. In addition, your Company works with farmers through the entire crop cycle to enable them to grow the best quality produce and also gives them access to domestic as well as international markets.

### Farm Mechanisation

Farm mechanisation is a key enabler to address the concerns of farm productivity and labour shortage. Your Company has a presence in the mechanisation space through Mahindra AppliTrac which offers efficient and affordable mechanisation solutions across the spectrum of farming operations. AppliTrac continued to grow the market for mechanisation in the country, playing its part in boosting agricultural productivity. AppliTrac growth was led by rotary tillers with a significant contribution from harvesters. AppliTrac also offers a wide range of farm

*“Be sure you put your feet in the right place and then stand firm” – Abraham Lincoln*

machinery including rice transplanters, sprayers, mulchers and balers to fulfil the needs of farm mechanisation.

### Agri Inputs

Your Company has a comprehensive portfolio of agricultural inputs including seeds, crop protection and plant growth regulation products. Use of improved seeds, especially hybrids, is an important driver of higher quality produce and superior yield. Mahindra seeds offer a broad product portfolio of quality seeds spanning field crops, cash crops and vegetables. This business is growing rapidly and is poised for a more meaningful contribution to Indian agriculture in the coming years. During the growth phase, crops are under the constant threat of virus, disease and nutrient deficiency. Your Company's Crop Care business offers a range of herbicides, pesticides, fungicides and plant growth regulators which help mitigate the risk of crop loss. This business has grown ~20% over the previous period.

### Micro-irrigation

Micro-irrigation offers tremendous benefits to the farmer through water savings of more than 25%, reduced expenditure on labour and fertiliser and also delivers higher productivity. The Company had forayed into micro-irrigation in 2011 through the acquisition of a stake in EPC Industries Limited. For the year under review, the micro irrigation business declined by 3.1% which is in line with the overall decline in the industry. The latter is due to the delay in release of subsidies for micro-irrigation by various state governments.

### Mahindra Samriddhi

The focus of Mahindra Samriddhi has been to offer the Indian farmer easy access to modern farming technologies. Mahindra branded seeds, crop care and micro irrigation products are available at Mahindra Samriddhi centres as well as through independent channel partners. Today, there are more than 255 Mahindra Samriddhi touch points which were accessed by over 140,000 farmers in the Financial Year 2014-15, as compared to 90,000 farmers in the Financial Year 2013-14. The Mahindra Samriddhi India Agri Awards continues to be the premier event in the field of Indian agriculture. It is graced by leading luminaries associated with agriculture and honours the torch bearers of farm tech prosperity across the nation.

### Fruits and Vegetables

Through its fresh produce and potato businesses, your Company works closely with select farmers throughout the crop cycle to improve farm productivity. The produce is then procured and sold in the domestic and international markets, thus providing market access to farmers. Your company is currently working with farmers who grow a variety of crops, including grapes, apples, bananas and potatoes.

Your Company has also entered into a joint venture with Univeg, a Belgium based fresh produce company which will focus on developing a fresh fruit supply chain to provide high quality fruits that meets the needs of both the domestic and international markets. A second joint venture with HZPC from Holland, one of the world's leading companies in potato breeding, seed potato growing and trading, aims to develop world class technical know-how and a supply chain for fresh produce and potatoes in India.

## ALLIED BUSINESSES

### Mahindra Powerol

During the Financial Year 2014-15 Mahindra Powerol found itself back on the path to growth, as the Company's revenue grew by 8%.

In the year 2014, the Company received the prestigious Deming Prize by the Union of Japanese Scientists and Engineers (JUSE). This is a globally recognised award which honours businesses that have successfully implemented TQM practices.

The business is exploring further growth opportunities through entry to higher kVA segments and by offering Energy Management Solutions. The business is also considering export opportunities to Africa and other markets.

### Construction Equipment — Mahindra EarthMaster

With the slowdown in infrastructure spending, the Indian backhoe loader market declined by 14% over the previous year. For Mahindra EarthMaster, the focus for the year has been to strengthen the sales channel and structure. The Earthmaster SX variant has also been launched, offering best-in-class fuel efficiency.

*"A ship is always safe at the shore, but that is not what it is built for" – Albert Einstein; John A. Shedd*

## OPPORTUNITIES AND THREATS

### Automotive Sector

From a low during the Financial Year 2013-14, the industry has seen a partial recovery. In the near future, the auto industry is likely to show positive growth across all segments on the back of healthy economic outlook, investment in roads, infrastructure and new launches by Original Equipment Manufacturers (OEMs).

Also, given the importance of the automobile industry to the economy, its potential for employment and its backward and forward linkages with several sectors, the Government is keen to support its development.

Growing concerns over safety and sustainability among consumers and society at large will have an impact on the regulations for motor vehicles, regulations for managing urban congestion and policies for development of public transport infrastructure. These will have a significant impact on the future of the automotive industry.

### Farm Sector

Continued Government support for agriculture, rural development and greater adoption of improved agricultural practices is expected to drive sustainable growth in the agriculture sector.

India, with its large base of small and marginal farmers, has several regions with low penetration of farm mechanisation. With increasing labour cost and scarcity, greater adoption of various forms of mechanization is the way forward. In this scenario, the market for tractors and other farm equipment is expected to grow in the long term.

The competitive intensity in the farm mechanization space is expected to increase, leading to new product launches and product offerings at high value points. Customer expectations related to performance, quality and technology are also increasing with time. Staying ahead of the competition by offering products with modern technology and features is likely to put pressure on costs.

The rising demand for power and infrastructure development will create opportunities in the power generation and infrastructure equipment space. This is an opportunity for

your Company to grow its offerings in power solutions and construction equipment.

## RISKS AND CONCERNS

### Automotive and Farm Sectors

Your Company's business is exposed to many internal and external risks and it has consequently put in place robust systems and processes, along with appropriate review mechanisms to actively monitor, manage and mitigate these risks.

### Commodity Prices

Though Commodity prices witnessed a moderate increase in the first half of the Financial Year 2014-15 they were followed by a decline due to the drop in crude oil prices. Your company successfully mitigated the impact due to inflationary pressures like power cost increases, through cost reduction and value engineering activities.

In the first half of the Financial Year 2015-16, commodity prices are expected to be benign but by the second half of the year, they are expected to improve, based on a positive outlook for both the Indian and the global economy. Your Company continues to watch the market situation closely, focusing on cost re-engineering, in order to minimize the impact.

### Capacity

Your Company has built adequate manufacturing capacity for the immediate future and is planning to invest in additional capacity in preparation for the mid to long term.

On the supplier end, your Company is working closely with its key suppliers to minimise any supply constraints through capacity planning and longer term contracts. At the same time, opportunities for global sourcing are also being actively pursued.

### Competitive Intensity

Keeping in mind the high growth potential of the Indian automotive market, all OEMs are actively investing in new product development and product technology upgrades. Multinational OEMs are increasingly becoming India

*"Let us not pray to be sheltered from dangers but to be fearless when facing them" – Rabindranath Tagore*

focused and are developing India centric products. Further, with increased local sourcing and development taking place in India, cost structures of multinational corporations are becoming competitive. While in the past many MNC OEMs entering India were focused on the car market, they now have an active presence in the UV segment as well, leading to intense competition in this space.

With an improvement in infrastructure and strengthening of the hub and spoke transportation model, the need for commercial vehicles across product categories is expected to multiply. The medium and heavy commercial vehicle segment features two dominant domestic players and in the recent past it has also witnessed the entry of MNCs. The need for efficient logistics in the feeder and distributor routes has led to growth in the small commercial vehicle category. Your Company has a presence across the commercial vehicle segment and continues to invest in new product development as well as technology upgrades and will continue its focus on delivering customer centric products.

### Tax and Excise Duty Regulations

In India, there is a large differential between taxes levied on small and large vehicles. With the resulting lower price tag for small vehicles, many customers may opt to postpone large vehicle purchases or buy a small vehicle, thus impacting the sale of large vehicles. Certain products of key competitors have the benefit of lower excise duty. Your Company is working on plans to meet the revised regulatory environment.

### Diesel – Petrol price parity

The Government of India has announced a policy for partial deregulation of diesel prices in January 2013 and complete deregulation by October 2014. As a result, the gap between petrol and diesel fuel has narrowed considerably. This reduced price gap has resulted in a preference for petrol vehicles, especially in the passenger car and van segments. In the Financial Year 2012-13, diesel cars accounted for 47% of the total cars sold in India, whereas in the Financial Year 2014-15, it came down to 37%. In the UV segment, diesel UVs account for 90% of total UVs sold; for the Financial Year 2012-13, this number stood at 97%.

### New Regulation for Safety and Emission

Concerns over sustainability and environment protection are driving legislation and regulatory reforms, especially in the area of emission. The Government of India is in the process of introducing the next level of safety and emission regulations for India. Conforming to the next stage of regulations will, however, impact costs. With greater awareness of safety and environment issues, the increased costs are unlikely to have an impact on vehicle demand. Your Company is confident of meeting these regulations.

### Environment and Alternate fuels

With greater awareness regarding air quality and the need to reduce dependence on fossil fuels, there is a trend towards adopting greener and more sustainable fuels for automobiles. Your Company has made adequate investments in development of powertrains which run on alternate fuels. While our CNG offerings are already on road, your Company has technology demonstrators operating on Bio Diesel and Hydrogen and is also investing in developing a Hybrid Powertrain.



The launch of Mahindra Reva's battery operated electric vehicle, the Mahindra e2o, in March 2013 was an important milestone in the direction of sustainable mobility. In January 2015, your Company orchestrated a pilot launch of Maxximo EVs at the Taj Corridor. The company continues its effort to develop the Electric Vehicle (EV) market and upgrade its EV technology capabilities.

*"You can't cross the sea merely by standing and staring at the water" – Rabindranath Tagore*



In April 2015, the Government of India launched a scheme called FAME India or Faster Adoption and Manufacturing of Hybrid and Electric Vehicles in India. Subsidies through this scheme should provide the necessary push to make EV technology more affordable and popular.

### Financial Market Conditions

Financial Year 2014-15 started with optimism over a decisive mandate at the parliamentary elections and expectations of speedy implementation of key economic policies by the new government, to revive economic growth. Additionally, collapse of global commodity prices and especially crude prices – Brent Crude plummeted to its lowest level in more than 5 years – substantially improved India’s external position and moderated domestic inflation. India’s Current Account Deficit for the Financial Year 2014-15 was 1.3% of GDP. In cognizance of improving fundamentals of the country, Moody’s Ratings has revised India’s sovereign rating outlook to “positive” from “stable” in April 2015.

The prospects of a turnaround in the economy evidenced by the bottoming out of degrowth, led to a surge in foreign capital flows. The government has relaxed FDI norms in sectors such as insurance, defence, railways and construction development. It has also prescribed composite foreign investment caps consisting of FDI & FPI investment. As a result, the Balance of Payment was in surplus of USD 61.4 billion in the Financial Year 2014-15 as compared to USD 15.5 billion last year. The Reserve Bank of India (RBI) used the opportunity presented by large forex inflows to augment its forex reserves. India’s forex reserves were at USD 341.4 billion as on March 31, 2015, up by USD 37.7 billion over the last fiscal. As a result, the Rupee

remained range bound between 58.50 - 63.75, closing the year at 62.50.

Despite the improvement in the macro-economic scenario, the investment climate in the country remained weak. The Index of Industrial Production (IIP) growth remained muted at 2.8% in the Financial Year 2014-15. Exports too saw a contraction by 1.23%. Year-on-year bank credit growth declined to 9.5% in March 2015 (13.9% in March 2014). In an effort to boost lending to the infrastructure sector, the RBI introduced the 5/25 scheme which provides flexibility in refinancing and a repayment option for long-term infrastructure projects. In addition, the RBI also exempted long-term bonds raised by banks from regulatory requirements such as CRR, SLR and Priority Sector Lending, if the money raised from such bonds is used for funding of infrastructure and affordable housing projects.

The RBI continued with its commitment to price stability as a primary objective of monetary policy. Consumer Price inflation (CPI) came down to 5.25% in March 2015 as compared to 8.25% one year earlier. With the moderation in inflation, the RBI reduced the policy rate by a cumulative of 50 bps in the last quarter of the Financial Year 2014-15. However, the full monetary transmission of rate reduction by the RBI – critical to generate a pick up in investment demand – is yet to take place. With a view to create space for banks to expand credit in productive sectors, the RBI also reduced the SLR requirement of banks in a phased manner by 150 bps to 21.5%. With the domestic interest rate remaining relatively high, offshore credit markets remained attractive and Indian corporates increasingly tapped them to meet their funding requirements. The government has also permitted the issuance of sponsored and unsponsored Level 1 ADRs by Indian corporates for the first time.

The equity markets continued their rally and the BSE Sensex posted a growth of 25% on a year-on-year basis (19% in the previous year) The Sensex touched an all-time high in March 2015, largely backed by buoyant foreign flows. The financial markets are poised to track the economic growth.

Your Company retained a healthy cash surplus throughout the Financial Year 2014-15. Though the outlook is stable, your Company is ready to meet any unforeseen challenges that may arise due to availability of liquidity or volatilities in

*“There is a slowness in affairs which ripens them” – Joseph Roux*

interest rate and foreign exchange. It follows a well laid risk management framework, preservation of its credit profile and therefore, access to institutional credit lines, both domestic and international and retention of a certain level of cash at all times.

During the year, the credit rating of your Company was upgraded by CRISIL Limited, ICRA Limited and Credit Analysis & Research Limited (CARE) to 'CRISIL AAA/Stable', [ICRA] AAA (stable) and CARE AAA, respectively. India Ratings and Research (Ind-Ra, a Fitch Group Company) has also assigned a rating of 'IND AAA' with a Stable outlook to your Company since last year.

With the above rating upgrades, your Company now enjoys the highest level of rating from all major rating agencies for the first time. The AAA ratings indicate the highest degree of safety regarding timely servicing of financial obligations and is also a vote of confidence reposed in your Company's management by the rating agencies. It is an acknowledgement of the strong credit profile of your Company over the years, resilience in earnings economic cycles, robust financial flexibility arising from the significant market value of its holdings and prudent management.

### **New projects**

In order to meet customer needs and keep a watch on competition, your Company is investing in an aggressive new product development programme. The success of new product launches will have an important bearing on its future growth and profitability.

### **Monsoon**

A normal monsoon is important for both agriculture as well as the rural economy. The tractor business in particular and the automotive business to some degree, run the risk of a drop in demand in case of a significant variation in the monsoon. In addition, an untimely monsoon and its uneven spread have the potential of adversely impacting the business as observed in the Financial Year 2014-15.

## **OUTLOOK – AUTOMOTIVE & FARM SECTORS**

Both the Automotive and Farm Sectors strive to maintain their leadership position in the domestic market and at the same time

explore global opportunities. Simultaneously, your Company continues its focus on achieving cost leadership through focused cost optimisation, productivity improvements, value engineering, improved efficiency measures like supply chain management and exploiting synergies between its sectors.

The mid-term outlook for the Indian auto industry is very positive. SIAM (Society of Indian Automobile Manufacturers) has forecasted that the potential size of the Indian vehicle market (PV + CV) by the Financial Year 2018-19 will be as large as ~5.8 million vehicles (current size 3.8 million) which is an annual growth rate of 11%.

In the Financial Year 2015-16, growth in the automotive industry will be driven by economic recovery, overall positive sentiment in the country and increased investment in infrastructure. However, some challenges do exist in the short term, in the form of a low agri sentiment that impacts rural India in general. This aspect has to be carefully watched in the coming months when the monsoon will act as an important driver of sentiment.

The cost of ownership of vehicles is likely to see a marginal increase due to a rise in both fuel and commodity prices. However, interest rates are likely to soften from current levels.

For the Financial Year 2015-16, SIAM forecasts single digit growth for the Indian auto industry. The Passenger Vehicle segment is expected to grow by 5-7%, LCV Goods by 3-5%, MHCV Goods by 12-14%, three wheelers by 2-4% and two wheelers by 7-9%.

On the export front, we see some opportunity for growth which will be aided by an upswing in the global auto industry, especially in the European Union and Africa.

On the tractor front, the unseasonal rains in Q4F15, resulting in lower Rabi crop production, coupled with subdued crop prices, is expected to have a negative effect on agri incomes. This is also likely to have an adverse impact on domestic tractor demand in the early part of the Financial Year 2015-16.

However, a timely and near normal monsoon has the potential to help improve the sentiment and lead to industry growth. The impact of this is likely to be felt only in the latter part of the Financial Year 2015-16.

On the international front, your Company plans to strengthen its presence in existing markets of USA, South and Central

*"Even the darkest night will end and the sun will rise" – Victor Hugo*

America, China, Africa and South East Asia and at the same evaluate opportunities in new geographies.

## STRATEGY

### Automotive Sector

With the objective to sustain growth, your Company is pursuing several strategic initiatives in all key areas of business. The key elements of strategy include strengthening the product portfolio, refreshing and updating existing products and strengthening R&D and technology capabilities. In addition, your Company is pursuing expansion in overseas markets. Establishing the channel and building the brand in key focus markets also remain priorities for your Company. With increasing concerns over global warming and the need for sustainable mobility, your Company continues to focus on and invest in development of alternate fuel technologies and solutions in this area.

### Farm Sector

The Farm Sector's strategy is aligned to delivering Farm Tech Prosperity to the farmer. The core business of tractors will deliver this through its range of existing and future products that reduce drudgery and enhance farm productivity. The business will simultaneously continue to expand its global footprint and also offer a wider range of mechanisation solutions and agri knowledge to the farming community. In its endeavour to grow, the Company continues to explore new and innovative business models and expand the reach of its mechanisation products so it can cater to a wider consumer base.

In May 2015, your Company signed a definitive agreement to acquire a 33% voting stake in Japan based Mitsubishi Agriculture Machinery Co. Ltd. This new partnership will help both companies to jointly develop products to address global opportunities in the tractor and agri-machinery space.

The agri business of the Company will continue to build its presence across various segments of the agri value chain, creating value for the business, farmers and consumers alike. All these together will lead to greater farm productivity and deliver prosperity, strengthening the Company's leadership position.

## MATERIAL DEVELOPMENTS IN HUMAN RESOURCES AND EMPLOYEE RELATIONS

The strategic purpose of Human Resources is to be a catalyst and change agent for creating the Human Capital transformation required to ensure sustained business outperformance, while simultaneously addressing the needs of its multiple stakeholders (starting with customers and employees) and strengthening the core values of the Group. In the long run, the ultimate metric for success is continuous improvement in the total factor productivity, while addressing the business imperatives of cash, cost, competence and confidence. The emphasis has been on aligning all the HR levers towards achieving these goals.

In line with the above, the Group's Human Resources Philosophy is guided by the three Rise Pillars of Accepting No Limits, Alternative Thinking and Driving Positive Change, and the Group's aspiration of being among the top 50 most admired global brands by 2021, by enabling people everywhere to Rise. Your Company aims to support this aspiration by creating Mahindra Leaders who will lead Tomorrow's Company by focusing on a culture of outperformance, collaboration and partnership built on cutting-edge practices in Talent Management and Leadership Development. In order to ensure internalization of this culture, the Mahindra Leadership Competency Framework has been developed and rolled out across the Group, with the accompanying integration of these competencies in the HR levers of Recruitment, On-boarding, Performance Management System, Talent Management, Reward and Recognition and Leadership Development.

In this overall architecture, a key strategic initiative that needs mention is Employer Branding, coupled with the Employee Value Proposition of delivering a uniform One Mahindra experience to all employees. The template for creating Tomorrow's Leaders and harnessing the power of diversity (across its many dimensions including gender, age, nationality and culture) is also being put in place. Driving diversity in various lines of business and creating an inclusive workforce was identified as a priority in the Financial Year 2014-15 and accordingly, the Group Diversity vision and commitment was unveiled. This was followed by the setting up of Sector Level Councils. The focus was on sensitization

*"Take time to deliberate but when the time for action comes stop thinking and go in" – Napoleon Bonaparte*

and creation of a roadmap which would result in an inclusive workplace and harnesses the productive potential of the multiple aspects of Diversity.

Focus continued on the Talent Management and Leadership Development processes which included Development Centres, Individual Development Planning, e-learning, up-skilling programs, Leadership Lifecycle programs and Action-Learning Projects. The Talent Management process is powered by a network of Sector Councils with the Apex Talent Council playing a pivotal role in Succession Planning, Career Planning, Job Rotation, Hi-potential Identification and the talent pipeline development process. A robust Talent Scorecard process seeks to ensure succession planning and leadership development for both the immediate as well as the longer term, while the Performance Management System helps in the integration of the Balanced Score Card with business and individual goals through the annual goal setting process. This rigour in implementation has helped to create a shared understanding and focus the efforts of employees in building a culture of outperformance. In order to ensure that the pulse of the workforce is captured, a customized employee engagement model called MCARES was launched and interventions put in place to create an engaged workforce.

The Rise internalization programs not only cover officers but also workmen on the shop-floor, with whole-hearted participation by the latter in each manufacturing plant. Rise Awards were institutionalized for workmen across the Group, through competitions at the Plant, Sector and Group level. To ensure that industrial relations is treated as a critical business process, the process of including it for assessment in The Mahindra Way model has started and several plants have been included in the next assessment cycle.

A formal Leadership Development process has been put in place with a three-tier approach which addresses entry, middle and senior management levels. The Mahindra Leadership University (MLU), which was set up to support the process of building capacity and capability in the leadership pipeline by leveraging a common virtual platform which delivers Learning and Development across the Group, has grown significantly. MLU uses the 3E approach (Experience, Exposure and Education) towards capability building and this has been integrated

in all the programs. Experience is delivered by providing people with meaningful roles / projects, Exposure takes place through coaching and mentoring by leaders, and Education by building mental acumen through development programs and classroom training.

Working through its 8 Academies, MLU conceptualized, designed and delivered more than 22 unique offerings during the past one year using the framework of a 'Laddered Approach' for the design and roll out of programs. This framework recognizes and addresses the need for varying inputs tailored to the different levels of leadership in the Mahindra system.

Under the Academy of Leadership Development, existing content from across the Group has been aggregated and eleven new programs are being designed using Instructional Design principles. This framework will be further shared and deployed by the different Academies of MLU.

Tie-ups with the Harvard Business School (HBS), the Wharton School of Management, the Ross School of Management – Michigan, the Centre for Creative Leadership (CCL) – USA, the Indian Institutes of Management and other leading management institutions in the country have helped enrich our leadership offerings. We have also initiated collaboration with the Singapore Management University (SMU) and the Yonsei Business School in Korea.

Group HR conceptualized and rolled out the Reflective Conversations (RC) initiative to help make the Mahindra Group a Reflective Organization. So far, around 750 senior executives from various Group Businesses across the globe, including members of the Group Executive Board (GEB), have attended these workshops. To ensure sustainability of the resultant output, an ecosystem of sustenance initiatives have been put in place to fully harness the power of the Reflective Conversations initiative to create a better connect with stakeholders and consequent innovation and business outperformance.

Your Company received numerous awards related to Human Resources in the year 2014-15. We were ranked No. 10 worldwide and No. 3 in India in Aon Hewitt's Top Companies for Leaders 2014. The Great Place to Work study has ranked our Auto and Farm Sector at No. 28 in India's Best Companies

*"Leadership and learning are indispensable to each other" – John F Kennedy*

to Work For and at No. 2 in India's Best Manufacturing Companies. We have thus consistently featured in the top 50 Great Places to work list for the last three years. Mahindra AFS and People Strong were awarded the "Program of the Year 2014" at the HRO Today APAC Summit in Singapore, recognizing us for having the largest successful HR Shared Services Implementation in Manufacturing. Our Performance Management System was also recognized as the Best Talent Management Practice of Asia by L&OD Roundtable. As per Nielsen's B-school Campus Track Survey of 2014, we were ranked 7th in the list of India's top twenty business schools from where we recruit, thus affirming our position amongst the top 10 most sought after employers at India's premier business schools. The Reflective Conversations initiative won the Winspire Award for Promoting Coaching Culture and was recognized by NHRDN as an HR Best Practice. Our HR Quarterly Newsletter, Mpower, received the bronze award for the best E-Zine from the Association of Business Communicators of India.

The Transformational Work Culture initiative which aims to create an engaged workforce and an innovative, productive and competitive shop-floor ecosystem, continues to grow in strength. To this end, the Transformational Work Culture Committee (TWCC) continually engages with long-term strategic issues which range from anticipated Labour Law reforms to 'Swachh Bharat Abhiyaan', Rise for Workmen, Industrial Relations Skills for Frontline Officers, Cultural Diagnostics Projects, e-Compliance, Code of Conduct for Workmen, and cutting edge ER Practices under MLU.

The Industrial Relations scenario continued to be largely positive across all Mahindra manufacturing locations. Wage Settlements were signed at the Zaheerabad Plant and Kandivali Canteen, and bonus settlements made at all AFS plants. Proactive and employee-centric shop floor practices, a focus on transparent communication of business goals, an effective concern resolution mechanism, and the firm belief that employees are the most valuable assets of the Company, are the cornerstone of our employee relations approach. An 'open door policy' and constant dialogue to create win-win situations, have helped us to build trust and harmony. In order to foster togetherness at the workplace, we organized training and engagement programs across all locations for developing

behavioural and technical skills of workmen. These training programs covered a wide range of topics, including Positive Attitude, Stress Management, Creativity, Team Effectiveness, Safety and Environment, Quality Tools, TPM, Dexterity and Technical Training.

The Mahindra Skill Excellence Initiative is a holistic approach to enhance the skill and capabilities of shop-floor employees and last year, it saw participation from over 1800 employees across our manufacturing facilities in the generation of ideas for resolving quality concerns, reducing cost, ensuring safety and improving productivity. For the year under review, our shop floor associates generated about 20 ideas per person.

Significant emphasis has also been put on creating awareness about health and wellness of employees through annual medical check-ups, medical software, health awareness activities, etc.

All this resulted in zero production loss in the Financial Year 2014-15 and helped create a peaceful, healthy and collaborative work environment.

Mahindra & Mahindra Limited had a total of 19,836 employees on its rolls as on 31<sup>st</sup> March 2015.

### **Internal Control Systems**

Your Company maintains adequate internal control systems commensurate with the nature of its business and size and complexity of its operations. These are regularly tested for their effectiveness by Statutory as well as Internal Auditors. In the highly networked IT environment of the Company, validation of IT Security receives focused attention from IT specialists and Statutory Auditors. Your Company has a strong and independent internal audit function consisting of professionally qualified accountants and engineers. The Chief Internal Auditor reports directly to the Chairman of the Board. Significant observations made by the internal audit team and the follow up actions thereon are reported to the Audit Committee. The Audit Committee reviews the adequacy and effectiveness of the Company's internal control environment and monitors the implementation of audit recommendations.

*"To accomplish great things we must not only act, but also dream; not only plan but also believe " – Anatole France*

## DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

### Overview

The financial statements of the Company have been prepared in accordance with the generally accepted accounting principles in India (Indian GAAP) and comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with rule 7 of the Companies (Accounts) Rules, 2014.

The Group's consolidated financial statements have been prepared in compliance with the standard AS 21 on Consolidation of Accounts and presented in a separate section.

## FINANCIAL INFORMATION [STANDALONE]

### Fixed Assets

As at 31<sup>st</sup> March 2015, the Fixed Assets stood at Rs. 8,108 crores as compared to Rs.7,105 crores as at 31<sup>st</sup> March, 2014. During the year, the Company incurred capital expenditure of Rs. 2,035 crores (previous year Rs. 1,704 crores). The major items of capital expenditure were on New Product Development and Capacity Enhancement.

### Long Term & Short Term Borrowings

Borrowings (including current maturities of long term debt and unclaimed matured deposits) have decreased from Rs. 4,046 crores in the previous year to Rs. 3,729 crores in the current year. The decrease is primarily on account of repayment of loans during the current year.

## RESULTS OF OPERATIONS

### Income

(Rs. Crores)

Particulars	Financial Year-2015		Financial Year-2014		Inc./ (Dec.)
	Amount	%	Amount	%	%
Sales of Products	40,237	103.3	42,241	104.3	(4.7)
Sale of Services	342	0.9	334	0.8	2.4
Other Operating revenue	554	1.4	545	1.3	1.6
Gross Sales & Income from Operations	41,133	105.6	43,120	106.4	(4.6)
Less : Excise Duty on Sales	2,188	5.6	2,612	6.4	(16.2)
Net Sales & Income from Operations	38,945	100.0	40,508	100.0	(3.9)
Other Income	849	2.2	718	1.8	18.2

### Inventories

	March 31, 2015	March 31, 2014
Raw materials and bought out components as a % of cost of materials consumed	3.7%	3.8%
Finished goods and Stock-in-trade as a % of sales of products	3.5%	3.9%

The reduction in raw material and brought out components as a percentage of consumption is due to better materials planning and control. Due to the slow-down in the tractor industry, the finished goods as a percentage of sales of product has decreased.

### Trade Receivable

Trade Receivable is Rs. 2,558 crores as at March 31, 2015, as compared with Rs. 2,510 crores as at March 31, 2014. Also, as a percentage of gross revenue from sales of products and services, trade receivable is higher at 6.3% for the year ended March 31, 2015, as compared to 5.9% for the previous year, mainly on account of increase in export sales.

*"Your mindset controls every result in your life" – Tony Dovale*

## Net Sales, Income from Operations & Other Income

Tractor business volumes witnessed a decline of 12.6% and automotive business volumes declined by 8.3%, leading to the net sales and income from operations of the Company being lower by 3.9% as compared to the previous year.

Other income during the Financial Year 2014-15 at Rs. 849 crores is higher than Rs. 718 crores earned in the previous year due to higher dividend income and other miscellaneous income.

Particulars	Financial Year-2015		Financial Year-2014		Inc./(Dec.)
	Amount (Rs. crores)	% to Net Sales & Income from Operations	Amount (Rs. crores)	% to Net Sales & Income from Operations	%
Material Costs	27,955	71.8	29,433	72.7	(5.0)
Employee Benefits Expense	2,317	6.0	2,164	5.3	7.1
Finance Costs	214	0.6	259	0.6	(17.3)
Depreciation and Amortisation Expense	975	2.5	863	2.1	13.0
Other expenses	4,500	11.6	4,191	10.4	7.4
<b>Total Expenses</b>	<b>35,961</b>	<b>92.5</b>	<b>36,910</b>	<b>91.1</b>	<b>(2.6)</b>

## Expenditure

The total expenditure during the year as a percentage of net sales/Income from Operations is 92.5% as compared to 91.1 % in the previous year.

### Material Cost

The decrease in material cost as a percentage of sales is mainly due to benign commodity prices, better mix and continued cost reduction initiatives undertaken by the Company.

### Personnel Cost

The increase in personnel cost is mainly due to annual increments and increased contribution to provident and other funds.

### Other Expenses

Other expenses as a percentage of net sales and operating income shows an increase over the previous year. The expenses have increased mainly on account of marketing related

expenses on incentives, advertisement and sales promotion to support and enhance sales in a challenging market and for brand building.

### Depreciation and Amortisation

The increase in depreciation and amortisation is mainly due to revision in useful lives based on Schedule II of the Companies Act, 2013 and impact in the current year due to full year depreciation on assets capitalised in the previous year and depreciation on assets capitalised during the year.

### Finance Costs

The interest expense for the year ended is lower mainly due to repayment of loans.

### Exceptional Items

The profit in the current year is on account of profit earned on sale of shares of Mahindra Logistics Limited and Mahindra First Choice Wheels Limited. It is also due to the excess of fair

*“When I encourage someone, I see it as an investment in their resilience” – Steve Karagiannis*

value of Tech Mahindra Limited (TML) shares received over cost of investment in Mahindra Engineering Services Limited (MESL), on account of the merger of MESL with TML. In the previous year, it was on account of profit earned on sale of shares of Mahindra Logistics Limited and Mahindra Two Wheelers Limited.

### Provision for taxation

The provision for current tax and deferred tax for the year ended March 31, 2015 as a percentage to profit before tax is higher than the previous year due to reduction in tax benefits u/s 80 IC (Rudrapur plant tax holiday expired) and reduction in accelerated deduction of R&D expenses due to revised DSIR guidelines. Further, during the previous year the tax charge was lower due to unabsorbed tax losses of the trucks business of Mahindra Trucks & Buses Limited (MTBL) which became available on the merger of the trucks business of MTBL with the Company.

### Consolidated Financial Position of the M&M Group

As on 31<sup>st</sup> March, 2015 the Group for the purpose of consolidation comprised of the flagship holding company Mahindra & Mahindra Limited, 113 subsidiaries, 8 Joint Ventures and 15 Associates.

The Gross Revenue and Other Income for the year ended 31<sup>st</sup> March 2015 of the Consolidated Mahindra Group is Rs. 76,015 crores as against Rs. 78,736 crores for the previous year. The Group's net revenue and other income is Rs. 72,474 crores in the current year as compared to Rs. 74,506 crores in the previous year. The profit before exceptional items and tax for the current year is Rs. 4,038 crores as compared to Rs. 5,502 crores in the previous year. The consolidated Group Profit for the year after exceptional items and tax and after deducting minority interest is Rs. 3,137 crores as compared to Rs. 4,667 crores in the previous year.

Tech Mahindra Ltd., (TML) the company's flagship company in the IT Sector, has reported a consolidated revenue of Rs. 22,621 crores in the current year as compared to Rs. 18,831 crores in the previous year, an increase of 20%. Its consolidated PAT is Rs. 2,628 crores as compared to Rs. 3,029 crores in the previous year.

The Group's finance company, Mahindra & Mahindra Financial Services Limited (Mahindra Finance), reported a total consolidated income of Rs. 6,061 crores during the current year as compared to Rs. 5,301 crores last year, a growth of 14.3%. The consolidated profit after tax for the year is Rs. 913 crores as compared to Rs. 954 crores in the previous year. Mahindra Finance also increased its customer base to 3.6 million customers during the year. The Company currently has a network of 1,108 offices and Total Assets under Management of Rs. 36,878 crores as on 31<sup>st</sup> March, 2015 as against Rs. 34,133 crores as on 31<sup>st</sup> March, 2014, a growth of 8%. The Company continued to broad base its consortium of lenders by bringing in new banks, mutual funds, insurance companies and Trusts. During this period, India Ratings and Brickworks Ratings upgraded the Company's long term debt rating to "AAA". CARE Ratings also assigned a "AAA" rating to the Company's long term debt.

Mahindra Lifespace Developers Limited (MLDL), the Group's subsidiary in the business of real estate and infrastructure registered a consolidated operating income of Rs. 1,086 crores as compared to Rs. 705 crores in the previous year. The consolidated profit after tax after minority interest for the year is Rs. 266 crores as compared to Rs. 101 crores in the previous year.

Ssyangyong Motors (SYMC), the Korean Subsidiary of the Company has reported consolidated revenues of Rs. 18,316 crores in the current fiscal year as compared to Rs. 20,303 crores in the previous year. The consolidated loss for the year is Rs. 721 crores as compared to a profit of Rs. 88 crores in the previous year. The export volumes reduced by 23.5% primarily due to lower exports to Russia and East Europe and the depreciated ruble. The company was also impacted by the increase in wage costs arising from Supreme Court guideline in Korea.

SYMC domestic (Korea) volumes grew by 8.7% which was better than the industry growth of 7.6%. The company's domestic performance got a further boost with the launch of the Tivoli in January 2015 which has garnered a market share of 55% in B segment SUVs in the launch quarter.

SYMC is working on improving its profitability, which will strengthen its financial condition.

*"We are only as strong as we are united and as weak as we are divided" – J.K. Rowling*

## Segment Results (before exceptional item)

The results achieved by major business segments of the Group are given below:

(Rs. Crores)

	Segments	F-2015	F-2014
1.	Automotive	1,319	2,358
2.	Farm Equipment	1,968	2,480
3.	Financial Services	1,394	1,461
4.	Steel Trading & Processing	106	95
5.	Infrastructure	448	161
6.	Hospitality	92	121
7.	IT Services	46	30
8.	Systech	(114)	(27)
9.	Others	(618)	(503)
10.	Eliminations	(24)	2
	<b>Total</b>	<b>4,617</b>	<b>6,178</b>

## Disclaimer

Certain statements in the Management Discussion and Analysis describing the Company's objectives, projections, estimates, expectations or predictions may be "forward-looking statements" within the meaning of applicable securities laws and regulations. Actual results could differ from those expressed or implied. Important factors that could make a difference to the Company's operations include raw material availability and prices, cyclical demand and pricing in the Company's principal markets, changes in Government regulations, tax regimes, economic developments within India and the countries in which the Company conducts business and other incidental factors.

*"The test of success is not what you do when you are on top. Success is how high you bounce when you hit the bottom" – George S. Patton*



CORPORATE  
GOVERNANCE



## Corporate Governance

Your Company's Governance processes and practices, ensure that the interest of all stakeholders are taken into account in a balanced and transparent manner and are firmly embedded into the culture and ethos of the organisation.

Your Company continues to strengthen its principles of transparency, fairness and accountability to generate long term value for its stakeholders on a continuous and sustainable basis thus ensuring ethical and responsible leadership both at the Board and at the Management levels.

A Report on compliance with the Code of Corporate Governance as prescribed by the Securities and Exchange Board of India (SEBI) and incorporated in the Listing Agreement of the Stock Exchanges is given below.

### I. BOARD OF DIRECTORS

The composition of the Board of your Company is in conformity with Clause 49 of the Listing Agreement, as amended from time to time. The Chairman & Managing Director of the Company, though a Professional Director in his individual capacity, is a Promoter and the number of Non-Executive Independent Directors is more than one-half of the total number of Directors.

Mr. Anand G. Mahindra, Chairman & Managing Director and Dr. Pawan Goenka, Executive Director are the Whole-time Directors of your Company. The remaining Non-Executive Directors, comprising of seven Independent Directors and two Non-Independent Directors as on 31<sup>st</sup> March, 2015 possess the requisite qualifications and experience in general corporate management, finance, banking, insurance, economics and other allied fields which enable them to contribute effectively to the Company in their capacity as Directors of the Company.

The Board of Directors at its Meeting held on 30<sup>th</sup> May, 2014 had appointed Mr. M. M. Murugappan, Mr. Deepak S. Parekh, Mr. Nadir B. Godrej, Mr. R. K. Kulkarni, Mr. Anupam Puri, Dr. Vishakha N. Desai and Mr. Vikram Singh Mehta as Independent Directors, based on the recommendation of the Governance, Nomination and Remuneration Committee. The Members of the Company at the Annual General Meeting held on 8<sup>th</sup> August, 2014 appointed Mr. R. K. Kulkarni, Mr. Anupam Puri, Dr. Vishakha N. Desai and Mr. Vikram

Singh Mehta as Independent Directors for a period of 5 consecutive years commencing from 8<sup>th</sup> August, 2014, Mr. M. M. Murugappan and Mr. Nadir B. Godrej as Independent Directors for a period of 4 consecutive years commencing from 8<sup>th</sup> August, 2014 and Mr. Deepak S. Parekh as Independent Director for a period of 3 consecutive years commencing from 8<sup>th</sup> August, 2014.

As mentioned in the previous Annual Report, Mr. Narayanan Vaghul and Mr. A. K. Nanda did not seek re-appointment and accordingly ceased to be Directors upon expiry of their term at the 68<sup>th</sup> Annual General Meeting held on 8<sup>th</sup> August, 2014.

Mr. Bharat Doshi, Non-Executive Director has conveyed his desire to relinquish his position as a Director of the Company with effect from the conclusion of the forthcoming Annual General Meeting scheduled to be held on 7<sup>th</sup> August, 2015.

The Board acceded to his request and placed on record its deep appreciation of the invaluable counsel rendered by Mr. Bharat Doshi to the Company during his tenure as a Director of the Company.

Apart from reimbursement of expenses incurred in the discharge of their duties, the remuneration that these Directors were entitled to under the Companies Act, 2013 as Non-Executive Directors and the remuneration that a Director may receive for professional services rendered to the Company through a firm in which he is a partner, none of these Directors have any material pecuniary relationship with the Company, its subsidiary or associate company or their Promoters, or Directors, during the two immediately preceding financial years or during the current financial year which in their judgment would affect their independence. None of the Directors of the Company are inter-se related to each other.

Professional fees for the year under review to Khaitan & Co., Advocates & Solicitors, in which Mr. R. K. Kulkarni, Non-Executive and Independent Director is a partner, amounted to Rs. 418.24 lakhs (including out of pocket expenses).

The Senior Management of the Company have made disclosures to the Board confirming that there are no material financial and commercial transactions between them and the Company which could have potential conflict with the interest of the Company at large.

## A. Composition of the Board

The Board comprises of eleven Directors as on 31<sup>st</sup> March, 2015. The names and categories of Directors, the number of Directorships and Committee positions held by them in the companies are given below. None of the Directors is a Director in more than 10 Public Limited Companies or acts as an Independent Director in more than 7 Listed Companies and 3 listed Companies in case he/she serves as a Whole Time Director in any listed company. Further, none of the Directors on the Board is a Member of more than 10 Committees and Chairman of more than 5 Committees (as specified in Clause 49 of the Listing Agreement), across all the companies in which he/she is a Director.

Directors	Category	Directors' Identification Number	Total Number of Directorships of public companies*, Committee Chairmanships and Memberships as on 31 <sup>st</sup> March, 2015		
			Directorships\$	Committee Chairmanships+	Committee Memberships+
<b>NON-EXECUTIVE</b>					
Mr. Deepak S. Parekh	Independent	00009078	9	2	3
Mr. Nadir B. Godrej	Independent	00066195	10	1	2
Mr. M. M. Murugappan	Independent	00170478	9	4	4
Mr. Bharat Doshi	Non-Independent	00012541	6	1	2
Mr. A. K. Nanda@	Non-Independent	00010029	–	–	–
Mr. Narayanan Vaghul@	Independent	00002014	–	–	–
Mr. R. K. Kulkarni	Independent	00059367	7	3	5
Mr. Anupam Puri	Independent	00209113	4	–	2
Dr. Vishakha N. Desai	Independent	05292671	1	–	1
Mr. Vikram Singh Mehta	Independent	00041197	9	–	1
Mr. S. B. Mainak (Nominee of LIC)	Non-Independent	02531129	6	–	–
<b>EXECUTIVE</b>					
Mr. Anand G. Mahindra (Chairman & Managing Director)	Promoter	00004695	6	–	1
Dr. Pawan Goenka (Executive Director)	Non-Independent	00254502	7	–	–

\* Excludes private limited companies, foreign companies, companies registered under section 8 of the Companies Act, 2013 and Government Bodies.

\$ Excludes Alternate Directorships, but includes Additional Directorships and also Directorship in Mahindra & Mahindra Limited.

+ Committees considered are Audit Committee and Stakeholders Relationship Committee, including that of Mahindra & Mahindra Limited. Committee Membership(s) and Chairmanship(s) are counted separately.

@ Ceased to be a Director with effect from the conclusion of the Annual General Meeting held on 8<sup>th</sup> August, 2014.

## B. Board Procedure

A detailed Agenda folder is sent to the Directors in advance of the Board Meetings and of the Committee Meetings and also uploaded on the Board Portal to provide web-based solution that acts as a document repository. The agenda items are supported by relevant information and documents. To enable the Board to discharge its responsibilities effectively and take informed decisions, the Chairman & Managing Director apprises the Board at every Meeting of the overall performance of the Company, followed by Presentations by the concerned Sector President(s). A detailed functional Report is also presented at the Board Meeting(s).

The Board also, inter alia, periodically reviews strategy and business plans, annual operating and capital expenditure budget(s), investment and exposure limit(s), compliance report(s) of all laws applicable to the Company, as well as steps taken by your Company to rectify instances of non-compliances, review of major legal issues, minutes of the Board Meetings of your Company's subsidiary companies, significant transactions and arrangements entered into by the unlisted subsidiary companies, approval of quarterly/half-yearly/annual results, significant labour problems and their proposed solutions, safety and risk management, transactions pertaining to purchase/disposal of property(ies), major accounting provisions and write-offs, corporate restructuring, details of any joint ventures or collaboration agreement, any material default in financial obligations, fatal or serious accidents, dangerous occurrences, any material effluent or

pollution problems, transactions that involve substantial payment towards goodwill, brand equity or intellectual property, any issue that involves possible public or product liability claims of substantial nature, including judgement or order which may have passed strictures on the conduct of the Company, quarterly details of foreign exchange exposures and the steps taken by Management to limit the risks of adverse exchange rate movement, Minutes of Meetings of the Audit and other Committees of the Board and information on recruitment of Senior Officers just below the Board level, including appointment or removal of Chief Financial Officer (CFO) and the Company Secretary.

The Board oversees the actions and results of the management to ensure that the long term objectives of enhancing stakeholders' value are met.

## C. Number of Board Meetings, Attendance of the Directors at Meetings of the Board and at the Annual General Meeting

During the year 1<sup>st</sup> April, 2014 to 31<sup>st</sup> March, 2015, five Board Meetings were held on the following dates – 30<sup>th</sup> May, 2014, 8<sup>th</sup> August, 2014, 31<sup>st</sup> October, 2014, 13<sup>th</sup> February, 2015 and 26<sup>th</sup> March, 2015. The gap between two Meetings did not exceed one hundred and twenty days. These Meetings were well attended. The 68<sup>th</sup> Annual General Meeting (AGM) of the Company was held on 8<sup>th</sup> August, 2014.

The attendance of the Directors at these Meetings was as under:

Directors	Number of Board Meetings attended	Attendance at the AGM
Mr. Anand G. Mahindra	4 <sup>#</sup>	Yes
Dr. Pawan Goenka	5	Yes
Mr. Deepak S. Parekh	5	Yes
Mr. Nadir B. Godrej	5	Yes
Mr. M. M. Murugappan	5	Yes
Mr. Bharat Doshi	5	Yes
Mr. A. K. Nanda@	2	Yes
Mr. Narayanan Vaghul@	2	No
Mr. R. K. Kulkarni	5	Yes
Mr. Anupam Puri	3 <sup>#</sup>	Yes
Dr. Vishakha N. Desai	4	Yes
Mr. Vikram Singh Mehta	5	Yes
Mr. S. B. Mainak	4	Yes

@ Ceased to be a Director with effect from the conclusion of the Annual General Meeting held on 8<sup>th</sup> August, 2014.

# In addition, Mr. Anand G. Mahindra and Mr. Anupam Puri participated in one Board Meeting through audio call. No sitting fees were paid to the Directors for participation through audio call.

#### **D. Meetings of Independent Directors**

The Independent Directors of the Company meet before the Board Meetings without the presence of the Chairman and Managing Director or Executive Director or other Non-Independent Directors or Chief Financial Officer or any other Management Personnel.

These Meetings are conducted in an informal and flexible manner to enable the Independent Directors to inter alia discuss matters pertaining to review of performance of Non-Independent Directors and the Board as a whole, review the performance of the Chairman of the Company (taking into account the views of the Executive and Non-Executive Directors), assess the quality, quantity and timeliness of flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

Five Meetings of Independent Directors were held during the year.

#### **E. Directors seeking Appointment/Re-appointment**

Mr. Anand G. Mahindra, the Chairman & Managing Director of the Company is liable to retire by rotation and being eligible for re-appointment at the forthcoming Annual General Meeting of the Company has offered himself for re-appointment.

Mr. Mahindra graduated with Honours (Magna cum laude) from Harvard College, Cambridge, Massachusetts, in 1977. In 1981, he secured an MBA degree from the Harvard Business School, Boston, Massachusetts. He returned to India that year and joined Mahindra Ugine Steel Company Limited (MUSCO), the country's foremost producer of specialty steels, as Executive Assistant to the Finance Director. In 1989 he was appointed President and Deputy Managing Director of MUSCO.

During his stint at MUSCO, he initiated the Mahindra Group's diversification into the new business areas of real estate development and hospitality management.

In the summer of 1991, he was appointed Deputy Managing Director of Mahindra & Mahindra Limited, the country's dominant producer of off-road vehicles and agricultural tractors. He initiated a comprehensive change programme in Mahindra & Mahindra Limited to make the Company an efficient and aggressive competitor in the new liberalised economic environment in India.

In April, 1997, he was appointed Managing Director of Mahindra & Mahindra Limited, and in January, 2001 given the additional responsibility of Vice Chairman. He was appointed as Chairman and designated as Chairman & Managing Director with effect from the conclusion of the 66<sup>th</sup> AGM of the Company held on 8<sup>th</sup> August, 2012.

During his tenure, the Company has also grown inorganically, seizing opportunities across the globe. Recent acquisitions include Ssangyong Motors, Reva Electric Car Company, Satyam Computer Services, Aerostaff Australia, Gippsland Aeronautics among others.

#### **Industry Participant**

Mr. Mahindra is the co-founder of the Harvard Business School Association of India, an association dedicated to the promotion of professional management in India.

He was a co-promoter of Kotak Mahindra Finance Limited, which in 2003 was converted into a bank. Kotak Mahindra is one of the foremost private sector bank today.

As a leading industry figure, he has served as President of the Confederation of Indian Industry in 2003-04 and has also been President of the Automotive Research Association of India (ARAI). He also served on the Boards of the National Stock Exchange of India and the National Council of Applied Economic Research, and as a Member of the Council of Scientific & Industrial Research.

#### **Recognition**

Mr. Mahindra continues to receive several honours, a few of which are:

- 'Knight of the Order of Merit' by the President of the French Republic.
- Rajiv Gandhi Award 2004 for outstanding contribution in the business field.
- 2005 Leadership Award from the American India Foundation for his, and the Mahindra Group's commitment to corporate social responsibility.
- CNBC Asia Business Leader Award for the year 2006.
- The Most Inspiring Corporate Leader of the Year 2007 from NDTV Profit.
- Business Man of the Year 2007 from Business India.
- Harvard Business School Alumni Achievement Award 2008.
- National Statesman for Excellence in Business Practices – Qimpro Platinum Standard 2008 Award by Qimpro Foundation.

- CNBC TV18 Outstanding Business Leader of the Year 2009.
- Business Leader of the Year 2009 by Economic Times.
- Ernst & Young Entrepreneur of the Year India Award for 2009.
- Indian of the Year Award 2009 by NDTV.
- IMC Juran Quality Medal 2010 by IMC Ramkrishna Bajaj National Quality Award Trust.
- Featured in Asia's 25 most powerful business people of 2011 by Fortune magazine.
- Lloyds Banking Group Business Leader of the Year Award at The Asian Awards 2011.
- JRD Tata Corporate Leadership Award 2011 from the All India Management Association.
- Global Leadership Award June 2012 by the US-India Business Council.
- Business Courage Award 2012 by Asia Business Leadership Forum.
- Best Transformational Leader Award 2012 by the Asian Centre For Corporate Governance & Sustainability.
- Business Leader of the Year 2012 by NDTV.
- 'Special Recognition for Creating a True Global Indian MNC' at India's Best Market Analyst Award 2013 by Zee Business.
- Forbes India Leadership Awards 2013 'Entrepreneur for the Year'.
- Sustainable Development Leadership Award 2014 from The Energy and Resources Institute (TERI).
- First Indian recipient of the Harvard Medal 2014 by the Harvard Alumni Association given for extraordinary service to Harvard University.
- Knighted as 'Grand Officer of the Order of the Star of Italy,' which is a civilian award of State, conferred by the President of Italy for achieving extraordinary results in the promotion of bilateral relations between Italy and India.

Mr. Mahindra is the Chairman of Mahindra & Mahindra Limited, Tech Mahindra Limited, Mahindra First Choice Wheels Limited and Mahindra Two Wheelers Limited. He is on the Boards of several companies viz. Mahindra Holdings Limited, Prudential Management & Services Private Limited, Naandi Community Water Services Private Limited, Araku Originals Limited, Tech Mahindra Foundation, Avion Aerosols Private Limited, The Mahindra United World College of India, Breach Candy Hospital Trust, Prana Holdings Inc. and US-India Business Council.

Mr. Mahindra is a Member of the following Board Committees:

Sr. No.	Name of the Company	Name of the Committee	Position held
1.	Mahindra & Mahindra Limited	Stakeholders Relationship Committee	Member
		Research & Development Committee	Member
		Loans & Investment Committee	Chairman
		Committee of Directors to consider sale of assets of the Company	Member
		Strategic Investment Committee	Chairman
2.	Mahindra Two Wheelers Limited	Remuneration Committee	Member

Mr. Anand G. Mahindra holds 7,15,004 Ordinary (Equity) Shares in the Company.

## F. Codes of Conduct

The Board has laid down two separate Codes of Conduct ("Codes"), one for all the Board Members and the other for Senior Management and Employees of the Company. These Codes have been posted on the Company's website <http://www.mahindra.com/Investors/Mahindra-and-Mahindra/Governance>. All the Board Members and Senior Management Personnel have affirmed compliance with these Codes. A declaration signed by the Chairman & Managing Director to this effect is enclosed at the end of this Report.

The Code of Conduct for the Board Members of the Company has been amended in line with the provisions of the Companies Act, 2013, which includes Code for Independent Directors, which is a guide to professional conduct for Independent Directors of the Company pursuant to section 149(8) and Schedule IV of the Companies Act, 2013.

## G. CEO/CFO Certification

As required under Clause 49 IX of the Listing Agreement, the Chairman & Managing Director and Group CFO, Group CIO & President (Group Finance and M&A) of the Company have certified to the Board regarding the Financial Statements for the year ended 31<sup>st</sup> March, 2015.

## H. Board Evaluation

Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Board has carried out an annual evaluation of its own performance and that of its Committees as well as performance of the Directors individually. Feedback was sought by way of a structured questionnaire covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance and the evaluation was carried out based on responses received from the Directors.

A separate exercise was carried out by the Governance, Nomination and Remuneration Committee of the Board to evaluate the performance of individual Directors. The performance evaluation of the Non-Independent Directors and the Board as a whole was carried out by the Independent Directors. The performance evaluation of the Chairman of the Company was also carried out by the Independent Directors, taking into account the views of the Executive Director and Non-Executive Directors. The Directors expressed their satisfaction with the evaluation process.

## I. Familiarisation Programme for Independent Directors

The details of programs for familiarisation of the Independent Directors with the Company, their roles, rights, responsibility in the Company, nature of the industry in which the Company operates, business model of the Company and related matters are available on the website of the Company at the Web link: <http://www.mahindra.com/Investors/Mahindra-and-Mahindra/Governance>

## II. REMUNERATION TO DIRECTORS

### A. Remuneration Policy

In line with the principles of transparency and consistency, the Company has adopted a Policy for Remuneration of Directors, Key Managerial Personnel and other employees, which has been approved by the Board of the Company at its Meeting held on 31<sup>st</sup> October, 2014, based on the recommendations made by the Governance, Nomination and Remuneration Committee. The Policy is furnished in Annexure IV-B to the Directors Report.

## B. Remuneration to Non-Executive Directors for the year ended 31<sup>st</sup> March, 2015

The eligible Non-Executive Directors are paid commission upto a maximum of 1% of the net profits of the Company as specifically computed for this purpose.

During the year under review, the Non-Executive Directors were paid a commission of Rs. 221.07 lakhs (provided in the accounts for the year ended 31<sup>st</sup> March, 2014), distributed amongst the Directors as under:

(Rs. in Lakhs)

Directors	Commission for the year ended 31 <sup>st</sup> March, 2014, paid during the year under review
Mr. Deepak S. Parekh	24.00
Mr. Nadir B. Godrej	20.00
Mr. M. M. Murugappan	22.52
Mr. Bharat Doshi	7.56
Mr. A. K. Nanda@	24.00
Mr. Narayanan Vaghul@	24.00
Mr. R. K. Kulkarni	20.00*
Mr. Anupam Puri	20.00
Mr. S. B. Mainak^ (Nominee of LIC)	6.85#
Mr. Vikram Singh Mehta	20.00
Dr. Vishakha N. Desai	20.00
Dr. A. S. Ganguly \$	8.88
Mrs. D. Vijayalakshmi ^^ (Nominee of LIC)	3.25#

@ Ceased to be a Director with effect from the conclusion of the Annual General Meeting held on 8<sup>th</sup> August, 2014.

\* The commission was paid to Khaitan & Co., in which Mr. R. K. Kulkarni is a Partner.

# The commission was paid to LIC.

\$ Ceased to be Director with effect from 13<sup>th</sup> August, 2013.

^ Appointed as Director with effect from 13<sup>th</sup> November, 2013.

^^ Appointed as an Additional Director with effect from 25<sup>th</sup> October, 2012 and resigned with effect from 5<sup>th</sup> June, 2013.

A commission of Rs. 207.33 lakhs has been provided as payable to the Non-Executive Directors in the accounts for the year under review. Non-Executive Directors are also paid sitting fees which was increased during the year to Rs. 1,00,000 each for every Meeting of the Board, Rs. 50,000 each for every Committee Meeting other than Stakeholders Relationship Committee. The sitting fees for every Meeting of Stakeholders Relationship Committee is Rs. 10,000 each for Non-Executive Director.

The sitting fees paid to Non-Executive Directors and the commission payable to them for the year ended 31<sup>st</sup> March, 2015 along with their respective Shareholding in the Company are as under:

Directors	Sitting Fees paid for the Board and Committee Meetings held during the year ended 31 <sup>st</sup> March, 2015 (Rs. in Lakhs)	Commission for the year ended 31 <sup>st</sup> March, 2015, provided as payable in the accounts of the Company for the year under review (Rs. in Lakhs)	No. of Ordinary (Equity) Shares held as on 31 <sup>st</sup> March, 2015
Mr. Deepak S. Parekh	8.90	24.00	1,12,180
Mr. Nadir B. Godrej	12.80	20.00	4,28,019
Mr. M. M. Murugappan	10.10	24.00	1,00,000
Mr. Bharat Doshi§	13.50	20.00	6,09,724
Mr. A. K. Nanda@§	3.20	8.55	N.A.
Mr. Narayanan Vaghul@	2.70	8.55	N.A.
Mr. R. K. Kulkarni	13.10*	22.58	83,088
Mr. Anupam Puri	4.50	20.00	Nil
Mr. S. B. Mainak (Nominee of LIC)	4.00**	18.00	Nil
Dr. Vishakha N. Desai	4.90	21.65	Nil
Mr. Vikram Singh Mehta	10.20	20.00	Nil

@ Ceased to be a Director with effect from the conclusion of the Annual General Meeting held on 8<sup>th</sup> August, 2014.

\* Sitting fees were paid to Khaitan & Co., in which Mr. R. K. Kulkarni is a Partner.

\*\* Sitting fees were paid to LIC.

§ Details of value of perquisites are given in Annexure VII to the Directors' Report.

Details of the Options granted to the Non-Executive Directors including the vesting and exercise period, exercise price and discount are given in Annexure II to the Directors' Report.

### C. Remuneration paid/payable to Managing Director and Executive Director (Whole-time Directors) for the year ended 31<sup>st</sup> March, 2015

Remuneration to Whole-time Directors is fixed by the Governance, Nomination and Remuneration Committee which is subsequently approved by the Board of Directors and Shareholders at a General Meeting.

Following is the remuneration paid/payable to the Whole-time Directors during the year ended 31<sup>st</sup> March, 2015:

Directors	(Rs. in Lakhs)					Contract Period	No. of Options granted in***						
	Salary*	Commission	Company's Contribution to Funds**	Perquisites and Allowances	Total		December, 2001	June, 2005	October, 2005	September, 2006	July, 2007	August, 2008	January, 2011
Mr. Anand G. Mahindra (Chairman & Managing Director)	143.53	280.03	37.66	136.96	598.18	4 <sup>th</sup> April, 2012 to 3 <sup>rd</sup> April, 2017	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Dr. Pawan Goenka (Executive Director)	141.43	245.81	37.11	613.45§	1037.80	23 <sup>rd</sup> September, 2013 to 22 <sup>nd</sup> September, 2018	25,290	7,500	15,000	11,345	12,543	37,336	71,080

\* Includes Privilege Leave Encashment.

\*\* Aggregate of the Company's contributions to Superannuation Fund and Provident Fund.

\*\*\* Details of the Options granted including the vesting and exercise period, exercise price and discount are given in Annexure II to the Directors' Report.

§ This includes Rs. 440.36 Lakhs being perquisite value of ESOPs of the Company exercised during the year.

Notes:

- Notice period applicable to each of the Whole-time Directors is six months.
- Employee Stock Options and Commission are the only components of remuneration that are performance-linked. All other components are fixed.

### III. RISK MANAGEMENT

Your Company has a well-defined risk management framework in place. The risk management framework works at various levels across the enterprise. These levels form the strategic defence cover of the Company's risk management. The Company has a robust Organisational structure for managing and reporting on risks.

Your Company has constituted a Risk Management Committee of the Board which is authorised to monitor and review risk management plan and risk certificate. The Committee is also empowered, inter alia, to review and recommend to the Board the modifications to the Risk Management Policy. Further, the Board has constituted a Corporate Risk Council comprising the Senior Executives of the Company. The terms of reference of the Council comprises review of risks and Risk Management Policy on periodic intervals.

The Board has approved the modifications to the Risk Management Policy which are made with the intention of increasing the spectrum and reach of the risk management processes across the Company. The Risk Management Policy, inter alia, includes identification therein of elements of risk, including those that may threaten the existence of the Company. Risk management process has been established across the organisation and is designed to identify, assess and frame a response to threats that affect the achievement of its objectives. Further, it is embedded across all the major functions and revolves around the goals and objectives of the organisation.

### IV. COMMITTEES OF THE BOARD

#### A. Audit Committee

This Committee comprises of the following Directors viz. Mr. Deepak S. Parekh (Chairman of the Committee), Mr. Nadir B. Godrej, Mr. M. M. Murugappan, Mr. R. K. Kulkarni and Mr. Bharat Doshi. Except Mr. Bharat Doshi, all the Directors are Independent Directors. All the Members of the Committee possess strong accounting and financial management knowledge. The Company Secretary is the Secretary to the Committee.

The terms of reference of this Committee are very wide and are in line with the regulatory requirements mandated by the Companies Act, 2013 and Clause 49 of the Listing Agreement. Besides having access to all the required information from within the Company, the Committee can

obtain external professional advice whenever required. The Committee acts as a link between the Statutory and the Internal Auditors and the Board of Directors of the Company. It is authorised to, inter alia, review and monitor the Auditor's independence and performance, effectiveness of audit process, oversight of the Company's financial reporting process and the disclosure of its financial information, review with the management, the quarterly and annual financial statements and auditor's report before submission to the Board for approval, examine the financial statement and the auditors' report, select and establish accounting policies, review Reports of the Statutory and the Internal Auditors and meet with them to discuss their findings, suggestions and other related matters, approve (wherever necessary) transactions of the Company with related parties including subsequent modifications thereof, grant omnibus approvals for related party transactions subject to fulfilment of certain conditions, scrutinise inter-corporate loans and investments, valuation of undertakings or assets of the Company, review the risk assessment and minimisation procedures, evaluate internal financial controls and risk management systems, monitor end use of the funds raised through public offers and related matters, etc.

The Committee is also empowered to, inter alia, review the remuneration payable to the Statutory Auditors and to recommend a change in the Auditors, if felt necessary. Further, the Committee is also empowered to recommend to the Board the appointment and remuneration of the Cost Auditor & CFO and review the functioning of the Whistle Blower Policy/Vigil Mechanism. The Committee also reviews Financial Statements and investments of unlisted subsidiary companies, Management Discussion & Analysis of financial condition and results of operations, material individual transactions with related parties not in normal course of business or which are not on an arm's length basis, if any. Generally all items listed in Clause 49 III (D) of the Listing Agreement are covered in the terms of reference. The Audit Committee has been granted powers as prescribed under Clause 49 III (C) and reviews all the information as prescribed in Clause 49 III (E) of the Listing Agreement. The Meetings of the Audit Committee are also attended by the Chairman & Managing Director; the Executive Director – Mahindra & Mahindra & Group President (Auto and Farm Sector); Group

CFO, Group CIO & President (Group Finance and M&A); the President (Group M&A, Corporate Accounts & Group Secretarial); the Executive Vice President – Corporate Finance & Investor Relations; the Statutory Auditors; the Chief Internal Auditor; Contoller of Accounts; Managing Partner-Mahindra Partners & President (Group Legal) and the Company Secretary. The Cost Auditor also attends the Committee Meeting at which the Cost Audit Report(s) are considered. The Chairman of the Audit Committee, Mr. Deepak S. Parekh was present at the 68<sup>th</sup> Annual General Meeting of the Company held on 8<sup>th</sup> August, 2014 to address the Shareholders' queries pertaining to Annual Accounts of the Company.

The Committee met five times during the year under review. The Committee Meetings were held on the following dates: 29<sup>th</sup> May, 2014, 7<sup>th</sup> August, 2014, 30<sup>th</sup> October, 2014, 12<sup>th</sup> February, 2015 and 26<sup>th</sup> March, 2015. The gap between two Meetings did not exceed four months. The attendance at the Meetings was as under:

Members	Number of Meetings attended
Mr. Deepak S. Parekh (Chairman)	4
Mr. Nadir B. Godrej	5
Mr. M. M. Murugappan	4
Mr. R. K. Kulkarni	5
Mr. Bharat Doshi	5

## B. Governance, Nomination and Remuneration Committee

The Governance, Nomination and Remuneration Committee has been vested with the authority to, inter alia, recommend nominations for Board Membership, develop and recommend policies with respect to composition of the Board commensurate with the size, nature of the business and operations of the Company, establish criteria for selection to the Board with respect to the competencies, qualifications, experience, track record, integrity, establish Director retirement policies and appropriate succession plans and determine overall compensation policies of the Company.

The Committee also administers the Company's ESOP Schemes formulated from time to time including "Mahindra & Mahindra

Limited Employees' Stock Option Scheme - 2000", "Mahindra & Mahindra Limited Employees Stock Option Scheme - 2010" and take appropriate decisions in terms of the concerned Scheme(s).

The scope of the Committee also includes review of market practices and decide on remuneration packages applicable to the Chairman & Managing Director, the Executive Director(s), Presidents, etc., lay down performance parameters for the Chairman & Managing Director, the Executive Director(s), Presidents, etc. and review the same.

In addition to the above, the Committee would identify persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall carry out evaluation of every Director's performance.

The Committee also formulates the criteria for determining qualifications, positive attributes and independence of a Director and recommends to the Board formulation of a policy relating to the remuneration for the Directors, Key Managerial Personnel and other Employees.

The Committee is also empowered to opine, in respect of the services rendered by a Director in professional capacity, whether such Director possesses requisite qualification for the practice of the profession.

All Committee members are Independent Directors including the Chairman. As per section 178(7) of the Companies Act, 2013, the Chairman of the Committee or, in his absence, any other Member of the Committee authorised by him in this behalf shall attend the General Meetings of the Company.

Consequent to cessation as a Director in the Company, Mr. Narayanan Vaghul has ceased to be a Member and the Chairman of the Committee. Mr. M. M. Murugappan has been appointed as the Chairman of the Committee. Mr. Nadir B. Godrej, Mr. R. K. Kulkarni and Mr. Vikram Singh Mehta are the other Members of the Committee. Mr. Anand G. Mahindra and Mr. Rajeev Dubey, Group President (HR & Corporate Services)& CEO (After-Market Sector) are permanent invitees to the Committee.

The Committee met five times during the year under review. The Committee Meetings were held on the following dates: 29<sup>th</sup> May, 2014, 7<sup>th</sup> August, 2014, 31<sup>st</sup> October, 2014,

13<sup>th</sup> February, 2015 and 26<sup>th</sup> March, 2015. The attendance at the Meetings was as under:

Members	Number of Meetings attended
Mr. Narayanan Vaghul @	2
Mr. Nadir B. Godrej	5
Mr. M. M. Murugappan +	5
Mr. R. K. Kulkarni	5
Mr. Vikram Singh Mehta ^	3

@ Ceased to be the Chairman and Member with effect from the conclusion of the Annual General Meeting held on 8<sup>th</sup> August, 2014.

+ Appointed as the Chairman of the Committee with effect from 8<sup>th</sup> August, 2014.

^ Inducted as Member with effect from 8<sup>th</sup> August, 2014.

### C. Stakeholders Relationship Committee

The Company's Stakeholders Relationship Committee functions under the Chairmanship of Mr. R. K. Kulkarni, Independent Director. Mr. Anand G. Mahindra, Mr. Bharat Doshi and Dr. Vishakha N. Desai are also the Members of the Committee. Mr. Narayan Shankar, Company Secretary is the Compliance Officer of the Company for the purpose of Listing Agreement.

The Committee meets, as and when required, to inter alia, deal with matters relating to transfer/transmission of shares, request for issue of duplicate share certificates and monitor redressal of the grievances of the security holders of the Company relating to transfers, non-receipt of Balance Sheet, non-receipt of dividends declared, etc. With a view to expedite the process of share transfers, necessary authority has been delegated to approve the transfers of not more than 10,000 Ordinary (Equity) Shares per transfer, provided the transferee does not hold 2,00,000 or more Ordinary (Equity) Shares in your Company. The Committee is also authorised to approve request for transmission of shares and issue of duplicate share certificates.

As per section 178(7) of the Companies Act, 2013, the Chairman of the Committee or, in his absence, any other Member of the Committee authorised by him in this behalf shall attend the General Meetings of the Company.

During the year under review Mr. A. K. Nanda ceased to be the Chairman and Member, Mr. R. K. Kulkarni was appointed as Chairman, and Dr. Vishakha N. Desai was appointed as Member of the Committee with effect from 8<sup>th</sup> August, 2014.

The Committee met five times during the year. The Committee Meetings were held on the following dates: 30<sup>th</sup> May, 2014, 11<sup>th</sup> July, 2014, 7<sup>th</sup> August, 2014, 31<sup>st</sup> October, 2014 and 13<sup>th</sup> February, 2015. The Meetings were well attended by its

Members. During the year, 14 complaints were received from the Shareholders, all of which have been attended to/resolved to date. As of date, there are no pending share transfers pertaining to the year under review. The attendance at the Meetings was as under:

Members	Number of Meetings attended
Mr. R. K. Kulkarni+	5
Mr. Anand G. Mahindra	4
Mr. Bharat Doshi	5
Dr. Vishakha N. Desai@	2
Mr. A. K. Nanda\$	3

+ Appointed as the Chairman of the Committee with effect from 8<sup>th</sup> August, 2014.

@ Appointed as a Member of the Committee with effect from 8<sup>th</sup> August, 2014.

\$ Ceased to be the Chairman and Member with effect from 8<sup>th</sup> August, 2014.

### D. Corporate Social Responsibility Committee

The Corporate Social Responsibility (CSR) Committee is a Committee constituted by the Board with powers, inter alia, to make donations/contributions to any Charitable and/or CSR projects or programs to be implemented directly or through an executing agency or other Not for Profit Agency with minimum three years proven track record or through a Corporate Foundation or other reputed Non-Governmental Organisation, up to an amount of two percent of the Company's average net profits during the three immediately preceding Financial Years in pursuance of its CSR Policy for the Company's Corporate Social Responsibility Initiatives.

Further, pursuant to Clause 55 of the Listing Agreement with the Stock Exchanges, the scope of functions of the Committee has been enlarged, inter alia, to formulate and recommend to the Board for its approval and implementation, the Business Responsibility (BR) Policy(ies) of the Company, undertake periodical assessment of the Company's BR performance, review the draft Business Responsibility Report and recommend the same to the Board for its approval and inclusion in the Annual Report of the Company.

Keeping in mind the provisions of the Companies Act, 2013, the role of this Committee also includes recommendation of the amount of expenditure to be incurred on the CSR activities as enumerated in Schedule VII of the Companies Act, 2013 and also referred to in the amended CSR Policy of the Company as also to monitor the CSR Policy from time to time, etc.

The CSR Policy for the Company as duly amended is displayed on the Company's website <http://www.mahindra.com>

During the year under review Mr. Anand G. Mahindra ceased to be the Chairman and Dr. Vishakha N. Desai was appointed as the Chairperson. Mr. A. K. Nanda ceased to be the Member of the Committee with effect from 8<sup>th</sup> August, 2014.

Dr. Vishakha N. Desai is the Chairperson of the Committee. Mr. Anand G. Mahindra, Dr. Pawan Goenka, Mr. Bharat Doshi, Mr. R. K. Kulkarni and Mr. Vikram Singh Mehta are the other Members of the Committee out of which three Directors are Independent. The Committee met thrice during the year. The Committee Meetings were held on the following dates: 29<sup>th</sup> May, 2014, 31<sup>st</sup> October, 2014 and 26<sup>th</sup> March, 2015. The attendance at the Meetings was as under:

Members	Number of Meetings attended
Dr. Vishakha N. Desai+	2
Mr. Anand G. Mahindra#	2
Dr. Pawan Goenka	3
Mr. Bharat Doshi	3
Mr. R. K. Kulkarni	3
Mr. Vikram Singh Mehta*	2
Mr. A. K. Nanda @	1

+ Appointed as the Chairperson of the Committee with effect from 31<sup>st</sup> October, 2014.

# Ceased to be the Chairman with effect from 31<sup>st</sup> October, 2014.

\* Appointed as a Member of the Committee with effect from 8<sup>th</sup> August, 2014.

@ Ceased to be a Member with effect from 8<sup>th</sup> August, 2014.

### E. Risk Management Committee

The revised Clause 49 mandates constitution of the Risk Management Committee. The Committee is required to lay down the procedures to inform to the Board about the risk assessment and minimisation procedures and the Board shall be responsible for framing, implementing and monitoring the Risk Management Plan of the Company. The Board has constituted a Risk Management Committee. The Committee is headed by Dr. Pawan Goenka. The other Members are Mr. Deepak S. Parekh, Mr. Nadir B. Godrej, Mr. M. M. Murugappan, Mr. R. K. Kulkarni and Mr. Bharat Doshi.

The Committee met on 12<sup>th</sup> February, 2015 which was attended by all of its Members.

### F. Research & Development Committee (a voluntary initiative of the Company)

The Research & Development (R&D) Committee, which was constituted by the Board in 1998, provides direction on the R&D mission and strategy and key R&D and technology issues. The Committee also reviews and makes recommendations on the skills and competencies required and the structure and the process needed to ensure that the R&D initiatives result in products that are in keeping with the business needs. Mr. M. M. Murugappan is the Chairman of the Committee. Mr. Anand G. Mahindra, Mr. Bharat Doshi, Dr. Pawan Goenka and Mr. Nadir B. Godrej are the other Members of the Committee. The Committee met twice during the year. All the Meetings were well attended by its Members.

### G. Strategic Investment Committee (a voluntary initiative of the Company)

The Strategic Investment Committee is constituted by the Board with powers, inter alia, to take up for evaluation and scrutinise significant investments/funding including but not limited to business acquisitions, reviewing and monitoring existing investments in Subsidiaries, Joint Ventures and other Group companies, oversee and review performance of various subsidiaries and make necessary recommendations to the Board from time to time including disinvestments. Mr. Anand G. Mahindra is the Chairman of the Committee. Mr. Bharat Doshi, Mr. Deepak S. Parekh, Mr. Nadir B. Godrej, Mr. Vikram Singh Mehta and Mr. Anupam Puri are the other Members of the Committee. The Committee met five times during the year. All the Meetings were well attended by its Members.

### H. Loans & Investment Committee (a voluntary initiative of the Company)

The Loans & Investment Committee approves of making of loans and investment, disinvestment, borrowing moneys and related aspects of fund management in accordance with the authority granted and the parameters prescribed by the Board with Mr. Anand G. Mahindra as the Chairman of the Committee and the other Members being Mr. Bharat Doshi, Dr. Pawan Goenka, Mr. R. K. Kulkarni and Mr. Vikram Singh Mehta. The Committee was reconstituted on 8<sup>th</sup> August, 2014. The Committee met three times during the year. All the Meetings were well attended by its Members.

## V. SUBSIDIARY COMPANIES

Clause 49 of the Listing Agreement defines a “material non-listed Indian subsidiary” as an unlisted subsidiary, incorporated in India, whose income or net worth (i.e. paid-up capital and free reserves) exceeds 20% of the consolidated income or net worth respectively, of the listed holding company and its subsidiaries in the immediately preceding accounting year.

Under this definition, the Company did not have any “material non-listed Indian subsidiary” during the year under review. The Subsidiaries of the Company function independently, with an adequately empowered Board of Directors and adequate resources. For more effective governance, the Minutes of Board Meetings of Subsidiaries of the Company are placed before the Board of Directors of the Company for their review at every quarterly Meeting.

## VI. DISCLOSURES

### A. Policy for determining ‘material’ subsidiaries

The Company has formulated a Policy for determining ‘material’ subsidiaries as defined in Clause 49 of the Listing Agreement. This Policy has been posted on the website of the Company at the Web link: <http://www.mahindra.com/Investors/Mahindra-and-Mahindra/Governance>

### B. Policy on Materiality of and Dealing with Related Party Transactions

The Company has formulated a policy on Materiality of and dealing with related party transactions which specify the manner of entering into related party transactions. This Policy has been posted on the website of the Company at the Web link: <http://www.mahindra.com/Investors/Mahindra-and-Mahindra/Governance>

### C. Disclosure of transactions with Related Parties

During the Financial Year 2014-15, there were no materially significant transactions or arrangements entered into between the Company and its Promoters, Directors or the Management, Subsidiaries or Relatives, etc. that may have potential conflict with the interests of the Company at large. Further, details of related party transactions are presented in Note Number 43 to Annual Accounts in the Annual Report.

### D. Disclosure of Accounting Treatment in preparation of Financial Statements

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) and comply with the Accounting Standards specified under section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014.

### E. Code for Prevention of Insider Trading Practices

The Company had instituted a comprehensive Code of Conduct for Prevention of Insider Trading for its Designated Employees, in compliance with Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992, as amended from time to time (the “old Regulations”). The Code lays down Guidelines, which advise them on procedures to be followed and disclosures to be made, while dealing with shares of the Company and cautions them of the consequences of violations.

The Securities and Exchange Board of India (SEBI) on 15<sup>th</sup> January, 2015 notified the SEBI (Prohibition of Insider Trading) Regulations, 2015 (the “new Regulations”) which have come into force from 15<sup>th</sup> May, 2015, thereby revamping the two-decade old Regulations. In accordance with the provisions of the new Regulations, the Company has formulated and adopted the ‘Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information’ and ‘Code of Conduct for Prevention of Insider Trading in Securities of Mahindra & Mahindra Limited’ (“M&M Code of Conduct”) at the Board Meeting held on 26<sup>th</sup> March, 2015. These Codes were also made effective from 15<sup>th</sup> May, 2015.

M&M Code of Conduct has been formulated to regulate, monitor and ensure reporting of trading by the Employees and Connected Persons designated on the basis of their functional role in the Company towards achieving compliance with the new Regulations and is designed to maintain the highest ethical standards of trading in Securities of the Company by persons to whom it is applicable.

### F. Whistle Blower Policy

The Vigil Mechanism as envisaged in the Companies Act, 2013 and the Rules prescribed thereunder and Listing Agreement is implemented through the Whistle Blower Policy to provide for adequate safeguards against victimization of persons who use such mechanism and make provision for direct access to the Chairperson of the Audit Committee.

As such the Whistle Blower Policy provides for protected disclosure and protection to the Whistle Blower. Under the Vigil Mechanism a person is provided access to The Chief Ethics Officer, the Chairperson of the Audit Committee, the Corporate Governance Cell and/or the Chairman of the Company. No personnel has been denied access to the Audit Committee. The Company's postal address is provided under the Policy for ease of access to persons intending to use the Whistle Blower framework. An email address: WhistleBlower@mahindra.com is also provided in the Whistle Blower Policy.

Whistle Blower Policy of the Company is available on the website of the Company at the Web link: <http://www.mahindra.com/Investors/Mahindra-and-Mahindra/Governance>

## VII.SHAREHOLDER INFORMATION

### 1. 69<sup>th</sup> Annual General Meeting

Date : 7<sup>th</sup> August, 2015  
 Time : 3:00 p.m.  
 Venue : Birla Matushri Sabhagar, 19, Sir Vithaldas Thackersey Marg (New Marine Lines), Mumbai - 400 020.

### 2. Date of Book Closure

Book Closure for Dividend will be from 18<sup>th</sup> July, 2015 to 7<sup>th</sup> August, 2015, both days inclusive.

### 3. Date of Dividend Payment

The Dividend would be paid/despached on or after 8<sup>th</sup> August, 2015.

### 4. Financial Year of the Company

The financial year covers the period from 1<sup>st</sup> April to 31<sup>st</sup> March.

Financial Reporting for:

Quarter ending

30<sup>th</sup> June, 2015 - Second week of August, 2015

Half-year ending

30<sup>th</sup> September, 2015 - Second week of November, 2015

Quarter ending

31<sup>st</sup> December, 2015 - Second week of February, 2016

Year ending

31<sup>st</sup> March, 2016 - End May, 2016

Note: The above dates are indicative.

### 5. Registered Office

Mahindra & Mahindra Limited  
 Gateway Building,  
 Apollo Bunder,  
 Mumbai - 400 001.

### 6. Listing of Ordinary (Equity) Shares and Debentures on Stock Exchanges

Your Company's Shares are listed on BSE Limited (BSE) and National Stock Exchange of India Limited (NSE). The Global Depository Receipts (GDRs) of your Company are listed on the Luxembourg Stock Exchange and are also admitted for trading on International Order Book (IOB) of the London Stock Exchange. The requisite listing fees have been paid in full to all these Stock Exchanges.

The Company's privately placed Non-Convertible Debentures of Rs. 500 crores are listed on the Debt Segment of BSE.

### 7A. Stock Codes

#### I Equity/GDRs

- |   |                |
|---|----------------|
| 1. BSE  | : 500520       |
| 2. NSE  | : M&M          |
| 3. Demat International Securities Identification Number (ISIN) for Ordinary (Equity) Shares | : INE101A01026 |
| 4. GDRs, Luxembourg Stock Exchange (ISIN)   | : USY541641194 |
| 5. London Stock Exchange  | : MHID         |

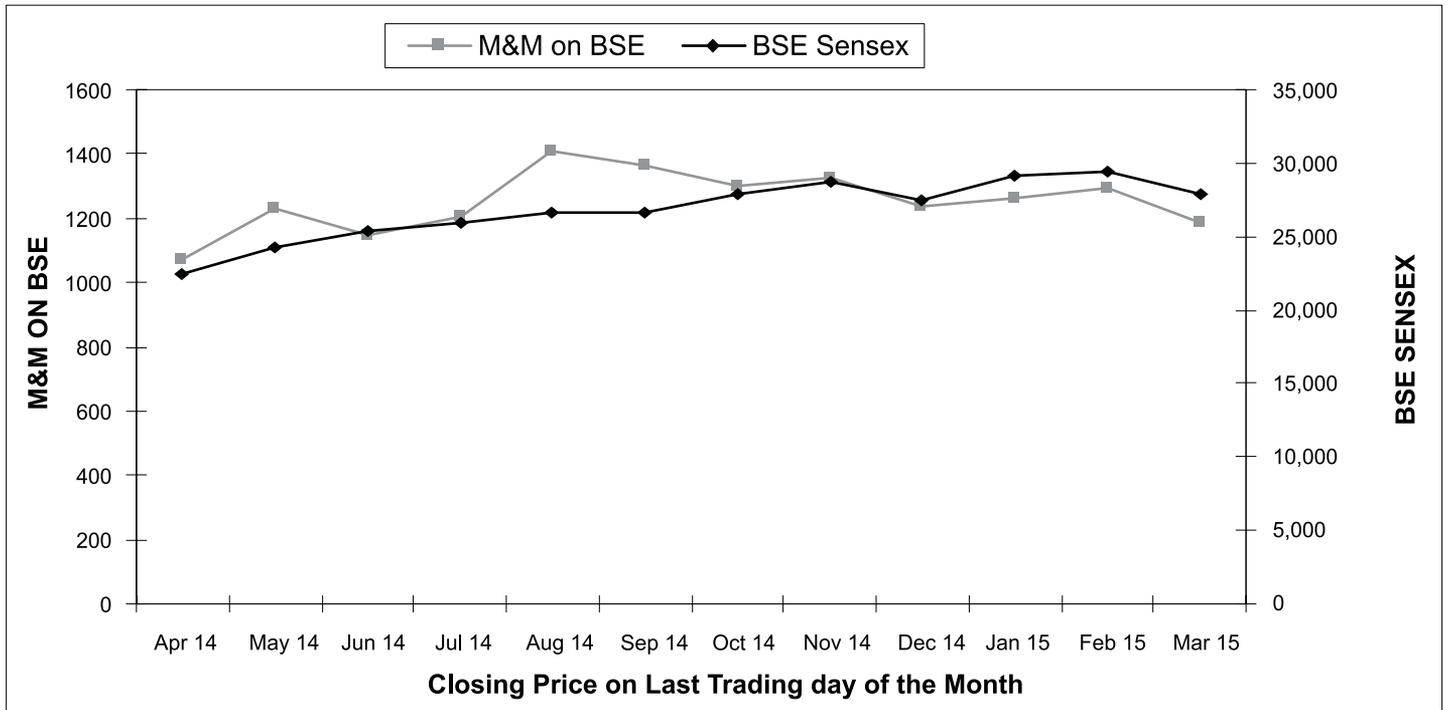
#### II Debentures

- |  |                |
|--|----------------|
| 1. BSE – Scrip Code  | : 949342       |
| Scrip ID   | : 955MML2063   |
| 2. Demat International Securities Identification Number (ISIN) | : INE101A08070 |

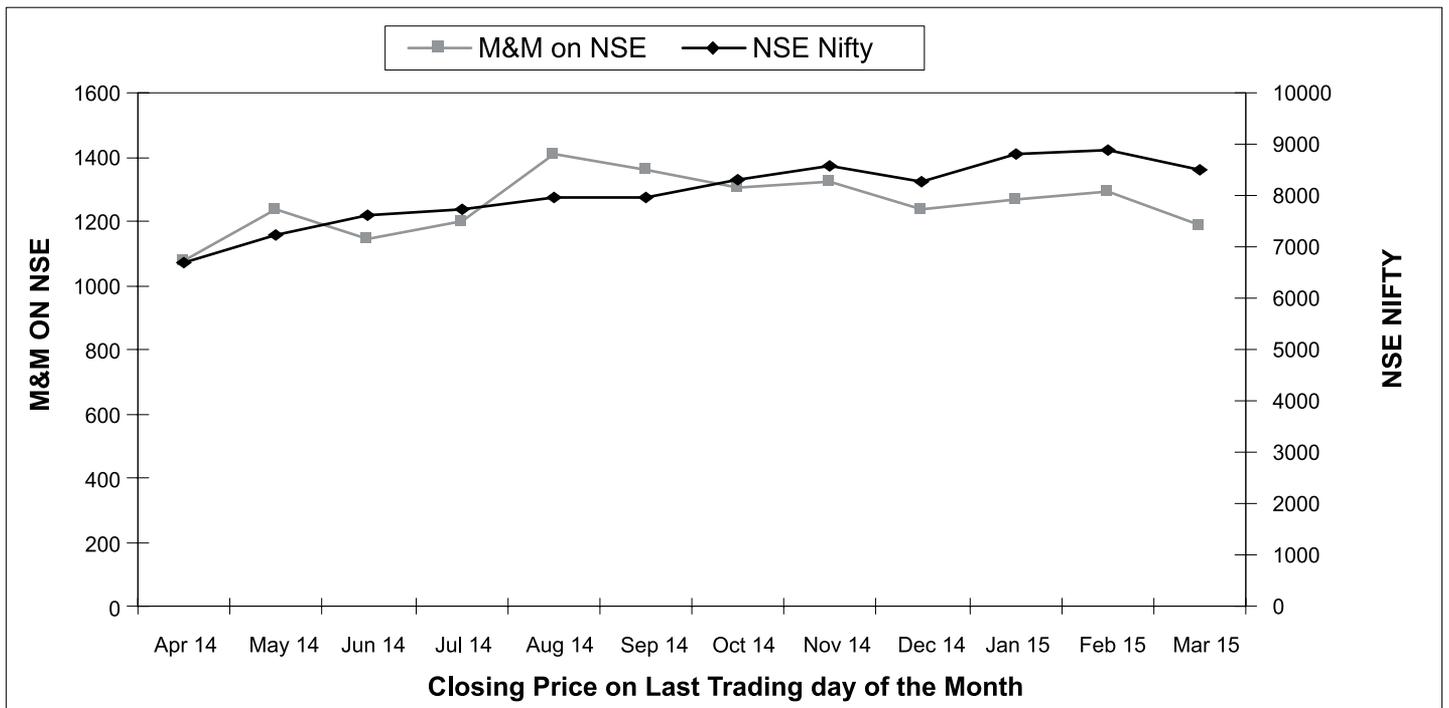
**7B. Corporate Identity Number** : L65990MH1945PLC004558

## 8. Stock Performance

The performance of the Company's shares relative to the BSE Sensitive Index is given in the chart below:



The performance of the Company's shares relative to the NSE S&P CNX Nifty Index is given in the chart below:



## 9. Stock Price Data

Month	Equity Shares				GDRs	
	BSE Limited		National Stock Exchange of India Limited		Luxembourg Stock Exchange	
	HIGH	LOW	HIGH	LOW	HIGH	LOW
	Rs.	Rs.	Rs.	Rs.	US\$	US\$
April, 2014	1091.00	964.70	1091.95	965.05	17.78	16.16
May, 2014	1264.65	1046.10	1278.70	1045.10	20.95	15.83
June, 2014	1268.75	1135.15	1269.50	1138.00	20.97	18.96
July, 2014	1251.00	1130.25	1252.15	1129.45	20.69	19.35
August, 2014	1413.90	1163.00	1433.70	1162.00	23.26	19.18
September, 2014	1421.00	1328.50	1422.40	1328.40	23.39	22.00
October, 2014	1400.20	1210.00	1399.90	1210.35	22.60	19.71
November, 2014	1327.00	1221.75	1327.90	1222.35	21.28	19.91
December, 2014	1336.00	1200.40	1338.00	1200.00	20.91	19.10
January, 2015	1373.60	1202.00	1375.65	1201.00	22.11	19.05
February, 2015	1303.75	1106.00	1303.00	1102.00	20.69	17.95
March, 2015	1307.80	1153.90	1308.80	1154.40	20.63	18.80

## 10. Registrar and Transfer Agent

Sharepro Services (India) Private Limited  
 Unit : Mahindra & Mahindra Limited  
 13AB, Samhita Warehousing Complex,  
 2<sup>nd</sup> Floor, Sakinaka Telephone Exchange Lane,  
 Off Andheri Kurla Road,  
 Sakinaka, Andheri (East),  
 Mumbai – 400 072.

Tel. No. : +91-22-67720400/300

Fax : +91-22-28591568

Email : sharepro@shareproservices.com

The Registrar and Transfer Agents also have an office at:

Sharepro Services (India) Private Limited  
 912, Raheja Centre,  
 Free Press Journal Road,  
 Nariman Point,  
 Mumbai – 400 021

Tel. No. : +91-22-22881568

Fax : +91-22-22825484

## 11. Share Transfer System

Trading in Ordinary (Equity) Shares of the Company through recognised Stock Exchanges is permitted only in dematerialised form.

Shares sent for transfer in physical form are registered and returned within a period of fifteen days from the date of receipt of the documents, provided the documents are valid and complete in all respects. With a view to expedite the process of share transfers, Mr. V S Parthasarathy, Group CFO, Group CIO & President (Group Finance and M&A) or Mr. Zhooben Bhiwandiwal, Managing Partner – Mahindra Partners & President (Group Legal) or Mr. S. Durgashankar, President (Group M&A, Corporate Accounts & Group Secretarial) or Mr. Narayan Shankar, Company Secretary of the Company have been severally authorised to approve the transfers of not more than 10,000 Ordinary (Equity) Shares per transfer, provided the transferee does not hold two lakh or more Ordinary (Equity) Shares in the Company. The Stakeholders Relationship Committee meets as and when

required to consider the other transfer proposals, requests for issue of duplicate share certificates and to attend to Shareholders' grievances.

## 12. Distribution of Shareholding as on 31<sup>st</sup> March, 2015

Number of Shares held	Number of Shareholders	Number of Shares held	% of Share-holding
1 to 1000	1,62,010	1,59,90,461	2.57
1001 to 2000	4,237	61,41,044	0.99
2001 to 10000	3,747	1,53,26,977	2.47
10001 to 20000	442	60,75,442	0.98
20001 and above	772	57,75,58,460	92.99
Total	1,71,208	62,10,92,384	100.00

## 13. Dematerialisation of Shares

99.04% of the paid-up Ordinary (Equity) Share Capital is held in a dematerialised form with National Securities Depository Limited and Central Depository Services (India) Limited as on 31<sup>st</sup> March, 2015. The market lot of the Share of your Company is one Share, as the trading in the Equity Share of your Company is permitted only in dematerialised form. Non-Promoters' holding is around 74.35% and the stock is highly liquid.

## 14. Outstanding GDRs/ADRs/Warrants or any Convertible Instruments, Conversion date and likely impact on equity

3,34,13,833 GDRs were outstanding as on 31<sup>st</sup> March, 2015. Since the underlying Ordinary (Equity) Shares represented by GDRs have been allotted in full, the outstanding GDRs have no impact on the Equity of the Company. There are no other convertible instruments outstanding as on 31<sup>st</sup> March, 2015.

## 15. Plant Locations

Your Company's manufacturing facilities are located at Kandivali, Nashik, Igatpuri, Nagpur, Zaheerabad, Jaipur, Rudrapur, Haridwar and Mohali.

## 16. Address for correspondence

Shareholders may correspond with the Registrar and Transfer Agents at:

Sharepro Services (India) Private Limited  
Unit : Mahindra & Mahindra Limited  
13AB, Samhita Warehousing Complex,  
2<sup>nd</sup> Floor, Sakinaka Telephone Exchange Lane,  
Off Andheri Kurla Road,  
Sakinaka, Andheri (East),  
Mumbai – 400 072.  
Tel. No. : +91-22-67720400/300  
Fax No. : +91-22-28591568  
Email : sharepro@shareproservices.com

for all matters relating to transfer/dematerialisation of shares, payment of dividend and any other query relating to Equity Shares of your Company.

The Registrar and Transfer Agents also have an office at:

Sharepro Services (India) Private Limited  
912, Raheja Centre,  
Free Press Journal Road,  
Nariman Point,  
Mumbai – 400 021  
Tel. No. : +91-22-22881568  
Fax No. : +91-22-22825484

Your Company has also designated investors@mahindra.com as an exclusive email ID for Investors for the purpose of registering complaints and the same has been displayed on the Company's website.

Shareholders would have to correspond with the respective Depository Participants for Shares held in dematerialised form for transfer/transmission of Shares, change of Address, change in Bank details, etc.

For all investor related matters, the Company Secretary & Compliance Officer can also be contacted at:

Mahindra Towers,  
5<sup>th</sup> Floor, Dr. G. M. Bhosale Marg,  
Worli, Mumbai – 400 018.  
Tel. No. : +91-22-24975074  
Fax No. : +91-22-24900833  
Email : investors@mahindra.com

Your Company can also be visited at its website:  
<http://www.mahindra.com>

## VIII. OTHER DISCLOSURES

### 1. Details of General Meetings and Special Resolutions passed

Annual General Meetings (AGM) held during the past 3 years and the Special Resolutions passed therein:

Year	Date	Time	Special Resolutions passed
2012	8 <sup>th</sup> August, 2012	3.30 p.m.	1 Re-appointment of Mr. Anand G. Mahindra as the Managing Director of the Company designated as Vice-Chairman & Managing Director for a period of 5 years with effect from 4 <sup>th</sup> April, 2012 to 3 <sup>rd</sup> April, 2017.
			2 Re-appointment of Mr. Bharat Doshi as the Executive Director of the Company designated as Executive Director & Group Chief Financial Officer with effect from 28 <sup>th</sup> August, 2012 to 31 <sup>st</sup> March, 2015.
			3 Amendment of the Articles of Association of the Company to provide for Video Conference facility and/or other permissible electronic or virtual facilities for communication to enable the Shareholders of the Company to participate in General Meetings or other Meetings of the Company and Committees thereof through Video Conference facility and/or other permissible electronic or virtual facilities for communication, provided further that a Director participating in a Meeting through Video Conference facility and/or any other permissible electronic mode of communication shall be counted for the purpose of quorum and to serve documents on any Member by any electronic mode of communication in such manner as may be permitted by any law.
2013	13 <sup>th</sup> August, 2013	3.30 p.m.	No Special Resolution was passed.
2014	8 <sup>th</sup> August, 2014	3.30 p.m.	1 Appointment of Dr. Pawan Goenka as an Executive Director and approval of the remuneration payable to him.
			2 Create, offer, issue and allot Ordinary (Equity) shares of Rs. 5 each of the Company to Mahindra & Mahindra Employees' Stock Option Trust.
			3 Invite/accept/renew unsecured/secured Deposits from the public and/ or Members of the Company
			4 Borrow by way of securities including but not limited to secured/unsecured redeemable Non-Convertible Debentures and/or Commercial Paper to be issued under Private Placement basis.

The above Meetings were held at Birla Matushri Sabhagar, 19, Sir Vithaldas Thackersey Marg (New Marine Lines), Mumbai - 400 020.

No Extraordinary General Meeting was held during the past 3 years. No Special Resolution(s) requiring a Postal Ballot was passed last year or is being proposed at the ensuing Annual General Meeting.

### 2. Details of non-compliance etc.

Your Company has complied with all the requirements of regulatory authorities. During the last three years, there were no instances of non-compliance by the Company and no penalty or strictures were imposed on the Company by the Stock Exchanges or SEBI or any statutory authority, on any matter related to the capital markets.

### 3. Means of Communication

The quarterly, half-yearly and yearly results are published in Business Standard and Sakal which are national and local dailies respectively. These are not sent individually to the Shareholders.

The Company's results and official news releases are displayed on the Company's website <http://www.mahindra.com>

Presentations are also made to international and national institutional investors and analysts which are also put up on the website of the Company.

**4. Management Discussion and Analysis Report**

Management Discussion and Analysis Report forms part of this Annual Report.

**5. Compliance with Mandatory requirements**

Your Company has complied with all the mandatory requirements of Clause 49 of the Listing Agreement relating to Corporate Governance.

**6. Compliance with Non-mandatory requirements**

**Audit Qualifications**

During the year under review, there is no audit qualification in your Company's standalone financial statements. Your Company continues to adopt best practices to ensure regime of unqualified financial statements.

Your Company has not adopted the other non-mandatory requirements as specified in Annexure XIII of Clause 49.

Mumbai, 29<sup>th</sup> May, 2015.

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**DECLARATION BY THE MANAGING DIRECTOR UNDER CLAUSE 49  
OF THE LISTING AGREEMENT**

To

**The Members of Mahindra & Mahindra Limited**

I, Anand G. Mahindra, Chairman & Managing Director of Mahindra & Mahindra Limited declare that all the Members of the Board of Directors and Senior Management Personnel have affirmed compliance with the Code of Conduct for the year ended 31<sup>st</sup> March, 2015.

**Anand G. Mahindra**  
Chairman & Managing Director

29<sup>th</sup> May, 2015

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**CERTIFICATE**

To

The Members of  
Mahindra & Mahindra Limited

We have examined the compliance of conditions of Corporate Governance by Mahindra & Mahindra Limited ("the Company") for the year ended 31<sup>st</sup> March, 2015, as stipulated in Clause 49 of the Listing Agreement of the said Company with stock exchanges in India.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Deloitte Haskins & Sells  
Chartered Accountants  
(Firm Registration No. 117364W)

Shyamak R Tata  
Partner  
Membership Number: 38320

Mumbai, May 29, 2015



BUSINESS  
RESPONSIBILITY  
REPORT



# Business Responsibility Report

## for the year 2014-15

(Pursuant to Clause 55 of the Listing Agreement)

### Section A: General Information about the Company

1. Corporate Identity Number : L65990MH1945PLC004558 (CIN) of the Company
2. Name of the Company : Mahindra & Mahindra Limited
3. Registered address : Gateway Building, Apollo Bunder, Mumbai - 400 001
4. Website : www.mahindra.com
5. E-mail id : investors@mahindra.com
6. Financial Year reported : 01.04.2014 to 31.03.2015
7. Sector(s) that the Company is engaged in (industrial activity code-wise):

Description	Industrial Activity Code		
	Group	Class	Sub-class
Automotive	291	2910	29101, 29102, 29103, 29104, 29109
Farm Equipment	282	2821	28211, 28212
Truck and Bus	282	2824	28243

8. List three key products/services that the Company manufactures/provides (as in balance sheet):
  - i. Passenger Vehicles (Utility Vehicles, Multi Purpose Vehicles and Cars)
  - ii. Commercial Vehicles
  - iii. Tractors
9. Total number of locations where business activity is undertaken by the Company:
  - i. Number of International Locations: 1
  - ii. Number of National Locations: 46

10. Markets served by the Company – Local/State/National/International: All

### Section B: Financial Details of the Company

1. Paid up Capital (INR) : 295.70 crores
2. Total Turnover (INR) : 41,982.05 crores
3. Total profit after taxes (INR) : 3,321.11 crores
4. Total Spending (INR) : 83.24 crores on Corporate Social Responsibility (CSR @ 2% of PBT)
5. List of activities in which expenditure in 4 above has been incurred
  - a. Education
  - b. Health
  - c. Environmental Sustainability
  - d. Rural Development

(Full details are given in Annexure V of the Directors' Report)

### Section C: Other Details

1. Does the Company have any Subsidiary Company/Companies?
 

Yes. The Company has 113 Subsidiary Companies as on 31<sup>st</sup> March, 2015.
2. Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent Company? If yes, then indicate the number of such Subsidiary Company(s)
 

Yes. Every year the Company releases a Sustainability Report as per the GRI framework which is externally assured. The Company has a Code of Conduct for Employees and Directors as well as a set of Governance Policies. This Code is followed by the Subsidiary Companies also with modifications depending on the business requirement of the entity.

The scope of this report is defined each year. For the year 2014-15, 18 subsidiaries have been included in the scope of Sustainability Report viz. Mahindra Vehicle Manufacturers Ltd. (MVML), Mahindra Reva Electric Vehicles Pvt. Ltd. (MREVA), Mahindra Shubhlabh Services Limited (MSSL), EPC Industries Limited (EPC), Mahindra Two Wheelers Ltd. (MTWL), Mahindra Life space Developers Ltd. (MLDL), Mahindra World City Developers Ltd. (MWCDL), Mahindra World City (Jaipur) Ltd. (MWCJL), Mahindra Holidays and Resorts India Ltd. (MHRIL), Mahindra & Mahindra Financial Services Ltd. (MMFSL), Mahindra Rural Housing Finance Limited (MRHFL), Mahindra Insurance Brokers Ltd. (MIBL), Mahindra Sanyo Special Steel Pvt. Ltd (MSSSPL), Mahindra First Choice Services Ltd. (MFCSL), Mahindra Intertrade Ltd. (MIL), Mahindra Steel Service Centre Limited (MSSCL), Mahindra Logistics Ltd. (MLL) and Mahindra EPC Services Private Limited

3. **Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]**

The Company has long lasting relationships with its suppliers & dealers. A majority of supplier base has been already covered by conducting awareness sessions on 'sustainability'. Similarly majority of dealers are brought under Mahindra Dealers' Excellency Programme (MDEP). From F14 a special drive for awareness to suppliers has been started and we have covered 250 suppliers. A road map for covering 100% suppliers in 3 years period is put in place and actions are already underway.

For enhancing skills at supplier end, focused activities drive in following areas are taken and organization work structure for the same is in place in purchasing group. The areas covered are supplier business capability building, Mahindra supplier evaluation system, Supply Risk Management. The % of entities covered is between 30 to 60% for suppliers and dealers.

## Section D: BR Information

### 1. Details of Director/Directors responsible for BR

a. Details of the Director/Director responsible for implementation of the BR policy/policies

- ▶ **DIN Number** : 00254502
- ▶ **Name** : Dr. Pawan Kumar Goenka
- ▶ **Designation** : Executive Director – Mahindra & Mahindra & Group President (Auto and Farm Sector) Member of the Group Executive Board.

### b. Details of the BR Head

Sr. No.	Particulars	Details
1.	<b>DIN Number</b> (If applicable)	00104817
2.	<b>Name</b>	Mr. Rajeev Dubey
3.	<b>Designation</b>	Group President (HR & Corporate Services) & CEO (After-Market Sector) Member of the Group Executive Board
4.	<b>Telephone Number</b>	+9122 24975192 +9122 24901441 Extn. 5594
5.	<b>e-mail ID</b>	DUBEY.RAJEEV@mahindra.com

### 2. Principle-wise (as per NVGs) BR Policy/policies (Reply in Y/N)

The Business Responsibility Policy ("BR Policy") addressing the following 9 principles as per the National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business (NVGs), duly approved by Board, is in place. This policy is operationalized and supported by various other policies, guidelines and manuals.

- P1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.
- P2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.
- P3: Businesses should promote the wellbeing of all employees.
- P4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.
- P5: Businesses should respect and promote human rights.
- P6: Businesses should respect, protect, and make efforts to restore the environment.
- P7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.
- P8: Businesses should support inclusive growth and equitable development.
- P9: Businesses should engage with and provide value to their customers and consumers in a responsible manner.

Sr. No.	Questions	P1: Ethics and Transparency	P2: Product Responsibility	P3: Wellbeing of employees	P4: Responsiveness to Stakeholders	P5: Respect Human Rights	P6: Environmental Responsibility	P7: Public policy advocacy	P8: Support inclusive growth	P9: Engagement with Customers
1.	Do you have a policy/policies for....	Y	Y Note 1	Y	Y	Y	Y	Y	Y	Y
2.	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	N Note 2	Y
3.	Does the policy conform to any national/international standards? If yes, specify? (50 words)	Y	Y	Y	Y	Y	Y	NA Note 3	Y	Y
4.	Has the policy being approved by the Board? If yes, has it been signed by MD/owner/CEO/appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y
5.	Does the Company have a specified committee of the Board/Director/Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6.	Indicate the link for the policy to be viewed online?	Y Note 4	Y Note 4	Y Note 4	Y Note 4	Y Note 4	Y Note 4	Y Note 4	Y Note 4	Y Note 4
7.	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
8.	Does the Company have in-house structure to implement the policy/policies.	Y	Y	Y	Y	Y	Y	Y	Y	Y
9.	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?	Y	Y	Y	Y	Y Note 5	Y	NA Note 3	Y	Y
10.	Has the Company carried out independent audit/evaluation of the working of this policy by an internal or external agency?	Y	Y	Y	Y	Y	Y	Y	Y	Y

Note 1 – The Company complies with consumers' awareness through appropriate product labelling and operator manual & instructions which ensure safe usage by the customer. However, Company's current control is limited till warranty period. The Company is in the process of addressing this by appropriate communication to all value chain members for their responsibilities.

Note 2 – While there is no formal consultation with all stakeholders, the relevant policies have evolved over a period of time by taking inputs from concerned internal stakeholders.

Note 3 – This question is not applicable for influencing public and regulatory policy.

Note 4 – It has been Company's practice to upload all policies on the intranet site for the information and implementation by the internal stakeholders. The Code of Conduct for Directors, the Code of Conduct for All Employees, Business Responsibility Policy and CSR Policy are available on the website <http://www.mahindra.com/Investors/Mahindra-and-Mahindra/Governance> and <http://www.mahindra.com/How-We-Help>

Note 5 – The Company has a "Whistleblower Policy" to address human rights grievances. There is a Corporate Governance Cell where these issues are dealt with.

### 3. Governance Related to BR

- ▶ **Indicate the frequency with which the Board of Directors, Committee of the Board or CEO meet to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year:**

The CSR Committee of the Board meets at an interval of every 6 months to assess the BR performance. Other supporting councils/cells viz. Group Sustainability Council, Group CSR council Central Safety Council and Corporate Governance Cell meet every 3 months.

- ▶ **Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?**

Mahindra Group Sustainability Report as per the GRI framework is published annually. All Sustainability Reports from 2007-08 till 2013-14 are GRI compliant and are accessible on the Company website at the hyperlink <http://www.mahindra.com/How-We-Help/Environment/Sustainability> The Sustainability Report for 2014-15 is under preparation and will be uploaded on the website of the Company in due course of time.

## Section E: Principle-wise performance

### Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability

- 1. Does the policy relating to ethics, bribery and corruption cover only the Company? Yes/No. Does it extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?**

The Company has defined Code of Conduct for Directors as well as all employees of the Company that covers issues, inter alia, related to ethics and bribery. It covers all dealings with Suppliers, customers and other business partners including Joint Ventures, and other stakeholders.

- 2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.**

During the reporting year, 14 complaints were received from the Shareholders, all of which were attended to/ resolved till date. An individual who is a shareholder and former employee whose services with the Company were terminated in the year 1991 on proven misconduct frequently writes to the Company, alleging mismanagement of the affairs of the Company, violations of various statutory provisions as also about his allegedly unjust termination from the services of the Company. The Company has replied to all his allegations.

The Company has different mechanisms for receiving and dealing with complaints from various stakeholders like Investors, Customers, Employees, and Suppliers etc.

### Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle

- 1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/ or opportunities.**

Product	Social & environmental benefits
1. Passenger Vehicles (UV/MPV/Cars)	The Scorpio Refresh launched with Weight Reduction Initiatives enabling energy (fuel) saving by Adaptation of Plastic Intake manifold on Scorpio Export E-4 & E-3 Variants. Adaptation of plastic fuel tank assembly. FE improvement compared to earlier version increased by 2 to 5 % across models with safety features such as airbags, ABS, Collapsible steering, Anti-theft, seat belt reminder, speed alert, Auto door lock while driving.
2. Light Commercial Vehicles	Mahindra has launched a new version of CNG powered Load Carrier, BMT plus with additional features such as: <ul style="list-style-type: none"> <li>– Enhanced load carrying capacity by 11.5%</li> <li>– Enhanced range of the vehicle by 40%</li> <li>– Improved Fuel consumption by 12%</li> <li>– Meeting BS-IV Emission norms with OBD-II</li> <li>– CO<sub>2</sub> emission reduced by 7%</li> </ul> These changes enhanced the productivity for customers and ensured lower emission and carbon footprint of the vehicle
3. Tractors (Arjun Nova)	Arjun Novo is a new product launched this year with enhanced fuel efficiency and precision speed for agriculture and longer drain periods for lubricants. These help save energy, time and materials when the product is used by the customer.

**2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product(optional):**

**i. Reduction during sourcing/production/distribution achieved since the previous year throughout the value chain?**

For the above mentioned products, there is no explicit tracking mechanism in respect of resource use. However, the resource use for entire portfolio is tracked and monitored. Since the products portfolio is distributed across various manufacturing locations of the Company, the resource use is monitored per unit of equivalent vehicle or equivalent tractor manufactured. The performance for current and previous year on Specific Energy Consumption, GHG Emissions and Specific Water Consumption during production is appended below, which is as reported in the Group Sustainability Reports for 2013-14 and 2014-15:

Resource Use	Divisions	Unit of Measurement	Current Year 2014-15	Previous Year 2013-14
Specific Energy Consumption	Automotive	GJ/Equivalent Vehicles	2.264	2.290
	Farm Division (Including Swaraj)	GJ/Equivalent Tractors	1.467	1.374
Green House Gas Emissions (Scope 1 and 2)	Automotive	tCO <sub>2</sub> /Equivalent Vehicles	0.343	0.361
	Farm Division (Including Swaraj)	tCO <sub>2</sub> /Equivalent Tractors	0.232	0.221
Specific Water Consumption	Automotive	KL/Equivalent Vehicles	2.441	2.441
	Farm Division (Including Swaraj)	KL/Equivalent Tractors	1.691	1.603

**ii. Reduction during usage by consumers (energy, water) has been achieved since the previous year?**

Due to constant innovations and focus on fuel efficiency, there would be a reduction of energy use by consumers.

The reduction achieved by any individual user depends on his/her driving habits but on a like to like basis the technology enables every user to consume lesser energy.

**3. Does the Company have procedures in place for sustainable sourcing (including transportation)?**

**i. If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.**

The Company has been working to enhance the degree of sustainability associated with its sourcing practices. This includes setting up of vendor parks at its new plants, sourcing from tightly knit clusters, optimizing logistics to reduce fuel consumption, emissions and carbon footprint, re-working packaging to minimize waste and maximize re-use. The Sustainability roadmap of the Company covers these areas and the Company takes steps to ensure that its sourcing methods are sustainable. Almost the entire sourcing work is done from the country with a very small percentage of input being procured from overseas.

The Company has Green Supply Chain Management policy, which has been shared with all suppliers, under which, the Company is committed to improve the awareness with regard to legal compliances, enhance eco-efficiencies, employee health and safety initiatives etc. at supplier end. This is done by way of continuous engagement with suppliers through supplier meets, business reviews, and training sessions. To motivate the suppliers to take the Sustainability agenda forward, good practices are recognized, by institutionalizing "Pancharatna Sustainability Awards".

**4. Has the Company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?**

Yes. The Company has a practice of purchasing goods and services from local suppliers. The Company does not have any small suppliers where the owner himself or herself is a worker. The Company has multiple plants spread across West, South and North India. The major factors influencing selection of Suppliers across these regions are:

- ▶ Capability, performance and on-time delivery.
- ▶ Compliance on environment, health & safety guidelines.
- ▶ Readiness to participate in sustainable supply chain management program.
- ▶ Total cost.

The purchasing group has a standard practice of sharing its annual plans and next two year's tentative plans with its key suppliers through communication meets and supplier business reviews. These suppliers are provided with managerial and technical assistance to train them on practices and procedures that will ensure improvements in Productivity, Quality, Cost, Delivery, Safety and Moral (PQCDSM). This is done by initiatives like Supplier Business Capability Building (SBCB), Mahindra Supplier Evaluation System (MSES), Supply Risk Management (SRM), and technical support for special processes during new product developments, Associate Value Specialist Program, etc. The Company has special focus on creating supplier parks near the plants for e.g. Chakan Supplier Park and Zaheerabad Supplier Park. The Company has a focus on buying from local suppliers, geographically nearest Company's manufacturing facility.

5. **Does the Company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.**

It is the Company's ongoing endeavor to have a mechanism to recycle our products and limit the waste arising out of production of vehicles and tractors. The Company has initiated well documented processes to ensure compliance with the European Union Directive 2005/64/EC which is now implemented to the vehicles exported to European Union. Our objective is to restrict the amount of waste produced from End of Life of vehicles (ELVs) and increase the recovery and recycling of ELVs that arise. The information on recyclable parts and manual for dismantling is provided with export vehicles. We follow the ISO 22628:2002, to calculate the recyclability rate, the recoverability rate and reusability rate (RRR) of our export vehicles. We have 1 of our UV variants as new certification and 2 models are under the recertification process to comply with the European Union Directive 2005/64/EC norms on recyclability. Our Company is actively participating in the committee formed by Society of Indian Automotive Manufacturers (SIAM) to frame process and procedure for Product Recycling in India. At present, the batteries used in vehicles are recycled in structured manner through the battery manufacturing companies in India. Similarly other parts such as tyres, body components, etc. are recycled in an unstructured manner through licensed scrap dealers who either recover the material used or cannibalize/refurbish the parts for reuse.

**Principle 3: Businesses should promote the wellbeing of all employees**

1. Please indicate the Total number of employees: **38,046**
2. Please indicate the Total number of employees hired on temporary/contractual/casual basis: **18,210 (including Apprentices & Trainees 2000)**
3. Please indicate the Number of permanent women employees: **576**
4. Please indicate the Number of permanent employees with disabilities: **49**
5. Do you have an employee association that is recognized by management? **Yes**
6. What percentage of your permanent employees is members of this recognized employee association? **95%** (Total Unionized Permanent Workmen/Total Permanent Workmen)
7. Please indicate the Number of complaints relating to child labor, forced labor, involuntary labor, sexual harassment in the last financial year and pending, as on the end of the financial year.

Sr. No.	Category	No. of complaints filed during the financial year	No. of complaints pending as on end of the financial year
1.	Child labour/forced labour/involuntary labour	NIL	NIL
2.	Sexual harassment	3	NIL
3.	Discriminatory employment	NIL	NIL

8. **What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?**

- ▶ Permanent Employees: **87%**
- ▶ Permanent Women Employees: **72%**
- ▶ Casual/Temporary/Contractual Employees: **79%**
- ▶ Employees with Disabilities: **77%**

**Principle 4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.**

1. **Has the Company mapped its internal and external stakeholders? Yes/No**

Yes

2. **Out of the above, has the Company identified the disadvantaged, vulnerable & marginalized stakeholders?**

Yes

3. **Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalized stakeholders? If so, provide details thereof, in about 50 words or so.**

The Company has designed products specifically for improving the livelihood and encouraging entrepreneurship amongst rural and semi-urban persons through low cost products. Moreover, in the Farm equipment business vertical, there is a conscious move from Tractor manufacturing to 'Farm Tech Prosperity' where the various products and services are designed to improve farm productivity especially among small & marginalized farmers. The Integrated Watershed Management projects at Damoh being implemented in Public-Private-Partnership (PPP) with the Govt. of M.P. are in advanced stage of completion and two other projects are in progress in the catchment area of the Bhojtal, the main lake at Bhopal. The entire area of 9650 ha in the Damoh project has seen >40% increase in irrigation potential. In addition more than 100 ha of hitherto barren land are now cultivable. Also 50% of all farmers in the project area participated in an agri-productivity enhancement project and experienced 67% increase in income from the area covered in the project.

In addition, the Company has also undertaken community development initiatives, the details of which are given in answers under Principle 8.

#### **Principle 5: Businesses should respect and promote human rights**

1. **Does the policy of the Company on human rights cover only the Company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?**

The Business Responsibility Policy covers the aspects on Human Rights for the Company. Human Rights issues are a part of the supplier selection process and are also included in the contracts drawn up with them.

2. **How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?**

There is an active and a well-defined four step Grievance Redressal Machinery available at each plant for workmen through which all types of grievances are redressed. Additionally, Employee Satisfaction Survey for workmen is periodically carried out and all low scoring responses are discussed in Focused Group Meetings and duly resolved. Although there is no process to separately maintain records for grievances related to Human Rights, the above stated mechanism adequately addresses this issue. There is a mechanism for all employees of Automotive and Farm Sectors to voice their concerns to the Sector President through a 'Reach-out' mailbox which is addressed with confidentiality. As on March 31, 2015, there were no stakeholder complaints pending at any of Company's plants/ workplace.

#### **Principle 6: Business should respect, protect, and make efforts to restore the environment**

1. **Does the policy related to Principle 6 cover only the Company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs/others.**

The Company has various policies related to environmental protection. The Green Supply Chain Management Policy includes environment protection and covers suppliers. The subsidiaries/Joint Ventures have their own policies which are in sync with the Company's environmental policies.

2. **Does the Company have strategies/initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.**

Yes. These strategies and initiatives are elaborated in the Company's GRI reports since 2007-08 which are available on <http://www.mahindra.com/How-We-Help/Environment/Sustainability>. Targets taken in Sustainability Roadmap related to energy conservation, GHG reduction and Water Conservation. These strategies and initiatives are also aligned to the National Action Plan on Climate Change. The strategies and new initiatives continue year on year. In the current reporting year various initiatives on energy saving, water saving, waste reduction etc. were implemented. An indicative list in this regard is appended below and complete

details will be available in the Sustainability Report for the year 2014-15.

#### Energy Savings:

- ▶ Use of LED lamps (100 watts) in place of Mercury Vapour lamps (400 watts)
- ▶ Installation of auto electric valve on individual machines to eliminate the compressed air losses during breaks/ idle time.
- ▶ Energy Saving by use of cold box process replacing hot box process.

#### Water Saving:

- ▶ Use of STP/ETP treated water for flushing.
- ▶ Roof and Surface Rain Water Harvesting to reduce withdrawal of water.
- ▶ Retrofitting with water saving equipments like auto control valves, level controllers

#### Waste Reduction:

- ▶ Utilization of desludge unit and robots for Paint sludge reduction.
- ▶ Reduce packaging waste by using plastic boxes in place of corrugated boxes.
- ▶ Use of writing pads made by waste recycling
- ▶ An initiative for rationalizing paper consumption through the process of Reduce-Reuse-Recycle has resulted in recycling 54 Tonnes of paper in the reporting year besides generating a sense of individual responsibility and ownership.

#### 3. Does the Company identify and assess potential environmental risks? Y/N

Yes, the Company has a mechanism to identify and assess potential environmental risks across all locations.

#### 4. Does the Company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?

Yes. The name of the CDM – PoA 9731: Energy Efficiency through Micro irrigation system – India. The Registered Program of Activities (PoA) aims at encouraging energy

efficiency through installation of efficient irrigation system such as drip and sprinkler irrigation replacing the conventional flood method of irrigation resulting in GHG Emission reduction & Water Conservation. It was registered in September 2013. For more details refer [https://cdm.unfccc.int/ProgrammeOfActivities/poa\\_db/4Z28CN6S0DEB5F1PLIXAY9W3GMRUOQ/view](https://cdm.unfccc.int/ProgrammeOfActivities/poa_db/4Z28CN6S0DEB5F1PLIXAY9W3GMRUOQ/view).

#### 5. Has the Company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc? Y/N. If yes, please give hyperlink for web page etc.

Yes. Same as stated under point 2 above.

#### 6. Are the Emissions/Waste generated by the Company within the permissible limits given by CPCB/SPCB for the financial year being reported?

Yes

#### 7. Number of show cause/legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.

NIL

#### Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner

#### 1. Is your Company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:

Yes. The Company is a member of the following trade and chamber or association in alphabetical order

- a. The Associated Chambers of Commerce and Industry of India (ASSOCHAM), b. Bombay Chamber of Commerce and Industry (BCCI), c. Confederation of Indian Industry (CII), d. Employers' Federation of India (EFI), e. FICCI, f. Indian Merchants Chambers, g. National Human Resource Development Network (NHRDN), h. Society of Indian Automobile Manufacturers (SIAM), i. The Energy and Resource Institute (TERI), j. Tractor Manufacturer's Association (TMA).

#### 2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others).

In 2014, an external auditor has validated that the water saved at the installations covered by the project is greater than the water consumed by the Mahindra Group, thus making the Group water positive.

The Company participates as stakeholder of SIAM and TMA on policies related to automotive and tractor industry, Sustainable Mobility and Farm Tech Prosperity, Economic Reforms, Sustainable Business Principles (Sustainable Supply Chain Management), Vehicle Recall policy. The Company also contributes through Confederation of Indian Industry/ Bombay Chamber of Commerce and Industry, when views are solicited on matters such as Securities Law, Corporate Laws etc.

**Principle 8: Businesses should support inclusive growth and equitable development**

**1. Does the Company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.**

Yes. Since its inception Mahindra & Mahindra Ltd. has been a socially responsible corporate making investments in the community which go beyond any mandatory legal & statutory requirements. The redefined 'Core Purpose' of the Company is to "challenge conventional thinking and innovatively use all our resources to drive positive change in the lives of our stakeholders and communities across the world, to enable them to RISE". In line with our Core purpose, our CSR vision is to focus our efforts within the constituencies of girls, youth & farmers by innovatively supporting them through programs designed in the domains of education, health and environment, while harnessing the power of technology. By investing our CSR efforts in these critical constituencies who contribute to nation building and the economy, we will enable our stakeholders and communities to RISE. In accordance with the new Companies Act, 2013 Mahindra & Mahindra Ltd. has committed 2% of PBT towards CSR initiatives. Further the unique ESOPs (employee social options) platform provides employees a menu of volunteering opportunities enabling them to participate actively in the Company's CSR initiatives. The top 10 CSR programs which support inclusive growth and equitable development:

- a. Mahindra Pride School – Livelihood training program for youth from socially and economically disadvantaged groups

- b. Project Nanhi Kali – Provision of educational support to underprivileged girls from poor urban, remote rural and conflict afflicted communities across India.
- c. Lifeline Express – A Mobile hospital providing medical interventions and surgeries often in remote rural areas
- d. Mahindra Hariyali – Afforestation initiative to improve green cover & protect bio-diversity in the country and also contribute to the livelihood of farmers.
- e. Swachh Bharat Swachh Vidyalaya – Constructing toilets primarily for girls in government schools under the Swachh Bharat Swachh Vidyalaya Program
- f. Integrated Rural Development Program – Improving the livelihood opportunities and capacity building of the famers and rural youth.
- g. Arogya Sarthi/Project Bandhan – Health Care services to Mother and Child and promoting institutionalization of deliveries.
- h. Project Prayaas – Rehabilitation and Awareness on HIV/AIDS special emphasis on improving living conditions of People living with HIV/AIDS (PLHA).
- i. Road Safety – Promoting Road Safety education amongst school going children and drivers community and also creation of Zero fatality corridor.
- j. Thalassemia Support program – Exclusive periodic blood donation drives for supporting the blood needs of the patient having Thalassemia.

**2. Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/any other organization?**

CSR initiatives are implemented either directly by the Company through its ESOPs structure where the Mahindra employees directly implement the CSR programs or through implementing partners which include NGO's having an established track record of at least 3 years in carrying on the specific activity. The main implementation partners the Company works with are the Mahindra Foundation, The K C Mahindra Education Trust, Tech Mahindra Foundation, Naandi Foundation, Yash Foundation and some State Governments under Public Private Partnership model.

**3. Have you done any impact assessment of your initiative?**

Impact assessment of large initiatives like Project Nanhi Kali, Mahindra Pride School and Project Hariyali are undertaken from time to time.

**4. What is your Company's direct contribution to community development projects – Amount in INR and the details of the projects undertaken?**

The Company's contribution to community development projects amounts to Rs. 83.24 crores during the Financial Year 2014-15

The details of projects:

- a. Education (Nanhi Kali, Mahindra Pride Schools, Scholarships & Grants, Mumbai Public Schools)
- b. Health (Swachh Bharat Swachh Vidyalaya, Lifeline Express, Aids Awareness, Blood Donation/Antenatal Camps)
- c. Environmental (Project Hariyali)

**5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.**

- a. Project Nanhi Kali besides providing academic and material support to the girls, also has a social support component through which parents, teachers and village elders are counseled on the importance of girls education in particular and other gender related issues in general. In the last financial year, KCMET has garnered support from individuals and corporates resulting in 1,13,124 underprivileged girls of which the Mahindra Group supported the education of 45,602 Nanhi Kalis.
- b. Alumni of the Mahindra Pride Schools, become mentors for new students and spread awareness of the initiative in their respective localities participating in the 'Road Shows' community enrollment drives. During the Financial Year 2014-15, 3,515 students were trained at 5 Mahindra Pride Schools (Pune, Chennai, Patna, Chandigarh and Srinagar). 100% of students have been placed with lucrative jobs, with a total of 12,192 youth being trained since inception of the school.
- c. The Mahindra Group supported 28 Mumbai Public Schools (BMC English medium schools run by Naandi Foundation) enabling 13,551 children access quality education. In the last financial year the project witnessed some noteworthy impact including 17% increase in enrollment numbers, 35% increase in government teacher recruitment and formation of School Management Committees (SMCs) in all schools.
- d. The Lifeline Express, the world's first hospital on rails, is an initiative against avoidable disablement, free of

cost, for those in rural India where medical services are scarce. The hospital on rails consists of 5 coaches, fully air-conditioned and equipped with the most modern gadgets. In FY 15 the Mahindra Group sponsored four Lifeline express projects in the districts of Zaheerabad (September 2014), Gorakhpur (November 2014), Motihari (February 2015) and Khandwa (March 2015) reaching out to 20,143 patients

- e. The Project Hariyali program not only adds green cover, but also enhances the livelihood of tribals in areas where mass plantation is undertaken. In F15, 1.55 million saplings were planted under this project.
- f. Swachh Bharat Swachh Vidyalaya – Constructing 5000 units of toilets pan India primarily for girls in government schools under the Swachha Bharat Swachha Vidhyalaya Program is underway.
- g. Project Bandhan – Extending medical health facility in an organized & sustainable manner and till date, around 12,100 plus women & children benefitted from this program and with support and strengthening local government hospice facilities timely quality services are monitored.
- h. Project Prayaas – Ensuring a dignified life, social & peer support and provide nutrition, education support and rehabilitate PLHA.

**Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner**

**1. What percentage of customer complaints/consumer cases are pending as on the end of financial year.**

Customer complaints are treated very seriously in the organization. We hear our customers through various mediums such as emails to customercare@mahindra.com, With You Hamesha 24X7 Call centre toll free no, websites, tweet handle, telephone, letter, fax etc. The status of pending complaints/cases as on March 31, 2015 is as follows:

	Automotive Division	Farm Division (Including Swaraj)	Total
Percentage of Consumer Cases Pending as on 31 <sup>st</sup> March 2015	40.26%	37.62%	39.56%
Case pending under Competition Act 2002	2	1	

**Pending Customer complaints AD – 2015**

Receiving Period	Total Complaints Registered in this period	Closed	Open	Open %	Closed %
F'11* – F'15	1,419,301	1387008	32293	2.28%	97.72%

Data as taken from MDW

Receiving Period	Total Complaints Registered in this period	Closed	Open	Open %	Closed %
F'15	470,744	448863	21881	4.65%	95.35%

Data as taken from MDW

**Pending Customer complaints FD – 2015**

Receiving Period	Total Complaints Registered in this period *	Closed	Open	Open %	Closed %
F11-F15	71147	71143	4	0.01%	100.0%

Receiving Period	Total Complaints Registered in this period *	Closed	Open	Open %	Closed %
F15	12494	12491	3	0.0%	100.0%

2. Does the Company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A./Remarks(additional information)

Yes. In addition to mandatory requirements, Company also provides service and safety labels as deemed appropriate. e.g.

- ▶ Product fuel economy data displayed for each variant at selling points (Dealership).

3. Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.

Yes. The Company has been impleaded in the below listed proceedings that allege violation of provisions of the Competition/MRTP Act. The Company is vigorously defending itself in these proceedings.

**Description of the matters pending under the Competition Act, 2002:**

1. **Shamsher Kataria-Case No. 3/2011:** Based on the information given by an individual against 3 car manufacturers, the Competition Commission of India (CCI) commenced investigation into non-availability of automobile spare parts in open market in respect of 17 automotive manufacturers, including M&M. On August 25, 2014 an order was passed by the CCI against 14 automotive manufacturers including M&M and a penalty of Rs. 292.25 crores was imposed on M&M. A Writ Petition has been filed before the Delhi High Court by the automotive manufacturers, challenging the constitutional validity of certain sections of the Competition Act, 2002 based on which Order has been passed by CCI and penalty imposed. The High Court has stayed the operation of the Order until disposal of the Writ Petition. The matter is presently being heard by the High Court.
2. **Uma Agriculture** – In 2007, an FES dealer filed a petition before MRTP Commission alleging unfair trade practice following termination of dealership and seeking compensation. These proceedings have now been transferred to the COMPAT and are pending before it.
3. **Mohd Ekram Khan** – In 2008, an Auto Sector dealer filed a petition before MRTP Commission, alleging unfair trade practice following termination of dealership and seeking compensation. These proceedings have now been transferred to the COMPAT and are pending before it.
4. **Did your Company carry out any consumer survey/ consumer satisfaction trends?**  
Yes, through
  - ▶ J. D. Power survey for Automobiles
  - ▶ MQRS survey for load carriers and
  - ▶ TNS Survey for Tractors and Trucks
  - ▶ Brand Track Study
  - ▶ CaPS Study
  - ▶ CSAT (Customer Satisfaction) Study for commercial range of vehicles.

## Financial Position at a Glance

Rupees crores

	As per Revised Schedule VI					As per Old Schedule VI				
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Net Fixed Assets	8108	7105	5821	5088	3904	3703	3214	2361	1871	1555
Investments	13138	11380	11834	10297	8913	6398	5786	4215	2238	1669
Foreign Currency Monetary Item Translation Difference Account Asset/(Liability)	—	—	—	—	—	(3)	18	—	—	—
Inventories	2438	2804	2420	2358	1694	1189	1061	1084	878	879
Trade Receivable/Debtors	2558	2510	2208	1929	1260	1258	1044	1005	701	638
Other Non Current/Current Assets	6703	7490	5171	4098	3753	3599	2959	1555	2169	1232
Misc. Expenditure not written off	—	—	—	—	—	—	13	14	18	18
Borrowings	2620	3745	3227	3174	2321	2880	4053	2587	1636	883
Long Term/Current Liabilities and Provisions	10090	9863	8953	7964	6535	5197	4798	3240	2666	2052
Deferred Tax Liabilities/(Assets) (Net)	980	890	615	527	355	240	(18)	57	20	147
Equity Capital	296	295	295	295	294	283	273	239	238	233
Reserves and Surplus	18959	16496	14364	11810	10019	7544	4989	4111	3315	2676
Net Worth	19255	16791	14659	12105	10313	7827	5262	4350	3553	2909
Book Value Per Share (Rupees)	325.41	284.26	248.14	205.32	175.43	@138.10	192.12	180.87	147.98	*123.29

@ Book Value Per Share is shown after giving effect to the sub division of each Ordinary (Equity) Share of the face value Rs. 10 each fully paid up into two Ordinary (Equity) Shares of Rs. 5 each fully paid up in March, 2010.

\* Book Value Per Share is shown after giving effect to a 1:1 bonus issue in September, 2005.

Book Value Per Share is calculated after reducing Misc. Expenditure not written off and Revaluation Reserve from Net Worth.

## Summary of Operations

Rupees crores

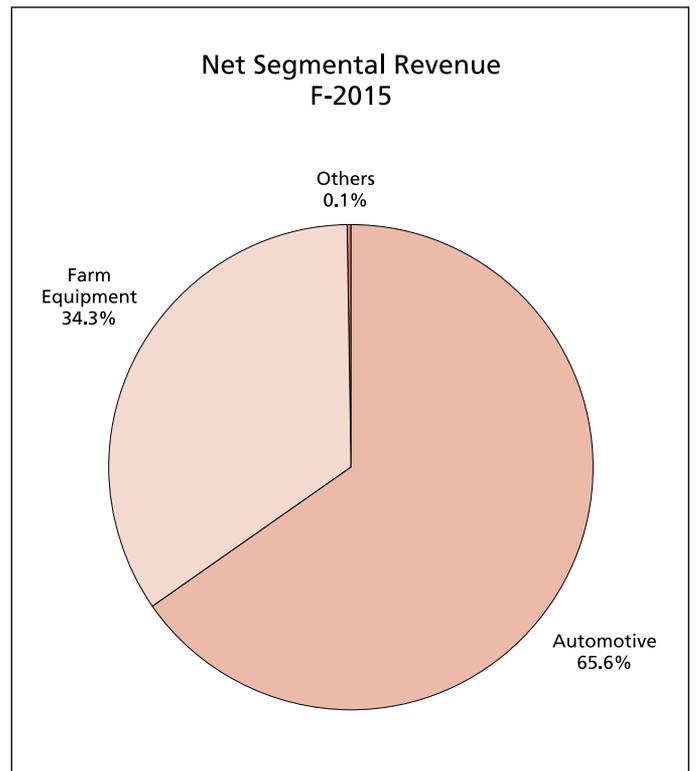
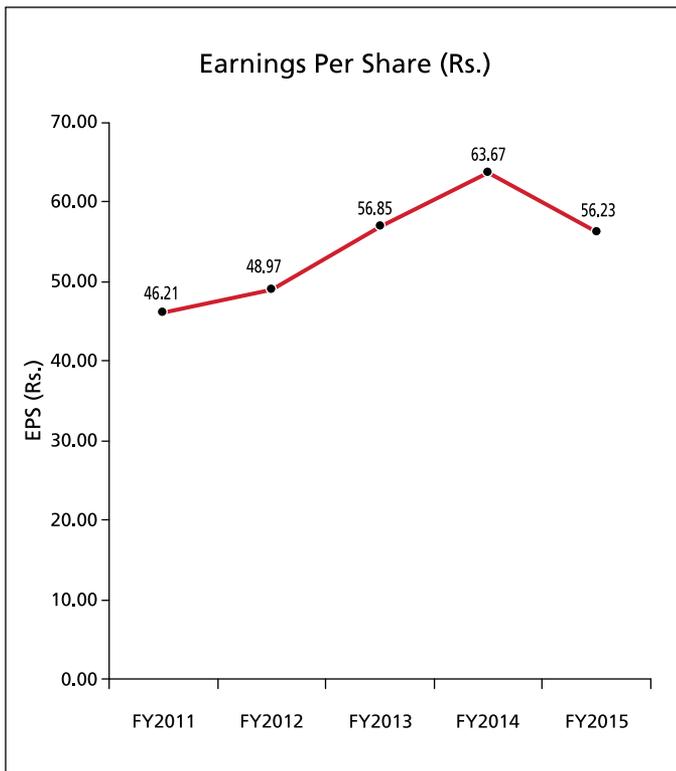
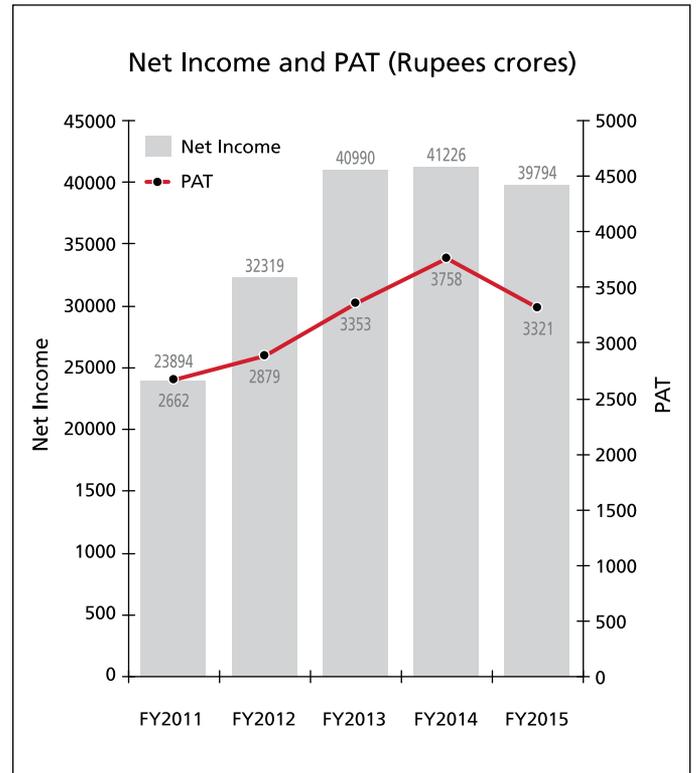
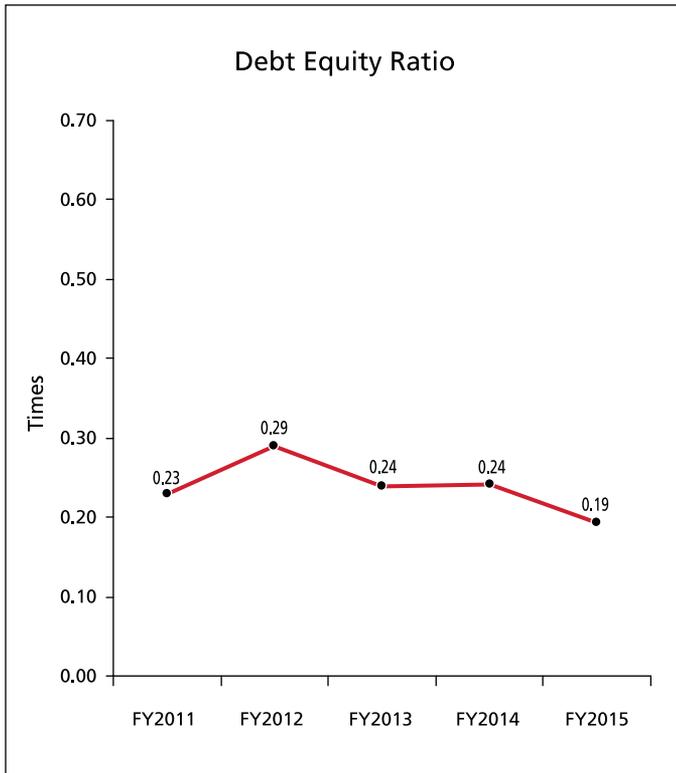
	As per Revised Schedule VI					As per Old Schedule VI				
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Income	41982	43838	43962	34820	25989	20724	15072	13301	11645	9496
Materials	27955	29432	30425	23500	16264	12333	9274	7726	6828	5714
Excise Duty (Net)	2188	2612	2972	2501	2095	1807	1587	1584	1335	1136
Personnel	2317	2164	1866	1701	1432	1198	1025	868	666	553
Finance Costs/Interest	214	259	191	163	72	157	134	87	20	27
Depreciation and Amortisation Expense	975	863	711	576	414	371	292	239	209	200
Other Expenses	4500	4191	3441	2881	2310	2102	1734	1563	1271	977
Exceptional items	336	52	91	108	118	91	10	173	122	210
Profit before tax for the year	4169	4369	4447	3606	3520	2847	1036	1407	1438	1099
Tax for the year	848	611	1094	727	858	759	199	304	351	242
Adj. pertaining to Prev. Years	—	—	—	—	—	—	▲31	—	(19)	—
Balance profit	3321	3758	3353	2879	2662	2088	868	1103	1068	857
Dividends	#+847	+963	+894	+869	+803	+624	+312	+321	+325	+278
Equity Dividend (%)	240	280	260	250	230	190	100	115	115	100
Earnings Per Share (Rupees)	56.23	63.67	56.85	48.97	46.21	37.97	15.92	23.12	22.58	19.04
Vehicles produced/ purchased (Units)	464799	506035	555510	474145	355500	284516	201993	196956	169557	148213
Vehicles sold (Units)	464850	507176	551469	469345	354073	282119	206688	195077	169679	147591
Tractors produced (Units)	224338	277425	219893	246475	216388	173276	119098	98917	103847	87075
Tractors sold (Units)	234766	268487	224844	236666	214325	175196	120202	99042	102531	85029

# Proposed Dividend.

+ Including Income-tax on Proposed Dividend/Dividends.

▲ Profit of Mahindra Holdings and Finance Limited for the period 1<sup>st</sup> February, 2008 to 31<sup>st</sup> March, 2008.

## Financial Highlights



# ACCOUNTS





## Independent Auditors' Report to the Members of Mahindra & Mahindra Limited

### Report on the Standalone Financial Statements

1. We have audited the accompanying Standalone financial statements of **Mahindra and Mahindra Limited** ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2015, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

### Management's Responsibility for the Standalone Financial Statements

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditors' Responsibility

3. Our responsibility is to express an opinion on these standalone financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Director, as well as evaluating the overall presentation of the financial statements.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

### Opinion

6. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March, 2015, and its profit and its cash flows for the year ended on that date.

### Report on Other Legal and Regulatory Requirements

7. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.
8. As required by Section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - (e) On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2015 from being appointed as a director in terms of Section 164(2) of the Act.
  - (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements in accordance with Generally Accepted accounting practice – also Refer Note 34 to the financial statements.
    - ii. The Company has made provision where required under any law or accounting standard for material foreseeable losses on long-term contracts including derivative contracts.
    - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

**For DELOITTE HASKINS & SELLS**  
Chartered Accountants  
(Firm's Registration No. 117364W)

**Shyamak R Tata**  
Partner

MUMBAI, 29<sup>th</sup> May, 2015

(Membership No. 38320)

## Annexure to the Independent Auditors' Report

(Referred to in paragraph 7 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- i. In respect of its fixed assets:
  - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of the fixed assets.
  - (b) The fixed assets have not been physically verified by the Management during the year but the Company has a system of verifying the fixed assets once in every three years. In our opinion the frequency of verification is at reasonable intervals.
- ii. In respect of its inventory:
  - (a) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals.
  - (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventory followed by the Management were reasonable and adequate in relation to the size of the Company and the nature of its business.
  - (c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.
- iii. The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the Register maintained under Section 189 of the Companies Act, 2013.
- iv. In our opinion and according to the information and explanations given to us, having regard to the explanations that some of the items are of special nature and suitable alternative sources are not readily available for obtaining comparable quotations, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any major weakness in such internal control system.
- v. According to the information and explanations given to us, the Company has not accepted any deposit during the year and accordingly the question of complying with Section 73 and 76 of the Companies Act, 2013 does not arise. In respect of unclaimed deposits, the Company has complied with the provisions of Sections 74 and 75 or any other relevant provisions of the Companies Act, 2013. According to the information and explanations given to us, no order has been passed by the Company Law Board or the National Company Law Tribunal or the Reserve Bank of India or any Court or any other Tribunal on the Company.
- vi. We have broadly reviewed the cost records maintained by the Company, pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended and prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- vii. According to the information and explanations given to us and according to the books and records as produced and examined by us, in our opinion:
  - (a) The Company is regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues as applicable with the appropriate authorities.

- (b) As at 31<sup>st</sup> March, 2015, the following are the particulars of dues on account of Income-Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax and Cess matters that have not been deposited on account of any dispute:

Name of Statute	Nature of Dues	Forum where the Dispute is pending	Period to which the amount relates	Amount involved (Rs. in crores)
Income-Tax Laws	Income-Tax	Appellate Authority – Tribunal Level	1998-2010	75.65
		Appellate Authority – Commissioner (Appeals)	2004-2014	50.75
Sales Tax Laws	Sales Tax	High Court	1987-2008	181.78
		Appellate Authority – Tribunal Level	1987-2011	26.06
		Appellate Authority – Commissioner (Appeals)	1994-2014	42.29
Service Tax Laws	Service Tax	Appellate Authority – Tribunal Level	2001-2014	54.14
		Appellate Authority – Commissioner	2003-2014	15.39
Excise Duty Laws	Excise Duty	High Court	2006-2008	35.26
		Appellate Authority – Tribunal Level	1989-2013	881.19
		Appellate Authority – Commissioner	1991-2013	636.68
Customs Duty Laws	Customs Duty	High Court	1996-2001	1.49
		Appellate Authority – Tribunal Level	2008-2009	1.51

- (c) The Company has been regular in transferring amounts to the Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and Rules made thereunder within time.
- viii. The Company does not have accumulated losses at the end of the financial year and the Company has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.
- ix. According to the information and explanations given to us, the Company has not defaulted in repayment of dues to any financial institutions, banks and debenture holders during the year.
- x. According to the information and explanations given to us, the Company has not given any guarantees for loans taken by others from banks or financial institutions, the terms and conditions, whereof, in our opinion are prejudicial to the interests of the Company.
- xi. In our opinion and according to the information and explanations given to us, the term loans have been applied for the purposes for which they were obtained.
- xii. To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no significant fraud on the Company has been noticed or reported during the year.

**For DELOITTE HASKINS & SELLS**  
Chartered Accountants  
(Firm's Registration No. 117364W)

**Shyamak R Tata**  
Partner  
(Membership No. 38320)

MUMBAI, 29<sup>th</sup> May, 2015

# Balance Sheet

as at 31<sup>st</sup> March, 2015

Rupees crores

	Note	2015	2014
<b>I. EQUITY AND LIABILITIES</b>			
SHAREHOLDERS' FUNDS :			
(a) Share Capital.....	2	295.70	295.16
(b) Reserves and Surplus.....	3	18,959.39	16,496.03
		<b>19,255.09</b>	<b>16,791.19</b>
NON CURRENT LIABILITIES :			
(a) Long Term Borrowings.....	4	2,514.13	3,744.42
(b) Deferred Tax Liabilities (Net) .....	5	979.70	889.65
(c) Other Long Term Liabilities.....	6	614.34	586.27
(d) Long Term Provisions .....	7	607.34	510.33
		<b>4,715.51</b>	<b>5,730.67</b>
CURRENT LIABILITIES :			
(a) Short Term Borrowings.....	8	106.25	0.74
(b) Trade Payables .....	9	5,365.45	6,068.80
(c) Other Current Liabilities .....	10	2,041.13	1,133.56
(d) Short Term Provisions .....	11	1,461.44	1,563.69
		<b>8,974.27</b>	<b>8,766.79</b>
<b>Total .....</b>		<b>32,944.87</b>	<b>31,288.65</b>
<b>II. ASSETS</b>			
NON CURRENT ASSETS :			
(a) Fixed Assets			
Tangible Assets .....	12 (A)	5,795.44	5,706.30
Intangible Assets .....	12 (B)	134.02	170.65
Capital Work-in-Progress.....		755.67	394.86
Intangible Assets Under Development .....		1,423.09	833.58
		<b>8,108.22</b>	<b>7,105.39</b>
(b) Non Current Investments.....	13 (A)	11,372.74	9,787.73
(c) Long Term Loans and Advances .....	14	3,232.26	3,018.12
(d) Other Non Current Assets .....	15	103.44	88.49
		<b>22,816.66</b>	<b>19,999.73</b>
CURRENT ASSETS :			
(a) Current Investments.....	13 (B)	1,765.42	1,592.12
(b) Inventories.....	16	2,437.57	2,803.63
(c) Trade Receivables .....	17	2,558.03	2,509.84
(d) Cash and Bank Balances .....	18	2,064.77	2,950.39
(e) Short Term Loans and Advances.....	19	773.10	945.83
(f) Other Current Assets.....	20	529.32	487.11
		<b>10,128.21</b>	<b>11,288.92</b>
<b>Total .....</b>		<b>32,944.87</b>	<b>31,288.65</b>

The accompanying notes 1 to 51 are an integral part of the Financial Statements

In terms of our report attached.

For Deloitte Haskins & Sells  
Chartered Accountants

Shyamak R Tata  
Partner

Mumbai, 29<sup>th</sup> May, 2015

Bharat Doshi  
Deepak S. Parekh  
Nadir B. Godrej  
M. M. Murugappan  
R. K. Kulkarni  
Anupam Puri  
Vishakha N. Desai  
Vikram Singh Mehta  
S. B. Mainak

Directors

Anand G. Mahindra

Dr. Pawan Goenka

V. S. Parthasarathy

Narayan Shankar

Chairman & Managing Director

Executive Director & Group President  
(Auto and Farm Sector)

Group Chief Financial Officer, Group CIO &  
President (Group Finance and M&A)

Company Secretary

Mumbai, 29<sup>th</sup> May, 2015

**Statement of Profit and Loss** for the year ended 31<sup>st</sup> March, 2015

Rupees crores

	Note	2015	2014
Gross Revenue from Sale of Products and Services.....	21	40,579.30	42,575.04
Less : Excise Duty.....		2,187.69	2,611.68
Net Revenue from Sale of Products and Services.....		38,391.61	39,963.36
Other Operating Revenue.....	21	553.81	545.14
<b>Revenue from Operations (Net)</b> .....	21	38,945.42	40,508.50
Other Income.....	22	848.94	717.99
<b>Total Revenue</b> .....		39,794.36	41,226.49
<b>EXPENSES :</b>			
Cost of Materials Consumed.....	23	20,272.48	21,630.08
Purchases of Stock-in-Trade.....	24	7,359.37	8,076.92
Changes in Inventories of Finished Goods, Work-in-Progress, Stock-in-Trade and Manufactured Components.....	25	323.63	(274.67)
Employee Benefits Expense.....	26	2,316.93	2,163.72
Finance Costs.....	27	214.30	259.22
Depreciation and Amortisation Expense.....	28	974.90	863.34
Other Expenses.....	29	4,600.57	4,294.28
		36,062.18	37,012.89
Less : Cost of Manufactured Products Capitalised.....		100.99	103.04
<b>Total Expenses</b> .....		35,961.19	36,909.85
Profit Before Exceptional Item and Tax.....		3,833.17	4,316.64
<b>Add : Exceptional Items</b> .....	41	335.72	52.79
Profit Before Tax.....		4,168.89	4,369.43
Less : Tax Expense			
Current Tax.....		835.92	837.95
Less : MAT Credit Entitlement.....		92.72	488.15
Net Current Tax.....		743.20	349.80
Deferred Tax (Net).....		104.58	261.28
		847.78	611.08
<b>Profit for the year</b> .....		3,321.11	3,758.35
<b>Earnings per equity share</b>	42		
(Face value Rs. 5/- per share) (Rupees)			
Basic.....		56.23	63.67
Diluted.....		53.66	61.07
The accompanying notes 1 to 51 are an integral part of the Financial Statements			

In terms of our report attached.

For **Deloitte Haskins & Sells**  
Chartered Accountants**Shyamak R Tata**  
PartnerMumbai, 29<sup>th</sup> May, 2015

Bharat Doshi  
Deepak S. Parekh  
Nadir B. Godrej  
M. M. Murugappan  
R. K. Kulkarni  
Anupam Puri  
Vishakha N. Desai  
Vikram Singh Mehta  
S. B. Mainak

Directors

**Anand G. Mahindra****Dr. Pawan Goenka****V. S. Parthasarathy****Narayan Shankar**

Chairman &amp; Managing Director

Executive Director & Group President  
(Auto and Farm Sector)Group Chief Financial Officer, Group CIO &  
President (Group Finance and M&A)

Company Secretary

Mumbai, 29<sup>th</sup> May, 2015

## Cash Flow Statement for the year ended 31<sup>st</sup> March, 2015

Rupees crores

	2015	2014
<b>A. CASH FLOW FROM OPERATING ACTIVITIES :</b>		
Profit before exceptional item and taxation.....	3,833.17	4,316.64
Adjustments for :		
Depreciation and Amortisation.....	974.90	863.34
(Profit)/Loss on Exchange (Net).....	81.30	(70.04)
Investment and Interest Income.....	(713.93)	(599.48)
Interest, Commitment and Finance Charges.....	214.30	259.22
Employee Stock Compensation Expense.....	35.07	56.14
Write off of Intangible Asset Under Development.....	19.38	7.19
(Profit)/Loss on sale of investments (Net).....	(5.84)	0.69
Profit on fixed assets sold/scrapped/written off (Net).....	(1.78)	(2.79)
Excess of cost over fair value of current investments (Net).....	(0.76)	3.57
	602.64	517.84
Operating Profit before Working Capital changes.....	4,435.81	4,834.48
Changes in :		
Trade and other receivables.....	(183.73)	(445.91)
Inventories.....	366.06	(270.18)
Trade and other payables.....	(551.90)	503.47
	(369.57)	(212.62)
Cash generated from operations.....	4,066.24	4,621.86
Income Taxes paid (Net of refunds).....	(846.75)	(894.22)
NET CASH FROM OPERATING ACTIVITIES.....	3,219.49	3,727.64
<b>B. CASH FLOW FROM INVESTING ACTIVITIES :</b>		
Purchase of fixed assets.....	(2,034.55)	(1,704.30)
Sale of fixed assets.....	12.00	26.71
Purchase of long term investments – Subsidiaries.....	(1,325.20)	(1,411.65)
Purchase of other long term investments.....	(6.95)	(4.22)
Purchase of current investments.....	(70,378.25)	(58,102.41)
Sale/Redemption of long term investments – Subsidiaries.....	—	1,165.02
Sale of long term investments – Associates.....	—	10.02
Sale of current investments.....	70,292.97	57,837.74
Interest received.....	192.73	228.46
Dividends received.....	413.00	298.33
Bank Deposits placed.....	(1,991.00)	(1,730.75)
Bank Deposits matured.....	2,089.65	1,121.27
Increase in Earmarked Balances & Margin account.....	(1.50)	(1.45)
Inter corporate deposits given.....	(1.53)	(1,146.09)
Inter corporate deposits refunded.....	239.97	956.85
Loan given.....	—	(112.70)
Repayment of loan given.....	35.15	55.75
Exceptional Items :		
Sale of long term investments.....	40.42	106.34
NET CASH USED IN INVESTING ACTIVITIES.....	(2,423.09)	(2,407.08)

**Cash Flow Statement** (contd.)

Rupees crores

	2015	2014
<b>C. CASH FLOW FROM FINANCING ACTIVITIES :</b>		
Proceeds from Issue of Share Capital (including Securities Premium).....	2.60	183.90
Proceeds from borrowings.....	104.31	620.40
Repayments of borrowings .....	(488.97)	(473.99)
Net increase/(decrease) in Cash Credit Facilities.....	(0.05)	0.05
Dividends paid [including income-tax on dividends <b>Rs. 100.76 crores</b> (2014 : Rs. 93.46 crores)] ...	(960.85)	(893.51)
Interest, commitment and finance charges paid .....	(241.86)	(260.78)
<b>NET CASH USED IN FINANCING ACTIVITIES .....</b>	<b>(1,584.82)</b>	<b>(823.93)</b>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS.....</b>	<b>(788.42)</b>	<b>496.63</b>
OPENING CASH AND CASH EQUIVALENTS .....	1,705.61	1,163.96
CASH AND CASH EQUIVALENTS RECEIVED PURSUANT TO THE SCHEME OF ARRANGEMENT/ BUSINESS TRANSFER .....	—	45.02
<b>CLOSING CASH AND CASH EQUIVALENTS .....</b>	<b>917.19</b>	<b>1,705.61</b>

## Notes to the Cash Flow Statement for the year ended 31<sup>st</sup> March, 2015

Rupees crores

	2015	2014
1. The above Cash Flow Statement has been prepared under the 'indirect method' as set out in Accounting Standard 3 'Cash Flow Statement'		
2. Cash and Cash Equivalents .....	917.19	1,705.61
Unrealised Loss on foreign currency Cash and Cash Equivalents.....	(0.08)	(0.04)
	917.11	1,705.57
Other Bank Balances .....	1,147.66	1,244.82
Cash and Bank Balances (Note 18) .....	2,064.77	2,950.39
3. (a) Pursuant to the Scheme of Arrangement ("The Scheme") between Mahindra Trucks and Buses Limited (MTBL), a subsidiary of the Company, and the Company, as sanctioned by Honourable High Court of Bombay vide its order dated 7 <sup>th</sup> March, 2014, the entire assets and liabilities, duties and obligations of the Trucks business of MTBL was transferred to and vested in the Company from 1 <sup>st</sup> April, 2013 (the appointed date) at the values indicated below :		
(i) Loan Funds.....	—	246.43
(ii) Other Liabilities.....	—	343.16
(iii) Fixed Assets (Net) .....	—	519.54
(iv) Investments.....	—	5.00
(v) Other Assets .....	—	257.53
(b) The Company has transferred certain assets alongwith certain liabilities of its Defense system division to a wholly owned subsidiary in the current year with effect from 1 <sup>st</sup> April, 2013. The value of the assets and liabilities of the division transferred are at the values indicated below :		
(i) Other Liabilities.....	—	5.89
(ii) Fixed Assets (Net) .....	—	3.97
(iii) Other Assets .....	—	15.16
(c) During the year, the Company acquired shares in its subsidiary by converting its deposits .....	76.50	—
(d) Also refer Note 37 and 38		
(e) These arrangements/transfers are non-cash transactions.		

In terms of our report attached.

For **Deloitte Haskins & Sells**  
Chartered Accountants

**Shyamak R Tata**  
Partner

Mumbai, 29<sup>th</sup> May, 2015

**Bharat Doshi**  
**Deepak S. Parekh**  
**Nadir B. Godrej**  
**M. M. Murugappan**  
**R. K. Kulkarni**  
**Anupam Puri**  
**Vishakha N. Desai**  
**Vikram Singh Mehta**  
**S. B. Mainak**

Directors

**Anand G. Mahindra**

**Dr. Pawan Goenka**

**V. S. Parthasarathy**

**Narayan Shankar**

Chairman & Managing Director

Executive Director & Group President  
(Auto and Farm Sector)

Group Chief Financial Officer, Group CIO &  
President (Group Finance and M&A)

Company Secretary

Mumbai, 29<sup>th</sup> May, 2015

## Notes forming part of the Financial Statements for the year ended 31<sup>st</sup> March, 2015

### 1. Significant Accounting Policies :

#### (A) Basis of Accounting :

The financial statements of the Company have been prepared in accordance with the generally accepted accounting principles in India (Indian GAAP) and comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with rule 7 of the Companies (Accounts) Rules, 2014.

#### (B) Tangible Assets :

(a) (i) Tangible assets are carried at cost less depreciation except as stated in (ii) below. Cost includes financing cost relating to borrowed funds attributable to the construction or acquisition of qualifying tangible assets upto the date the assets are ready for use. Where the acquisition of depreciable tangible assets are financed through long term foreign currency loans (having a term of 12 months or more at the time of their origination) the exchange differences on such loans are added to or subtracted from the cost of such depreciable tangible assets.

When an asset is scrapped or otherwise disposed off, the cost and related depreciation are removed from the books of account and resultant profit (including capital profit) or loss, if any, is reflected in the Statement of Profit and Loss.

(ii) Land and Buildings, had been revalued as at 31<sup>st</sup> October, 1984 at depreciated replacement values on the basis of a valuation made by a firm of Chartered Surveyors and Valuers. The indices, if any, used are not stated in the valuation.

(b) (i) Leasehold land is amortised over the period of the lease.

(ii) Depreciation is calculated on Straight Line method over the estimated useful life of all assets. These lives are in accordance with Schedule II to the Companies Act, 2013, other than the following asset classes based on the Company's expected usage pattern supported by technical assessment:

(a) Certain items of Plant and Machinery - 2 years, 3 years, 5 years, 7 years, 10 years, 20 years and 25 years as the case may be.

(b) Buildings(Roads) – 15 years.

(c) Vehicles – 5 years

#### (C) Intangible Assets :

Intangible assets are carried at cost and amortised on a Straight Line Basis so as to reflect the pattern in which the asset's economic benefits are consumed.

##### (a) Technical Knowhow :

The expenditure incurred is amortised over the estimated period of benefit, not exceeding six years commencing with the year of purchase of the technology.

##### (b) Development Expenditure :

The expenditure incurred on technical services and other project/product related expenses are amortised over the estimated period of benefit, not exceeding five years.

##### (c) Software Expenditure :

The expenditure incurred is amortised over three financial years equally commencing from the year in which the expenditure is incurred.

##### (d) Others :

The expenditure incurred is amortised over the estimated period of benefit, not exceeding ten years.

#### (D) Impairment of Assets :

The carrying value of assets/cash generating units at each balance sheet date are reviewed for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and impairment is recognised, if the carrying amount of these assets exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life to their present value based on an appropriate discount factor. When there is indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss, except in case of revalued assets.

(E) Investments :

Long term investments are valued at cost. However, provision for diminution in value is made to recognise a decline other than temporary in the value of investments. Current investments are valued at the lower of cost and fair value, determined by category of investment.

(F) Inventories :

Inventories comprise all costs of purchase, conversion and other costs incurred in bringing the inventories to their present location and condition.

Raw materials and bought out components are valued at the lower of cost or net realisable value. Cost is determined on the basis of the weighted average method.

Finished goods produced and purchased for sale, manufactured components and work-in-progress are carried at cost or net realisable value whichever is lower. Excise duty is included in the value of finished goods inventory.

Stores, spares and tools other than obsolete and slow moving items are carried at cost. Obsolete and slow moving items are valued at cost or estimated net realisable value, whichever is lower.

(G) Foreign Exchange Transactions :

Transactions in foreign currencies (other than firm commitments and highly probable forecast transactions) are recorded at the exchange rates prevailing on the date of transaction. Monetary items are translated at the year-end rates. The exchange difference between the rate prevailing on the date of transaction and on the date of settlement as also on translation of monetary items at the end of the year (other than those relating to long term foreign currency monetary items) is recognised as income or expense, as the case may be.

Exchange differences relating to long term foreign currency monetary items, to the extent they are used for financing the acquisition of depreciable assets are added to, or subtracted from, the cost of such depreciable assets and the balance accumulated in 'Foreign Currency Monetary Item Translation Difference Account', under Reserves and Surplus, and amortised over the balance term of the long term monetary item.

Any premium or discount arising at the inception of a forward exchange contract is recognised as income or expense over the life of the contract, except where the contract is designated as a cash flow hedge.

(H) Derivative Instruments and Hedge Accounting :

The Company uses foreign currency forward contracts and currency options to hedge its risks associated with foreign currency fluctuations relating to certain firm commitments and highly probable forecast transactions. The Company does not hold derivative financial instruments for speculative purposes. The Company has applied to such contracts the hedge accounting principles set out in Accounting Standard 30 'Financial Instruments : Recognition and Measurement' (AS 30) by marking them to market at each reporting date.

Changes in the fair value of the contracts that are designated and effective as hedges of future cash flows are recognised directly in Hedging Reserve Account and the ineffective portion is recognised in the Statement of Profit and Loss.

(I) Revenue Recognition :

Sale of products and services including export benefits thereon are recognised when the products are shipped or services rendered.

Excise duty recovered on sales is included in "Revenue from Operations".

Dividend from investments are recognised in the Statement of Profit and Loss when the right to receive payment is established.

(J) Government Grants :

The Company, directly or indirectly through a consortium of Mahindra Group Companies, is entitled to various incentives from government authorities in respect of manufacturing units located in developing regions. The Company accounts for its entitlement as income on accrual basis.

(K) Employee Benefits :

In respect of Defined Contribution Plans/Defined Benefit Plans/Long term Compensated Absences :

Company's contributions paid/payable during the year to Superannuation Fund, ESIC and Labour Welfare Fund are recognised in the Statement of Profit and Loss.

Contributions to Provident Fund are made to a Trust administered by the Company/Regional Provident Fund Commissioner and are charged to Statement of Profit and Loss as incurred. The Company is liable for the contribution and any shortfall in interest between the amount of interest realised by the investments and the interest payable to members at the rate declared by the Government of India in respect of the Trust administered by the Company.

Company's liability towards gratuity, long term compensated absences, post retirement medical benefit and post retirement housing allowance schemes are determined by independent actuaries, using the projected unit credit method. Past services are recognised on a straight line basis over the average period until the benefits become vested. Actuarial gains and losses are recognised immediately in the Statement of Profit and Loss as income or expense. Obligation is measured at the present value of estimated future cash flows using a discounted rate that is determined by reference to the market yields at the Balance Sheet date on Government Bonds where the currency and terms of the Government Bonds are consistent with the currency and estimated terms of the defined benefit obligation.

In respect of Employee Stock Option Scheme :

The compensation cost of stock options granted to employees is measured by the Intrinsic Value Method. The intrinsic value, which is the excess of the market price of the underlying equity shares as of the date of the grant over the exercise price of the option, is recognised and amortised on straight line basis over the vesting period.

(L) Borrowing Costs :

All borrowing costs are charged to the Statement of Profit and Loss except :

- (i) Borrowing costs that are attributable to the acquisition or construction of qualifying tangible and intangible assets that necessarily take a substantial period of time to get ready for their intended use, which are capitalised as part of the cost of such assets.
- (ii) Expenses incurred on raising long term borrowings are amortised over the period of borrowings. On early buyback, conversion or repayment of borrowings, any unamortised expenditure is fully written off in that year.

(M) Product Warranty :

In respect of warranties given by the Company on sale of certain products, the estimated costs of these warranties are accrued at the time of sale. The estimates for accounting of warranties are reviewed and revisions are made as required.

(N) Leases :

The Company's significant leasing arrangements are in respect of operating leases for premises (residential, office, stores, godowns, computer hardware etc.). The leasing arrangements, which are not non-cancellable, range between eleven months and five years generally, and are usually renewable by mutual consent on agreed terms. The aggregate lease rentals payable are charged as rent.

(O) Taxes on Income :

Current tax is determined as the amount of tax payable in respect of taxable income for the year. Deferred tax is recognised, subject to consideration of prudence, on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets arising on account of unabsorbed depreciation or carry forward of tax losses are recognised only to the extent that there is virtual certainty supported by convincing evidence that sufficient future tax income will be available against which such deferred tax assets can be realised.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax against which the MAT paid will be adjusted.

(P) Segment Reporting :

Segments are identified having regard to the dominant source and nature of risks and returns and internal organisation and management structure.

Revenues and expenses have been identified to the segment based on their relationship to the business activity of the segment.

Income/Expenses relating to the enterprise as a whole and not allocable on a reasonable basis to business segments are reflected as unallocated corporate income/expenses. Inter-segment transfers are at prices which are generally market led.

2. Share Capital :

Rupees crores

	2015	2014
<b>Authorised :</b>		
1,20,00,00,000 Ordinary (Equity) Shares of Rs. 5 each.....	600.00	600.00
25,00,00,000 Unclassified Shares of Rs. 100 each .....	25.00	25.00
	<b>625.00</b>	<b>625.00</b>
<b>Issued and Subscribed :</b>		
62,10,92,384 (2014 : 61,58,92,384) Ordinary (Equity) Shares of Rs. 5 each fully paid up. ....	310.55	307.95
<b>Less :</b>		
2,97,00,106 (2014 : 2,55,69,113) Ordinary (Equity) Shares of Rs. 5 each fully paid up issued to ESOP Trust but not allotted to employees .....	14.85	12.79
<b>Adjusted : Issued and Subscribed Share Capital.....</b>	<b>295.70</b>	<b>295.16</b>

(A) Reconciliation of number of Ordinary (Equity) Shares and amount outstanding :

	2015		2014	
	No. of shares	Rupees crores	No. of shares	Rupees crores
<b>Issued and Subscribed :</b>				
Balance as at the beginning of the year .....	61,58,92,384	307.95	61,39,80,756	306.99
<b>Add :</b>				
Shares issued to ESOP Trust .....	52,00,000	2.60	19,11,628	0.96
Balance as at the end of the year .....	62,10,92,384	310.55	61,58,92,384	307.95
<b>Less :</b>				
Shares issued to ESOP Trust but not allotted to Employees [Note 3(K)].....	2,97,00,106	14.85	2,55,69,113	12.79
<b>Adjusted : Issued and Subscribed Share Capital.....</b>	<b>59,13,92,278</b>	<b>295.70</b>	<b>59,03,23,271</b>	<b>295.16</b>

(B) The Ordinary (Equity) Shares of the Company rank *pari-passu* in all respects including voting rights and entitlement to dividend.

(C) Details of Ordinary (Equity) Shares held by shareholders holding more than 5% of the aggregate shares in the Company :

Name of the Shareholder	2015		2014	
	No. of shares	% shareholding	No. of shares	% shareholding
(i) Life Insurance Corporation of India.....	7,82,03,359	12.59	7,00,77,205	11.38
(ii) Prudential Management and Services Pvt. Ltd. ....	7,07,60,970	11.39	7,07,60,970	11.49
(iii) M&M Benefit Trust.....	5,18,35,214	8.35	5,18,35,214	8.42
(iv) The Bank of New York Mellon (for GDR holders)....	3,34,13,833	5.38		

(D) Issued and Subscribed Share Capital includes an aggregate of **40,647** (2014 : 40,647) Ordinary (Equity) Shares of Rs. 5 each allotted as fully paid-up pursuant to Schemes of Arrangement without payment having been received in cash, for a period of five years immediately preceding the end of the financial year.

## 3. Reserves and Surplus :

	Rupees crores	
	2015	2014
<b>(A) Capital Reserve :</b>		
Balance as at the beginning of the year.....	10.13	10.13
Balance as at the end of the year.....	10.13	10.13
<b>(B) Securities Premium Account :</b>		
Balance as at the beginning of the year.....	2,493.04	2,310.22
Add :		
On account of issue of Ordinary (Equity) Shares to ESOP Trust .....	—	182.94
On account of exercise of employee stock options.....	45.77	—
	2,538.81	2,493.16
Less :		
Writing-off of debenture issue expenses [Net of Tax of Rs. 0.03 crores (2014 : Rs. 0.06 crores)].....	0.07	0.12
	2,538.74	2,493.04
Less :		
Premium on shares issued to ESOP Trust but not allotted to employees [Note 3(K)] .....	258.30	259.61
Balance as at the end of the year.....	2,280.44	2,233.43
<b>(C) Revaluation Reserve :</b>		
Balance as at the beginning of the year.....	10.79	10.84
Less :		
Adjusted against depreciation for the year.....	—	0.05
Balance as at the end of the year.....	10.79	10.79
<b>(D) General Reserve :</b>		
Balance as at the beginning of the year.....	1,705.55	1,819.96
Add :		
Transfer from Surplus in Statement of Profit and Loss.....	—	400.00
On account of employee stock options*.....	24.00	51.44
On account of employee stock options lapsed .....	0.08	—
	1,729.63	2,271.40
Less :		
Consequent to the Scheme of Arrangement [Note 39].....	—	565.85
	1,729.63	1,705.55
Add :		
Bonus shares issued to ESOP Trust but not allotted to employees [Note 3(K)].....	0.81	1.08
Balance as at the end of the year.....	1,730.44	1,706.63
* relating to shares other than those allotted by the Company to the ESOP Trust		
<b>(E) Debenture Redemption Reserve :</b>		
Balance as at the beginning of the year.....	88.22	71.43
Add :		
Transfer from Surplus in Statement of Profit and Loss.....	16.79	16.79
Balance as at the end of the year.....	105.01	88.22

### 3. Reserves and Surplus : (contd.)

Rupees crores

	2015	2014
<b>(F) Investment Fluctuation Reserve* [Note 37 and 40] :</b>		
Balance as at the beginning of the year.....	130.74	277.98
Add :		
Provision no longer required written back.....	267.47	0.52
	<b>398.21</b>	<b>278.50</b>
Less :		
Utilisation during the year.....	333.62	147.76
Balance as at the end of the year.....	<b>64.59</b>	<b>130.74</b>
* pursuant to Schemes of Arrangement/Amalgamation approved by the Honourable High Courts		
<b>(G) Hedging Reserve Account :</b>		
Balance as at the beginning of the year.....	(26.31)	(50.08)
Add :		
Net movement, on hedging instruments, designated and effective as hedges and transfers to statement of profit and loss on occurrence of forecasted hedge transactions .....	11.52	36.01
	<b>(14.79)</b>	<b>(14.07)</b>
Less :		
Deferred Tax.....	(3.74)	(12.24)
Balance as at the end of the year.....	<b>(18.53)</b>	<b>(26.31)</b>
<b>(H) Employee Stock Options Outstanding :</b>		
Balance as at the beginning of the year.....	223.11	244.15
Add :		
On account of options granted during the year.....	—	39.40
	<b>223.11</b>	<b>283.55</b>
Less :		
Transfer to Securities Premium Account on exercise of options during the year .....	45.77	—
Transfer to General Reserve on account of employee stock options* .....	24.00	51.44
For options lapsed/forfeited during the year .....	10.55	9.00
Balance as at the end of the year.....	<b>142.79</b>	<b>223.11</b>
Less :		
Deferred Employee Compensation Expense .....	36.20	84.41
Balance as at the end of the year.....	<b>106.59</b>	<b>138.70</b>

\* relating to shares other than those allotted by the Company to the ESOP Trust

## 3. Reserves and Surplus : (contd.)

	Rupees crores	
	2015	2014
<b>(I) Foreign Currency Monetary Item Translation Difference Account :</b>		
Balance as at the beginning of the year .....	(121.01)	(94.51)
Add :		
Arising on revaluation of long term monetary assets and liabilities (net).....	(41.86)	(92.45)
	<b>(162.87)</b>	<b>(186.96)</b>
Less :		
Amortisation during the year.....	83.29	65.95
Balance as at the end of the year.....	<b>(79.58)</b>	<b>(121.01)</b>
<b>(J) Surplus in Statement of Profit and Loss :</b>		
Balance as at the beginning of the year.....	12,324.71	9,951.92
Add :		
Profit for the year.....	3,321.11	3,758.35
Reversal of income tax on dividend paid for 2013-14.....	2.80	—
	<b>15,648.62</b>	<b>13,710.27</b>
Less :		
Transfer to Debenture Redemption Reserve .....	16.79	16.79
Transfer to General Reserve .....	—	400.00
Depreciation as per transitional provision specified in Schedule II of the Companies Act, 2013 - [Net of Tax of Rs. 18.24 crores].....	35.43	—
Proposed Dividend [Rs. 12.00 per share (2014 : Rs. 14.00 per share)].....	745.31	862.25
Income-tax on Proposed Dividend.....	101.58	103.56
Dividend for 2012-13 paid on shares issued in June 2013.....	—	2.48
Income-tax on dividend paid .....	—	0.48
Balance as at the end of the year.....	<b>14,749.51</b>	<b>12,324.71</b>
<b>Total Reserves and Surplus .....</b>	<b>18,959.39</b>	<b>16,496.03</b>

(K) The Guidance Note on Accounting for Employee Share-based Payments issued by The Institute of Chartered Accountants of India requires that shares allotted to a Trust but not transferred to employees be reduced from Share Capital and Reserves and Surplus. Accordingly, the Company has reduced the Share Capital by Rs. 14.04 crores (2014 : Rs. 11.71 crores) and Securities Premium Account by Rs. 258.30 crores (2014 : Rs. 259.61 crores) for the 2,80,82,384 shares of Rs. 5 each (2014 : 2,34,16,888 shares of Rs. 5 each) held by the Trust pending transfer to the eligible employees.

The Share Capital of the Company has also been reduced and the General Reserve increased by Rs. 0.81 crores (2014 : Rs. 1.08 crores) for the 16,17,722 bonus shares of Rs. 5 each (2014 : 21,52,225 bonus shares of Rs. 5 each) issued by the Company in September, 2005 to the Trust but not yet transferred by the Trust to the employees.

The above monies which are treated as advance received from the Trust, is included under Other Current Liabilities and Other Long Term Liabilities.

#### 4. Long Term Borrowings :

	Rupees crores	
	2015	2014
<b>(A) Secured :</b>		
(i) Debentures/Bonds.....	—	133.34
(ii) Term Loans from Banks.....	—	160.71
	—	294.05
<b>(B) Unsecured :</b>		
(i) Debentures.....	500.00	500.00
(ii) Term Loans from Banks.....	937.50	1,797.45
(iii) Fixed Deposits.....	21.69	58.71
(iv) Other Loans.....	1,054.94	1,094.21
	<b>2,514.13</b>	<b>3,450.37</b>
	<b>2,514.13</b>	<b>3,744.42</b>

#### (a) Secured Borrowings :

##### Debentures/Bonds :

Debentures/Bonds include Secured Non Convertible debentures carrying an interest rate of 11.95% for a period of seven years and are repayable in three equal annual installments from December, 2013. These debentures are secured by tangible assets of the Company at certain locations including immovable items therein and by way of a first *pari-passu* charge on the movable plant and machinery, machinery spares, tools and accessories and other movables, both present and future (save and except book debts) situated at certain locations of the Company. Rs. 133.34 crores payable in December, 2015 is shown under current maturities of long term borrowings.

Term loans from banks were secured by way of first ranking *pari-passu* charge on certain immovable and movable properties both present and future, relating to Medium and Heavy Commercial Vehicle (MHCV) project as well as second charge on certain current assets, relating to MHCV project. These loans were carrying floating rate of interest ranging from 11.00% to 11.80%. The loans have been fully repaid during the year.

#### (b) Unsecured Borrowings :

Debentures are Senior Redeemable Non-Convertible Debentures carrying an interest rate of 9.55% with a tenure of 50 years, repayable in July, 2063.

Term loans from banks comprise of :

USD External Commercial Borrowings carrying an average margin of 157 basis points over three month USD Libor and are repayable after five years and one day from the date of respective avilment of loan i.e. Rs. 625.00 crores in August, 2016 and Rs. 312.50 crores in September, 2016. Rs. 937.50 Crores payable in February, 2016 is shown under current maturities of long term borrowings.

Fixed deposits are repayable three years from the date of deposit and carry an interest rate of 9.75%.

Other loans comprise deferred sales tax loans which are interest free and repayable in five equal installments after ten years from the year of avilment of respective loan. These loans are repayable :

	Rupees crores	
	2015	2014
(i) In the second year.....	59.51	39.08
(ii) In the third to fifth year.....	269.89	235.42
(iii) After five years.....	725.54	819.71
	<b>1,054.94</b>	<b>1,094.21</b>

#### (c) Current maturities in respect of long term borrowings have been included in Note 10 as under :

	Rupees crores	
	2015	2014
(i) Debentures/Bonds.....	133.34	133.34
(ii) Term Loans from Banks.....	937.50	155.90
(iii) Fixed Deposits.....	36.62	10.93
(iv) Other Loans.....	0.62	—
	<b>1,108.08</b>	<b>300.17</b>

**5. Deferred Tax Liabilities (Net) :**

The components of Deferred Tax Liabilities and Assets are as under :

	Rupees crores	
	2015	2014
Deferred Tax Liabilities :		
(i) On fiscal allowances on fixed assets.....	1,241.41	1,105.68
(ii) Others.....	49.31	57.66
	<b>1,290.72</b>	<b>1,163.34</b>
Deferred Tax Assets :		
(i) On provision for employee benefits.....	200.49	154.85
(ii) On provision for doubtful debts/advances.....	23.83	16.95
(iii) Loss on mark to market of hedging instruments .....	9.80	13.55
(iv) Others.....	76.90	88.34
	<b>311.02</b>	<b>273.69</b>
Net Deferred Tax Liabilities.....	<b>979.70</b>	<b>889.65</b>

**6. Other Long Term Liabilities :**

	Rupees crores	
	2015	2014
Trade Payables .....	25.69	31.13
Others .....	588.65	555.14
	<b>614.34</b>	<b>586.27</b>

Others include dealer deposits, advance from customers, payable for investments, gratuity payable and monies adjusted from share capital and reserves and surplus on account of shares held by ESOP Trust pending transfer to the eligible employees.

**7. Long Term Provisions :**

	Rupees crores	
	2015	2014
Provision for Employee Benefits.....	430.50	366.77
Provision for Warranty [Note 32] .....	176.84	143.56
	<b>607.34</b>	<b>510.33</b>

**8. Short Term Borrowings :**

	Rupees crores	
	2015	2014
<b>(A) Secured :</b>		
Loans and Advances on cash credit account from Banks.....	—	0.05
<b>(B) Unsecured :</b>		
Term Loan from Bank.....	106.25	—
Fixed Deposits .....	—	0.69
	<b>106.25</b>	<b>0.74</b>

**(a) Secured Borrowings :**

Loans and Advances on cash credit accounts from the Company's bankers are secured by a first charge on a *pari-passu* basis on the whole of the current assets of the Company namely inventories, book debts, outstanding monies, receivables, claims etc. both present and future.

**(b) Unsecured Borrowings :**

Term loan from bank is an Export credit facility carrying interest rate of 0.58% and is repayable within a year from the date of availment of loan.

9. Trade Payables :

	Rupees crores	
	2015	2014
Acceptances.....	575.43	747.85
Trade Payables – Micro and Small enterprises.....	79.53	112.59
Trade Payables – Other than Micro and Small enterprises.....	4,710.49	5,208.36
	<b>5,365.45</b>	<b>6,068.80</b>

Micro, Small and Medium enterprises have been identified by the Company on the basis of the information available. Total outstanding dues of Micro and Small enterprises, which are outstanding for more than the stipulated period are given below :

	Rupees crores	
	2015	2014
(a) Dues remaining unpaid as at 31 <sup>st</sup> March		
Principal.....	54.95	35.65
Interest on the above .....	0.56	0.45
(b) Interest paid in terms of Section 16 of the Act, along with the amount of payment made to the supplier beyond the appointed day during the year		
Principal paid beyond the appointed date.....	564.84	645.15
Interest paid in terms of Section 16 of the Act .....	2.39	2.95
(c) Amount of interest due and payable for the period of delay on payments made beyond the appointed day during the year .....	2.97	3.08
(d) Further interest due and payable even in the succeeding years, until such date when the interest due as above are actually paid to the small enterprises .....	1.18	1.16
(e) Amount of interest accrued and remaining unpaid as at 31 <sup>st</sup> March.....	4.71	4.69

10. Other Current Liabilities :

	Rupees crores	
	2015	2014
Current Maturities of Long Term Borrowings.....	1,108.08	300.17
Advance from Customers .....	255.04	255.91
Interest accrued but not due on borrowings .....	18.31	23.78
Dividend Payable.....	14.59	12.43
Unclaimed Matured Deposits.....	0.79	0.43
Others.....	644.32	540.84
	<b>2,041.13</b>	<b>1,133.56</b>

Others mainly include capital creditors, government dues and taxes payable, gratuity payable and salary deductions payable.

There are no amounts due and outstanding to be credited to the Investor Education and Protection Fund.

11. Short Term Provisions :

	Rupees crores	
	2015	2014
Provision for Employee Benefits.....	168.87	148.62
Provision for Warranty [Note 32] .....	193.34	194.98
Proposed Dividend .....	745.31	862.25
Provision for Tax on Proposed Dividend.....	101.58	103.56
Provision for Taxation.....	252.34	254.28
	<b>1,461.44</b>	<b>1,563.69</b>

12. Fixed Assets :

(A) Tangible Assets :

Description of Assets	Rupees crores												
	Cost/ Professional valuation as at 31 <sup>st</sup> March, 2014	Additions during the year	Other adjustments during the year	Acquisition through Scheme of Arrangement	Deductions and adjustments during the year	Cost/ Professional valuation as at 31 <sup>st</sup> March, 2015	Accumulated Depreciation upto 31 <sup>st</sup> March, 2014	Depreciation as per transitional provision specified in Schedule II of the Companies Act, 2013	Depreciation for 2014-2015	Accumulated Depreciation/ adjustment on Assets acquired through Scheme of Arrangement	Deductions and adjustments of Depreciation	Accumulated Depreciation upto 31 <sup>st</sup> March, 2015	Net Balance as at 31 <sup>st</sup> March, 2015
Land – Freehold.....	264.62	2.60	—	—	—	267.22	—	—	—	—	—	—	267.22
	139.27	125.35	—	—	—	264.62	—	—	—	—	—	—	264.62
Land – Leasehold .....	63.34	44.16	—	—	—	107.50	6.37	1.08	—	—	7.45	7.45	100.05
	63.34	—	—	—	—	63.34	5.69	0.68	—	—	6.37	6.37	56.97
Buildings.....	1,425.28	85.17	4.63	—	0.90	1,514.18	292.87	3.21	41.36	0.24	337.20	337.20	1,176.98
	1,338.49	65.39	23.74	0.66	3.00	1,425.28	253.20	—	39.77	0.13	292.87	292.87	1,132.41
Plant and Equipment.....	7,689.00	719.63	34.58	—	37.84	8,405.37	3,833.18	32.09	681.50	34.95	4,511.82	4,511.82	3,893.55
	6,354.12	802.76	94.34	488.54	50.76	7,689.00	3,193.35	—	582.17	40.70	3,833.18	3,833.18	3,855.82
Office Equipment.....	87.04	12.82	0.17	—	0.63	99.40	32.85	13.02	15.96	0.59	61.24	61.24	38.16
	69.51	16.05	0.86	1.71	1.09	87.04	26.87	—	6.48	0.84	32.85	32.85	54.19
Furniture and Fixtures.....	165.19	12.50	0.10	—	1.36	176.43	79.19	3.30	18.90	1.24	100.15	100.15	76.28
	148.16	14.72	0.37	3.83	1.89	165.19	69.51	—	9.74	0.98	79.19	79.19	86.00
Aircraft .....	103.46	—	—	—	—	103.46	12.20	—	4.81	—	17.01	17.01	86.45
	56.82	46.64	—	—	—	103.46	6.83	—	5.37	—	12.20	12.20	91.26
Vehicles.....	274.00	53.79	0.02	—	25.48	302.33	108.97	2.05	53.54	18.98	145.58	145.58	156.75
	226.45	66.66	0.13	11.22	30.46	274.00	89.65	—	34.64	18.54	108.97	108.97	165.03
	10,071.93	930.67	39.50	—	66.21	10,975.89	4,365.63	53.67	817.15	56.00	5,180.45	5,180.45	5,795.44
	8,396.16	1,137.57	119.44	505.96	87.20	10,071.93	3,645.10	—	678.85	61.19	4,365.63	4,365.63	5,706.30

(B) Intangible Assets (acquired, unless otherwise stated) :

Description of Assets	Rupees crores												
	Cost/ Professional valuation as at 31 <sup>st</sup> March, 2014	Additions during the year	Other adjustments during the year	Acquisition through Scheme of Arrangement	Deductions and adjustments during the year	Cost/ Professional valuation as at 31 <sup>st</sup> March, 2015	Accumulated Amortisation upto 31 <sup>st</sup> March, 2014	Amortisation as per transitional provision specified in Schedule II of the Companies Act, 2013	Amortisation for 2014-2015	Accumulated Amortisation/ adjustment on Assets acquired through Scheme of Arrangement	Deductions and adjustments of Amortisation	Accumulated Amortisation upto 31 <sup>st</sup> March, 2015	Net Balance as at 31 <sup>st</sup> March, 2015
Technical Knowhow.....	2.58	—	—	—	2.58	—	2.58	—	—	—	2.58	—	—
	4.34	—	—	—	1.76	2.58	3.09	—	0.52	1.03	—	2.58	—
Development Expenditure – Internally Generated.....	606.90	97.27	0.03	—	57.91	646.29	460.68	—	134.02	57.91	536.79	109.50	
	474.01	38.60	—	198.00	103.71	606.90	286.26	—	163.46	102.82	460.68	146.22	
Computer Software.....	75.38	20.35	—	—	22.20	73.53	56.85	—	19.48	22.20	54.13	19.40	
	131.27	16.27	—	15.16	87.32	75.38	113.47	—	16.63	13.83	56.85	18.53	
Others.....	39.33	3.47	—	39.33	—	42.80	33.43	—	4.25	—	37.68	5.12	
	—	—	—	—	—	39.33	—	—	3.93	—	33.43	5.90	
	724.19	121.09	0.03	252.49	82.69	762.62	553.54	—	157.75	82.69	628.60	134.02	
	609.62	54.87	—	—	192.79	724.19	402.82	—	184.54	190.93	553.54	170.65	

Notes :

- Other adjustments during the year comprise of difference in exchange and interest capitalised.
- Buildings include Rs. \* crores (2014 : Rs. \* crores) being the value of shares in co-operative housing societies.
- (i) The Depreciation charge for the year reflected above includes an amount of Rs. Nil crores (2014 : Rs. 0.05 crores), representing depreciation on the increase due to revaluation of Land and Buildings transferred from the Revaluation Reserve.
  - In accordance with the requirements of Companies Act, 2013, the company has effective 1<sup>st</sup> April, 2014; Discontinued the policy of charging Revaluation Reserve Account with annual depreciation on that revalued portion.
  - Reviewed and revised the estimated useful lives of its fixed assets generally in accordance with the provisions of Schedule II of the Act (refer Note 1B (b)(iii)).
  - Consequent to the above:
    - In respect of assets, whose useful life is exhausted as at 1<sup>st</sup> April, 2014, the related carrying amount aggregating to Rs 35.43 crores (net of deferred tax of Rs 18.24 crores) has been adjusted against opening balance of Surplus in the Statement of Profit and Loss.
    - The Depreciation charge for the current year ended March 31, 2015 is higher by Rs. 107.61 crores.
- Intangible - Others include congeries of rights etc.
  - \* denotes amounts less than Rs. 50,000
  - Current year figures are in bold.

**13. (A) Non Current Investments :**

	Face Value Per Unit (Rupees)	2015		2014		
		Long Term		Long Term		
		Number	Rupees crores	Number	Rupees crores	
<b>Investments (At Cost, unless otherwise specified) :</b>						
<b>Investments in Equity Instruments (Trade and fully paid-up unless otherwise specified) :</b>						
<b>Unquoted</b>						
<b>(i) In Subsidiary Companies</b>						
Mahindra Engineering and Chemical Products Limited.....	10	4,84,98,462	436.82	4,39,98,462	391.82	
Mahindra Intertrade Limited [including 1,50,00,000 shares partly paid-up Rs. 3 per share].....	+	10	2,71,00,006	16.60	2,71,00,006	16.60
Mahindra USA Inc. [previous year face value per unit US \$ 0.10] .....	+	US \$ 0.25	5,60,00,000	66.37	14,00,00,000	66.37
Mahindra Gujarat Tractor Limited .....	+	10	16,83,218	3.55	16,83,218	3.55
Mahindra Shubhlabh Services Limited .....		10	1,22,12,400	12.37	89,12,400	9.08
Mahindra First Choice Wheels Limited.....	+	10	3,35,96,424	45.83	3,47,77,255	47.44
Bristlecone Limited .....		US \$ 0.001	42,22,250	19.26	42,22,250	19.26
Mahindra & Mahindra South Africa (Proprietary) Limited.....	+	ZAR 1	5,20,00,000	28.54	5,20,00,000	28.54
Mahindra Engineering Services Limited.....		10	—	—	81,26,218	59.96
Mahindra Overseas Investment Company (Mauritius) Limited .....	+	US \$ 1	10,15,39,039	505.75	8,79,02,525	422.30
Mahindra Automobile Distributor Private Limited .....		10	7,40,000	0.31	7,40,000	0.31
Mahindra Trucks and Buses Limited .....	+	0.20	114,79,25,600	74.12	114,79,25,600	74.12
Mahindra Vehicle Manufacturers Limited .....	+	10	96,22,50,000	962.25	96,22,50,000	962.25
Mahindra Logistics Limited .....	+	10	5,14,78,330	51.48	5,39,06,123	53.91
Mahindra Heavy Engines Private Limited .....	+	10	50,80,00,000	439.28	32,80,00,000	259.28
Mahindra Aerospace Private Limited.....	+	10	15,35,34,824	289.94	12,36,97,041	231.64
Mahindra First Choice Services Limited.....		10	19,19,00,000	191.90	13,87,70,000	138.77
Mahindra Gears International Limited .....		EURO 1	—	—	2,30,00,001	153.13
Mahindra Holdings Limited .....		10	9,65,86,534	96.59	6,12,49,999	61.25
Mahindra Consulting Engineers Limited.....		10	11,51,000	1.25	11,51,000	1.25
NBS International Limited.....		10	50,490	5.07	50,490	5.07
Mahindra Two Wheelers Limited.....	+	10	186,20,97,350	1,862.10	111,35,11,969	1,113.51
Mahindra Automotive Australia Pty. Limited.....		AUD 1	45,75,000	21.16	45,75,000	21.16
Defence Land Systems India Limited (formerly known as Defence Land Systems India Private Limited).....	+	10	11,10,00,000	111.00	6,29,00,000	62.90
Mahindra Reva Electric Vehicles Private Limited .....	+	10	2,70,20,466	380.16	2,39,43,542	340.16
Mahindra Defence Systems Limited.....		10	71,69,294	74.65	42,53,467	30.65
Mahindra Investments (India) Private Limited .....		10	—	—	8,00,56,580	56.44
Mahindra Sanyo Special Steel Private Limited .....	+	10	51,00,000	214.33	5,100,000	214.33
Mahindra 'Electoral Trust' Company .....		10	50,000	0.05	50,000	0.05
Mahindra HZPC Private Limited (formerly known as Mahindra Investments (International) Private Limited).....	+	10	47,30,000	4.73	50,000	0.05
Mriyalguda Farm Solution Limited.....		10	3,59,865	0.36		
Swaraj Automotives Limited.....		10	17,06,925	18.28		
				5,934.10		4,845.15
<b>(ii) In Associate Companies</b>						
Officemartindia.com Limited.....		10	7,49,997	0.22	7,49,997	0.22
Mahindra Construction Company Limited.....		10	9,00,000	0.97	9,00,000	0.97
Mega One Stop Farm Services Limited.....		10	3,51,000	0.35	3,51,000	0.35
Mriyalguda Farm Solution Limited .....		10			3,37,500	0.34
Kota Farm Services Limited.....		10	2,73,420	0.27	2,73,420	0.27
Mahindra & Mahindra Contech Limited.....		10	35,000	0.04	35,000	0.04
PSL Media & Communications Limited.....		5	19,750	0.01	19,750	0.01
				1.86		2.20

**13. (A) Non Current Investments : (contd.)**

	Face Value Per Unit (Rupees)	2015		2014	
		Long Term		Long Term	
		Number	Rupees crores	Number	Rupees crores
(iii) In Joint Venture Company					
Mahindra Sona Limited .....	10	13,10,000	1.64	13,10,000	1.64
			1.64		1.64
(iv) In Other Companies (Non-trade and fully paid-up unless otherwise specified)					
Montreal Engineering International Limited.....	100	312	*	312	*
Machinery Manufacturers Corporation Limited.....	+ 10	8,55,646	0.94	8,55,646	0.94
Judricks (India) Private Limited .....	10	1,00,000	0.10	1,00,000	0.10
NTTF Industries Limited.....	10	75,000	0.15	75,000	0.15
Indian NGOs.com Private Limited .....	10	50,000	0.06	50,000	0.06
Sixth Sense Studios Private Limited .....	10	20,000	0.02	20,000	0.02
Utility Engineers (India) Limited .....	10	2,85,000	0.28	2,85,000	0.28
Business Standard Limited .....	10	5,00,000	0.09	5,00,000	0.09
New Tirupur Area Development Corporation Limited.....	+ 10	75,00,000	7.50	75,00,000	7.50
Triton Overwater Transport Agency Limited.....	10	4,98,000	0.58	4,98,000	0.58
Hadoti Krishi Vihar Private Limited .....	100	1,000	0.01	1,000	0.01
Harsolia Agri Sales and Services Private Limited.....	10	30,000	0.03	30,000	0.03
Yadgiri Farm Solutions Private Limited .....	100	200	*	200	*
Srinivasa Farm Solutions Private Limited.....	10	2,000	*	2,000	*
Farm Vision Agri-Tech Private Limited.....	10	15,180	0.01	15,180	0.01
Sowbhagya Krishi Vikas Private Limited .....	10	20,000	0.02	20,000	0.02
Bhuvi Care Private Limited.....	100	1,800	0.02	1,800	0.02
Richfield Crop Solutions India Private Limited .....	10	6,000	0.01	6,000	0.01
Covai Crop Care India Private Limited .....	10	6,000	0.01	6,000	0.01
Manjara Agri Tech Private Limited.....	10	8,000	0.01	8,000	0.01
Sai Wardha Power Limited : Class 'A' Equity Shares (formerly known as Wardha Power Company Limited) (Trade Investment) .....	+ 10	19,45,867	1.95	19,45,867	1.95
New Democratic Electoral Trust .....	10	1,000	*	—	—
Others.....	@		*		*
			11.79		11.79
<b>Quoted</b>					
(i) In Subsidiary Companies					
Mahindra Lifespace Developers Limited .....	10	2,08,46,126	276.94	2,08,46,126	276.94
Mahindra & Mahindra Financial Services Limited .....	2	29,12,07,660	150.91	29,12,07,660	150.91
Mahindra Ugine Steel Company Limited .....	10	—	—	1,64,66,789	49.26
Mahindra Holidays & Resorts India Limited .....	10	6,65,85,642	27.46	6,65,85,642	27.46
Ssangyong Motor Company (Listed on a Stock Exchange outside India) .....	+ KRW 5000	9,99,64,502	2,133.94	9,99,64,502	2,133.94
EPC Industrie Limited .....	10	1,51,44,433	77.75	1,51,44,433	77.75
Swaraj Automotives Limited .....	10			17,06,925	18.28
			2,667.00		2,734.54

\* denotes amounts less than Rs. 50,000

**13. (A) Non Current Investments : (contd.)**

	Face Value Per Unit (Rupees)	2015		2014	
		Long Term		Long Term	
		Number	Rupees crores	Number	Rupees crores
(ii) In Associate Companies					
Swaraj Engines Limited.....	10	41,26,417	1.63	41,26,417	1.63
Mahindra CIE Automotive Limited..... +	10	6,52,71,407	531.48	2,96,109	5.18
Tech Mahindra Limited.....	5	25,62,48,704	1,003.98	6,06,76,252	644.68
			1,537.09		651.49
(iii) In Other Companies (Non-trade and fully paid-up)					
Jardine Henderson Limited.....	100	25	*	25	*
IDBI Bank Limited.....	10	2,85,440	2.29	2,85,440	2.29
			2.29		2.29
<b>Investments in Equity Instruments</b>			10,155.77		8,249.10
<b>Investments in Preference Shares (Trade and fully paid-up unless otherwise specified) :</b>					
<b>Unquoted</b>					
(i) In Subsidiary Companies					
Series 'A' Preference Shares : Bristlecone Limited.....	US \$ 0.001	77,75,147	31.72	70,00,000	31.72
Series 'B' Preference Shares : Bristlecone Limited .....	US \$ 0.001	69,20,000	15.13	69,20,000	15.13
5% Non Cumulative Compulsory Convertible Preference Shares : Mahindra Aerospace Private Limited.....	10	50,00,000	5.00	—	—
			51.85		46.85
(ii) In Associate Company					
10.00% Non-Cumulative Redeemable Participating Preference Shares : Mahindra Construction Company Limited.....	100	5,40,000	5.40	5,40,000	5.40
			5.40		5.40
(iii) In Other Companies (Non-trade and fully paid-up unless otherwise specified)					
4.00% Tax-free Cumulative Preference Shares : Machinery Manufacturers Corporation Limited..... +	100	2,296	0.02	2,296	0.02
11.00% Redeemable Preference Shares : Sixth Sense Studios Private Limited.....	100	1,78,000	1.78	1,78,000	1.78
8.00% Non Cumulative Redeemable Preferred Stock : Prana Holdings Inc. USA..... +		23,00,423	13.83	23,00,423	13.83
0.01% Class 'A' Redeemable Preference Shares : Sai Wardha Power Limited (formerly known as Wardha Power Company Limited) (Trade Investment)..... +	10	24,54,133	2.45	24,54,133	2.45
			18.08		18.08
<b>Investments in Preference Shares .....</b>			75.33		70.33

\* denotes amounts less than Rs. 50,000

## 13. (A) Non Current Investments : (contd.)

	Face Value Per Unit (Rupees)	2015		2014	
		Long Term		Long Term	
		Number	Rupees crores	Number	Rupees crores
<b>Investments in Government/Trust Securities :</b>					
<b>Unquoted, other than Trade</b>					
(i) Government Securities					
6 Years National Savings Certificates .....		12,000 <sup>^</sup>	*	12,000 <sup>^</sup>	*
			*		*
(ii) Trust Securities					
Sunrise Initiatives Trust.....			114.30		107.34
M&M Benefit Trust .....			1,459.77		1,459.77
Mahindra World Motor Driving School Trust .....			0.01		0.01
M&M Fractional Entitlement Trust .....			0.01		0.01
			1,574.09		1,567.13
<b>Investments in Government/Trust Securities.....</b>			<b>1,574.09</b>		<b>1,567.13</b>
<b>Investments in Debentures/Bonds (Non-trade and fully paid-up unless otherwise specified) :</b>					
<b>Unquoted</b>					
In Other Company					
0.50% Bond The East India Clinic Limited .....	100	13	*	13	*
			*		*
<b>Investments in Debentures/Bonds .....</b>			*		*
<b>Total Non Current Investments (Gross) .....</b>			<b>11,805.19</b>		<b>9,886.56</b>
Less : Provision for diminution in value of investments.....			(432.45)		(98.83)
<b>Total Non Current Investments (Net).....</b>			<b>11,372.74</b>		<b>9,787.73</b>
<b>Other Disclosures</b>					
(i) Aggregate amount of quoted investments (Gross).....					
Market Value of quoted investments (includes Rs. 5,111.76 crores (2014 : Rs. 4,892.66 crores) in respect of investment listed on a Stock Exchange outside India).....			4,206.38		3,388.32
			33,312.06		26,208.49
(ii) Aggregate amount of unquoted investments (Gross) .....			7,598.81		6,498.24
<b>Notes :</b>					
@ Shares (unquoted) in other companies comprise :					
# The United Spices Importers Limited (Equity 'B' Shares) .....	100	21	*	21	*
# Engineering & Metal Works, Tehran.....	Rials 16,667	74	*	74	*
			*		*

# Written off to Re. 1

+ Equity investments in these companies carry certain restrictions on transfer of shares due to contractual or regulatory restrictions

^ Total Face Value

\* denotes amounts less than Rs. 50,000

**13. (B) Current Investments (At Cost, unless otherwise specified) :**

	Face Value Per Unit (Rupees)	2015		2014	
		Number	Rupees crores	Number	Rupees crores
<b>Investments in Equity Instruments (Non-trade and fully paid-up) :</b>					
<b>Quoted</b>					
In Other Company					
Power Trading Corporation of India Limited.....	10	900	*	900	*
<b>Investments in Equity Instruments.....</b>			*		*
<b>Investments in Government Securities :</b>					
<b>Quoted</b>					
(i) Government of India Securities.....	100	1,92,700	1.91	1,92,700	1.91
(ii) 1.44% Inflation Indexed Government Stock, 2023 .....	100	10,00,000	10.87	10,00,000	10.33
			12.78		12.24
Less : Adjustment of cost as lower than fair value, by category.....			(2.85)		(1.02)
<b>Investments in Government Securities .....</b>			<b>9.93</b>		<b>11.22</b>
<b>Investments in Debentures/Bonds (Non-trade and fully paid-up) :</b>					
<b>Quoted</b>					
In Others					
6.70% Bond Indian Railway Finance Corporation Limited.....	100,000	500	5.00	500	5.00
6.00% Bond Indian Railway Finance Corporation Limited .....	100,000	—	—	1,000	10.00
6.30% Bond Indian Railway Finance Corporation Limited .....	100,000	1,000	10.00	1,000	10.00
6.05% Bond Indian Railway Finance Corporation Limited .....	100,000	500	5.00	500	5.00
6.32% Bond Indian Railway Finance Corporation Limited .....	100,000	500	5.00	500	5.00
6.72% Bond Indian Railway Finance Corporation Limited.....	100,000	1,000	10.00	1,000	10.00
8.20% Bond National Highway Authority of India.....	1,000	1,23,619	12.37	1,23,619	12.37
			47.37		57.37
Less : Adjustment of cost as lower than fair value, by category.....			—		(2.42)
			47.37		54.95
<b>Investments in Debentures/Bonds .....</b>			<b>47.37</b>		<b>54.95</b>
<b>Investments in Mutual Funds :</b>					
<b>Quoted</b>					
L & T Mutual Fund - FMP - VII (January 507D A) - Dividend Payout.....	10	—	—	1,00,00,000	10.00
			0.00		10.00
<b>Unquoted</b>					
Axis Mutual Fund - Banking Debt Fund -Direct Plan- Growth.....	1,000	1,95,833	25.00	—	—
Axis Mutual fund - Liquid Fund - Growth .....	1,000	8,07,733	125.00	10,56,901	150.00
Baroda Pioneer Mutual Fund - Treasury Advantage Fund -Plan B- Growth .....	1,000	1,56,965	25.00	—	—
Birla Sun Life Mutual Fund - Floating Rate Fund Short Term Plan -Growth- Regular Plan.....	100	1,07,55,695	200.00	—	—
BOI AXA Mutual Fund- Liquid Fund - Regular Plan- Growth.....	1,000	31,115	5.00	—	—
DSP BlackRock Mutual Fund- Liquidity Fund - Institutional Plan - Growth .....	1,000	10,01,310	200.01	—	—
HDFC Mutual Fund - Floating Rate Income Fund - Short Term Plan - Direct Plan - Wholesale Option - Growth Option.....	10	2,09,65,767	50.00	—	—
ICICI Prudential Mutual Fund - Liquid Plan - Regular -Growth.....	100	79,80,240	165.00	—	—

\* denotes amount less than Rs. 50,000

## 13. (B) Current Investments (At Cost, unless otherwise specified) : (contd.)

	Face Value Per Unit (Rupees)	2015		2014	
		Number	Rupees crores	Number	Rupees crores
ICICI Prudential Mutual Fund - Ultra Short Term Plan - Direct Plan-Growth .....	10	2,45,93,159	35.00	—	—
IDFC Mutual Fund - Cash Fund - Growth- (Regular Plan).....	1,000	9,72,390	165.00	—	—
IDFC Mutual Fund - Money Manager Fund - Treasury Plan - Growth - Direct Plan.....	10	1,58,63,016	35.00	—	—
JM Financial Mutual Fund - Floater Long Term Fund - (Direct) - Growth Option .....	10	1,17,26,354	25.00	—	—
Principal Mutual Fund - Cash Management Fund- Regular Plan - Growth .....	1,000	1,84,209	25.00	2,89,235	36.00
SBI Mutual Fund - Premier Liquid Fund - Regular Plan - Growth.....	1,000	1,36,697	30.00	—	—
SBI Mutual Fund - Ultra Short Term Debt Fund - Direct Plan - Growth.....	1,000	2,79,743	50.00	—	—
Sundaram Mutual Fund - Money Fund Regular Growth.....	10	2,37,63,129	70.00	—	—
Sundaram Mutual Fund - Ultra Short Term Fund Direct Plan-Growth...	10	1,56,23,617	30.00	—	—
Tata Mutual Fund - Money Market Fund - Plan A - Growth .....	1,000	6,82,404	150.00	—	—
Taurus Mutual Fund - Liquid Fund -Existing Plan- Super Institutional - Growth .....	1,000	1,65,405	25.00	—	—
Axis Mutual Fund - Banking Debt Fund - Direct Plan - Daily Dividend-Reinvestment .....	1,000	—	—	2,51,304	25.26
Baroda Pioneer Mutual Fund -Treasury Advantage Fund - Plan B Daily Dividend - Reinvestment .....	1,000	—	—	1,00,050	10.06
Birla Sun Life Mutual Fund - Cash Plus - Growth - Regular Plan .....	100	—	—	85,20,343	175.00
BNP Paribas Mutual Fund - Government Securities Fund Direct Growth .....	10	—	—	19,27,971	2.00
Deutsche Mutual Fund - Money Plus Fund - Direct Plan - Daily Dividend - Reinvestment .....	10	—	—	2,44,06,639	25.20
DSP BlackRock Mutual Fund - Government Securities Fund - Direct Plan - Growth .....	10	—	—	4,96,054	2.00
Franklin Templeton Mutual Fund - Treasury Management Account Super Institutional Plan - Daily Dividend Reinvestment .....	1,000	—	—	9,16,369	175.00
HDFC Mutual Fund - Floating Rate Income Fund - Short Term Plan - Wholesale Option - Direct Plan - Dividend Reinvestment.....	10	—	—	2,49,64,206	25.17
HSBC Mutual Fund - Cash Fund -Growth .....	1,000	—	—	7,82,258	100.00
ICICI Prudential Mutual Fund - Ultra Short Term - Direct Plan - Daily Dividend .....	10	—	—	2,49,95,203	25.26
ICICI Prudential Mutual Fund - Long Term Gilt Fund - Direct Plan - Growth .....	10	—	—	4,74,702	2.00
IDBI Mutual Fund - Ultra Short Term Fund - Direct Plan - Daily Dividend - Reinvestment .....	1,000	—	—	98,497	10.05
IDFC Mutual Fund - Money Manager Fund - Treasury Plan - Daily Dividend - (Direct Plan) .....	10	—	—	2,49,74,824	25.15
JM Financial Mutual Fund - Floater Short Term Fund (Direct) - Daily Dividend -Reinvestment .....	10	—	—	99,80,359	10.07
Kotak Mahindra Mutual Fund - Gilt (Investment Regular) - Direct Plan - Growth .....	10	—	—	4,62,865	2.00
L & T Mutual Fund - Ultra Short Term Fund Direct Plan - Daily Dividend Reinvestment Plan .....	10	—	—	2,43,96,488	25.19

**13. (B) Current Investments (At Cost, unless otherwise specified) : (contd.)**

	Face Value Per Unit (Rupees)	2015		2014	
		Number	Rupees crores	Number	Rupees crores
Pramerica Mutual Fund - Short Term Floating Rate Fund - Direct Plan - Daily Dividend - Reinvestment .....	1,000	—	—	1,00,554	10.07
Religare Invesco Mutual Fund - Liquid Fund - Growth Plan .....	1,000	—	—	8,51,587	150.00
Religare Invesco Mutual Fund -Ultra Short Term Fund- Direct Plan Daily Dividend .....	1,000	—	—	2,50,702	25.22
Sundaram Mutual Fund - Ultra Short Term Fund -Direct Plan - Daily Dividend .....	10	—	—	1,00,23,743	10.07
UTI Mutual Fund - Gilt Advantage Fund - LTP - Direct Plan - Growth...	10	—	—	7,78,507	2.00
UTI Mutual Fund - Banking & PSU Debt Fund- Direct Plan - Dividend Reinvestment .....	10	—	—	2,50,30,174	25.17
<b>Investments in Mutual Funds</b> .....			<b>1,435.01</b>		<b>1,047.94</b>
<b>Other Investments :</b>					
<b>Certificate of Deposits</b>					
<b>Unquoted</b>					
Allahabad Bank .....	100,000	7,600	75.51	10,000	98.44
Andhra Bank .....	100,000	5,000	49.76	10,000	98.91
Axis Bank Limited.....	100,000	10,000	98.72	—	—
Corporation Bank .....	100,000	2,500	24.59	5,000	49.22
Punjab National Bank .....	100,000	2,500	24.59	—	—
Bank of Maharashtra .....	100,000	—	—	10,000	98.37
Indian Overseas Bank .....	100,000	—	—	5,000	49.41
Oriental Bank of Commerce .....	100,000	—	—	2,500	24.57
State Bank of Mysore .....	100,000	—	—	5,000	49.32
			<b>273.17</b>		<b>468.24</b>
Less : Adjustment of cost as lower than fair value, by category .....			<b>(0.06)</b>		<b>(0.23)</b>
<b>Investments in Certificate of Deposits</b> .....			<b>273.11</b>		<b>468.01</b>
<b>Total Current Investments</b> .....			<b>1,765.42</b>		<b>1,592.12</b>
<b>Other Disclosures</b>					
(i) Aggregate amount of quoted investments (Gross).....			<b>60.15</b>		<b>79.61</b>
Market Value of quoted investments.....			<b>58.09</b>		<b>76.17</b>
(ii) Aggregate amount of unquoted investments (Gross) .....			<b>1708.18</b>		<b>1,516.18</b>
(iii) Aggregate excess of cost over fair value, by category .....			<b>2.91</b>		<b>3.67</b>

## 14. Long Term Loans and Advances :

	Rupees crores	
	2015	2014
<b>(A) Capital Advances :</b>		
Unsecured, considered good .....	583.35	472.85
Doubtful.....	2.99	2.86
	<b>586.34</b>	475.71
Less : Provision for doubtful capital advances .....	2.99	2.86
	<b>583.35</b>	472.85
<b>(B) Security Deposits :</b>		
Unsecured, considered good .....	38.43	42.91
Doubtful.....	0.19	0.19
	<b>38.62</b>	43.10
Less : Provision for doubtful security deposits.....	0.19	0.19
	<b>38.43</b>	42.91
<b>(C) Loans and Advances to Related Parties :</b>		
Unsecured, considered good .....	85.09	252.02
Doubtful.....	10.00	10.00
	<b>95.09</b>	262.02
Less : Provision for doubtful loans and advances to related parties....	10.00	10.00
	<b>85.09</b>	252.02
<b>(D) Other Loans and Advances :</b>		
Unsecured, considered good .....	2,525.39	2,250.34
Doubtful.....	—	0.04
	<b>2,525.39</b>	2,250.38
Less : Provision for doubtful other loans and advances .....	—	0.04
	<b>2,525.39</b>	2,250.34
	<b>3,232.26</b>	3,018.12

## (a) Long Term Loans and Advances to Related Parties includes :

- (i) Share Application Money pending allotment **Rs. 55 crores** (2014 : Rs. 2.22 crores) to subsidiaries.
- (ii) Fixed/Call deposits with/loans to limited companies **Rs. Nil crores** (2014 : Rs. 217.11 crores) including **Rs. Nil crores** (2014 : Rs. 217.11 crores) to subsidiary companies.
- (iii) Capital Advances of **Rs. 4.49 crores** (2014 : Rs. 19.01 crores).
- (iv) Loan to Director of **Rs. 1.09 crores** (2014 : Rs. Nil crores).

## (b) Other Loans and Advances includes :

- (i) Payment towards income-tax and surtax **Rs. 457.72 crores** (2014 : Rs. 448.84 crores).
- (ii) MAT Credit entitlement **Rs. 666.87 crores** (2014 : Rs. 574.15 crores).
- (iii) VAT receivable, other recoverable expenses and advances to employees.

## (c) Loans given to employees as per the Company's policy are not considered for the purposes of disclosure under Section 186(4) of the Companies Act, 2013.

## 15. Other Non-Current Assets :

	Rupees crores	
	2015	2014
(i) Export Benefits Receivable .....	121.60	81.85
(ii) Others.....	2.97	6.64
	<b>124.57</b>	88.49
Considered Good.....	103.44	88.49
Doubtful.....	21.13	—
	<b>124.57</b>	88.49
Less :		
Provision for doubtful other non current assets .....	21.13	—
	<b>103.44</b>	88.49

16. Inventories :

Rupees crores

	2015	2014
(i) Raw Materials and Bought-out Components [includes in transit Rs. 83.16 crores (2014 : Rs. 60.40 crores)].....	748.06	816.72
(ii) Work-in-Progress.....	90.93	113.42
(iii) Finished Products Produced .....	976.26	1,249.49
(iv) Stock-in-Trade [includes in transit Rs. 37.49 crores (2014 : Rs. 45.72 crores)].....	417.11	410.94
(v) Manufactured Components.....	116.08	129.52
(vi) Stores and Spares .....	49.83	46.16
(vii) Tools .....	39.30	37.38
	<b>2,437.57</b>	<b>2,803.63</b>

17. Trade Receivables :

Rupees crores

	2015	2014
<b>(A) Outstanding for a period exceeding six months from the date they are due for payment</b>		
Unsecured, considered good.....	56.36	52.11
Doubtful.....	46.14	70.37
	<b>102.50</b>	<b>122.48</b>
Less : Provision for doubtful trade receivables .....	46.14	70.37
	<b>56.36</b>	<b>52.11</b>
<b>(B) Others – Unsecured, considered good.....</b>	<b>2,501.67</b>	<b>2,457.73</b>
	<b>2,558.03</b>	<b>2,509.84</b>

18. Cash and Bank Balances :

Rupees crores

	2015	2014
<b>(A) Cash and Cash Equivalents :</b>		
Balances with Banks :		
(i) On Current Accounts .....	239.39	476.91
(ii) Fixed Deposits with original maturity less than 3 months.....	286.12	695.62
	<b>525.51</b>	<b>1,172.53</b>
Cheques, drafts on hand.....	390.94	532.34
Cash on hand .....	0.66	0.70
	<b>917.11</b>	<b>1,705.57</b>
<b>(B) Other Bank Balances :</b>		
Earmarked balances with banks .....	14.69	12.52
Balances with Banks :		
(i) On Margin Accounts .....	6.94	7.60
(ii) Fixed Deposits with original maturity greater than 3 months* ...	1,126.03	1,224.70
	<b>1,132.97</b>	<b>1,232.30</b>
	<b>1,147.66</b>	<b>1,244.82</b>
	<b>2,064.77</b>	<b>2,950.39</b>

\* Includes deposits of Rs. Nil crores (2014 : Rs. 20.00 crores) with maturity greater than 12 months from Balance Sheet date

## 19. Short Term Loans and Advances :

	Rupees crores	
	2015	2014
<b>(A) Loans and Advances to Related Parties :</b>		
Unsecured, considered good .....	207.13	316.47
Doubtful.....	10.57	10.61
	<b>217.70</b>	327.08
Less : Provision for doubtful loans and advances to related parties....	<b>10.57</b>	10.61
	<b>207.13</b>	316.47
<b>(B) Other Loans and Advances :</b>		
Unsecured, considered good .....	565.97	629.36
Doubtful.....	29.65	29.63
	<b>595.62</b>	658.99
Less : Provision for doubtful other loans and advances .....	<b>29.65</b>	29.63
	<b>565.97</b>	629.36
	<b>773.10</b>	945.83

- (a) Loans and Advances to Related Parties includes Fixed/Call deposits with/loans to limited companies **Rs. 201.36 crores** (2014 : Rs. 296.92 crores) including **Rs. 196.77 crores** (2014 : Rs. 292.33 crores) to subsidiary companies.
- (b) Loans and Advances to Related Parties includes loan to Director of **Rs. Nil crores** (2014 : Rs. 1.07 crores).
- (c) Other Loans and Advances also includes balances with government authorities, advance to suppliers, other recoverable expenses, deposits and prepaid expenses.

## 20. Other Current Assets :

	Rupees crores	
	2015	2014
Government Grant receivable.....	135.03	123.62
Interest accrued.....	109.99	83.22
Hedging Instruments .....	—	32.31
Other receivables including export benefits.....	290.10	256.52
	<b>535.12</b>	495.67
Considered Good.....	<b>529.32</b>	487.11
Doubtful.....	<b>5.80</b>	8.56
	<b>535.12</b>	495.67
Less :		
Provision for doubtful other current assets.....	<b>5.80</b>	8.56
	<b>529.32</b>	487.11

21. Revenue from Operations :

Rupees crores

		2015	2014
Sale of Products.....		40,237.39	42,240.60
Sale of Services .....		341.91	334.44
Gross Revenue from Sale of Products and Services (Refer Note A below) ..		40,579.30	42,575.04
Other Operating Revenues :			
(i) Scrap Sales .....	123.84		136.65
(ii) Government Grant and Incentives (including export benefits) .....	274.48		269.80
(iii) Others.....	155.49		138.69
		553.81	545.14
		41,133.11	43,120.18
Less : Excise Duty attributable to products sold.....		2,187.69	2,611.68
		38,945.42	40,508.50

(A) Details of Gross Revenue from Sale of Products and Services :

Rupees crores

		2015	2014
Sale of Products :			
Manufactured Goods :			
(i) Vehicles – Four Wheelers .....		18,520.19	17,973.17
(ii) Vehicles – Three Wheelers .....		836.66	877.10
(iii) Tractors.....		11,114.83	12,402.57
(iv) Others.....		1,316.06	1,366.87
		31,787.74	32,619.71
Traded Goods :			
(i) Vehicles – Four Wheelers .....		5,638.96	7,030.23
(ii) Tractors and Agricultural Implements .....		216.14	185.81
(iii) Spares* .....		2,216.47	2,015.50
(iv) Others.....		378.08	389.35
		8,449.65	9,620.89
Sale of Products.....		40,237.39	42,240.60
Sale of Services :			
(i) Annual Maintenance Contracts.....		155.96	196.94
(ii) Others.....		185.95	137.50
Sale of Services .....		341.91	334.44
Gross Revenue from Sale of Products and Services.....		40,579.30	42,575.04

\* Sale of goods shown consists of purchased and manufactured spares. The bifurcation of sales into purchased and manufactured spares is not practicable.

**22. Other Income :**

	Rupees crores	
	2015	2014
(a) Interest Income :		
(i) Interest – Long Term Investments .....	—	32.81
(ii) Interest – Current Investments.....	4.75	5.54
(iii) Interest – Others.....	215.29	198.38
	220.04	236.73
(b) Dividend on investments in subsidiaries .....	272.73	250.72
(c) Dividend on other long term investments.....	139.34	47.61
(d) Dividend on current investments.....	81.82	64.42
(e) Profit on sale of current investments (Net).....	5.84	—
(f) Profit on sale of tangible assets (Net).....	1.78	2.79
(g) Others.....	127.39	115.72
	848.94	717.99

**23. Cost of Materials Consumed :**

	Rupees crores	
	2015	2014
Opening Stock .....	816.72	798.62
Add : Purchases [including outside processing charges Rs. 551.90 crores (2014 : Rs. 566.80 crores)]	20,203.82	21,622.69
	21,020.54	22,421.31
Add : Stock Transfer as per the Scheme of Arrangement/Business Transfer .....	—	25.49
Less : Closing Stock.....	748.06	816.72
	20,272.48	21,630.08

**(A) Cost of Materials Consumed comprises the following :**

	Rupees crores	
	2015	2014
(i) Steel Items, paints and other materials .....	603.27	613.75
(ii) Tyres and Tubes.....	1,366.06	1,492.06
(iii) Components other than Tyres and Tubes (including processing charges).....	17,615.41	18,859.71
(iv) Material handling and transportation charges etc. incurred on the above items not separately allocable .....	687.74	664.56
	20,272.48	21,630.08

**(B) Value of Imported and Indigenous Raw Materials and Components Consumed<sup>^</sup> :**

	Rupees crores	
	2015	2014
(i) Imported .....	539.80 2.66%	628.27 2.90%
(ii) Indigenous.....	19,732.68 97.34%	21,001.81 97.10%
	20,272.48 100.00%	21,630.08 100.00%

<sup>^</sup> Includes items used for other than production, amount not ascertained.

24. Purchases of Stock-in-Trade :

Rupees crores

	2015	2014
(i) Vehicles – Four Wheelers.....	5,823.28	6,639.27
(ii) Tractors and Agricultural Implements.....	179.28	141.26
(iii) Spares.....	994.01	953.87
(iv) Others.....	362.80	342.52
	<b>7,359.37</b>	<b>8,076.92</b>

25. Changes in Inventories of Finished Goods, Work-in-Progress, Stock-in-Trade and Manufactured Components :

Rupees crores

	2015	2014
Opening Stock :		
(i) Finished Products Produced.....	1,249.49	892.39
(ii) Work-in-Progress.....	113.42	80.69
(iii) Stock-in-Trade.....	410.94	427.80
(iv) Manufactured Components.....	129.52	144.44
	<b>1,903.37</b>	<b>1,545.32</b>
Add : Stock Transfer as per the Scheme of Arrangement/Business Transfer		
(i) Finished Products Produced.....	—	55.66
(ii) Work-in-Progress.....	—	32.58
	<b>—</b>	<b>88.24</b>
Less : Closing Stock :		
(i) Finished Products Produced.....	976.26	1,249.49
(ii) Work-in-Progress.....	90.93	113.42
(iii) Stock-in-Trade.....	417.11	410.94
(iv) Manufactured Components.....	116.08	129.52
	<b>1,600.38</b>	<b>1,903.37</b>
	<b>302.99</b>	<b>(269.81)</b>
Excise duty on changes in inventories of finished goods.....	20.64	(4.86)
(Increase)/decrease in Stock.....	<b>323.63</b>	<b>(274.67)</b>

Details of Opening and Closing Stock of Work-in-Progress :

Rupees crores

	2015	2014
Opening Stock :		
(i) Automotive.....	45.44	29.88
(ii) Farm Equipment.....	67.98	50.81
	<b>113.42</b>	<b>80.69</b>
Closing Stock :		
(i) Automotive.....	34.77	45.44
(ii) Farm Equipment.....	56.16	67.98
	<b>90.93</b>	<b>113.42</b>

**26. Employee Benefits Expense :**

	Rupees crores	
	2015	2014
Salaries, Wages, Bonus etc.....	1,884.12	1,749.67
Contribution to Provident and other funds.....	213.05	178.63
Employee Stock Compensation Expense [Note 33].....	35.07	56.14
Welfare .....	184.69	179.28
	<b>2,316.93</b>	<b>2,163.72</b>

**27. Finance Costs :**

	Rupees crores	
	2015	2014
Interest Expense .....	156.59	191.42
Discounting Charges .....	53.68	63.60
Other Borrowing Costs .....	4.03	4.20
	<b>214.30</b>	<b>259.22</b>

**28. Depreciation and Amortisation Expense :**

	Rupees crores	
	2015	2014
Depreciation on Tangible Assets .....	817.15	678.80
Amortisation on Intangible Assets.....	157.75	184.54
	<b>974.90</b>	<b>863.34</b>

**29. Other Expenses :**

	Rupees crores	
	2015	2014
Stores consumed.....	138.61	144.43
Tools consumed .....	41.18	38.01
Power and fuel .....	222.41	221.35
Rent including lease rentals .....	87.84	76.73
Rates and taxes .....	26.51	27.74
Insurance .....	32.06	33.40
Repairs and Maintenance :		
Buildings .....	31.34	36.88
Machinery.....	180.96	168.14
Others .....	93.26	81.61
	<b>305.56</b>	<b>286.63</b>
Advertisement .....	332.99	312.53
Service coupon.....	72.66	92.39
Freight outward.....	641.15	643.84
Sales promotion expenses.....	242.99	218.44
Dealer and other sales incentives.....	684.78	605.61
Donations and contributions .....	58.16	26.97
Excess of carrying cost over fair value of current investments (Net) .....	(0.76)	3.57
Provision for doubtful debts/advances (Net) .....	(5.79)	6.09
Loss on sale of current investment .....	—	0.69
Miscellaneous expenses.....	1,720.22	1,555.86
	<b>4,600.57</b>	<b>4,294.28</b>

**29. Other Expenses : (contd.)**

- (a) Repairs and Maintenance to machinery includes machinery spares consumed **Rs. 45.71 crores** (2014 : Rs. 47.47 crores) but does not include items included under Consumption of Raw Materials and Bought-out Components and amounts charged to salaries and wages (amounts not ascertained).

**Value of Imported and Indigenous Spare Parts consumed is as follows :**

	Rupees crores	
	2015	2014
(i) Imported.....	2.66	2.48
	5.82%	5.22%
(ii) Indigenous.....	43.05	44.99
	94.18%	94.78%
	45.71	47.47
	100.00%	100.00%

- (b) Donations and contributions include contribution to :

	Rupees crores	
	2015	2014
(a) Indian National Congress	5.00	—
(b) Bhartiya Janata Party	5.00	—
(c) Shiv Sena	1.00	—
(d) Nationalist Congress Party	1.00	—
(e) Maharashtra Navnirman Sena	0.50	—
	12.50	—

- (c) Miscellaneous Expenses include :  
Amounts paid/payable to Auditors (Net of service tax where applicable) :

	Rupees crores	
	Statutory Auditors	Cost Auditors
(i) Audit Fees.....	2.26	—
	2.09	0.12
(ii) Taxation Matters.....	0.71	—
	0.29	—
(iii) Other Services.....	1.53	0.01
	0.53	—
(iv) Reimbursement of expenses.....	0.01	*
	0.02	—
	4.51	0.01
	2.93	0.12

The above includes amounts paid/payable for professional services rendered by firm in which some of the partners of the statutory auditors' firm are partners **Rs. 0.32 crores** (2014 : Rs. Nil crores).

Current year figures are in bold

\* denotes amounts less than Rs. 50,000.

- (d) Other expenses includes expenditure incurred on Corporate Social Responsibility(CSR) under section 135 of the Companies Act, 2013 **Rs. 83.24 crores**.

**30. Interest capitalised during the year on qualifying assets Rs. 26.12 crores** (2014 : Rs. 5.94 crores).

**31. Employee Benefits :**

General description of defined benefit plans :

**Gratuity**

The Company operates a gratuity plan covering qualifying employees. The benefit payable is the greater of the amount calculated as per the Payment of Gratuity Act or the Company scheme applicable to the employee. The benefit vests upon completion of five years of continuous service and once vested it is payable to employees on retirement or on termination of employment. In case of death while in service, the gratuity is payable irrespective of vesting. The Company makes annual contribution to the group gratuity scheme administered by the Life Insurance Corporation of India through its Gratuity Trust Fund.

**Post retirement medical**

The Company provides post retirement medical cover to select grade of employees to cover the retiring employee and their spouse upto a specified age through mediclaim policy on which the premiums are paid by the Company. The eligibility of the employee for the benefit as well as the amount of medical cover purchased is determined by the grade of the employee at the time of retirement.

**Post retirement housing allowance**

The Company operates a post retirement benefit scheme for a certain grade of employees in which a monthly allowance determined on the basis of the last drawn basic salary at the time of retirement, is paid to the retiring employee in lieu of housing.

**Defined benefit plans – as per actuarial valuation on 31<sup>st</sup> March, 2015**

Rupees crores

	Funded Plan		Unfunded Plans			
	Gratuity		Post retirement medical		Post retirement housing allowance	
	2015	2014	2015	2014	2015	2014
<b>I. Expense recognised in the Statement of Profit and Loss for the year ended 31<sup>st</sup> March</b>						
1. Current service cost.....	36.58	32.53	0.88	0.91	2.04	2.08
2. Interest cost .....	49.46	38.27	1.50	1.28	3.05	2.64
3. Expected return on plan assets .....	(25.86)	(25.47)	—	—	—	—
4. Actuarial (Gain)/Loss.....	37.44	27.11	2.65	(0.90)	5.79	(3.04)
5. Total expense included in Employee Benefits Expense .....	97.62	72.44	5.03	1.29	10.88	1.68
6. Actual return on plan assets.....	34.91	32.13	—	—	—	—
<b>II. Net Asset/(Liability) recognised in the Balance Sheet as at 31<sup>st</sup> March</b>						
1. Present value of defined benefit obligation as at 31 <sup>st</sup> March .....	641.47	554.19	20.36	15.90	42.00	32.13
2. Fair value of plan assets as at 31 <sup>st</sup> March .....	413.02	374.00	—	—	—	—
3. Surplus/(Deficit).....	(228.45)	(180.19)	(20.36)	(15.90)	(42.00)	(32.13)
4. Current portion of the above.....	(52.96)	(33.09)	(0.56)	(0.54)	(1.01)	(1.01)
5. Non current portion of the above.....	(175.49)	(147.10)	(19.80)	(15.36)	(40.99)	(31.12)
<b>III. Change in the obligation during the year ended 31<sup>st</sup> March</b>						
1. Present value of defined benefit obligation at the beginning of the year .....	554.19	479.14	15.90	15.28	32.13	31.46
2. Add/(Less) on account of Scheme of Arrangement/Business Transfer.....	—	5.70	—	(0.10)	—	—
3. Current service cost.....	36.58	32.53	0.88	0.91	2.04	2.08
4. Interest cost .....	49.46	38.27	1.50	1.28	3.05	2.64
5. Actuarial (Gain)/Loss.....	46.49	33.77	2.65	(0.90)	5.79	(3.04)
6. Benefit payments .....	(45.25)	(35.22)	(0.57)	(0.57)	(1.01)	(1.01)
7. Present value of defined benefit obligation at the end of the year	641.47	554.19	20.36	15.90	42.00	32.13
<b>IV. Change in fair value of assets during the year ended 31<sup>st</sup> March</b>						
1. Fair value of plan assets at the beginning of the year.....	374.00	352.82	—	—	—	—
2. Add/(Less) on account of Scheme of Arrangement/Business Transfer.....	—	2.56	—	—	—	—
3. Expected return on plan assets .....	25.86	25.47	—	—	—	—
4. Actuarial Gain/(Loss).....	9.05	6.66	—	—	—	—
5. Contributions by employer (including benefit payments recoverable) .....	49.36	21.71	0.57	0.57	1.01	1.01
6. Benefit payments .....	(45.25)	(35.22)	(0.57)	(0.57)	(1.01)	(1.01)
7. Fair value of plan assets at the end of the year.....	413.02	374.00	—	—	—	—
8. Actual return on plan assets.....	34.91	32.13	—	—	—	—
<b>V. The Major categories of plan assets as percentage of total plan</b>						
Insurer managed funds*.....	100.00%	100.00%	—	—	—	—
<b>VI. Actuarial assumptions</b>						
1. Discount rate.....	8.00%	9.05%	8.00%	9.05%	8.00%	9.05%
2. Expected rate of return on plan assets .....	7.50%	7.50%	—	—	—	—
3. Attrition rate.....	7.00%	7.00%	7.00%	7.00%	—	—
4. Medical premium inflation.....	—	—	7.00%	7.00%	—	—

\* In the absence of detailed information regarding plan assets which is funded with Insurance Companies, the composition of each major category of plan assets, the percentage or amount for each category to the fair value of plan assets has not been disclosed.

VII. Effect of one percentage point change in the assumed medical inflation rate	One percentage point increase in medical inflation rate		One percentage point decrease in medical inflation rate		
	2015	2014	2015	2014	
1. Effect on the aggregate service and interest cost of post employment medical benefits .....	0.47	0.39	(0.39)	(0.32)	
2. Effect on the accumulated post employment medical benefits obligation .....	2.93	2.15	(2.45)	(1.81)	
<b>VIII. Experience Adjustments</b>					
	Period Ended				
	2015	2014	2013	2012	2011
	Gratuity				
1. Defined Benefit Obligation.....	641.47	554.19	479.14	430.04	383.18
2. Fair value of plan assets .....	413.02	374.00	352.82	326.66	293.80
3. Surplus/(Deficit).....	(228.45)	(180.19)	(126.32)	(103.38)	(89.38)
4. Experience adjustment on plan liabilities [(Gain)/Loss].....	(7.22)	74.57	6.82	19.64	16.23
5. Experience adjustment on plan assets [Gain/(Loss)].....	9.05	6.66	6.82	8.85	4.43
	Post retirement medical				
1. Defined Benefit Obligation.....	20.36	15.90	15.28	13.59	14.09
2. Plan assets .....	—	—	—	—	—
3. Surplus/(Deficit).....	(20.36)	(15.90)	(15.28)	(13.59)	(14.09)
4. Experience adjustment on plan liabilities [(Gain)/Loss].....	0.13	1.35	(0.60)	(0.16)	(0.36)
	Post retirement housing allowance				
1. Defined Benefit Obligation.....	42.00	32.13	31.46	24.95	16.18
2. Plan assets .....	—	—	—	—	—
3. Surplus/(Deficit).....	(42.00)	(32.13)	(31.46)	(24.95)	(16.18)
4. Experience adjustment on plan liabilities [(Gain)/Loss].....	1.56	0.75	2.55	6.28	(1.41)

The expected rate of return on plan assets is based on the average long term rate of return expected on investments of the fund during the estimated term of obligation.

The estimate of future salary increases, considered in actuarial valuation, takes account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

The Company's contribution to Provident Fund and Superannuation Fund aggregating **Rs. 115.12 crores** (2014 : Rs. 106.03 crores) has been recognised in the Statement of Profit and Loss under the head Employee Benefits Expense.

**32. Provision :**

- (a) Provision for warranty relates to warranty provision made in respect of sale of certain products, the estimated cost of which is accrued at the time of sale. The products are generally covered under a free warranty period ranging from 6 months to 5 years.
- (b) The movement in provision for warranty is as follows :

	Rupees crores	
	2015	2014
Balance as at 1 <sup>st</sup> April.....	338.54	320.39
Add : on account of Scheme of Arrangement/Business Transfer .....	—	25.42
Add : Provision made during the year .....	295.64	257.02
Less : Utilisation during the year .....	264.00	264.29
Balance as at 31 <sup>st</sup> March .....	370.18	338.54
Out of the above,		
Classified as Non Current .....	176.84	143.56
Classified as Current.....	193.34	194.98
	370.18	338.54

33. The Company has allotted 55,24,219 Ordinary (Equity) Shares of Rs. 10 each, 10,00,000 Ordinary (Equity) Shares of Rs. 10 each, 1,73,53,034 Ordinary (Equity) Shares of Rs. 5 each, 19,11,628 Ordinary (Equity) Shares of Rs. 5 each and 52,00,000 Ordinary (Equity) Shares of Rs. 5 each in the years ended 31<sup>st</sup> March, 2002, 31<sup>st</sup> March, 2010, 31<sup>st</sup> March, 2011, 31<sup>st</sup> March, 2014 and 31<sup>st</sup> March, 2015 respectively to the Mahindra & Mahindra Employees' Stock Option Trust set up by the Company. The trust holds these shares for the benefit of the employees and issues them to the eligible employees as per the recommendation of the Compensation Committee.

Options granted under Mahindra & Mahindra Limited Employees Stock Option Scheme - 2000 ("2000 Scheme") vest in 4 equal installments on the expiry of 12 Months, 24 Months, 36 Months and 48 Months from the date of grant. The options may be exercised on any day over a period of five years from the date of vesting. Number of vested options exercisable is subject to a minimum of 50 or number of options vested whichever is lower.

Options granted under Mahindra & Mahindra Limited Employees Stock Option Scheme - 2010 ("2010 Scheme") vest in 5 equal installments on the expiry of 12 Months, 24 Months, 36 Months, 48 Months and 60 Months from the date of grant. The options may be exercised on any day over a period of 6 Months from the date of vesting. Number of vested options exercisable is subject to a minimum of 50 or number of options vested whichever is lower.

The compensation costs of stock options granted to employees are accounted by the Company using the intrinsic value method.

**Summary of stock options**

	<u>No. of stock options</u>	<u>Weighted average exercise price (Rs.)</u>
Options outstanding on 1 <sup>st</sup> April, 2014.....	52,06,075	144.50
Options granted during the year .....	—	—
Options forfeited/lapsed during the year .....	1,87,004	88.46
Options exercised during the year .....	15,99,799	137.50
Options outstanding on 31 <sup>st</sup> March, 2015 .....	34,19,272	150.84
Options vested but not exercised on 31 <sup>st</sup> March, 2015.....	19,97,638	251.33

**Average share price on the date of exercise of the options are as under**

<u>Date of exercise</u>	<u>Weighted average share price (Rs.)</u>
21 <sup>st</sup> April, 2014 - 24 <sup>th</sup> March, 2015 .....	1,230.52

Information in respect of options outstanding as at 31<sup>st</sup> March, 2015

<u>Range of exercise price</u>	<u>Number of options</u>	<u>Weighted average remaining life</u>
Rs. 5.00 .....	18,10,963	1.52 Years
Rs. 250.00 .....	7,81,137	2.37 Years
Rs. 308.00 – Rs. 310.00.....	76,453	0.49 Years
Rs. 381.00 .....	5,31,546	1.33 Years
Rs. 362.00 .....	1,99,173	3.26 Years
Rs. 662.00 .....	20,000	4.98 Years

Salaries, wages, bonus etc. includes **Rs. 35.07 crores** (2014 : Rs. 56.14 crores) being the amortisation of deferred employee compensation, after adjusting for reversals on account of options forfeited due to non fulfilment of vesting conditions. The amount excludes **Rs. 2.68 crores** (2014 : Rs. 2.55 crores) charged to its subsidiaries for options issued to their employees.

Had the Company adopted fair value method in respect of options granted on or after 1<sup>st</sup> April, 2005, the employee compensation cost would have been lower by **Rs. 1.94 crores**, Profit after tax higher by **Rs. 1.94 crores** and the basic and diluted earnings per share would have been higher by **Rs. 0.03 & Rs. 0.03** respectively.

**34. Contingent Liability & Commitments :**

**(A) Contingent Liability :**

(a) Guarantees given by the Company :

	Rupees crores			
	Amount of guarantees		Outstanding amounts against guarantees	
	2015	2014	2015	2014
For other companies .....	1,344.48	896.53	1,281.98	831.20

(b) Claims against the Company not acknowledged as debts comprise of :

- (i) Excise Duty, Sales Tax and Service Tax claims disputed by the Company relating to issues of applicability and classification aggregating **Rs. 2,003.26 crores** before tax (2014 : Rs. 1,750.77 crores before tax).
- (ii) Other matters (excluding claims where amounts are not ascertainable) : **Rs. 28.53 crores** before tax (2014 : Rs. 28.49 crores before tax).

(c) Taxation matters :

- (i) Demands against the Company not acknowledged as debts and not provided for, relating to issues of deductibility and taxability in respect of which the Company is in appeal and exclusive of the effect of similar matters in respect of assessments remaining to be completed :
  - Income-tax : **Rs. 526.49 crores** (2014 : Rs. 495.58 crores).
- (ii) Items in respect of which the Company has succeeded in appeal, but the Income-tax Department is pursuing/likely to pursue in appeal/reference and exclusive of the effect of similar matters in respect of assessments remaining to be completed :
  - Income-tax matters : **Rs. 153.65 crores** (2014 : Rs. 155.22 crores).
  - Surtax matters : **Rs. 0.13 crores** (2014 : Rs. 0.13 crores).

- (d) The Customs, Excise and Service Tax Appellate Tribunal (CESTAT) by its order dated 7<sup>th</sup> December, 2009 has rejected the Company's appeal against the order dated 30<sup>th</sup> March, 2005 passed by the Commissioner of Central Excise (Adjudication), Navi Mumbai confirming the demand made on the Company for payment of differential excise duty (including penalty) of Rs. 304.10 crores in connection with the classification of Company's Commander range of vehicles, during the years 1991 to 1996. Whilst the Company had classified the Commander range of vehicles as 10-seater attracting a lower rate of excise duty, the Commissioner of Central Excise (Adjudication), Navi Mumbai, has held that these vehicles could not be classified as 10-seater as they did not fulfil the requirement of 10-seater vehicles, as provided under the Motor Vehicles Act, 1988 (MVA) read with Maharashtra Motor Vehicles Rules, 1989 (MMVR) and as such attracted a higher rate of excise duty. The Company has challenged the CESTAT order in the Supreme Court.

In earlier collateral proceedings on this issue, the CESTAT had, by an order dated 19<sup>th</sup> July, 2005 settled the controversy in the Company's favour. The CESTAT had accepted the Company's submission that MVA and MMVR could not be referred to for determining the classification for the purpose of levy of excise duty and rejected the Department's appeal against the order of the Collector, Central Excise classifying the Commander range of vehicles as 10-seater. The Department had challenged the CESTAT order in the Supreme Court.

Without prejudice to the grounds raised in this appeal, the Company has paid an amount of Rs. 40.00 crores in January, 2010. The Supreme Court has admitted the Company's appeal and has stayed the recovery of the balance amount till further orders.

Both these orders of the Tribunals were heard and disposed off by the Honourable Supreme Court, in August 2014. Since contrary views were expressed by the Tribunals in two parallel proceedings, the Honourable Supreme Court directed that a larger bench of the Tribunal be constituted to hear the appeals without expressing any opinion on the issues.

The Larger Bench of the CESTAT heard the matter in February, 2015 and by an order dated 27 February, 2015, remanded the matter to the Commissioner of Central Excise for consideration of the case afresh keeping all issues open.

The company strongly believes, based on legal advice it has received, that it has a good case on merits so as to ultimately succeed in the matter.

In another case relating to Armada range of vehicles manufactured during the years 1992 to 1996, by the Company at its Nashik facility, the Commissioner of Central Excise, Nashik passed an order dated 20<sup>th</sup> March, 2006 confirming a demand of Rs. 24.75 crores, on the same grounds as adopted for Commander range of vehicles. The CESTAT has given an unconditional stay against this order. The final hearing in this matter has been adjourned till the disposal of the appeal by the Supreme Court in the matter relating to Commander range of vehicles.

As such, the Company does not expect any liability on this account. However, in view of the CESTAT orders and subsequent proceedings, pending their final outcome, the Company has reflected the above amount aggregating **Rs. 328.85 crores** (2014 : Rs. 328.85 crores) and the interest of **Rs. 341.44 crores** (2014 : Rs. 305.34 crores) accrued on the same upto 31<sup>st</sup> March, 2015, under Note (b)(i) above.

- (e) In respect of (b) & (c) above, it is not practicable for the Company to estimate the closure of these issues and the consequential timings of cash flows, if any.

**(B) Commitments :**

- (a) Uncalled liability on equity shares partly paid **Rs. 10.50 crores** (2014 : Rs. 10.50 crores).
- (b) The estimated amount of contracts remaining to be executed on capital account and not provided for as at 31<sup>st</sup> March, 2015 is **Rs. 745.08 crores** (2014 : Rs. 1,329.63 crores).

**35. Research and Development expenditure :**

(a) In recognised Research and Development units :

(i) Debited to the Statement of Profit and Loss, including certain expenditure based on allocations made by the Company, aggregate **Rs. 702.76 crores** (2014 : Rs. 600.99 crores) [excluding depreciation and amortisation of **Rs. 206.98 crores** (2014 : Rs. 205.53 crores)].

(ii) Development expenditure incurred during the year **Rs. 634.25 crores** (2014 : Rs. 466.98 crores).

(iii) Capitalisation of assets **Rs. 162.29 crores** (2014 : Rs. 122.13 crores).

(b) In other units :

(i) Debited to the Statement of Profit and Loss, including certain expenditure based on allocations made by the Company, aggregate **Rs. 45.28 crores** (2014 : Rs. 39.29 crores) [excluding depreciation and amortisation of **Rs. 39.77 crores** (2014 : Rs. 47.28 crores)].

(ii) Development expenditure incurred during the year **Rs. 41.64 crores** (2014 : Rs. 20.83 crores).

(iii) Capitalisation of assets **Rs. 0.91 crores** (2014 : Rs. 9.23 crores).

**36.** The net difference in foreign exchange loss debited to the Statement of Profit and Loss is **Rs. 45.99 crores** (2014 : Loss of Rs. 152.71 crores).

**37.** The Board of Directors of the Company during the year ended March 31, 2014, approved entering into a transaction in the Auto Components business with CIE Automotive S.A., Spain (CIE). The transaction was completed in parts.

The first part involving the following had been completed during the year ended March 31, 2014:

(a) The Company transferred its entire shareholding in Mahindra Gears & Transmissions Private Limited at a fair value determined by an independent valuer to its wholly owned subsidiary Mahindra Investments (India) Private Limited (MIPL).

(b) The Company sold 99.4% of its holdings in Mahindra CIE Automotive Limited (MCIE) (formerly known as Mahindra Forgings Limited) and 100% of its holdings in both Mahindra Composites Limited (MCL) and Mahindra Hinoday Industries Limited (MHIL) to one of the subsidiaries of CIE at a price that is lower than the carrying value of these investments by Rs. 147.76 crores, which amount was debited to the Investment Fluctuation Reserve (IFR).

(c) Consequently MHIL, Mahindra Forgings International Limited, Mahindra Forgings Europe AG, Gesenkschmiede Schneider GmbH, JECO-Jellinghaus GmbH, Falkenroth Umformtechnik GmbH, Stokes Group Limited, Stokes Forgings Dudley Limited, Stokes Forgings Limited, Mahindra Forgings Global Limited and Schöneweiss & Co. GmbH ceased to be subsidiaries of the Company.

MCL ceased to be an associate of the Company.

MCIE ceased to be a subsidiary and became an associate of the Company.

(d) The Company acquired a 13.5% stake in CIE through its wholly owned subsidiary Mahindra Overseas Investment Company (Mauritius) Limited (MOICML), making it an associate of the Company, in view of its contractual representation on the Board of CIE.

(e) Completion of open offer by CIE through its subsidiary in both MCIE and MCL.

During the year ended March 31, 2015, the second (and final) part of the transaction involving the merger through a scheme of arrangement of Mahindra Ugine Steel Company Limited (MUSCO), Mahindra Gears International Limited (MGIL), MIPL, MHIL, MCL and a CIE subsidiary with MCIE was approved by the High Court of Bombay. The Scheme is operative from the appointed date of 1<sup>st</sup> October, 2013 and has come into effect (effective date) from 10<sup>th</sup> December, 2014. Consequently MUSCO, MIPL, MGIL along with their subsidiaries Mahindra Gears Global Limited, Mahindra Gears and Transmissions Private Limited, Metalcastello S.p.A. and Crest Geartech Private Limited ceased to be subsidiaries of the Company. In terms of the scheme, the company has received shares in MCIE which has been accounted for in accordance with AS 13 – Accounting for Investments. As stated above, having regard to the substance of the transaction, the excess of the fair value of MCIE shares received and carrying cost of investment in MUSCO, MIPL and MGIL of **Rs. 267.47 crores**, has been credited to the Investment Fluctuation Reserve to offset the losses earlier recognised on this account. The Company now owns 20.21% in MCIE.

**38.** The Scheme of Arrangement (Scheme) between the Company's subsidiary Mahindra Engineering Services Limited (MESL) with Tech Mahindra Limited (TML), an associate of the Company, was approved by the High Court of Bombay. The scheme is operative from the appointed date of 1<sup>st</sup> April, 2013 and has come into effect (effective date) from 8<sup>th</sup> December, 2014. Consequently, during the year, MESL along with its subsidiaries Mahindra Engineering Services (Europe) Limited, Mahindra Engineering GmbH and Mahindra Technologies Services Inc. ceased to be subsidiaries of the Company.

In accordance with AS 13 - Accounting for Investments, **Rs. 299.34 crores**, being the excess of fair value of TML shares received in terms of the scheme over the carrying cost of investments in MESL has been recorded as an exceptional item.

**39. Scheme of Arrangement :**

Pursuant to the Scheme of Arrangement ("The Scheme") between Mahindra Trucks and Buses Limited (MTBL), a subsidiary of the Company, and the Company, as sanctioned by Honourable High Court of Bombay vide its order dated 7<sup>th</sup> March, 2014, the entire assets and liabilities, duties and obligations of the Trucks Business of MTBL was transferred to and vested in the Company, from 1<sup>st</sup> April, 2013 (the appointed date). The scheme became effective on 30<sup>th</sup> March, 2014.

As a result in the financial statement as at, and for the year ended 31<sup>st</sup> March, 2014:

- (a) The Company reorganised its investment cost in MTBL in proportion to the net worth of the remaining business of MTBL and the net worth of the Trucks Business leading to a reduction in investment value of Rs. 819.79 crores.
- (b) The excess of the reduction in investment value over the net assets taken over amounting to Rs. 565.85 crores was debited to General Reserve.

The result for the year ended 31<sup>st</sup> March, 2014 also include a tax benefit of Rs. 297.78 crores arising from the carry forward unabsorbed past losses (including unabsorbed depreciation) and deferred tax positions of the Trucks business of MTBL.

**40. Provision for diminution in the value of long term investments for the year comprises:**

	Rupees crores	
	2015	2014
Provision for diminution in value of certain long term investments.....	333.62	—
Less :		
Transfer from Investment Fluctuation Reserve pursuant to the Schemes of Arrangement/ Amalgamation approved by the Honourable High Courts .....	333.62	—
	—	—

**41. Exceptional items of Rs. 335.72 crores (2014 : Rs. 52.79 crores) comprise of**

- (a) profit on sale of certain long term investments **Rs. 36.38 crores** (2014 : Rs. 52.79 crores),
- (b) due to scheme of arrangement as referred to in Note 38 **Rs. 299.34 crores** (2014 : Rs. Nil crores)

**42. Earnings per Share :**

	2015	2014
Profit for the year (Rupees crores).....	3,321.11	3,758.35
Profit for the year for diluted earnings per share (Rupees crores).....	3,321.11	3,758.35
Weighted average number of Ordinary (Equity) Shares used in computing basic earnings per share .....	59,06,11,467	59,03,23,271
Effect of potential Ordinary (Equity) Shares on conversion of bonds and employee stock options..	2,83,05,150	2,51,23,100
Weighted average number of Ordinary (Equity) Shares used in computing diluted earnings per share .....	61,89,16,617	61,54,46,371
Basic Earnings per share (Rs.) (Face value of Rs. 5 per share).....	56.23	63.67
Diluted Earnings per share (Rs.).....	53.66	61.07

### 43. Related Party Disclosures :

(a) Related parties where control exists :

(i) Subsidiaries :

Sl. No.	Name of the Company	Sl. No.	Name of the Company
1	Mahindra Engineering and Chemical Products Limited	44	Knowledge Township Limited
2	Mahindra Steel Service Centre Limited	45	Mahindra Vehicle Manufacturers Limited
3	Mahindra First Choice Wheels Limited	46	Mahindra Logistics Limited
4	Mahindra USA Inc.	47	Mahindra Heavy Engines Private Limited
5	Mahindra Gujarat Tractor Limited	48	Mahindra Aerospace Private Limited
6	Mahindra Shubhlabh Services Limited	49	Heritage Bird (M) Sdn.Bhd.
7	Mahindra & Mahindra South Africa (Proprietary) Limited	50	Mahindra First Choice Services Limited
8	Mahindra Engineering Services Limited (upto 8 <sup>th</sup> December, 2014)	51	Mahindra Graphic Research Design S.r.l.
9	Mahindra Gears & Transmissions Private Limited (upto 10 <sup>th</sup> December, 2014)	52	Mahindra Gears International Limited (upto 10 <sup>th</sup> December, 2014)
10	Mahindra Overseas Investment Company (Mauritius) Limited	53	Mahindra Gears Global Limited (upto 10 <sup>th</sup> December, 2014)
11	Mahindra Europe S.r.l.	54	Mahindra Gears Cyprus Ltd (upto 15 <sup>th</sup> September, 2014)
12	Jiangxi Mahindra Yueda Tractor Co. Ltd (upto 17 <sup>th</sup> June, 2014)	55	Metalcastello S.p.A (upto 10 <sup>th</sup> December, 2014)
13	Mahindra-BT Investment Company (Mauritius) Limited	56	Mahindra Bebanco Developers Limited
14	Mahindra Intertrade Limited	57	Industrial Township (Maharashtra) Limited
15	Mahindra MiddleEast Electrical Steel Service Centre (FZC)	58	Crest Geartech Private Limited (upto 10 <sup>th</sup> December, 2014)
16	Mahindra Consulting Engineers Limited	59	Mahindra Business & Consulting Services Private Limited
17	Mahindra Holidays & Resorts India Limited	60	Mahindra Two Wheelers Limited
18	Mahindra Holidays and Resorts USA Inc (upto 19 <sup>th</sup> May, 2014)	61	Mahindra Automotive Australia Pty. Limited
19	Mahindra Hotels and Residences India Limited	62	Mahindra Internet Commerce Private Limited (formerly known as Mahindra United Football Club Private Limited)
20	Mahindra Holdings Limited	63	Defence Land Systems India Limited (formerly known as Defence Land Systems India Private Limited)
21	NBS International Limited	64	Mahindra Yueda (Yancheng) Tractor Company Limited
22	Mahindra Ugine Steel Company Limited (upto 10 <sup>th</sup> December, 2014)	65	Mahindra Electrical Steel Private Limited
23	Mahindra & Mahindra Financial Services Limited	66	Mahindra Aerospace Australia Pty. Limited
24	Mahindra Insurance Brokers Limited	67	Aerostaff Australia Pty. Limited
25	Mahindra Rural Housing Finance Limited	68	Mahindra Reva Electric Vehicles Private Limited
26	Bristlecone Limited	69	Bristlecone Consulting Limited
27	Bristlecone Inc.	70	Anthurium Developers Limited
28	Bristlecone UK Limited	71	Gipp Aero Investments Pty. Limited
29	Bristlecone India Limited	72	Gippsaero Pty. Limited
30	Bristlecone (Singapore) Pte. Limited	73	GA8 Airvan Pty. Limited
31	Bristlecone GmbH	74	GA200 Pty. Limited
32	Bristlecone (Malaysia) Sdn.Bhd.	75	Airvan Flight Services Pty. Limited
33	Mahindra Automobile Distributor Private Limited	76	Nomad TC Pty. Limited
34	Mahindra Trucks and Buses Limited	77	Mahindra Emirates Vehicle Armouring FZ-LLC
35	Mahindra Engineering Services (Europe) Limited (upto 8 <sup>th</sup> December, 2014)	78	Mahindra Integrated Business Solutions Private Limited
36	Mahindra Engineering GmbH (upto 8 <sup>th</sup> December, 2014)	79	Mahindra Aerostructures Private Limited
37	Mahindra Lifespace Developers Limited	80	Ssangyong Motor Company
38	Mahindra Infrastructure Developers Limited	81	Ssangyong European Parts Center B.V.
39	Mahindra World City (Jaipur) Limited	82	Ssangyong Motor (Shanghai) Company Limited
40	Mahindra Integrated Township Limited	83	Mahindra EPC Services Private Limited
41	Mahindra Residential Developers Limited	84	Bristlecone International AG
42	Mahindra World City Developers Limited	85	EPC Industrie Limited
43	Mahindra World City (Maharashtra) Limited	86	Mahindra Telecommunications Investment Private Limited
		87	Mahindra Sanyo Special Steel Private Limited

## 43. Related Party Disclosures : (contd.)

Sl. No.	Name of the Company	Sl. No.	Name of the Company
88	Bell Tower Resorts Private Limited (upto 31st July, 2014)	110	Mahindra 'Electoral Trust' Company
89	Mahindra Racing S.r.l.	111	Mahindra North American Technical Centre, Inc.
90	Swaraj Automotives Limited	112	Raigad Industrial & Business Park Limited
91	Mahindra Defence Naval Systems Private Limited	113	Retail Initiative Holdings Limited
92	Mahindra Defence Systems Limited	114	Mahindra Retail Private Limited
93	Divine Heritage Hotels Private Limited	115	Mahindra Technologies Services Inc. (upto 8 <sup>th</sup> December, 2014)
94	Gables Promoters Private Limited	116	Mahindra Punjab Tractors Private Limited
95	2 X 2 Logistics Private Limited	117	Mahindra Namaste Private Limited
96	Holiday on Hills Resorts Private Limited	118	Mahindra Conveyor Systems Private Limited (upto 31st July, 2014)
97	MH Boutique Hospitality Limited	119	Competent Hotels Private limited (w.e.f 18 <sup>th</sup> June, 2014)
98	Infinity Hospitality Group Company Limited	120	Mahindra Racing UK Limited (w.e.f 22 <sup>nd</sup> May, 2014)
99	Mahindra Tractor Assembly Inc.	121	Mahindra UNIVEG Private Limited (w.e.f 9 <sup>th</sup> July, 2014)
100	Industrial Cluster Private Limited (formerly known as Mahindra Housing Private Limited)	122	MHR Holdings (Mauritius) Limited (w.e.f. 11 <sup>th</sup> July, 2014)
101	Mahindra Telephonics Integrated Systems Limited	123	Convington S.á.r.l. (w.e.f. 17 <sup>th</sup> July, 2014)
102	Mahindra Investments (India) Private Limited (upto 10 <sup>th</sup> December, 2014)	124	Lords Freight (India) Private Limited (w.e.f. 7 <sup>th</sup> August, 2014)
103	Mahindra HZPC Private Limited (formerly known as Mahindra Investments (International) Private Limited)	125	Mriyalguda Farm Solution Limited (w.e.f. 11 <sup>th</sup> August, 2014)
104	Mahindra Offgrid Services Private Limited	126	Mahindra Two Wheelers Europe Holdings S.á.r.l. (w.e.f. 2 <sup>nd</sup> December, 2014)
105	Mahindra Asset Management Company Private Limited	127	Mahindra Industrial Park Chennai Limited (w.e.f. 22 <sup>nd</sup> December, 2014)
106	Mahindra Trustee Company Private Limited	128	Peugeot Motocycles S.A.S. (w.e.f. 19 <sup>th</sup> January, 2015)
107	Cleansolar Renewable Energy Private Limited	129	Peugeot Motocycles Italia S.p.A (w.e.f. 19 <sup>th</sup> January, 2015)
108	Brightsolar Renewable Energy Private Limited	130	Peugeot Motocycles Deutschland GmbH (w.e.f. 19 <sup>th</sup> January, 2015)
109	Mahindra Auto Steel Private Limited		

(b) Other parties with whom transactions have taken place during the year.

(i) Associates :

Sl. No.	Name of the Company	Sl. No.	Name of the Company
1.	Swaraj Engines Limited	4.	Tech Mahindra Limited
2.	Mahindra & Mahindra Contech Limited	5.	Mahindra CIE Automotive Limited
3.	Mahindra Tsubaki Conveyor Systems Private Limited (Formerly known as Mahindra Conveyor Systems Private Limited) (w.e.f. 1 <sup>st</sup> August, 2014)		

(ii) Joint Venture :

Sl. No.	Name of the Company
1.	Mahindra Sona Limited

(iii) Joint Venture of a Subsidiary :

Sl. No.	Name of the Company
1.	Mahindra Solar One Private Limited
2.	Mahindra Water Utilities Limited

**43. Related Party Disclosures : (contd.)**

(b) Other parties with whom transactions have taken place during the year. (contd.)

(iv) Key Management Personnel (KMP) :	
Chairman and Managing Director.....	Mr. Anand Mahindra
Executive Director and Group President (Auto & Farm Sector) .....	Dr. Pawan Goenka

(v) Enterprise over which KMP is able to exercise significant influence :

Sl. No.	Name of the Company
1.	Prudential Management & Services Private Limited

(vi) Welfare Funds :

Sl. No.	Name of the Fund
1.	M&M Benefit Trust
2.	M&M Employees' Welfare Fund
3.	M&M Employees' Farm Equipment Sector Employees' Welfare Fund
4.	Mahindra World School Education Trust

(c) The related party transactions are as under :

						Rupees crores
Sl. No.	Nature of Transactions	Subsidiaries	Associate Companies	Joint Ventures/ Joint Ventures of Subsidiaries	KMP/KMP Exercising Significant influence	Welfare Funds
1.	Purchases :					
	Goods.....	<b>6,494.72</b> (7,954.99)	<b>1,422.54</b> (819.69)	<b>172.73</b> (171.26)	— (—)	— (—)
	Fixed Assets.....	<b>19.06</b> (143.26)	<b>22.98</b> (2.06)	— (—)	— (—)	— (—)
	Services .....	<b>1,659.36</b> (1,649.04)	<b>136.38</b> (17.26)	— (—)	— (—)	— (—)
2.	Sales :					
	Goods.....	<b>1,990.87</b> (1,806.75)	<b>9.21</b> (0.55)	— (—)	— (—)	— (—)
	Fixed Assets.....	<b>0.84</b> (0.90)	<b>0.42</b> (—)	— (—)	— (—)	— (—)
	Services .....	<b>57.75</b> (48.85)	<b>3.11</b> (1.65)	<b>0.09</b> *	— (—)	— (—)
	Sales/Assignments of assets/liabilities.....	— (13.62)	— (—)	— (—)	— (—)	— (—)
3.	Investments :					
	Purchases/Subscribed/Conversion.....	<b>1,348.92</b> (1,480.18)	<b>885.60</b> (—)	— (—)	— (—)	— (—)
	Sales/Redemption/Conversion .....	— (518.01)	<b>318.79</b> (—)	— (—)	— (—)	— (—)
4.	Deputation of Personnel :					
	From Parties .....	<b>1.45</b> (1.86)	<b>0.67</b> (0.46)	— (—)	— (—)	— (—)
	To Parties.....	<b>16.31</b> (14.11)	<b>7.80</b> (4.03)	— (0.09)	— (—)	— (—)
5.	Managerial Remuneration.....	— (—)	— (—)	— (—)	<b>11.96</b> (14.77)	— (—)
6.	Stock Options.....	— (—)	— (—)	— (—)	# (#)	— (—)

# Refer Annexure II and clause VI of Annexure VII to the Directors' Report.

\* denotes amounts less than Rs. 50,000

(c) The related party transactions are as under : (contd.)

Rupees crores						
Sl. No.	Nature of Transactions	Subsidiaries	Associate Companies	Joint Ventures/ Joint Ventures of Subsidiaries	KMP/KMP Exercising Significant influence	Welfare Funds
7.	Finance :					
	Inter Corporate Deposits given.....	1.53 (1,146.09)	— (—)	— (—)	— (—)	— (—)
	Inter Corporate Deposits refunded by parties.....	274.65 (956.85)	41.83 (—)	— (—)	— (—)	— (—)
	Interest Income.....	33.81 (73.79)	1.78 (—)	— (—)	0.03 (0.02)	— (—)
	Interest Expense .....	0.03 (0.03)	— (—)	— (—)	— (—)	— (—)
	Dividend Received .....	272.73 (250.72)	135.80 (43.96)	3.54 (3.54)	— (—)	— (—)
	Security Deposits Paid.....	0.19 (—)	— (—)	— (—)	— (—)	— (—)
	Security Deposits Received.....	0.06 (0.38)	— (—)	— (—)	— (—)	— (—)
	Share Application Money Given/(Converted) (Net) .....	52.78 (24.95)	— (—)	— (—)	— (—)	— (—)
8.	Dividends Distributed .....	— (—)	— (—)	— (—)	100.24 (92.62)	75.29 (69.92)
9.	Guarantees given on behalf of Subsidiaries during the year, absorbed .....	469.48 (1,008.51)	— (—)	— (—)	— (—)	— (—)
10.	Other Transactions :					
	Other Income.....	13.40 (7.86)	1.79 (0.41)	— (—)	— (—)	72.57 (67.39)
	Other Expenses.....	6.75 (25.53)	0.12 (3.54)	— (—)	— (—)	— (—)
	Reimbursements received from parties.....	166.44 (69.23)	49.62 (4.12)	0.06 (0.09)	— (—)	— (—)
	Reimbursements made to parties.....	49.84 (26.80)	7.16 (1.37)	— (—)	— (—)	0.07 (—)
	Writeback of Provision for Advances.....	— (1.14)	— (—)	— (—)	— (—)	— (—)
	Advances Received from parties, Refunded.....	0.59 (—)	— (—)	— (—)	— (—)	— (—)
	Advances Given to parties.....	5.94 (13.11)	— (—)	— (—)	— (—)	— (—)
	Advances given to parties Refunded/Converted.....	5.15 (14.00)	— (0.14)	— (—)	— (—)	— (—)
11.	Outstandings :					
	Payable .....	471.73 (738.60)	130.21 (26.45)	35.23 (32.96)	2.86 (3.41)	— (—)
	Receivable .....	935.26 (727.03)	30.14 (10.53)	1.98 (1.96)	1.09 (1.07)	17.00 (17.00)
	Inter Corporate Deposits given.....	196.09 (508.76)	4.59 (4.59)	— (—)	— (—)	— (—)

\* denotes amounts less than Rs. 50,000

(c) The related party transactions are as under : (contd.)

Rupees crores

Sl. No.	Nature of Transactions	Subsidiaries	Associate Companies	Joint Ventures/ Joint Ventures of Subsidiaries	KMP/KMP Exercising Significant influence	Welfare Funds
12.	Share Application Money Outstanding (Net) .....	<b>55.00</b> (2.22)	— (—)	— (—)	— (—)	— (—)
13.	Provision for Doubtful debts/advances .....	<b>4.85</b> (4.85)	<b>7.22</b> (7.18)	— (—)	— (—)	<b>10.00</b> (10.00)
14.	Guarantees given on behalf of subsidiaries, absorbed. Amount of guarantees as on 31 <sup>st</sup> March .....	<b>1,344.48</b> (896.53)	— (—)	— (—)	— (—)	— (—)

Previous year's figures are in brackets.

The Significant related party transactions are as under :

Sl. No.	Nature of Transactions	Subsidiaries	Rupees crores	Associate Companies	Rupees crores	Joint Ventures/ Joint Ventures of Subsidiaries	Rupees crores
1.	Purchases — Goods	Mahindra Vehicle Manufacturers Limited	<b>6,141.00</b> (6,807.27)	Swaraj Engines Limited	<b>626.14</b> (711.61)	Mahindra Sona Limited	<b>172.73</b> (171.26)
				Mahindra CIE Automotive Limited	<b>796.31</b> (104.21)		
2.	Purchases — Services	Mahindra Logistics Limited	<b>1,212.98</b> (1,242.53)	Tech Mahindra Limited	<b>131.13</b> (12.36)		
				Mahindra & Mahindra Contech Limited	— (4.89)		
3.	Sales — Goods	Mahindra Vehicle Manufacturers Limited	<b>813.52</b> (930.55)	Swaraj Engines Limited	<b>5.22</b> (0.55)		
		Mahindra & Mahindra South Africa (Proprietary) Limited	— (199.80)	Tech Mahindra Limited	3.44 (—)		
		Mahindra USA Inc.	<b>653.55</b> (333.96)				
		NBS International Limited	— (182.30)				
4.	Sales — Services	Mahindra Automobile Distributor Private Limited	<b>9.44</b> (10.16)	Tech Mahindra Limited	<b>2.42</b> (1.50)	Mahindra Sona Limited	<b>0.09</b> *
		Mahindra & Mahindra Financial Services Limited	<b>14.94</b> (7.86)	Mahindra CIE Automotive Limited	<b>0.47</b> (—)		
		Ssangyong Motor Company	— (8.42)				
		Mahindra Holidays & Resorts India Limited	<b>9.46</b> (5.26)				
		Mahindra Two Wheelers Limited	<b>6.33</b> (—)				

\* denotes amounts less than Rs. 50,000.

The Significant related party transactions are as under : (contd.)

Sl. No.	Nature of Transactions	Subsidiaries	Rupees crores	Associate Companies	Rupees crores	Joint Ventures/ Joint Ventures of Subsidiaries	Rupees crores
5.	Investments — Purchases/ Subscribed/ Conversion	Mahindra Two Wheelers Limited	<b>748.59</b> (345.96)	Tech Mahindra Limited	<b>359.30</b> (—)		
		Ssangyong Motor Company	— (394.33)	Mahindra CIE Automotive Limited	<b>526.30</b> (—)		
		Mahindra Ugine Steel Company Limited	— (214.33)				
		Mahindra Heavy Engines Private Limited	<b>180.00</b> (—)				
6.	Investments— Sales/Redemption/ Conversion	Ssangyong Motor Company	— (423.61)	Tech Mahindra Limited	<b>59.96</b> (—)		
		Mahindra Investments (India) Private Limited	— (79.37)	Mahindra CIE Automotive Limited	<b>258.83</b> (—)		
7.	Advances Given	Mahindra Holidays & Resorts India Limited	— (8.68)				
		Mahindra Tractor Assembly Inc.	— (2.71)				
		Mahindra Lifespace Developers Limited	<b>5.94</b> (1.66)				
8.	Inter Corporate Deposits Given	Mahindra Two Wheelers Limited	— (553.50)				
		Mahindra & Mahindra Financial Services Limited	— (500.00)				
		Mahindra HZPC Private Limited	<b>1.53</b> (—)				
9.	Inter Corporate Deposits refunded by parties	Mahindra & Mahindra Financial Services Limited	— (500.00)	Mahindra CIE Automotive Limited	<b>41.83</b> (—)		
		Mahindra Two Wheelers Limited	<b>235.50</b> (344.00)				
10.	Guarantees Given	Mahindra Forgings Europe AG	— (145.67)				
		Mahindra Two Wheelers Limited	<b>469.48</b> (—)				
		Mahindra Overseas Investment Company (Mauritius) Limited	— (811.56)				

The Significant related party transactions with Key Management Personnel are as under :

Sl. No.	Nature of Transaction	Name of KMP	Rupees crores
1.	Managerial Remuneration	Mr. Anand Mahindra	5.98
			(5.19)
		Dr. Pawan Goenka	5.98
			(2.36)
		Mr. B. N. Doshi (upto 13 <sup>th</sup> November, 2013)	—
			(7.22)

Previous year's figures are in brackets.

Note:

- Consequent to the Scheme of Arrangement referred to in Note 37 transactions entered into from 1<sup>st</sup> April, 2014 to 9<sup>th</sup> December, 2014 with the companies mentioned below, have been disclosed as transactions entered into with Mahindra CIE Automotive Limited.
  - Mahindra UGINE Steel Company Limited
  - Mahindra Gears International Limited
  - Mahindra Investments (India) Private Limited
- Consequent to the Scheme of Arrangement referred to in Note 38 transactions entered into from 1<sup>st</sup> April, 2014 to 7<sup>th</sup> December, 2014 with Mahindra Engineering Services Limited, have been disclosed as transactions entered into with Tech Mahindra Limited.
- (a) Disclosure required under Section 186(4) of the Companies Act, 2013 for loans and guarantees:

Sl. No.	Name	Relation	Amount as at 31st March, 2015 (Net of provision)	Amount as at 31st March, 2014 (Net of provision)
1.	<b>Inter Corporate deposits and Loans</b>			
	Bristlecone Limited	Subsidiary	113.38	108.69
	Mahindra Overseas Investment Company (Mauritius) Limited	Subsidiary	76.86	80.40
	Mahindra Gujarat Tractors Limited	Subsidiary	1.00	1.00
	Mahindra Shubhlabh Services Limited	Subsidiary	0.68	0.68
	Mahindra World School Education Trust	Welfare Fund	7.00	7.00
2	<b>Guarantees</b>			
	Mahindra Overseas Investment Company (Mauritius) Limited	Subsidiary	875.00	846.72
	Mahindra Two Wheelers Limited	Subsidiary	469.48	—

Note: During the year inter corporate deposit of Rs. 1.53 crores was given to Mahindra HZPC Private Limited (a subsidiary) and the same has been repaid during the year.

Above inter corporate deposits and loans have been given for general business purposes and guarantees have been given for meeting their investment purchase obligations.

- Refer Note 13(A) for investments.

**44. The outstanding derivative instruments and unhedged foreign currency exposures as on 31<sup>st</sup> March, 2015 :**

The Company has taken foreign exchange forward contracts to sell **US \$ 13.30 crores** (2014 : US \$ 6.80 crores) and **EURO 0.50 crores** (2014 : Nil). In addition, the Company has also taken foreign exchange forward contracts to buy **EURO 0.27 crores** (2014 : Nil) & **JPY 101.80 crores** (2014 : Nil).

The foreign currency exposures not hedged by derivative instruments or otherwise as on 31<sup>st</sup> March, 2015 are – Receivables of **US \$ 8.83 crores, AUD 0.58 crores, GBP 0.25 crores** and Payables (excluding Borrowings, covered in the paragraph below) of **JPY 33.46 crores, KRW 7.42 crores, EURO 0.46 crores, ZAR 0.15 crores, SEK 0.04 crores and CHF \* crores** (2014 : Receivables of US \$ 8.03 crores, ZAR 2.24 crores, AUD 0.54 crores, GBP 0.25 crores, EURO 0.23 crores and Payables (excluding Borrowings, covered in the paragraph below) of KRW 9.39 crores, JPY 2.43 crores, SEK 0.05 crores, CHF \* crores).

The Company has outstanding foreign currency borrowings of **JPY Nil crores** and **US \$ 31.70 crores** (2014 : JPY 194.10 crores and US \$ 30.00 crores). Currency risk on US \$ liability of US \$ 1.70 crores has been hedged by way of forward contracts (2014 : Nil). The US \$ interest rate risk has been hedged using interest rate swaps.

\* denotes amounts less than 50,000 of respective currency.

**45. Joint Venture Disclosure :**

(i) The Company's Jointly Controlled Entity is :

Name of the Entity	Country of Incorporation	% of ownership interest	
		2015	2014
Mahindra Sona Limited .....	India	29.77%	29.77%

(ii) The Company's share of each of the Assets, Liabilities, Income and Expenses (each without elimination of the effect of transactions between the Company and the Joint Venture) with respect to its interest in this Jointly Controlled Entity is :

	Rupees crores	
	2015	2014
<b>I. ASSETS</b>		
1. Fixed Assets.....	19.03	17.79
2. Non Current Investments.....	—	0.02
3. Long Term Loans and Advances .....	0.92	0.99
4. Current Investments.....	0.01	—
5. Inventories.....	14.36	11.61
6. Trade Receivables .....	30.20	27.39
7. Cash and Bank Balances .....	5.08	5.17
8. Short Term Loans and Advances.....	1.57	1.71
9. Other Current Assets .....	2.46	0.27
<b>II. LIABILITIES</b>		
1. Deferred Tax Liabilities .....	1.67	1.49
2. Other Long Term Liabilities.....	1.63	1.78
3. Long Term Provisions .....	1.63	1.60
4. Short Term Borrowings.....	2.23	1.26
5. Trade Payables .....	16.83	14.63
6. Other Current Liabilities .....	1.96	2.14
7. Short Term Provisions .....	5.74	5.00
<b>III. INCOME</b>		
1. Revenue from Operations .....	116.53	108.74
2. Other Income.....	1.14	1.60
<b>IV. EXPENSES</b>		
1. Materials consumed and changes in inventories.....	74.43	70.56
2. Manufacturing, Selling expenses, Interest and Finance charges.....	27.78	25.22
3. Depreciation and Amortisation Expense.....	2.10	1.75
4. Provision for taxation .....	4.13	3.38
<b>V. OTHER MATTERS</b>		
1. Contingent Liabilities .....	5.69	5.27
2. Capital Commitments .....	1.20	0.29

46. Value of Imports on C.I.F. basis accounted for during the year :

	Rupees crores	
	2015	2014
(i) Raw Materials .....	5.27	4.71
(ii) Components, Spare Parts etc.....	461.76	535.25
(iii) Capital Goods .....	259.09	141.97
(iv) Items imported for Resale.....	1.03	15.01
	<b>727.15</b>	<b>696.94</b>

Notes :

- (i) Credits, if any, recoverable in respect of short landings etc. are not considered.
- (ii) The value of imports shown above includes :
- (a) Imports on C&F basis as per supplier's invoices **Rs. 63.03 crores** (2014 : Rs. 63.25 crores).
- (b) Imports on 'cost' basis **Rs. 595.12 crores** (2014 : Rs. 603.22 crores).

47. Expenditure in Foreign Currencies (Subject to deduction of tax where applicable) :

	Rupees crores	
	2015	2014
(i) Professional and Consultancy fees [including <b>Rs. 23.70 crores</b> (2014 : Rs. 0.03 crores) capitalised] .....	133.45	85.34
(ii) Interest and Commitment charges.....	70.46	75.39
(iii) Royalty.....	1.14	3.71
(iv) Development Expenditure & Computer Software in Intangible Assets .....	299.04	289.02
(v) Others .....	205.77	158.92
	<b>709.86</b>	<b>612.38</b>

48. Remittance in Foreign Currency on account of dividends to non-resident shareholders :

Shareholders	Number of		Amount remitted Rupees crores	Dividend relating to
	Shareholders	Equity shares		
2015 : 1		3,21,15,429	44.96	Year ended 31 <sup>st</sup> March, 2014
2014 : 1		3,19,97,627	41.60	Year ended 31 <sup>st</sup> March, 2013

49. Earnings in foreign exchange :

	Rupees crores	
	2015	2014
(i) Export of goods on F.O.B. basis.....	2,224.79	2,125.29
(ii) Interest .....	15.64	19.91
(iii) Consultancy fees.....	4.19	5.15
(iv) Others (freight etc.).....	91.38	109.58
	<b>2,336.00</b>	<b>2,259.93</b>

Note :

F.O.B. value of exports includes local sales which qualify for export benefits and for which payment is receivable in foreign currency and local/export sales under rupee credit which qualify for export benefits.

50. Segment Information :  
Segment Report For the year ended 31<sup>st</sup> March, 2015  
Primary Segment Disclosure - Business Segment :

Rupees crores

Particulars	2015						2014					
	Automotive	Farm Equipment	Other	Total Segment	Eliminations	Total	Automotive	Farm Equipment	Other	Total Segment	Eliminations	Total
<b>Revenue</b>												
Net External Sales.....	25,584.39	13,337.41	23.62	38,945.42	—	38,945.42	26,157.63	14,325.76	25.11	40,508.50	—	40,508.50
Inter Segment Sales.....	11.63	9.42	—	21.05	(21.05)	—	8.63	7.95	—	16.58	(16.58)	—
<b>Total Revenue.....</b>	<b>25,596.02</b>	<b>13,346.83</b>	<b>23.62</b>	<b>38,966.47</b>	<b>(21.05)</b>	<b>38,945.42</b>	<b>26,166.26</b>	<b>14,333.71</b>	<b>25.11</b>	<b>40,525.08</b>	<b>(16.58)</b>	<b>40,508.50</b>
<b>Result</b>												
Segment Result.....	1,833.08	1,967.43	4.82	3,805.33	—	3,805.33	1,925.53	2,452.79	5.90	4,384.22	—	4,384.22
Less :												
Finance costs.....						214.30						259.22
Unallocated corporate income net of unallocated expense.....						(242.14)						(191.64)
Exceptional items unallocable to segment.....						(335.72)						(52.79)
<b>Profit before tax.....</b>						<b>4,168.89</b>						<b>4,369.43</b>
Income Taxes.....						<b>847.78</b>						<b>611.08</b>
<b>Profit after tax.....</b>						<b>3,321.11</b>						<b>3,758.35</b>
<b>OTHER INFORMATION</b>												
Segment Assets.....	10,874.43	5,366.78	11.89	16,253.10	—	16,253.10	9,986.74	5,604.00	10.42	15,601.16	—	15,601.16
Unallocated Corporate Assets.....						16,691.77						15,687.49
<b>Total Assets.....</b>	<b>10,874.43</b>	<b>5,366.78</b>	<b>11.89</b>	<b>16,253.10</b>	<b>—</b>	<b>32,944.87</b>	<b>9,986.74</b>	<b>5,604.00</b>	<b>10.42</b>	<b>15,601.16</b>	<b>—</b>	<b>31,288.65</b>
Segment Liabilities.....	5,171.51	1,846.32	7.04	7,024.87	—	7,024.87	5,236.24	2,353.78	6.66	7,596.68	—	7,596.68
Unallocated Corporate Liabilities.....						6,664.91						6,900.78
<b>Total Liabilities.....</b>	<b>5,171.51</b>	<b>1,846.32</b>	<b>7.04</b>	<b>7,024.87</b>	<b>—</b>	<b>13,689.78</b>	<b>5,236.24</b>	<b>2,353.78</b>	<b>6.66</b>	<b>7,596.68</b>	<b>—</b>	<b>14,497.46</b>
Capital Expenditure.....	1,654.99	336.39	1.14	1,992.52	—	1,992.52	1,218.06	314.85	0.03	1,532.94	—	1,532.94
Depreciation and Amortisation Expense	716.94	221.43	0.30	938.67	—	938.67	656.27	178.09	0.24	834.60	—	834.60
Non cash expenses other than depreciation.....	19.38	—	—	19.38	—	19.38	7.19	—	—	7.19	—	7.19

Secondary Segment Disclosure - Geographical Segment :

Rupees crores

Particulars	2015			2014		
	Domestic	Overseas	Total	Domestic	Overseas	Total
Revenue from External Customers....	36,146.53	2,798.89	38,945.42	37,978.60	2,529.90	40,508.50
Segment Assets.....	16,253.10	—	16,253.10	15,601.16	—	15,601.16
Capital Expenditure .....	1,992.52	—	1,992.52	1,532.94	—	1,532.94

Notes :

1 Business Segments :

The Company has considered business segments as the primary segment for disclosure.

The segment have been identified taking into account the organisational structure as well as the differing risks and returns of these segments

Automotive Segment comprises of sale of automobiles, spare parts and related services.

Farm Equipment Segment comprises of sale of tractors, spare parts and related services.

2 Secondary Segments :

The geographical segments are considered for disclosure as secondary segment.

Domestic Segment includes sales to customers located in India and service income accrued in India.

Overseas Segment includes sales and services rendered to customers located outside India.

51. Previous year's figures have been regrouped/restated wherever necessary.

Signatures to Notes 1 to 51

Bharat Doshi  
Deepak S. Parekh  
Nadir B. Godrej  
M. M. Murugappan  
R. K. Kulkarni  
Anupam Puri  
Vishakha N. Desai  
Vikram Singh Mehta  
S. B. Mainak

Directors

Anand G. Mahindra

Chairman & Managing Director

Dr. Pawan Goenka

Executive Director & Group President  
(Auto and Farm Sector)

V. S. Parthasarathy

Group Chief Financial Officer, Group CIO &  
President (Group Finance and M&A)

Narayan Shankar

Company Secretary

Mumbai, 29<sup>th</sup> May, 2015

A stack of several clear glass plates is shown on the left side of the image, with the top edge of each plate visible. The plates are slightly offset, creating a sense of depth. On the right side, there is a solid red rectangular area that overlaps the bottom of the stack of plates. The text "CONSOLIDATED ACCOUNTS" is printed in white, uppercase letters within this red area.

CONSOLIDATED  
ACCOUNTS



## Independent Auditors' Report to the members of Mahindra & Mahindra Limited

### Report on the Consolidated Financial Statements

1. We have audited the accompanying consolidated financial statements of **Mahindra & Mahindra Limited** (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), its associates and jointly controlled entities, comprising of the Consolidated Balance Sheet as at 31<sup>st</sup> March, 2015, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

### Management's Responsibility for the Consolidated Financial Statements

2. The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group including its Associates and Jointly controlled entities in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the Companies included in the Group and of its associates and jointly controlled entities are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

### Auditors' Responsibility

3. Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.
4. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.
5. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial

statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Holding Company has an adequate internal financial controls system over financial reporting in place and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

6. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in paragraph (9) under the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

### Opinion

7. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, its associates and jointly controlled entities as at 31<sup>st</sup> March, 2015, and their consolidated profit and their consolidated cash flows for the year ended on that date.

### Emphasis of Matter

8. We draw attention to Note 36 to the financial statements which describe the uncertainty related to the recovery suit filed against an associate of the Company and other matters.

Our opinion is not modified in respect of this matter.

### Other Matters

9. We did not audit the financial statements of eighty five subsidiaries and five jointly controlled entities, whose financial statements reflect the Group's share of total assets of Rs. 58,061.13 crores as at 31<sup>st</sup> March, 2015, and the Group's share of total revenues of Rs. 31,149.53 crores and net cash outflows amounting to Rs. 546.61 crores for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net profit of Rs. 86.95 crores for the year ended 31<sup>st</sup> March, 2015, as considered in the consolidated financial statements, in respect of fourteen associates, whose financial statements have not been audited by us. These financial statements and other financial information have been audited by other auditors whose reports have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, jointly controlled entities and associates, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, jointly controlled entities and associates, is based solely on the reports of the other auditors.

10. Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements certified by the management.

#### **Report on Other Legal and Regulatory Requirements**

11. As required by the Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, based on the comments in the auditors' reports of the Holding Company, subsidiary companies, associate companies and jointly controlled companies incorporated in India, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
12. As required by Section 143(3) of the Act, we report, to the extent applicable, that :
- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
  - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
  - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
  - (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - (e) On the basis of the written representations received from the directors of the Holding Company as on 31<sup>st</sup> March, 2015 taken

on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies, associate companies and jointly controlled companies incorporated in India, none of the directors of the Group companies, its associate companies and jointly controlled companies incorporated in India is disqualified as on 31<sup>st</sup> March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.

- (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us :
- i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, its associates and jointly controlled entities in accordance with the generally accepted accounting practice - also refer Note 33(A) and 36 to the consolidated financial statements.
  - ii) The Group, its associates and jointly controlled entities has made provision where required under any law or accounting standards for material foreseeable losses on long-terms contracts including derivative contracts.
  - iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies, associate companies and jointly controlled companies incorporated in India.

**For DELOITTE HASKINS & SELLS**  
Chartered Accountants  
(Firm's Registration No. 117364W)

**Shyamak R Tata**  
Partner  
(Membership No. 38320)

Mumbai, 29<sup>th</sup> May, 2015

## Annexure to the Independent Auditors' Report on the Consolidated Financial Statements

(Referred to in paragraph 11 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Our reporting on the Order includes Sixty Seven subsidiary companies, Four jointly controlled companies and Eight associate companies incorporated in India, to which the Order is applicable, which have been audited by other auditors and our report in respect of these companies is based solely on the reports of the other auditors, to the extent considered applicable for financial statements.

- (i) In respect of the fixed assets of the Holding Company, subsidiary companies, associate companies and jointly controlled companies incorporated in India:
- (a) The respective companies have maintained proper records showing full particulars, including quantitative details and situation of the fixed assets.
- (b) The Holding Company, subsidiary companies, associate companies and jointly controlled companies incorporated in India have a program of verification of fixed assets to cover all the items in a phased manner over a period of 1-3 years which, in our opinion and the opinion of the other auditors, is reasonable having regard to the size of the respective entities and the nature of their assets. Pursuant to the program, certain fixed assets were physically verified by the Management of the respective entities during the year. According to the information and explanations given to us and the other auditors, no material discrepancies were noticed on such verification.
- (ii) In respect of the inventories of the Holding Company, subsidiary companies, associate companies and jointly controlled companies incorporated in India:
- (a) As explained to us and the other auditors, the inventories were physically verified during the year by the Management of the respective companies at reasonable intervals.
- (b) In our opinion and the opinion of the other auditors and according to the information and explanations given to us and the other auditors, the procedures of physical verification of inventory followed by the Management of the respective companies were reasonable and adequate in relation to the size of the respective companies and the nature of their business.
- (c) In our opinion and the opinion of the other auditors and according to the information and explanations given to us and the other auditors, the respective companies have maintained proper records of their inventories and no material discrepancies were noticed on physical verification.
- (iii) The Holding Company, subsidiary companies, associate companies and jointly controlled companies incorporated in India have not granted any loans, secured or unsecured, to companies, firms or other parties covered in the Register maintained under Section 189 of the Companies Act, 2013 by the respective companies.
- (iv) In our opinion and the opinion of the other auditors and according to the information and explanations that some of the items purchased are of special nature and suitable alternative sources are not readily available for obtaining comparable quotations, there is an adequate internal control system in the Holding Company, subsidiary companies, associate companies and jointly controlled companies incorporated in India commensurate with the size of the respective entities and the nature of their business with regard to purchases of inventory and fixed assets and the sale of goods and services. During the course of our and the other auditors audit, no major weakness in such internal control system has been observed.
- (v) According to the information and explanations given to us and the other auditors, the Holding Company, subsidiary companies, associate companies and jointly controlled companies incorporated in India have not accepted any deposit during the year and accordingly the question of complying with Sections 73 and 76 of the Companies Act, 2013 does not arise. In respect of unclaimed deposits, the Holding Company, subsidiary companies, associate companies and jointly controlled companies incorporated in India have complied with the provisions of Sections 74 and 75 or any other relevant provisions of the Companies Act, 2013. According to the information and explanations given to us and the other auditors, no Order has been passed by the Company Law Board or the National Company Law Tribunal or the Reserve Bank of India or any Court or any other Tribunal in respect of any of the respective companies.
- (vi) According to the information and explanations given to us and the other auditors, in our opinion and the opinion of the other auditors, the Holding Company, subsidiary companies, associate companies and jointly controlled companies incorporated in India have, prima facie, made and maintained the prescribed cost records pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013. Neither we nor the other auditors have, however, made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) According to the information and explanations given to us, in respect of statutory dues of the Holding Company, subsidiary companies, associate companies and jointly controlled companies incorporated in India:
- (a) The respective companies have been generally regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues applicable to the respective companies with the appropriate authorities.
- (b) There were no undisputed amounts payable by the respective entities in respect of Provident Fund, Employees' State Insurance, Income-Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues in arrears as at 31<sup>st</sup> March, 2015 for a period of more than six months from the date they became payable.

(c) As at 31<sup>st</sup> March, 2015, the following are the particulars of dues on account of Income-Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax and Cess matters that have not been deposited on account of any disputes by the aforesaid companies:

Rupees crores

Nature of Statute	Nature of Dues	Forum where pending	Period to which the amount relates	Total
Income-Tax Laws	Income Tax	Supreme Court	2004 - 2005	4.09
		High Court	2002 - 2008	597.31
		Appellate Authority - Tribunal Level	1997 - 2013	185.53
		Appellate Authority - Commissioner (Appeals)	1992 - 2014	429.47
		Appellate Authority - Commissioner	1961 - 2013	23.28
		Others	1988 - 2005	52.04
Sales Tax Laws	Sales Tax	High Court	1987 - 2015	199.01
		Appellate Authority - Tribunal Level	1987-2015	27.96
		Appellate Authority - Commissioner (Appeals)	1994-2014	53.20
		Appellate Authority - Commissioner	2002 - 2015	26.89
Service Tax Laws	Service Tax	Supreme Court	2009 - 2011	2.53
		High Court	2001 - 2003	0.54
		Appellate Authority - Tribunal Level	2001-2014	1,527.83
		Appellate Authority - Commissioner (Appeals)	2009 - 2013	3.03
		Appellate Authority - Commissioner	2003 - 2015	22.87
Excise duty Laws	Excise Duty	Supreme Court	1996 - 1998	1.47
		High Court	2006 - 2008	35.26
		Appellate Authority - Tribunal Level	1989 - 2014	910.13
		Appellate Authority - Commissioner (Appeals)	1996 - 1997	1.07
		Appellate Authority - Commissioner	1991-2013	639.23
Customs Duty Laws	Customs Duty	High Court	1996-2001	1.49
		Appellate Authority - Tribunal Level	1996 - 2015	28.11
Others	Others	High Court	2006-2007	0.11
		Appellate Authority - Tribunal Level	2007-2015	4.00
		Others	2003-2009	1.72
		Others		15.28

(d) The aforesaid companies have been regular in transferring amounts to the Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and Rules made thereunder within time.

- (viii) The Group, its associate companies and jointly controlled companies do not have consolidated accumulated losses at the end of the financial year and the Group, its associates companies and jointly controlled companies have not incurred cash losses on a consolidated basis during the financial year covered by our audit and in the immediately preceding financial year.
- (ix) In our opinion and the opinion of the other auditors and according to the information and explanations given to us and to other auditors, the Holding Company, subsidiary companies, associate companies and jointly controlled companies incorporated in India have not defaulted in repayment of dues to financial institutions, banks and debenture holders during the year.
- (x) According to the information and explanations given to us, the Holding Company, subsidiary companies, associate companies and jointly controlled companies incorporated in India have not given guarantees for loans taken by others from banks and financial institutions.
- (xi) In our opinion and the opinion of the other auditors and according to the information and explanations given to us and the other auditors, the term loans have been applied by the Holding Company, subsidiary companies, associate companies and jointly controlled companies incorporated in India during the year for the purposes for which they were obtained.
- (xii) To the best of our knowledge and according to the information and explanations given to us and the other auditors, no fraud by the Holding Company, its subsidiary companies, associate companies and jointly controlled companies incorporated in India and no significant fraud on the Holding Company, its subsidiary companies, associate companies and jointly controlled companies incorporated in India has been noticed or reported during the year.

**For DELOITTE HASKINS & SELLS**  
Chartered Accountants  
(Firm's Registration No. 117364W)

**Shyamak R Tata**  
Partner  
(Membership No. 38320)

Mumbai, 29<sup>th</sup> May, 2015

# Consolidated Balance Sheet as at 31<sup>st</sup> March, 2015

Rupees crores

	Note	2015	2014
<b>I. EQUITY AND LIABILITIES</b>			
SHAREHOLDERS' FUNDS :			
(a) Share Capital.....	4	295.70	295.16
(b) Reserves and Surplus.....	5	25,560.68	23,011.70
		<b>25,856.38</b>	23,306.86
MINORITY INTEREST			
		<b>5,892.23</b>	5,733.10
NON-CURRENT LIABILITIES :			
(a) Long Term Borrowings.....	6	22,327.03	25,491.75
(b) Deferred Tax Liabilities (Net).....	7A	1,286.83	1,201.97
(c) Other Long Term Liabilities.....	8	2,508.76	2,388.10
(d) Long Term Provisions.....	9	3,239.95	2,590.12
		<b>29,362.57</b>	31,671.94
CURRENT LIABILITIES :			
(a) Short Term Borrowings.....	10	7,177.44	2,780.65
(b) Trade Payables.....	11	11,355.20	11,799.84
(c) Other Current Liabilities.....	12	12,786.45	10,479.33
(d) Short Term Provisions.....	13	2,413.71	2,498.54
		<b>33,732.80</b>	27,558.36
<b>Total .....</b>		<b>94,843.98</b>	88,270.26
<b>II. ASSETS</b>			
NON-CURRENT ASSETS :			
(a) Fixed Assets :			
Tangible Assets.....	14A	17,247.09	16,058.29
Intangible Assets.....	14B	1,035.38	978.68
Capital Work-in-Progress.....		1,272.54	1,243.60
Intangible Assets Under Development.....		1,759.60	947.45
		<b>21,314.61</b>	19,228.02
(b) Goodwill on Consolidation.....		764.27	1,343.99
(c) Non Current Investments.....	15A	7,898.99	5,852.37
(d) Deferred Tax Assets (Net).....	7B	467.77	381.67
(e) Long Term Loans and Advances.....	16	24,066.47	21,364.41
(f) Other Non Current Assets.....	17	581.76	505.37
		<b>55,093.87</b>	48,675.83
CURRENT ASSETS :			
(a) Current Investments.....	15B	2,128.15	2,229.98
(b) Inventories.....	18	8,453.39	8,353.54
(c) Trade Receivables.....	19	5,476.16	5,725.42
(d) Cash and Bank Balances.....	20	4,911.83	6,522.79
(e) Short Term Loans and Advances.....	21	17,811.80	15,842.14
(f) Other Current Assets.....	22	968.78	920.56
		<b>39,750.11</b>	39,594.43
<b>Total .....</b>		<b>94,843.98</b>	88,270.26

The accompanying notes 1 to 44 are an integral part of the Financial Statements

In terms of our report attached.

For Deloitte Haskins & Sells  
Chartered Accountants

Shyamak R Tata  
Partner

Mumbai, 29<sup>th</sup> May, 2015

Bharat Doshi  
Deepak S. Parekh  
Nadir B. Godrej  
M. M. Murugappan  
R. K. Kulkarni  
Anupam Puri  
Vishakha N. Desai  
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V. S. Parthasarathy

Narayan Shankar

Chairman & Managing Director

Executive Director & Group President  
(Auto and Farm Sector)

Group Chief Financial Officer, Group CIO &  
President (Group Finance and M&A)

Company Secretary

Mumbai, 29<sup>th</sup> May, 2015

**Consolidated Statement of Profit and Loss** for the year ended 31<sup>st</sup> March, 2015

Rupees crores

	Note	2015	2014
<b>Revenue from Operations</b>	<b>23</b>		
Gross Revenue from Sale of Products and Services.....		67,403.78	71,160.67
Less : Excise Duty .....		3,541.23	4,229.70
Net Revenue from Sale of Products and Services.....		63,862.55	66,930.97
Other Operating Revenue .....	23	8,086.04	7,069.96
<b>Revenue from Operations (Net)</b> .....		<b>71,948.59</b>	<b>74,000.93</b>
Other Income .....	24	525.03	505.09
<b>Total Revenue</b> .....		<b>72,473.62</b>	<b>74,506.02</b>
<b>EXPENSES :</b>			
Cost of Materials Consumed.....	25	40,386.83	43,252.55
Purchases of Stock-in-Trade.....		2,188.73	1,879.01
Changes in Inventories of Finished Goods, Work-in-Progress, Stock-in-Trade and Manufactured Components.....	26	274.13	(238.97)
Employee Benefits Expense.....	27	7,146.55	6,885.94
Finance Costs .....	28	3,156.69	2,953.93
Depreciation and Amortisation Expense.....		2,123.83	2,169.57
Other Expenses.....	29	13,443.84	12,341.91
		68,720.60	69,243.94
Less : Cost of Manufactured/Purchased Products Capitalised.....		284.78	239.67
<b>Total Expenses</b> .....		<b>68,435.82</b>	<b>69,004.27</b>
Profit Before Exceptional Items and Tax .....		4,037.80	5,501.75
Add : Exceptional Items (Net).....	38	274.90	317.85
Profit Before Tax.....		4,312.70	5,819.60
(Add)/Less : Tax Expense.....			
Current Tax .....		1,770.11	1,793.91
Less : MAT Credit Entitlement .....		92.72	490.71
Net Current Tax.....		1,677.39	1,303.20
Deferred Tax (Net).....		42.63	193.02
		1,720.02	1,496.22
Profit for the year before share of Profit/(Loss) of Associates and Minority Interest.....		2,592.68	4,323.38
Add/(Less) : Share of Profit/(Loss) of Associates for the year .....		788.70	830.42
Profit before Minority Interest .....		3,381.38	5,153.80
Minority Share in (Profit)/Loss.....		(243.91)	(486.87)
<b>Net Profit for the year</b> .....		<b>3,137.47</b>	<b>4,666.93</b>
<b>Earnings per equity share</b>	<b>39</b>		
(Face value Rs. 5/- per share) (Rupees)			
Basic .....		53.12	79.06
Diluted.....		50.69	75.83

The accompanying notes 1 to 44 are an integral part of the Financial Statements

In terms of our report attached.

For Deloitte Haskins & Sells  
Chartered AccountantsShyamak R Tata  
PartnerMumbai, 29<sup>th</sup> May, 2015

Bharat Doshi  
Deepak S. Parekh  
Nadir B. Godrej  
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V. S. Parthasarathy

Narayan Shankar

Chairman &amp; Managing Director

Executive Director & Group President  
(Auto and Farm Sector)Group Chief Financial Officer, Group CIO &  
President (Group Finance and M&A)

Company Secretary

Mumbai, 29<sup>th</sup> May, 2015

# Consolidated Cash Flow Statement for the year ended 31<sup>st</sup> March, 2015

Rupees crores

	2015	2014
<b>A. CASH FLOW FROM OPERATING ACTIVITIES :</b>		
Profit before exceptional items and taxation .....	4,037.80	5,501.75
Adjustments for :		
Depreciation, Amortisation and Impairment.....	2,127.58	2,174.95
(Profit)/Loss on Exchange (Net).....	83.51	60.02
Investment and Interest Income [Excluding <b>Rs. 0.12 crores</b> (2014 : Rs. 0.11 crores) in respect of financial enterprises consolidated].....	(398.66)	(400.80)
Interest, Commitment and Finance charges [Excluding <b>Rs. 2,643.00 crores</b> (2014 : Rs. 2,277.57 crores) in respect of financial enterprises consolidated].....	513.69	676.36
Employee Stock Compensation Expense.....	51.51	76.66
Profit on sale of Investments (Net).....	(21.31)	(10.56)
(Profit)/Loss on fixed assets sold/scrapped/written off (Net).....	24.72	(1.62)
Write off of Intangible Asset Under Development.....	19.38	7.19
Provision for diminution in value of long term investment.....	16.08	(1.12)
Excess of cost over fair value of current investments (Net).....	—	3.57
Excess of cost over fair value of current investments reversed (Net).....	(0.76)	—
	<b>2,415.74</b>	<b>2,584.65</b>
Operating Profit before Working Capital changes.....	<b>6,453.54</b>	<b>8,086.40</b>
Changes in :		
Trade and other receivables.....	(575.09)	(2,258.20)
Loans against Assets * .....	(4,228.64)	(5,813.86)
Inventories.....	(62.46)	(77.78)
Trade and other payables.....	1,168.63	1,094.42
	<b>(3,697.56)</b>	<b>(7,055.42)</b>
Cash generated from operations.....	<b>2,755.98</b>	<b>1,030.98</b>
Income Taxes paid (Net of refunds) .....	(1,701.12)	(1,274.72)
NET CASH FROM/(USED IN) OPERATING ACTIVITIES.....	<b>1,054.86</b>	<b>(243.74)</b>
* In respect of financial enterprises consolidated.		
<b>B. CASH FLOW FROM INVESTING ACTIVITIES :</b>		
Purchase of fixed assets.....	(4,758.93)	(3,665.28)
Sale of fixed assets .....	43.13	57.57
Purchase of investments .....	(80,046.58)	(66,102.06)
Sale of investments.....	79,893.10	64,682.69
Interest received .....	355.56	231.26
Dividends received.....	12.98	23.50
Bank deposits (Net) .....	(557.15)	(543.77)
(Increase)/Decrease in Earmarked & Margin account.....	220.93	(232.48)
Inter corporate deposits given .....	(26.50)	(16.30)
Inter corporate deposits refunded.....	4.00	102.75
Loan given .....	—	(112.70)
Repayment of loan given.....	35.15	55.75
Purchase consideration paid on acquisition of holding interest in Subsidiaries .....	(60.96)	(20.81)
Subscription (Net) received on divesture of Interest in Subsidiaries/Sale proceeds on disposal of Subsidiaries .....	400.78	943.81
Exceptional Items :		
Sale of Long Term Investments.....	40.42	106.34
NET CASH USED IN INVESTING ACTIVITIES.....	<b>(4,444.07)</b>	<b>(4,489.73)</b>

**Consolidated Cash Flow Statement** (contd.)

Rupees crores

	2015	2014
<b>C. CASH FLOW FROM FINANCING ACTIVITIES :</b>		
Proceeds from Issue of Share Capital (including Securities Premium).....	2.60	183.90
Proceeds from borrowings.....	47,957.34	60,506.94
Repayments of borrowings.....	(45,084.40)	(53,264.69)
Net increase in Loans repayable on demand and cash credit.....	482.25	(171.49)
Dividends paid.....	(1,199.64)	(1,094.20)
Interest, Commitment and Finance charges paid .....	(488.77)	(583.08)
NET CASH FROM FINANCING ACTIVITIES.....	1,669.38	5,577.38
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS.....	(1,719.83)	843.91
OPENING CASH AND CASH EQUIVALENTS .....	4,632.88	3,822.84
CASH AND BANK BALANCE ON ACQUISITION/(DISPOSAL) OF SUBSIDIARIES (NET) .....	(192.58)	(33.87)
CLOSING CASH AND CASH EQUIVALENTS .....	2,720.47	4,632.88

## Notes to the Consolidated Cash Flow Statement for the year ended 31<sup>st</sup> March, 2015

Rupees crores

	2015	2014
1. The above Cash Flow Statement has been prepared under the 'indirect method' as set out in Accounting Standard 3 'Cash Flow Statement'		
2. Cash and Cash Equivalents .....	2,720.47	4,632.88
Unrealised Gain on foreign currency Cash and Cash Equivalents.....	(0.08)	(0.04)
	<b>2,720.39</b>	4,632.84
Other Bank Balances .....	2,191.44	1,889.95
Cash and Bank Balances.....	<b>4,911.83</b>	6,522.79

In terms of our report attached.

For Deloitte Haskins & Sells  
Chartered Accountants

Shyamak R Tata  
Partner

Mumbai, 29<sup>th</sup> May, 2015

Bharat Doshi  
Deepak S. Parekh  
Nadir B. Godrej  
M. M. Murugappan  
R. K. Kulkarni  
Anupam Puri  
Vishakha N. Desai  
Vikram Singh Mehta  
S. B. Mainak

Directors

Anand G. Mahindra

Dr. Pawan Goenka

V. S. Parthasarathy

Narayan Shankar

Chairman & Managing Director

Executive Director & Group President  
(Auto and Farm Sector)

Group Chief Financial Officer, Group CIO &  
President (Group Finance and M&A)

Company Secretary

Mumbai, 29<sup>th</sup> May, 2015

## Notes forming part of the Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2015

1. The Consolidated Financial Statements relate to Mahindra & Mahindra Limited (M&M, the Company) and its subsidiaries, joint ventures and associates. The Consolidated Financial Statements have been prepared in accordance with Accounting Standard 21 (AS 21) "Consolidated Financial Statements", Accounting Standard 23 (AS 23) "Accounting for Investment in Associates in Consolidated Financial Statements" and Accounting Standard 27 (AS 27) "Financial Reporting of Interests in Joint Ventures" notified by the Companies (Accounting Standard) Rules, 2006. The Consolidated Financial Statements have been prepared on the following basis :

### (a) Investments in Subsidiaries :

- (i) The Financial Statements of the Company and its subsidiary companies have been combined on a line by line basis by adding together the book values of like items of assets, liabilities, income and expenses. Intra group balances, intra group transactions and unrealised profits or losses have been fully eliminated.
- (ii) The difference between the costs of investment in the subsidiaries and the Company's share of equity at the time of acquisition of shares in the subsidiaries is recognised in the Financial Statements as Goodwill on consolidation or Capital Reserve on consolidation.
- (iii) The difference between the proceeds from disposal of investment in a subsidiary and the carrying amount of its assets less liabilities as of date of disposal is recognised in the Statement of Profit and Loss as profit or loss on disposal of investment in subsidiaries.
- (iv) Minority Interest in the net assets of consolidated subsidiaries consists :
  - (a) the amount of equity attributable to minorities at the date on which investment in a subsidiary is made; and
  - (b) the minorities' share of movements in equity since the date the parent subsidiary relationship comes into existence.
- (v) The Financial Statements of the subsidiaries are drawn up to 31<sup>st</sup> March, 2015.

The subsidiaries (which along with Mahindra & Mahindra Limited, the parent, constitute the group) considered in the presentation of these Consolidated Financial Statements are:

Name of the Subsidiary Company	Country of Incorporation	Proportion of ownership interest*		Proportion of voting power where different	
		as at 31-03-2015	as at 31-03-2014	as at 31-03-2015	as at 31-03-2014
<b>Indian Subsidiaries</b>					
1. Mahindra First Choice Wheels Limited .....	India	45.50%	54.83%		
2. Mahindra Lifespace Developers Limited.....	India	50.83%	51.03%		
3. Mahindra Consulting Engineers Limited .....	India	54.16%	54.16%		
4. Bristlecone India Limited .....	India	77.71%	78.38%	100.00%	100.00%
5. Mahindra Engineering and Chemical Products Limited.....	India	100.00%	100.00%		
6. Mahindra Gujarat Tractor Limited.....	India	60.00%	60.00%		
7. Mahindra Holidays & Resorts India Limited .....	India	75.64%	75.64%		
8. Mahindra Infrastructure Developers Limited .....	India	50.83%	51.03%	100.00%	100.00%
9. Mahindra Intertrade Limited .....	India	100.00%	100.00%		
10. Mahindra & Mahindra Financial Services Limited .....	India	51.62%	51.68%		
11. Mahindra Steel Service Centre Limited.....	India	61.00%	61.00%		
12. Mahindra Shubhlabh Services Limited.....	India	100.00%	100.00%		
13. NBS International Limited .....	India	100.00%	100.00%		
14. Mahindra Insurance Brokers Limited .....	India	43.88%	43.92%	85.00%	85.00%
15. Mahindra Engineering Services Limited# .....	India		99.87%		
16. Mahindra World City Developers Limited .....	India	45.24%	45.42%	89.00%	89.00%
17. Mahindra Gears & Transmissions Private Limited\$.....	India		76.67%		
18. Mahindra Trucks and Buses Limited.....	India	100.00%	100.00%		
19. Mahindra World City (Maharashtra) Limited.....	India	50.83%	51.03%	100.00%	100.00%
20. Mahindra Automobile Distributor Private Limited.....	India	95.00%	95.00%		
21. Mahindra Ugine Steel Company Limited \$.....	India		50.41%		
22. Mahindra World City (Jaipur) Limited .....	India	37.61%	37.76%	74.00%	74.00%
23. Mahindra Integrated Township Limited .....	India	48.95%	49.15%	99.14%	99.14%

Name of the Subsidiary Company	Country of Incorporation	Proportion of ownership interest*		Proportion of voting power where different	
		as at 31-03-2015	as at 31-03-2014	as at 31-03-2015	as at 31-03-2014
24. Mahindra Vehicle Manufacturers Limited .....	India	100.00%	100.00%		
25. Mahindra Hotels and Residences India Limited.....	India	75.64%	75.64%	100.00%	100.00%
26. Knowledge Township Limited.....	India	50.83%	51.03%	100.00%	100.00%
27. Mahindra Holdings Limited.....	India	100.00%	100.00%		
28. Mahindra Logistics Limited .....	India	84.01%	88.60%		
29. Mahindra Rural Housing Finance Limited .....	India	45.17%	45.22%	87.50%	87.50%
30. Mahindra Residential Developers Limited.....	India	48.95%	49.15%	100.00%	100.00%
31. Mahindra Aerospace Private Limited .....	India	66.67%	66.67%		
32. Mahindra First Choice Services Limited .....	India	100.00%	100.00%		
33. Mahindra Heavy Engines Private Limited.....	India	100.00%	100.00%		
34. Mahindra Bebanco Developers Limited.....	India	35.58%	35.72%	70.00%	70.00%
35. Industrial Township (Maharashtra) Limited .....	India	50.83%	51.03%	100.00%	100.00%
36. Crest Geartech Private Limited\$ .....	India		51.00%		100.00%
37. Mahindra Business & Consulting Services Private Limited ¥ .....	India		51.68%		100.00%
38. Mahindra Two Wheelers Limited .....	India	88.91%	88.46%		
39. Defence Land Systems India Limited (formerly known as Defence Land Systems India Private Limited) .....	India	100.00%	100.00%		
40. Mahindra Internet Commerce Private Limited (formerly known as Mahindra United Football Club Private Limited).....	India	96.22%	100.00%	100.00%	
41. Retail Initiative Holdings Limited .....	India	100.00%	100.00%		
42. Mahindra Retail Private Limited.....	India	96.22%	95.69%		
43. Mahindra Electrical Steel Private Limited.....	India	100.00%	100.00%		
44. Raigad Industrial & Business Park Limited .....	India	50.83%	51.03%	100.00%	100.00%
45. Mahindra Conveyor Systems Private Limited (upto 31 <sup>st</sup> July, 2014) .....	India		91.50%		
46. Mahindra Punjab Tractors Private Limited .....	India	100.00%	100.00%		
47. Mahindra Namaste Private Limited.....	India	100.00%	100.00%		
48. Mahindra Reva Electric Vehicles Private Limited .....	India	75.72%	73.42%		
49. Anthurium Developers Limited.....	India	50.83%	51.03%	100.00%	100.00%
50. Mahindra Integrated Business Solutions Private Limited .....	India	100.00%	100.00%		
51. Mahindra Aerostructures Private Limited.....	India	66.67%	66.67%	100.00%	100.00%
52. Mahindra EPC Services Private Limited.....	India	100.00%	100.00%		
53. Mahindra Telecommunications Investment Private Limited.....	India	100.00%	100.00%		
54. Mahindra Sanyo Special Steel Private Limited .....	India	51.00%	51.00%		
55. Bell Tower Resorts Private Limited @.....	India		75.64%		100.00%
56. Swaraj Automotives Limited .....	India	71.19%	71.19%		
57. EPC Industrie Limited.....	India	54.78%	54.80%		
58. Mahindra Defence Naval Systems Private Limited .....	India	100.00%	100.00%		
59. Mahindra Defence Systems Limited .....	India	100.00%	100.00%		
60. Divine Heritage Hotels Private Limited.....	India	75.64%	75.64%	100.00%	100.00%
61. Gables Promoters Private Limited .....	India	75.64%	75.64%	100.00%	100.00%
62. 2 x 2 Logistics Private Limited.....	India	46.20%	88.60%	55.00%	100.00%
63. Holiday on Hills Resorts Private Limited.....	India	75.64%	75.64%	100.00%	100.00%
64. Industrial Cluster Private Limited (formerly known as Mahindra Housing Private Limited) .....	India	50.83%	51.03%	100.00%	100.00%
65. Mahindra Telephonics Integrated Systems Limited.....	India	74.00%	74.00%		

Name of the Subsidiary Company	Country of Incorporation	Proportion of ownership interest*		Proportion of voting power where different	
		as at 31-03-2015	as at 31-03-2014	as at 31-03-2015	as at 31-03-2014
66. Mahindra Investments (India) Private Limited\$.....	India		100.00%		
67. Mahindra HZPC Private Limited (formerly known as Mahindra Investments (International) Private Limited).....	India	59.95%	100.00%		
68. Mahindra Asset Management Company Private Limited .....	India	51.62%	51.68%	100.00%	100.00%
69. Mahindra Offgrid Services Private Limited .....	India	100.00%	100.00%		
70. Mahindra Trustee Company Private Limited .....	India	51.62%	51.68%	100.00%	100.00%
71. Brightsolar Renewable Energy Private Limited.....	India	100.00%	100.00%		
72. Cleansolar Renewable Energy Private Limited.....	India	100.00%	100.00%		
73. Mahindra Auto Steel Private Limited.....	India	51.00%	100.00%		
74. Mahindra 'Electoral Trust' Company.....	India	100.00%	100.00%		
75. Competent Hotels Private Limited (w.e.f 18 <sup>th</sup> June, 2014) .....	India	75.64%		100.00%	
76. Mahindra UNIVeG Private Limited (w.e.f. 9 <sup>th</sup> July, 2014).....	India	60.00%			
77. Lords Freight (India) Private Limited (w.e.f. 7 <sup>th</sup> August, 2014).....	India	50.41%		60.00%	
78. Mriyalguda Farm Solution Limited (w.e.f. 11 <sup>th</sup> August, 2014) ...	India	69.00%			
79. Mahindra Industrial Park Chennai Limited (w.e.f. 22 <sup>nd</sup> December, 2014).....	India	45.24%		100.00%	
<b>Foreign Subsidiaries</b>					
80. Mahindra Automotive Australia Pty. Limited .....	Australia	100.00%	100.00%		
81. Mahindra Aerospace Australia Pty. Limited.....	Australia	66.67%	66.67%	100.00%	100.00%
82. Aerostaff Australia Pty. Limited .....	Australia	66.67%	66.67%	100.00%	100.00%
83. Gipp Aero Investments Pty. Limited.....	Australia	50.07%	50.07%	75.10%	75.10%
84. Gippsaero Pty. Limited.....	Australia	50.07%	50.07%	100.00%	100.00%
85. GA8 Airvan Pty. Limited .....	Australia	50.07%	50.07%	100.00%	100.00%
86. GA200 Pty. Limited .....	Australia	50.07%	50.07%	100.00%	100.00%
87. Airvan Flight Services Pty. Limited .....	Australia	50.07%	50.07%	100.00%	100.00%
88. Nomad TC Pty. Limited .....	Australia	50.07%	50.07%	100.00%	100.00%
89. Bristlecone Consulting Limited .....	Canada	77.71%	78.38%	100.00%	100.00%
90. Bristlecone Limited.....	Cayman Islands	77.71%	78.38%		
91. Mahindra Yueda (Yancheng) Tractor Company Limited.....	China	51.00%	51.00%		
92. Ssangyong Motor (Shanghai) Company Limited .....	China	73.23%	73.23%	100.00%	100.00%
93. Jiangxi Mahindra Yueda Tractor Company Limited (upto 17 <sup>th</sup> June, 2014) .....	China		45.58%		89.37%
94. Mahindra Gears Cyprus Limited (upto 15 <sup>th</sup> September, 2014)...	Cyprus		53.34%		100.00%
95. Peugeot Motocycles S.A.S. (w.e.f. 19 <sup>th</sup> January, 2015).....	France	45.34%		51.00%	
96. Bristlecone GmbH.....	Germany	77.71%	78.38%	100.00%	100.00%
97. Mahindra Engineering GmbH#.....	Germany		99.87%		100.00%
98. Peugeot Motocycles Deutschland GmbH (w.e.f. 19 <sup>th</sup> January, 2015).....	Germany	45.34%		100.00%	
99. Mahindra Europe S.r.l. ....	Italy	100.00%	100.00%		
100. Mahindra Graphic Research Design S.r.l. ....	Italy	100.00%	100.00%		
101. Metalcastello S.p.A. \$ .....	Italy		51.00%		95.61%
102. Mahindra Racing S.r.l.....	Italy	100.00%	100.00%		
103. Peugeot Motocycles Italia S.p.A. (w.e.f. 19 <sup>th</sup> January, 2015).....	Italy	45.34%		100.00%	
104. Ssangyong Motor Company .....	South Korea	73.23%	73.23%		

Name of the Subsidiary Company	Country of Incorporation	Proportion of ownership interest*		Proportion of voting power where different	
		as at 31-03-2015	as at 31-03-2014	as at 31-03-2015	as at 31-03-2014
105. Convington S.a.r.l. (w.e.f. 17 <sup>th</sup> July, 2014) .....	Luxembourg	75.64%		100.00%	
106. Mahindra Two Wheelers Europe Holdings S.a.r.l. (w.e.f. 2 <sup>nd</sup> December, 2014) .....	Luxembourg	88.91%		100.00%	
107. Mahindra Overseas Investment Company (Mauritius) Limited .....	Mauritius	100.00%	100.00%		
108. Mahindra-BT Investment Company (Mauritius) Limited.....	Mauritius	57.00%	57.00%		
109. Mahindra Gears International Limited\$ .....	Mauritius		100.00%		
110. Mahindra Gears Global Limited\$ .....	Mauritius		53.34%		
111. MHR Holdings (Mauritius) Limited (w.e.f. 11 <sup>th</sup> July, 2014) .....	Mauritius	75.64%		100.00%	
112. Bristlecone (Malaysia) Sdn. Bhd.....	Malaysia	77.71%	78.38%	100.00%	100.00%
113. Heritage Bird (M) Sdn. Bhd.....	Malaysia	75.64%	75.64%	100.00%	100.00%
114. Ssangyong European Parts Center B.V.....	Netherlands	73.23%	73.23%	100.00%	100.00%
115. Bristlecone (Singapore) Pte. Limited.....	Singapore	77.71%	78.38%	100.00%	100.00%
116. Mahindra & Mahindra South Africa (Proprietary) Limited.....	South Africa	100.00%	100.00%		
117. Bristlecone International AG.....	Switzerland	77.71%	78.38%	100.00%	100.00%
118. Mahindra MiddleEast Electrical Steel Service Centre (FZC).....	UAE	90.00%	90.00%		
119. Mahindra Emirates Vehicle Armouring FZ-LLC.....	UAE	51.00%	51.00%		
120. Bristlecone UK Limited .....	U.K.	77.71%	78.38%	100.00%	100.00%
121. Mahindra Engineering Services (Europe) Limited# .....	U.K.		99.87%		100.00%
122. Mahindra Racing UK Limited (w.e.f. 22 <sup>nd</sup> May, 2014).....	U.K.	100.00%			
123. Mahindra USA Inc. ....	U.S.A.	100.00%	100.00%		
124. Bristlecone Inc.....	U.S.A.	77.71%	78.38%	100.00%	100.00%
125. Mahindra Holidays and Resorts USA Inc. (upto 19 <sup>th</sup> May, 2014).....	U.S.A.		75.64%		100.00%
126. Mahindra Technologies Services Inc.#.....	U.S.A.		99.87%		100.00%
127. Mahindra Tractor Assembly Inc. ....	U.S.A.	100.00%	100.00%		
128. Mahindra North American Technical Center, Inc.....	U.S.A.	100.00%	100.00%		
129. Infinity Hospitality Group Company Limited .....	Thailand	55.97%	55.97%	100.00%	100.00%
130. MH Boutique Hospitality Limited.....	Thailand	37.07%	37.07%	49.00%	49.00%

\* excluding shares issued to ESOP Trusts of the respective entities/their holding companies but not allotted to employees as per the Guidance Note on Accounting for Employee Share Based Payments issued by 'The Institute of Chartered Accountants of India'.

# represents companies which ceased to be subsidiaries during the year as per scheme of arrangement. The appointed date and effective date is 1<sup>st</sup> April, 2013 and 8<sup>th</sup> December, 2014 respectively.

\$ represents companies which ceased to be subsidiaries during the year as per scheme of arrangement. The appointed date and effective date is 1<sup>st</sup> October, 2013 and 10<sup>th</sup> December, 2014 respectively.

¥ represents company which ceased to be a subsidiary during the year as per scheme of arrangement. The appointed date and effective date is 1<sup>st</sup> April, 2014 and 18<sup>th</sup> April, 2015 respectively.

@ represents company which ceased to be a subsidiary during the year as per scheme of arrangement. The appointed date and effective date is 1<sup>st</sup> April, 2013 and 31<sup>st</sup> July, 2014 respectively.

**(b) Interests in Joint Ventures :**

The Group's interests in jointly controlled entities of the Group are :

Name of the Entity	Country of Incorporation	Percentage of ownership interest as at 31-03-2015	Percentage of ownership interest as at 31-03-2014
1. Mahindra Sona Limited .....	India	29.77%	29.77%
2. Mahindra Water Utilities Limited ** .....	India	50.00%	50.00%
3. Mahindra Inframan Water Utilities Private Limited ** .....	India	50.00%	50.00%
4. Mahindra Solar One Private Limited # \$ .....	India	26.00%	26.00%
5. Mahindra Homes Private Limited ^ .....	India	50.00%	50.00%
6. Mahindra Finance USA LLC @ .....	U.S.A.	49.00%	49.00%
7. Arabian Dreams Hotel Apartments LLC £ .....	U.A.E.	49.00%	49.00%
8. Jinan Qingqi Peugeot Motorcycle Company Limited € (w.e.f. 19 <sup>th</sup> January, 2015) .....	China	50.00%	

\*\* Shareholding is through a subsidiary, Mahindra Infrastructure Developers Limited.

# Shareholding is through a subsidiary, Mahindra Holdings Limited.

@ Shareholding is through a subsidiary, Mahindra &amp; Mahindra Financial Services Limited.

^ Shareholding is through a subsidiary, Mahindra Lifespace Developers Limited.

£ Shareholding is through a subsidiary, Mahindra Holidays &amp; Resorts India Limited.

\$ Mahindra Solar One Private Limited has two subsidiaries; Mahindra Suryaprakash Private Limited where it holds 69.90% and Mahindra Suryaurja Private Limited where it holds 100%.

€ Shareholding is through a subsidiary, Peugeot Motocycles S.A.S.

 The financial statements of the Joint Ventures are drawn up to 31<sup>st</sup> March, 2015

**(c) Investments in Associates :**

The Group's Associates are :

Name of the Entity	Country of Incorporation	Percentage of ownership interest as at 31-03-2015	Percentage of ownership interest as at 31-03-2014
1. Mahindra Construction Company Limited.....	India	37.49%	37.49%
2. Officemartindia.com Limited .....	India	50.00%	50.00%
3. Rathna Bhoomi Enterprises Private Limited ** .....	India	25.41%	25.53%
4. Kota Farm Services Limited .....	India	45.00%	45.00%
5. Mriyalguda Farm Solution Limited (upto 10 <sup>th</sup> August, 2014).....	India		45.00%
6. Mega One Stop Farm Services Limited .....	India	45.00%	45.00%
7. Swaraj Engines Limited.....	India	33.22%	33.22%
8. Mahindra & Mahindra Contech Limited #.....	India	46.66%	46.66%
9. PSL Media & Communications Limited # .....	India	36.12%	36.12%
10. Tech Mahindra Limited ##.....	India	26.71%	26.01%
11. Mahindra CIE Automotive Limited.....	India	20.21%	0.32%
12. CIE Automotive, S.A. @.....	Spain	12.44%	13.50%
13. Kismat Developers Private Limited ^ .....	India	42.86%	42.86%
14. Topical Builders Private Limited ^ .....	India	50.00%	50.00%
15. Mahindra Tsubaki Conveyor Systems Private Limited † (formerly known as Mahindra Conveyor Systems Private Limited) (w.e.f. 1 <sup>st</sup> August, 2014) .....	India	49.00%	
16. Holiday Club Resort Oy £ (w.e.f. 21 <sup>st</sup> November, 2014).....	Finland	22.34%	

 The financial statements of the Associates are drawn upto 31<sup>st</sup> March, 2015, except for CIE Automotive, S.A. where it is upto 31<sup>st</sup> December, 2014.

\*\* Shareholding is through a subsidiary, Mahindra Infrastructure Developers Limited.

# Shareholding is through the Company and its subsidiary, Mahindra Holdings Limited.

^ Shareholding is through a subsidiary, Mahindra Lifespace Developers Limited.

@ Shareholding is through a subsidiary, Mahindra Overseas Investment Company (Mauritius) Limited.

£ Shareholding is through a subsidiary, Convington S.á.r.l.

† Shareholding is through a subsidiary, Mahindra Engineering and Chemical Products Limited.

## Shareholding is through the Company and its subsidiaries, Mahindra Holdings Limited and Mahindra-BT Investment Company (Mauritius) Limited.

## 2. Significant Accounting Policies :

### (A) Basis of Accounting :

The financial statements of the Company have been prepared in accordance with the generally accepted accounting principles in India (Indian GAAP) and comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with rule 7 of the Companies (Accounts) Rules, 2014.

### (B) Tangible Assets :

(a) (i) Tangible assets are carried at cost less depreciation except as stated in (ii) below. Cost includes financing cost relating to borrowed funds attributable to the construction or acquisition of qualifying tangible assets upto the date the assets are ready for use. Where the acquisition of depreciable tangible assets are financed through long term foreign currency loans (having a term of 12 months or more at the time of their origination) the exchange differences on such loans are added to or subtracted from the cost of such depreciable tangible assets.

When an asset is scrapped or otherwise disposed off, the cost and related depreciation are removed from the books of account and resultant profit (including capital profit) or loss, if any, is reflected in the Statement of Profit and Loss.

(ii) Land and Buildings, of the parent company had been revalued as at 31<sup>st</sup> October, 1984 at depreciated replacement values on the basis of a valuation made by a firm of Chartered Surveyors and Valuers. The indices, if any, used are not stated in the valuation.

(b) (i) Leasehold land is amortised over the period of the lease.

(ii) Depreciation on assets is calculated on Straight Line Method over its useful life estimated by management/the Company's expected usage pattern supported by technical assessment or on the basis of depreciation rates/useful lives prescribed under respective local laws.

### (C) Intangible Assets :

Intangible Assets are initially measured at cost and amortised so as to reflect the pattern in which the asset's economic benefits are consumed.

#### (a) Technical Knowhow :

The expenditure incurred is amortised over the estimated period of benefit, not exceeding six years commencing with the year of purchase of the technology.

#### (b) Development Expenditure :

The expenditure incurred on technical services and other project/product related expenses are amortised over the estimated period of benefit, not exceeding five years.

#### (c) Software Expenditure :

The expenditure incurred is amortised over three financial years equally commencing from the year in which the expenditure is incurred.

#### (d) Websites :

The expenditure incurred is amortised over the estimated period of benefit, not exceeding five years.

#### (e) Vacation Ownership :

The expenditure incurred on vacation ownership is amortised over a period of ten years.

#### (f) Trademarks :

The expenditure incurred is amortised over the estimated period of benefit, not exceeding ten years.

#### (g) Non-Compete Fees :

Non-Compete payments are amortised equally over the estimated period of benefit, not exceeding ten years.

### (D) Impairment of Assets :

The carrying value of assets/cash generating units at each balance sheet date are reviewed for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and impairment is recognised, if the carrying amount of these assets exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life to their present value based on an appropriate discount factor. When there is indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss, except in case of revalued assets.

## (E) Investments :

Long term investments, other than in Associates, are carried at cost. However, provision for diminution in value is made to recognise a decline other than temporary, in the value of investments. Current investments are valued at the lower of cost and fair value, determined by category of investment. Investments in Associates are accounted using the equity method.

## (F) Inventories :

Inventories are stated at cost or net realisable value, whichever is lower. Cost is arrived at on a weighted average method and includes, where appropriate, manufacturing overheads and excise duty. Cost of the inventory, includes interest, where appropriate, for long term projects.

## (G) Foreign Exchange Transactions :

Transactions in foreign currencies (other than firm commitments and highly probable forecast transactions) are recorded at the exchange rates prevailing on the date of transaction. Monetary items are translated at the year-end rates. The exchange difference between the rate prevailing on the date of transaction and on the date of settlement as also on translation of monetary items at the end of the year (other than those relating to long term foreign currency monetary items) is recognised as income or expense, as the case may be.

Exchange differences relating to long term foreign currency monetary items, to the extent they are used for financing the acquisition of depreciable assets are added to or subtracted from the cost of such depreciable assets and the balance accumulated in 'Foreign Currency Monetary Item Translation Difference Account' and amortised over the balance term of the long term monetary item.

Any premium or discount arising at the inception of a forward exchange contract is recognised as income or expense over the life of the contract, except in the case where the contract is designated as a cash flow hedge.

## (H) Derivative Instruments and Hedge Accounting :

The Company uses foreign currency forward contracts and currency options to hedge its risks associated with foreign currency fluctuations relating to certain firm commitments and highly probable forecast transactions. The Company does not hold derivative financial instruments for speculative purposes. The Company has applied to such contracts the hedge accounting principles set out in Accounting Standard 30 'Financial Instruments : Recognition and Measurement' (AS 30) by marking them to market at each reporting date.

Changes in the fair value of the contracts that are designated and effective as hedges of future cash flows are recognised directly in Hedging Reserve Account and the ineffective portion is recognised immediately in the Statement of Profit and Loss.

## (I) Revenue Recognition :

(a) Sale of products and services including export benefits thereon are recognised when the products are shipped or services rendered. Excise duty recovered on sales is included in "Revenue from Operations".

## (b) Long Term Contracts and Property Development Activity :

Income from real estate sales is recognised on the transfer of all significant risks and rewards of ownership to the buyers and it is not unreasonable to expect ultimate collection and no significant uncertainty exists regarding the amount of consideration. However if, at the time of transfer substantial acts are yet to be performed under the contract, revenue is recognised on proportionate basis as the acts are performed, i.e. on the percentage of completion basis. Revenues from real estate projects are recognised only when the actual project costs incurred is at least 25 % of the total estimated project costs including land and when at least 10% of the sales consideration is realised.

In accordance with the Guidance Note on Accounting for Real Estate Transactions (Revised 2012) issued by the Institute of Chartered Accountants of India, in case of projects commencing on or after 1<sup>st</sup> April, 2012 or in case of projects which have already commenced but where revenue is being recognised for the first time on or after 1<sup>st</sup> April, 2012, revenues will be recognized from these real estate projects only when;

- i. the actual construction and development cost incurred is at least 25% of the total construction and development cost (without considering land cost) and
- ii. when at least 10% of the sales consideration is realised and
- iii. where 25% of the total saleable area of the project is secured by contracts of agreement with buyers.

Income from long term contracting assignments is also recognised on the percentage of completion basis. As the long term contracts necessarily extend beyond one year, revision in costs and revenues estimated during the course of the contract are reflected in the accounting period in which the facts requiring the revision become known. Any expected loss on a project is recognised in the year in which costs incurred together with the balance costs to completion are likely to be in excess of the estimated revenues from project. Unbilled costs are carried as construction work-in-progress.

Determination of revenues under the percentage of completion method necessarily involves making estimates by the Company, some of which are of a technical nature, concerning, where relevant, the percentages of completion, costs to completion, the expected revenues from the project/activity and the foreseeable losses to completion.

Project Management Fees receivable on fixed period contracts is accounted over the tenure of the contract/agreement. Where the fee is linked to the input costs, revenue is recognised as a proportion of the work completed based on progress claims submitted. Where the management fee is linked to the revenue generation from the project, revenue is recognised on the percentage of completion basis.

(c) Lease and Rental Income :

Land lease premium is recognised as income upon creation of leasehold rights in favour of the Lessee or upon an agreement to create leasehold rights with handing over of possession.

Property lease rental, income from operation and maintenance charges and water charges are recognised on an accrual basis as per terms of the agreement with the lessees.

(d) Income from Loan :

Interest Income from loan transactions is accounted for by applying the interest rate implicit in such contracts. Service charges, documentation charges and other fees on loan transactions are recognised at the commencement of the contract. Subvention received from dealers/manufacturers on retail cases is booked over the period of the contract.

(e) Income from Assignment :

Receivables under the assignment transactions are de-recognized in the Balance Sheet when they are sold subject to the portion of loan assets which is required under the Minimum Retention Criteria and reflected as Loans and Advances. The amount of profit in cash on such transactions is held under an accounting head styled as "Cash profit on loan transfer transactions pending recognition" maintained on an individual transaction basis. The amortisation of cash profit arising out of loan assignment transaction is done at the end of every financial year based on the prescribed formula.

(f) Vacation Ownership Business :

The activity of selling vacation ownership and providing holiday facilities to members for a specified period each year, over a number of years, for which membership fee is collected either in full up front, or on a deferred payment basis. Admission fee, which is non-refundable, is recognized as income on admission of a member. Entitlement fee (disclosed under Deferred Income - Entitlement fee), which entitles the vacation ownership member for the vacation ownership facilities is recognised as income equally over the period of membership commencing from the year of admission of each member. Requests for cancellation of membership is accounted for when it is accepted. In respect of instalments considered doubtful of recovery by the management, the same is treated as a cancellation and related revenues are de-recognized.

(g) Dividends from investments are recognised in the Statement of Profit and Loss when the right to receive payment is established.

(J) Government Grants :

The Company, directly or indirectly through a consortium of Mahindra Group Companies, is entitled to various incentives from government authorities in respect of manufacturing units located in developing regions. The Company accounts for its entitlement as income on accrual basis.

(K) Employee Benefits :

In respect of Defined Contribution Plan/Defined Benefit Plan/Long Term Compensated Absences.

Group's contributions paid/payable during the year to Superannuation Fund, ESIC and Labour Welfare Fund are recognised in the Statement of Profit and Loss.

Contributions to Provident Fund are made to Trusts administered by Group Companies or Regional Provident Fund Commissioners and are charged to Statement of Profit and Loss as incurred. The group companies are liable for the contribution and any shortfall in interest between the amount of interest realised by the investments and the interest payable to members at the rate declared by the Government of India in respect of the Trusts administered by the group companies.

The Group's liability towards gratuity, long term compensated absences, post retirement medical benefit and post retirement housing allowance schemes are determined by independent actuaries, using the projected unit credit method. Past services are recognised on a straight line basis over the average period until the benefits become vested. Actuarial gains and losses are recognised immediately in the Statement of Profit and Loss as income or expense. Obligation is measured at the present value of estimated future cash flows using a discounted rate that is determined by reference to the market yields at the Balance Sheet date on Government Bonds where the currency and terms of the Government Bonds are consistent with the currency and estimated terms of the defined benefit obligation.

In respect of Employee Stock Option Scheme :

The compensation cost of stock options granted to employees is measured by the Intrinsic Value Method. The intrinsic value, which is the excess of the market price of the underlying equity shares as of the date of the grant over the exercise price of the option, is recognised and amortised on straight line basis over the vesting period.

**(L) Borrowing Costs :**

All borrowing costs are charged to the Statement of Profit and Loss except :

- (i) Borrowing costs that are attributable to the acquisition or construction of qualifying tangible and intangible assets that necessarily take a substantial period of time to get ready for their intended use, which are capitalised as part of the cost of such assets.
- (ii) Expenses incurred on raising long term borrowings are amortised over the period of borrowings. On early buyback, conversion or repayment of borrowings, any unamortised expenditure is fully written off in that year.

**(M) Product Warranty :**

In respect of warranties given by the Company on sale of certain products, the estimated costs of these warranties are accrued at the time of sale. The estimates for accounting of warranties are reviewed and revisions are made as required.

**(N) Leases :**

The Company's significant leasing arrangements are in respect of operating leases for premises (residential, office, stores, godowns, computer hardware, etc.). The leasing arrangements, which are not non-cancellable, range between eleven months and five years generally, and are usually renewable by mutual consent on agreed terms. The aggregate lease rentals payable are charged as rent.

**(O) Taxes on Income :**

Current Tax is determined as the amount of tax payable in respect of taxable income for the year. Deferred Tax is recognised, subject to consideration of prudence, on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred Tax Assets arising on account of unabsorbed depreciation or carry forward of tax losses are recognised only to the extent that there is virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such Deferred Tax Assets can be realised.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax against which the MAT paid will be adjusted.

**(P) Segment Reporting :**

The accounting policies adopted for segment reporting are in line with the accounting policies of the Group. Segments are identified having regard to the dominant source and nature of risks and returns and internal organisation and management structure.

Revenues and expenses have been identified to the segments based on their relationship to the business activity of the segment.

Income/Expenses relating to the enterprise as a whole and not allocable on a reasonable basis to business segments are reflected as unallocated corporate income/expenses. Inter-segment transfers are at prices which are generally market led.

**3. Certain changes in Group Structure :** During the year ended 31<sup>st</sup> March, 2015, the following changes in Group structure have taken place and the same have been appropriately dealt with in the Consolidated Financial Statements.

- (i) The Board of Directors of the Company during the year ended March 31, 2014, had approved entering into a transaction in the Auto Components business with CIE Automotive S.A., Spain (CIE). The transaction was to be completed in parts. The first part was completed in the previous year.

During the year ended March 31, 2015, the second (and final) part of the transaction involving the merger through a scheme of arrangement of Mahindra UGINE Steel Company Limited (MUSCO), Mahindra Gears International Limited (MGIL), Mahindra Investments (India) Private Limited (MIPL), Mahindra Hinoday Industries Limited (MHIL), Mahindra Composites Limited (MCL) and a CIE subsidiary with Mahindra CIE Automotive Limited (MCIE) was approved by the High Court of Bombay. The Scheme is operative from the appointed date of 1<sup>st</sup> October, 2013 and has come into effect (effective date) from 10<sup>th</sup> December, 2014. Consequently MUSCO, MIPL, MGIL along with their subsidiaries Mahindra Gears Global Limited, Mahindra Gears and Transmissions Private Limited, Metalcastello S.p.A. and Crest Geartech Private Limited ceased to be subsidiaries of the Company. In terms of the scheme, the company has received shares in MCIE which has been accounted for in accordance with AS 13 – Accounting for Investments. As stated above, having regard to the substance of the transaction, the excess of the fair value of MCIE Shares received and carrying cost of investment in MUSCO, MIPL and MGIL of Rs. 267.47 crores, has been credited to the Investment Fluctuation Reserve in the parent's books to offset the losses earlier recognised on this account. The Company now owns 20.21% in MCIE.

- (ii) The scheme of arrangement (Scheme) between the Company's subsidiary Mahindra Engineering Services Limited (MESL) with Tech Mahindra Limited (TML), an associate of the Company, was approved by the High Court of Bombay. The Scheme is operative from the appointed date of 1<sup>st</sup> April, 2013 and has come into effect (effective date) from 8<sup>th</sup> December, 2014. Consequently, during the year, MESL along with its subsidiaries Mahindra Engineering Services (Europe) Limited, Mahindra Engineering GmbH and Mahindra Technologies Services Inc. ceased to be subsidiaries of the Company.

The excess of the fair value of TML shares received over the carrying value of the net assets of MESL and its subsidiaries amounting to Rs. 221.02 crores, has been recorded as an exceptional item.

- (iii) **Mahindra Logistics Limited (MLL):** During the year, consequent to a sale of part of its ownership interest, M&M's holding in MLL decreased from 88.6% to 84.01%
- (iv) **Lords Freight (India) Private Limited (LFPL):** During the year Mahindra Logistics Limited a subsidiary of the Company acquired 50.41% in Lord Freight (India) Private Limited making it a subsidiary of the Company.
- (v) **Peugeot Motocycles S.A.S., (PMTC):** During the year, as part of its strategic initiative Mahindra Two Wheelers Limited through its subsidiary acquired a 51% stake in Peugeot Motocycles S.A.S., part of the Euro 54 billion PSA (Peugeot) Group based in France. Thereby PMTC along with its subsidiaries became subsidiaries of the Company.
- (vi) **Mahindra First Choice Wheels Limited (MFCWL):** During the year, consequent to a sale of part of its ownership interest, M&M's holding in MFCWL decreased from 54.83% to 45.50%. Since the company controls the composition of the board of directors, MFCWL continues to be a subsidiary.
- (vii) **Mahindra Tsubaki Conveyor Systems Private Limited (formerly known as Mahindra Conveyor Systems Private Limited):** During the year, Mahindra Engineering and Chemical Products Limited a subsidiary of the Company sold its part ownership interest of 42.5% to Tsubakimoto Chain Co. thereby making it an Associate.

The current year's figures are to that extent not strictly comparable to those of the previous year.

**4. Share Capital :**

		Rupees crores	
		2015	2014
<b>Authorised :</b>			
<b>1,20,00,00,000</b>	Ordinary (Equity) Shares of Rs. 5 each.....	<b>600.00</b>	600.00
<b>25,00,000</b>	Unclassified Shares of Rs. 100 each .....	<b>25.00</b>	25.00
		<b>625.00</b>	625.00
<b>Issued and Subscribed :</b>			
<b>62,10,92,384</b>	(2014: 61,58,92,384) Ordinary (Equity) Shares of Rs. 5 each fully paid up	<b>310.55</b>	307.95
<b>Less :</b>			
<b>2,97,00,106</b>	(2014: 2,55,69,113) Ordinary (Equity) Shares of Rs. 5 each fully paid up issued to ESOP Trust but not allotted to employees .....	<b>14.85</b>	12.79
<b>Adjusted : Issued and Subscribed Share Capital.....</b>		<b>295.70</b>	295.16

**(A) Reconciliation of number of Ordinary (Equity) Shares and amount outstanding :**

	2015		2014	
	No. of shares	Rupees crores	No. of shares	Rupees crores
<b>Issued and Subscribed :</b>				
Balance as at the beginning of the year .....	<b>61,58,92,384</b>	<b>307.95</b>	61,39,80,756	306.99
<b>Add :</b>				
Shares issued to ESOP Trust .....	<b>52,00,000</b>	<b>2.60</b>	19,11,628	0.96
Balance as at the end of the year .....	<b>62,10,92,384</b>	<b>310.55</b>	61,58,92,384	307.95
<b>Less :</b>				
Shares issued to ESOP Trust but not allotted to Employees [Note 5(O)] .....	<b>2,97,00,106</b>	<b>14.85</b>	2,55,69,113	12.79
<b>Adjusted : Issued and Subscribed Share Capital.....</b>	<b>59,13,92,278</b>	<b>295.70</b>	59,03,23,271	295.16

(B) The Ordinary (Equity) Shares of the Company rank *pari-passu* in all respects including voting rights and entitlement to dividend.

(C) Details of Ordinary (Equity) Shares held by shareholders holding more than 5% of the aggregate shares in the Company :

Name of the Shareholder	2015		2014	
	No. of shares	% shareholding	No. of shares	% shareholding
(i) Life Insurance Corporation of India.....	<b>7,82,03,359</b>	<b>12.59</b>	7,00,77,205	11.38
(ii) Prudential Management and Services Pvt. Ltd. ....	<b>7,07,60,970</b>	<b>11.39</b>	7,07,60,970	11.49
(iii) M&M Benefit Trust.....	<b>5,18,35,214</b>	<b>8.35</b>	5,18,35,214	8.42
(iv) The Bank of New York Mellon (for GDR holders) ..	<b>3,34,13,833</b>	<b>5.38</b>		

(D) Issued and Subscribed Share Capital includes an aggregate of **40,647** (2014 : 40,647) Ordinary (Equity) Shares of Rs. 5 each allotted as fully paid-up pursuant to schemes of arrangement without payment having been received in cash, for a period of five years immediately preceding the end of the financial year.

5. Reserves and Surplus :

	Rupees crores	
	2015	2014
<b>(A) Capital Reserve :</b>		
Balance as at the beginning of the year.....	23.54	23.49
Add :		
Consequent to change in Group's Interest.....	—	0.05
	<u>23.54</u>	<u>23.54</u>
Less :		
Consequent to change in Group's Interest.....	0.02	—
	<u>0.02</u>	<u>—</u>
Balance as at the end of the year.....	<u>23.52</u>	<u>23.54</u>
<b>(B) Capital Reserve on Consolidation :</b>		
Balance as at the beginning of the year.....	1,204.15	1,297.77
Add :		
Consequent to change in Group's Interest.....	—	18.29
	<u>1,204.15</u>	<u>1,316.06</u>
Less :		
Consequent to change in Group's Interest.....	—	111.91
	<u>—</u>	<u>111.91</u>
Balance as at the end of the year.....	<u>1,204.15</u>	<u>1,204.15</u>
<b>(C) Securities Premium Account :</b>		
Balance as at the beginning of the year.....	2,533.93	2,351.02
Add :		
On account of issue of Ordinary (Equity) Shares to ESOP Trust .....	—	182.94
On account of exercise of employee stock options.....	45.77	—
Consequent to change in Group's Interest.....	0.07	0.09
	<u>2,579.77</u>	<u>2,534.05</u>
Less :		
Writing-off of debenture issue expenses [Net of Tax of Rs. 0.03 crores (2014 : Rs. 0.06 crores)] ....	0.07	0.12
	<u>2,579.70</u>	<u>2,533.93</u>
Less :		
Premium on shares issued to ESOP Trust but not allotted to employees [Note 5(O)].....	258.30	259.61
Balance as at the end of the year.....	<u>2,321.40</u>	<u>2,274.32</u>
<b>(D) Revaluation Reserve :</b>		
Balance as at the beginning of the year.....	13.67	13.99
Less :		
Adjusted against depreciation for the year.....	—	0.32
Balance as at the end of the year.....	<u>13.67</u>	<u>13.67</u>

## 5. Reserves and Surplus : (contd.)

	Rupees crores	
	2015	2014
<b>(E) General Reserve :</b>		
Balance as at the beginning of the year.....	2,875.28	2,319.79
Add :		
Transfer from Surplus in Statement of Profit and Loss.....	72.27	472.43
On account of employee stock options*.....	24.00	51.44
On account of employee stock options lapsed.....	0.08	—
Transfer from Investment Fluctuation Reserve.....	—	147.76
Consequent to change in Group's Interest.....	—	4.20
	<b>2,971.63</b>	<b>2,995.62</b>
Less :		
Consequent to change in Group's Interest.....	32.69	—
Transfer back to Investment Fluctuation Reserve.....	—	0.52
Consequent to the Scheme of Arrangement.....	—	119.82
	<b>2,938.94</b>	<b>2,875.28</b>
Add :		
Bonus shares issued to ESOP Trust but not allotted to employees [Note 5(O)].....	0.81	1.08
Balance as at the end of the year.....	<b>2,939.75</b>	<b>2,876.36</b>
*relating to shares other than those allotted by the Company to the ESOP Trust.		
<b>(F) Debenture Redemption Reserve :</b>		
Balance as at the beginning of the year.....	263.61	153.57
Add :		
Transfer from Surplus in Statement of Profit and Loss.....	81.35	110.04
	<b>344.96</b>	<b>263.61</b>
Less :		
Transfer to Surplus in Statement of Profit and Loss.....	67.51	—
Balance as at the end of the year.....	<b>277.45</b>	<b>263.61</b>
<b>(G) Investment Fluctuation Reserve :</b>		
Balance as at the beginning of the year.....	122.44	269.68
Add :		
Transfer back from General Reserve.....	—	0.52
Provision no longer required written back.....	267.47	—
	<b>389.91</b>	<b>270.20</b>
Less :		
Utilisation during the year [Note 37].....	184.52	—
Transfer to General Reserve.....	—	147.76
Transfer to Surplus in Statement of Profit and Loss.....	149.10	—
Balance as at the end of the year.....	<b>56.29</b>	<b>122.44</b>
<b>(H) Capital Redemption Reserve :</b>		
Balance as at the beginning of the year.....	90.32	90.32
Less :		
Consequent to change in Group's Interest.....	16.63	—
Balance as at the end of the year.....	<b>73.69</b>	<b>90.32</b>

5. Reserves and Surplus : (contd.)

Rupees crores

	2015	2014
<b>(I) Statutory Reserve (under regulatory compliances) :</b>		
Balance as at the beginning of the year.....	491.33	395.37
Add :		
Transfer from Surplus in Statement of Profit and Loss.....	93.69	96.05
	<b>585.02</b>	491.42
Less :		
Consequent to change in Group's Interest.....	0.38	0.09
Balance as at the end of the year.....	<b>584.64</b>	491.33
<b>(J) Hedging Reserve Account :</b>		
Balance as at the beginning of the year .....	(71.86)	(72.82)
Net movement, on hedging instruments, designated and effective as hedges and transfers to statement of profit and loss on occurrence of forecasted hedge transactions (Net of Tax).....	56.73	0.96
Balance as at the end of the year.....	<b>(15.13)</b>	(71.86)
<b>(K) Foreign Currency Translation Reserve :</b>		
Balance as at the beginning of the year.....	936.64	592.51
Add :		
On currency translation during the year (Net).....	60.63	344.13
Balance as at the end of the year.....	<b>997.27</b>	936.64
<b>(L) Employee Stock Options Outstanding :</b>		
Balance as at the beginning of the year.....	223.11	244.15
Add :		
On account of options granted during the year.....	—	39.40
	<b>223.11</b>	283.55
Less :		
Transfer to Securities Premium Account on exercise of options during the year.....	45.77	—
Transfer to General Reserve on account of employee stock options* .....	24.00	51.44
For options lapsed/forfeited during the year .....	10.55	9.00
Balance as at the end of the year.....	<b>142.79</b>	223.11
Less :		
<b>Deferred Employee Compensation Expense</b> .....	<b>36.20</b>	84.41
Balance as at the end of the year.....	<b>106.59</b>	138.70
* relating to shares other than those allotted by the Company to the ESOP Trust.		
<b>(M) Foreign Currency Monetary Items Translation Difference Account :</b>		
Balance as at the beginning of the year.....	(121.01)	(94.51)
Add :		
Arising on revaluation of long term monetary assets and liabilities (Net) .....	(41.86)	(92.45)
	<b>(162.87)</b>	(186.96)
Less :		
Amortisation during the year.....	83.29	65.95
Balance as at the end of the year.....	<b>(79.58)</b>	(121.01)

## 5. Reserves and Surplus : (contd.)

	Rupees crores	
	2015	2014
<b>(N) Surplus in Statement of Profit and Loss :</b>		
Balance as at the beginning of the year.....	14,769.49	12,269.49
Add :		
Profit for the year.....	3,137.47	4,666.93
Consequent to change in Group's Interest.....	229.35	79.49
Reversal of income tax on dividend paid for 2013-14.....	2.80	—
Transfer from Investment Fluctuation Reserve.....	149.10	—
Transfer from Debenture Redemption Reserve.....	67.51	—
	<b>18,355.72</b>	<b>17,015.91</b>
Less :		
Transfer to Debenture Redemption Reserve.....	81.35	110.04
Transfer to General Reserve.....	72.27	472.43
Transfer to Statutory Reserve.....	93.69	96.05
Consequent to change in Group's Interest.....	72.83	545.47
Group's share of subsidiaries and associates' dividend tax.....	72.56	53.66
Proposed Dividend [Rs. 12.00 per share (2014 : Rs. 14.00 per share)].....	745.31	862.25
Income-tax on Proposed Dividend.....	101.58	103.56
Dividend for 2012-13 paid on shares issued in June 2013.....	—	2.48
Income-tax on Dividend Paid.....	—	0.48
Depreciation as per transitional provision specified in Schedule II to the Companies Act, 2013 [Net of Tax of Rs. 27.09 crores]**.....	52.10	—
Deferred tax on Special Reserve.....	7.06	—
	<b>1,298.75</b>	<b>2,246.42</b>
Balance as at the end of the year.....	<b>17,056.97</b>	<b>14,769.49</b>
<b>Total Reserves and Surplus *</b> .....	<b>25,560.68</b>	<b>23,011.70</b>

\* [including Group Share of Joint Ventures Rs. 33.04 crores (2014 : Rs. 70.33 crores)]

\*\* excluding share attributable to minority interest of Rs. 6.31 crores.

(O) The Guidance Note on Accounting for Employee Share-based Payments issued by The Institute of Chartered Accountants of India requires that shares allotted to a Trust but not transferred to employees be reduced from Share Capital and Reserves and Surplus. Accordingly, the Company has reduced the Share Capital by Rs. 14.04 crores (2014 : Rs. 11.71 crores) and Securities Premium Account by Rs. 258.30 crores (2014 : Rs. 259.61 crores) for the 2,80,82,384 shares of Rs. 5 each (2014 : 2,34,16,888 shares of Rs. 5 each) held by the Trust pending transfer to the eligible employees.

The Share Capital of the Company has also been reduced and the General Reserve increased by Rs. 0.81 crores (2014 : Rs. 1.08 crores) for the 16,17,722 bonus shares of Rs. 5 each (2014 : 21,52,225 bonus shares of Rs. 5 each) issued by the Company in September, 2005 to the Trust but not yet transferred by the Trust to the employees.

The above monies which are treated as advance received from the Trust, is included under Other Current Liabilities and Other Long Term Liabilities.

## 6. Long Term Borrowings :

	Rupees crores	
	2015	2014
<b>(A) Secured :</b>		
(i) Debentures/Bonds.....	4,595.40	4,628.53
(ii) Term Loan from Banks.....	8,419.98	11,280.98
(iii) Term Loan from Other Parties.....	461.72	478.19
(iv) Other Loans.....	121.25	11.58
	<b>13,598.35</b>	<b>16,399.28</b>
Group Share of Joint Ventures.....	820.13	549.23
	<b>14,418.48</b>	<b>16,948.51</b>

## 6. Long Term Borrowings : (contd.)

	Rupees crores	
	2015	2014
<b>(B) Unsecured :</b>		
(i) Debentures/Bonds.....	1,509.10	1,294.10
(ii) Term Loan from Banks.....	1,873.86	2,678.23
(iii) Fixed Deposits.....	3,238.63	2,810.34
(iv) Other Loans.....	1,126.87	1,600.48
	<b>7,748.46</b>	<b>8,383.15</b>
Group Share of Joint Ventures.....	160.09	160.09
	<b>7,908.55</b>	<b>8,543.24</b>
	<b>22,327.03</b>	<b>25,491.75</b>

Secured borrowings are secured by a *pari-passu* charge on immovable properties of certain entities both present and future, subject to certain exclusions and are also secured by *pari-passu* charge on the movable properties of certain entities including movable machinery, machinery spares, tools and accessories, both present and future, subject to certain exclusions.

The borrowings carry varying rates of interest ranging from 0% to 14.00% and have maturities starting from 2015 and ending with 2063.

	Rupees crores	
	2015	2014
<b>Borrowings repayable schedule :</b>		
<b>(a) Secured * :</b>		
(i) In the first year [Note 12].....	7,469.89	6,053.79
(ii) In the second year.....	6,312.52	6,107.42
(iii) In the third to fifth year.....	7,328.78	10,719.50
(iv) Above five years.....	777.18	121.59
	<b>21,888.37</b>	<b>23,002.30</b>
<b>(b) Unsecured * :</b>		
(i) In the first year [Note 12].....	1,301.22	1,082.28
(ii) In the second year.....	2,694.49	1,519.14
(iii) In the third to fifth year.....	3,012.30	4,637.48
(iv) Above five years.....	2,201.76	2,386.62
	<b>9,209.77</b>	<b>9,625.52</b>

\* Above amount includes current maturities of long term debt in note 12 and Group Share of Joint Ventures.

## 7A. Deferred Tax Liabilities (Net) :

The components of Deferred Tax Liabilities and Assets are as under :

	Rupees crores	
	2015	2014
<b>Deferred Tax Liabilities :</b>		
(i) On fiscal allowances on fixed assets.....	1,583.95	1,391.04
(ii) Others.....	91.59	129.63
	<b>1,675.54</b>	<b>1,520.67</b>
Group Share of Joint Ventures.....	3.55	2.03
<b>Total Deferred Tax Liabilities.....</b>	<b>1,679.09</b>	<b>1,522.70</b>
<b>Deferred Tax Assets :</b>		
(i) On provision for employee benefits.....	209.52	159.59
(ii) On provision for doubtful debts/advances.....	33.22	23.55
(iii) Others.....	148.87	137.04
	<b>391.61</b>	<b>320.18</b>
Group Share of Joint Ventures.....	0.65	0.55
<b>Total Deferred Tax Assets.....</b>	<b>392.26</b>	<b>320.73</b>
<b>Net Deferred Tax Liabilities.....</b>	<b>1,286.83</b>	<b>1,201.97</b>

**7B. Deferred Tax Assets (Net) :**

The components of Deferred Tax Liabilities and Assets are as under :

	Rupees crores	
	2015	2014
Deferred Tax Liabilities :		
(i) On fiscal allowances on fixed assets.....	1.80	8.64
(ii) Others.....	11.12	1.24
<b>Total Deferred Tax Liabilities.....</b>	<b>12.92</b>	<b>9.88</b>
Deferred Tax Assets :		
(i) On provision for employee benefits.....	11.07	9.72
(ii) On provision for doubtful debts/advances.....	417.57	276.09
(iii) Others.....	46.48	102.56
	<b>475.12</b>	<b>388.37</b>
Group Share of Joint Ventures .....	5.57	3.18
<b>Total Deferred Tax Assets.....</b>	<b>480.69</b>	<b>391.55</b>
<b>Net Deferred Tax Assets .....</b>	<b>467.77</b>	<b>381.67</b>

**8. Other Long Term Liabilities :**

	Rupees crores	
	2015	2014
(i) Trade Payables .....	38.83	130.68
(ii) Deferred Income - Entitlement Fee .....	1,508.66	1,393.07
(iii) Interest accrued but not due on borrowings.....	197.92	156.01
(iv) Others.....	761.05	705.14
	<b>2,506.46</b>	<b>2,384.90</b>
Group Share of Joint Ventures .....	2.30	3.20
	<b>2,508.76</b>	<b>2,388.10</b>

Others include dealer deposits, advance from customers, payable for investments, gratuity payable and monies adjusted from share capital and reserves & surplus on account of shares held by ESOP Trust pending transfer to the eligible employees.

**9. Long Term Provisions :**

	Rupees crores	
	2015	2014
(i) Provision for Employee Benefits .....	2,363.74	1,714.46
(ii) Provision for Estimated Loss/Expenses on Assignment .....	—	67.57
(iii) Provision for Warranty [Note 31].....	663.99	593.59
(iv) Provision for Standard assets [Note 31] .....	75.05	67.72
(v) Provision others.....	135.43	145.30
	<b>3,238.21</b>	<b>2,588.64</b>
Group Share of Joint Ventures .....	1.74	1.48
	<b>3,239.95</b>	<b>2,590.12</b>

## 10. Short Term Borrowings :

	Rupees crores	
	2015	2014
<b>(A) Secured :</b>		
(i) Loans repayable on demand from banks and cash credit accounts from banks.....	2,006.78	1,659.49
(ii) Other loans and advances.....	804.61	430.34
	<b>2,811.39</b>	<b>2,089.83</b>
Group Share of Joint Ventures.....	362.90	287.90
	<b>3,174.29</b>	<b>2,377.73</b>
<b>(B) Unsecured :</b>		
(i) Loans repayable on demand from banks.....	268.49	318.71
(ii) Term Loan from Bank.....	106.25	—
(iii) Fixed Deposits.....	69.43	60.06
(iv) Commercial Papers.....	3,475.00	—
(v) Other loans and advances.....	83.90	23.82
	<b>4,003.07</b>	<b>402.59</b>
Group Share of Joint Ventures.....	0.08	0.33
	<b>4,003.15</b>	<b>402.92</b>
	<b>7,177.44</b>	<b>2,780.65</b>

Loans and Advances from Banks are secured by a first charge on certain current assets namely inventories, certain book debts, outstanding monies, receivables, claims, etc. both present and future.

## 11. Trade Payables :

	Rupees crores	
	2015	2014
(i) Acceptances.....	2,629.33	2,820.76
(ii) Other Trade Payables.....	8,702.57	8,962.57
	<b>11,331.90</b>	<b>11,783.33</b>
Group Share of Joint Ventures.....	23.30	16.51
	<b>11,355.20</b>	<b>11,799.84</b>

## 12. Other Current Liabilities :

	Rupees crores	
	2015	2014
(i) Current maturities of long term debt.....	8,406.99	6,894.39
(ii) Interest accrued but not due on borrowings.....	481.04	392.66
(iii) Interest accrued and due on borrowings.....	6.95	5.74
(iv) Deferred Income - Entitlement Fee.....	166.91	75.11
(v) Dividend Payable.....	14.59	12.43
(vi) Unclaimed matured deposits and interest accrued thereon.....	0.84	0.47
(vii) Other payables.....	3,238.54	2,801.82
	<b>12,315.86</b>	<b>10,182.62</b>
Group Share of Joint Ventures: Includes Current maturity of long term debt <b>Rs. 364.12 crores</b> (2014 : Rs. 241.68 crores).....	470.59	296.71
	<b>12,786.45</b>	<b>10,479.33</b>

Other payables mainly include advance from customers, capital creditors, government dues and taxes payable, gratuity payable and salary deductions payable.

## 13. Short Term Provisions :

	Rupees crores	
	2015	2014
(i) Provision for Employee Benefits .....	351.27	310.21
(ii) Proposed Dividend.....	745.31	862.25
(iii) Provision for Tax on Proposed Dividend .....	101.58	103.56
(iv) Provision for Warranty [Note 31].....	563.36	555.29
(v) Provision for Estimated Loss/Expenses on Assignment .....	67.57	88.08
(vi) Provision for Standard assets [Note 31] .....	59.69	53.71
(vii) Provision for losses to Project Completion .....	—	10.23
(viii) Provision for Taxation.....	269.83	274.81
(ix) Others.....	253.37	239.73
	<b>2,411.98</b>	<b>2,497.87</b>
Group Share of Joint Ventures .....	1.73	0.67
	<b>2,413.71</b>	<b>2,498.54</b>

14. Fixed Assets :

Description of Assets	Rupees crores											
	Cost/ Professional valuation as at 31 <sup>st</sup> March, 2014	Additions during the year	Other Adjustments during the year	Deductions and Adjustments during the year	Cost/ Professional valuation as at 31 <sup>st</sup> March, 2015	Depreciation upto 31 <sup>st</sup> March, 2014	Depreciation for 2014-2015	Deductions and Adjustments of Depreciation	Depreciation upto 31 <sup>st</sup> March, 2015	Net Balance before Impairment as at 31 <sup>st</sup> March, 2015	Impairment as at 31 <sup>st</sup> March, 2015	Net Balance after Impairment as at 31 <sup>st</sup> March, 2015
<b>A : Tangible Assets</b>												
Land – Freehold.....	2,907.19	213.84	24.57	25.50	3,120.10	—	—	—	—	3,120.10	—	3,120.10
	2,613.52	22.07	330.79	59.19	2,907.19	—	—	—	—	2,907.19	—	2,907.19
Land – Leasehold .....	513.70	71.07	3.13	14.64	573.26	37.87	13.02	0.28	50.61	522.65	—	522.65
	570.94	12.07	15.72	85.03	513.70	41.02	9.27	12.42	37.87	475.83	—	475.83
Buildings – Freehold .....	7,121.44	740.05	43.55	309.54	7,595.50	1,885.78	333.97	39.63	2,180.12	5,415.38	1,048.35	4,367.03
	6,661.29	353.73	517.47	411.05	7,121.44	1,750.22	163.27	27.71	1,885.78	5,235.66	1,039.21	4,196.45
Buildings – Leasehold .....	70.83	6.90	0.04	7.14	70.63	31.98	11.11	3.58	39.51	31.12	1.00	30.12
	64.97	14.05	1.30	9.49	70.83	24.89	11.74	4.65	31.98	38.85	0.86	37.99
Plant and Equipment – Freehold	22,887.48	3,048.89	141.46	812.84	25,264.99	14,055.95	2,343.47	871.23	15,528.19	9,736.80	1,483.79	8,253.01
	22,010.77	1,445.96	1,939.68	2,508.93	22,887.48	13,238.07	1,419.78	601.90	14,055.95	8,831.53	1,470.51	7,361.02
Plant and Equipment – Leasehold	138.96	14.00	(1.70)	130.87	20.39	87.25	2.14	85.26	4.13	16.26	—	16.26
	112.64	16.24	18.11	8.03	138.96	67.18	8.73	(11.34)	87.25	51.71	—	51.71
Office Equipment.....	229.48	51.13	0.25	12.67	268.19	97.03	59.13	(9.46)	165.62	102.57	0.30	102.27
	217.29	41.46	5.80	35.07	229.48	94.15	26.17	23.29	97.03	132.45	0.15	132.30
Furniture and Fixtures .....	1,109.38	78.14	3.77	282.07	909.22	650.54	97.90	239.90	508.54	400.68	28.42	372.26
	1,109.71	163.65	121.23	285.21	1,109.38	673.97	94.16	117.59	650.54	458.84	30.08	428.76
Aircraft .....	103.46	—	—	—	103.46	12.20	4.81	—	17.01	86.45	—	86.45
	56.82	46.64	—	—	103.46	6.83	5.37	—	12.20	91.26	—	91.26
Vehicles – Freehold .....	469.34	88.53	0.22	46.92	511.17	204.07	81.24	29.66	255.65	255.52	7.65	247.87
	424.36	99.43	11.99	66.44	469.34	188.33	56.61	40.87	204.07	265.27	7.86	257.41
Vehicles – Leasehold.....	—	—	—	—	—	—	—	—	—	—	—	—
	1.34	—	—	1.34	—	0.14	—	0.14	—	—	—	—
Batteries .....	0.49	6.19	—	—	6.68	0.22	0.34	—	0.56	6.12	—	6.12
	0.22	0.27	—	—	0.49	0.22	—	—	0.22	0.27	—	0.27
<b>Sub Total .....</b>	<b>35,551.75</b>	<b>4,318.74</b>	<b>215.29</b>	<b>1,642.19</b>	<b>38,443.59</b>	<b>17,062.89</b>	<b>2,947.13</b>	<b>1,260.08</b>	<b>18,749.94</b>	<b>19,693.65</b>	<b>2,569.51</b>	<b>17,124.14</b>
	33,843.87	2,215.57	2,962.09	3,469.78	35,551.75	16,085.02	1,795.10	817.23	17,062.89	18,488.86	2,548.67	15,940.19
<b>Group Share of Joint Ventures ...</b>	<b>136.06</b>	<b>14.31</b>	<b>—</b>	<b>0.26</b>	<b>150.11</b>	<b>17.96</b>	<b>9.11</b>	<b>(0.09)</b>	<b>27.16</b>	<b>122.95</b>	<b>—</b>	<b>122.95</b>
	43.70	92.53	—	0.17	136.06	11.94	6.12	0.10	17.96	118.10	—	118.10
<b>Sub Total A .....</b>	<b>35,687.81</b>	<b>4,333.05</b>	<b>215.29</b>	<b>1,642.45</b>	<b>38,593.70</b>	<b>17,080.85</b>	<b>2,956.24</b>	<b>1,259.99</b>	<b>18,777.10</b>	<b>19,816.60</b>	<b>2,569.51</b>	<b>17,247.09</b>
	33,887.57	2,308.10	2,962.09	3,469.95	35,687.81	16,096.96	1,801.22	817.33	17,080.85	18,606.96	2,548.67	16,058.29

14. Fixed Assets : (contd.)

Rupees crores

Description of Assets	Cost/ Professional valuation as at 31 <sup>st</sup> March, 2014	Additions during the year	Other Adjustments during the year	Deductions and Adjustments during the year	Cost/ Professional valuation as at 31 <sup>st</sup> March, 2015	Depreciation/ Amortisation upto 31 <sup>st</sup> March, 2014	Depreciation/ Amortisation for 2014-2015	Deductions and Adjustments of Depreciation/ Amortisation	Depreciation/ Amortisation upto 31 <sup>st</sup> March, 2015	Net Balance before Impairment as at 31 <sup>st</sup> March, 2015	Impairment as at 31 <sup>st</sup> March, 2015	Net Balance after Impairment as at 31 <sup>st</sup> March, 2015
<b>B : Intangible Assets</b>												
Technical Knowhow.....	104.80 104.76	— 0.04	— —	3.29 —	101.51 104.80	79.00 57.99	18.99 21.01	3.07 —	94.92 79.00	6.59 25.80	— —	6.59 25.80
Development Expenditure.....	1,351.87 1,882.27	587.67 379.30	(8.05) 142.02	304.50 1,051.72	1,626.99 1,351.87	585.02 1,253.47	215.93 267.57	63.47 936.02	737.48 585.02	889.51 766.85	— —	889.51 766.85
Computer Software.....	417.17 335.44	64.10 137.23	0.13 14.74	51.12 70.24	430.28 417.17	282.98 270.13	86.43 66.82	55.02 53.97	314.39 282.98	115.89 134.19	— —	115.89 134.19
Websites.....	4.11 4.11	0.23 —	— —	— —	4.34 4.11	4.06 3.95	0.06 0.11	(0.02) —	4.14 4.06	0.20 0.05	— —	0.20 0.05
Non-Compete Fees.....	2.23 3.73	0.32 —	— —	2.00 1.50	0.55 2.23	2.00 1.84	— 0.16	2.00 —	— 2.00	0.55 0.23	— —	0.55 0.23
Trademarks.....	29.94 37.53	5.24 3.30	0.47 3.93	11.08 14.82	24.57 29.94	17.91 25.84	2.88 2.89	9.20 10.82	11.59 17.91	12.98 12.03	0.29 0.13	12.69 11.90
Other Intangibles.....	65.01 44.26	2.80 26.22	(0.05) 7.17	51.41 12.64	16.35 65.01	21.87 16.40	0.62 10.04	19.66 4.57	2.83 21.87	13.52 43.14	3.76 3.85	9.76 39.29
<b>Sub Total.....</b>	<b>1,975.13 2,412.10</b>	<b>660.36 546.09</b>	<b>(7.50) 167.86</b>	<b>423.40 1,150.92</b>	<b>2,204.59 1,975.13</b>	<b>992.84 1,629.62</b>	<b>324.91 368.60</b>	<b>152.40 1,005.38</b>	<b>1,165.35 992.84</b>	<b>1,039.24 982.29</b>	<b>4.05 3.98</b>	<b>1,035.19 978.31</b>
<b>Group Share of Joint Ventures.....</b>	<b>0.63 0.29</b>	<b>0.03 0.34</b>	<b>— —</b>	<b>0.05 —</b>	<b>0.61 0.63</b>	<b>0.26 0.19</b>	<b>0.17 0.07</b>	<b>0.01 —</b>	<b>0.42 0.26</b>	<b>0.19 0.37</b>	<b>— —</b>	<b>0.19 0.37</b>
<b>Sub Total B.....</b>	<b>1,975.76 2,412.39</b>	<b>660.39 546.43</b>	<b>(7.50) 167.86</b>	<b>423.45 1,150.92</b>	<b>2,205.20 1,975.76</b>	<b>993.10 1,629.81</b>	<b>325.08 368.67</b>	<b>152.41 1,005.38</b>	<b>1,165.77 993.10</b>	<b>1,039.43 982.66</b>	<b>4.05 3.98</b>	<b>1,035.38 978.68</b>
<b>Grand Total (A+B).....</b>	<b>37,663.57 36,299.96</b>	<b>4,993.44 2,854.53</b>	<b>207.79 3,129.95</b>	<b>2,065.90 4,620.87</b>	<b>40,798.90 37,663.57</b>	<b>18,073.95 17,726.77</b>	<b>3,281.32 2,169.89</b>	<b>1,412.40 1,822.71</b>	<b>19,942.87 18,073.95</b>	<b>20,856.03 19,589.62</b>	<b>2,573.55 2,552.65</b>	<b>18,282.48 17,036.97</b>

14. Fixed Assets : (contd.)

The above includes following assets given on operating lease :

Rupees crores

Particulars	As at 31 <sup>st</sup> March, 2015			2015
	Gross Block	Accumulated Depreciation	Net Block	Depreciation charge for the year
Buildings – Freehold.....	<b>111.05</b> 110.53	<b>12.21</b> 9.75	<b>98.84</b> 100.78	<b>2.46</b> 2.39
Plant and Equipment – Freehold.....	<b>11.86</b> 11.86	<b>3.45</b> 2.27	<b>8.41</b> 9.59	<b>1.18</b> 0.21
Furniture and Fixtures.....	<b>13.91</b> 13.91	<b>8.98</b> 7.33	<b>4.93</b> 6.58	<b>1.65</b> 1.46
Batteries .....	<b>6.68</b> 0.48	<b>0.56</b> 0.22	<b>6.12</b> 0.27	<b>0.34</b> *
<b>Total</b> .....	<b>143.50</b> 136.78	<b>25.20</b> 19.57	<b>118.30</b> 117.22	<b>5.63</b> 4.06

\* Denotes amount less than Rs. 50,000.

Current year figures are in Bold.

(a) Other Adjustments during the year includes Translation difference of opening balance, Difference in exchange and Interest capitalised.

(b) Depreciation charge for the year excludes:

- (i) An amount of **Rs. 0.14 crores** (2014 : Nil crores), representing depreciation on the assets used for development work transferred to Capital Work-in-Progress.
- (ii) An amount of **Rs. Nil crores** (2014 : Rs. 0.32 crores), representing depreciation on the increase due to revaluation of Land and Buildings transferred from Revaluation Reserve.
- (iii) In accordance with the requirements of Companies Act, 2013, the parent company, its Indian subsidiaries and joint ventures have effective 1<sup>st</sup> April, 2014:
  - Discontinued the policy of charging Revaluation Reserve Account with annual depreciation on that revalued portion
  - Reviewed and revised the estimated useful lives of its fixed assets generally in accordance with the provisions of Schedule II of the Act.
- (iv) Consequent to the above:
  - In respect of assets, whose useful life is exhausted as at 1<sup>st</sup> April, 2014, the related carrying amount aggregating to **Rs. 85.50 crores** has been adjusted against opening balance of Surplus in the Statement of Profit and Loss.
  - The Depreciation charge for the current year ended March 31, 2015 is higher by **Rs. 177.00 crores**.

(c) Impairment charge for the year to Statement of Profit and Loss is given below:

Rupees crores

Particulars	Charge for the year
Building – Leasehold.....	1.00
Plant and Equipment – Freehold.....	1.96
Office Equipment.....	0.30
Furniture and Fixtures.....	0.33
Trademarks.....	0.16
<b>Total</b> .....	<b>3.75</b>

(e) Addition to tangible and intangible assets and depreciation/amortisation for the year includes the following assets and accumulated depreciation/amortisation taken over on acquisition of subsidiaries :

Rupees crores

Description of Assets	As at 31 <sup>st</sup> March, 2015		As at 31 <sup>st</sup> March, 2014	
	Cost	Accumulated Depreciation/Amortisation	Cost	Accumulated Depreciation/Amortisation
Land – Freehold.....	0.26	—	—	—
Land – Leasehold.....	10.99	5.21	—	—
Buildings – Freehold.....	167.44	165.46	—	—
Plant and Equipment.....	973.35	971.98	—	—
Furniture and Fixtures.....	2.35	1.79	—	—
Vehicles.....	0.07	0.05	—	—
Office Equipment.....	10.43	10.27	—	—
Computer Software.....	0.64	0.39	—	—
Other Intangible.....	2.28	2.19	—	—
<b>Total</b> .....	<b>1,167.81</b>	<b>1,157.35</b>	—	—

## 15. (A) Non Current Investments (At Cost, unless otherwise specified)

Rupees crores

	2015	2014
	Long Term	Long Term
<b>Investments in Equity Instruments : (Trade and fully paid-up)</b>		
<b>Unquoted :</b>		
(i) In Associate Companies.....	146.50	2.10
(ii) In Other Companies.....	9.38	9.38
	<b>155.88</b>	<b>11.48</b>
<b>Quoted :</b>		
(i) In Associate Companies.....	5,377.59	3,645.28
	<b>5,533.47</b>	<b>3,656.76</b>
<b>Investments in Equity Instruments : (Non-trade and fully paid-up)</b>		
<b>Unquoted :</b>		
(i) In Other Companies.....	127.69	122.58
	<b>127.69</b>	<b>122.58</b>
<b>Quoted :</b>		
(i) In Other Companies.....	2.35	2.36
	<b>2.35</b>	<b>2.36</b>
<b>Investment in Equity Instruments.....</b>	<b>5,663.51</b>	<b>3,781.70</b>
<b>Investment in Preference Shares : (Trade and fully paid-up)</b>		
<b>Unquoted :</b>		
(i) In Associate Companies.....	5.53	5.53
(ii) In Other Companies.....	11.82	11.82
	<b>17.35</b>	<b>17.35</b>
<b>Investment in Preference Shares : (Non-trade and fully paid-up)</b>		
<b>Unquoted :</b>		
(i) In Other Companies.....	36.00	35.23
<b>Investment in Preference Shares.....</b>	<b>53.35</b>	<b>52.58</b>
<b>Investment in Government/Trust Securities</b>		
<b>Unquoted :</b>		
(i) Trust Securities .....	1,574.10	1,567.15
	<b>1,574.10</b>	<b>1,567.15</b>
<b>Quoted :</b>		
(i) Government Securities .....	506.13	378.96
<b>Investment in Government/Trust Securities .....</b>	<b>2,080.23</b>	<b>1,946.11</b>
<b>Investment in Debentures/Bonds : (Trade and fully paid-up)</b>		
<b>Unquoted :</b>		
(i) In Joint Venture Companies .....	160.09	160.09
(ii) In Other Companies.....	53.54	—
<b>Investment in Debentures/Bonds : (Trade and fully paid-up) .....</b>	<b>213.63</b>	<b>160.09</b>
<b>Other Investments :</b>		
<b>Unquoted :</b>		
(i) In Other Companies.....	3.21	3.19
	<b>8,013.93</b>	<b>5,943.67</b>
<b>Group Share of Joint Ventures.....</b>	<b>—</b>	<b>0.06</b>
	<b>8,013.93</b>	<b>5,943.73</b>
Less : Provision for diminution in value of Long Term Investments.....	114.94	91.36
	<b>7,898.99</b>	<b>5,852.37</b>
<b>Other Disclosures :</b>		
(i) Aggregate amount of quoted Investments (Gross).....	5,886.07	4,026.60
Market Value of quoted Investments.....	19,997.59	12,685.25
(ii) Aggregate amount of unquoted Investments (Gross) .....	2,127.86	1,917.13

15. (B) Current Investments (At Cost, unless otherwise specified)

Rupees crores

	2015	2014
	Current	Current
Investment in Equity Instruments (Unquoted) .....	0.10	—
Investment in Government Securities (Quoted) .....	12.78	12.24
Investment in Debentures/Bonds (Quoted) .....	47.37	57.37
Investment in Debentures/Bonds (Unquoted) .....	78.75	—
<b>Other Investments (Unquoted) :</b>		
(i) Units of Mutual Funds.....	1,703.85	1,342.89
(ii) Certificate of Deposits.....	288.16	811.14
(iii) Others.....	0.01	—
<b>Other Investments (Quoted) :</b>		
(i) Units of Mutual Funds.....	—	10.00
	2,131.02	2,233.64
<b>Group Share of Joint Ventures.....</b>	<b>0.07</b>	<b>0.01</b>
	2,131.09	2,233.65
Less : Aggregate excess of cost over fair value, by category.....	2.94	3.67
	2,128.15	2,229.98
<b>Other Disclosures :</b>		
(i) Aggregate amount of quoted Investments (Gross).....	60.15	79.61
Market Value of quoted Investments.....	58.09	76.17
(ii) Aggregate amount of unquoted Investments (Gross) .....	2,070.94	2,154.04

16. Long Term Loans and Advances :

Rupees crores

	2015	2014
<b>(A) Capital Advances :</b>		
Unsecured, considered good .....	671.12	584.36
Doubtful.....	3.21	2.92
	674.33	587.28
Less : Provision for doubtful capital advances .....	3.21	2.92
	671.12	584.36
<b>(B) Security Deposits :</b>		
Unsecured, considered good .....	265.00	304.38
Doubtful.....	1.71	1.70
	266.71	306.08
Less : Provision for doubtful security deposits.....	1.71	1.70
	265.00	304.38
<b>(C) Loans and Advances to Related Parties :</b>		
Unsecured, considered good .....	8.04	7.22
Doubtful.....	10.00	10.00
	18.04	17.22
Less : Provision for doubtful Loans and Advances to Related Parties....	10.00	10.00
	8.04	7.22
<b>(D) Loans and Advances against Assets :</b>		
Secured, considered good.....	17,937.04	16,335.53
Doubtful.....	519.59	376.29
	18,456.63	16,711.82
Less : Provision for doubtful Loans and Advances against Assets.....	257.75	179.56
	18,198.88	16,532.26

## 16. Long Term Loans and Advances : (contd.)

	Rupees crores	
	2015	2014
<b>(E) Other Loans and Advances :</b>		
Secured, considered good.....	6.85	4.45
Unsecured, considered good .....	3,570.29	3,012.21
Doubtful.....	7.89	8.35
	<b>3,585.03</b>	3,025.01
Less : Provision for doubtful Other Loans and Advances .....	7.89	8.35
	<b>3,577.14</b>	3,016.66
	<b>22,720.18</b>	20,444.88
Group Share of Joint Ventures.....	1,346.29	919.53
	<b>24,066.47</b>	21,364.41

Other Loans and Advances includes VAT receivable, payment towards income-tax & surtax, MAT Credit entitlement other recoverable expenses and advances to employees.

## 17. Other Non-Current Assets :

	Rupees crores	
	2015	2014
<b>(A) Long Term Trade Receivables</b>		
Unsecured, considered good.....	444.35	384.42
Doubtful.....	0.49	0.42
	<b>444.84</b>	384.84
Less : Provision for doubtful Long Term Trade Receivables.....	0.49	0.42
	<b>444.35</b>	384.42
<b>(B) Others</b>	<b>121.86</b>	105.47
	<b>566.21</b>	489.89
Group Share of Joint Ventures.....	15.55	15.48
	<b>581.76</b>	505.37

## 18. Inventories :

	Rupees crores	
	2015	2014
(i) Raw Materials and Bought-out Components [includes in transit <b>Rs. 798.94 crores</b> (2014 : Rs. 599.76 crores)] .....	3,159.83	2,988.12
(ii) Contracts and Work-in-Progress.....	462.36	544.21
(iii) Work-in-Progress – Property Development Activity and Long term Contracts.....	1,735.99	1,572.34
(iv) Manufactured Components.....	125.33	144.43
(v) Finished Products produced .....	2,112.38	2,256.48
(vi) Stock-in-Trade [includes in transit <b>Rs. 46.41 crores</b> (2014 : Rs. 54.33 crores)] .....	538.78	572.93
(vii) Stores and spares .....	122.30	112.76
(viii) Loose Tools .....	47.77	48.77
(ix) Food, Beverages, Smokes and Operating Supplies.....	5.84	10.17
	<b>8,310.58</b>	8,250.21
Group Share of Joint Ventures .....	142.81	103.33
	<b>8,453.39</b>	8,353.54

19. Trade Receivables :

	Rupees crores	
	2015	2014
<b>(A) Secured, considered good</b>		
Outstanding for a period exceeding six months from the date they are due for payment	6.74	3.46
Others.....	194.07	175.46
	<b>200.81</b>	<b>178.92</b>
<b>(B) Unsecured, considered good</b>		
Outstanding for a period exceeding six months from the date they are due for payment	647.75	477.55
Others.....	4,603.35	5,043.89
	<b>5,251.10</b>	<b>5,521.44</b>
<b>(C) Doubtful</b>		
Outstanding for a period exceeding six months from the date they are due for payment	122.44	132.86
Others.....	2.22	4.49
	<b>124.66</b>	<b>137.35</b>
Less : Provision for doubtful Trade Receivables.....	124.66	137.35
	—	—
	<b>5,451.91</b>	<b>5,700.36</b>
Group Share of Joint Ventures.....	24.25	25.06
	<b>5,476.16</b>	<b>5,725.42</b>

20. Cash and Bank Balances :

	Rupees crores	
	2015	2014
<b>(A) Cash and Cash Equivalents :</b>		
Balances with Banks :		
(i) On Current Accounts.....	951.88	1,396.10
(ii) Fixed Deposits with original maturity less than 3 months.....	1,320.76	2,634.24
	<b>2,272.64</b>	<b>4,030.34</b>
Cheques, drafts on hand.....	398.36	545.34
Cash on hand.....	22.55	32.50
Group Share of Joint Ventures.....	26.84	24.66
	<b>2,720.39</b>	<b>4,632.84</b>
<b>(B) Other Bank Balances :</b>		
Earmarked Balances with Banks.....	26.59	33.21
Balances with Banks :		
(i) On Margin Accounts.....	244.66	459.49
(ii) Fixed Deposits with original maturity greater than 3 months* ...	1,915.16	1,386.29
	<b>2,159.82</b>	<b>1,845.78</b>
Group Share of Joint Ventures.....	5.03	10.96
	<b>2,191.44</b>	<b>1,889.95</b>
	<b>4,911.83</b>	<b>6,522.79</b>

\* Includes deposits of Rs. 48.73 crores (2014 : Rs. 116.12 crores) with maturity greater than 12 months from Balance Sheet date.

**21. Short Term Loans and Advances :**

	Rupees crores	
	2015	2014
<b>(A) Loans and Advances to Related Parties :</b>		
Unsecured, considered good.....	4.55	65.41
Doubtful.....	5.80	5.84
	<b>10.35</b>	71.25
Less : Provision for doubtful Loans and Advances to Related Parties...	<b>5.80</b>	5.84
	<b>4.55</b>	65.41
<b>(B) Loans and Advances against Assets :</b>		
Secured, considered good.....	13,445.37	11,636.67
Doubtful.....	1,361.03	877.26
	<b>14,806.40</b>	12,513.93
Less : Provision for doubtful loans and advances against assets .....	<b>709.88</b>	449.46
	<b>14,096.52</b>	12,064.47
<b>(C) Other Loans and Advances :</b>		
Secured, considered good.....	60.69	68.82
Unsecured, considered good .....	3,101.57	3,200.73
Doubtful.....	66.90	48.31
	<b>3,229.16</b>	3,317.86
Less : Provision for doubtful other loans and advances .....	<b>66.90</b>	48.31
	<b>3,162.26</b>	3,269.55
	<b>17,263.33</b>	15,399.43
Group Share of Joint Ventures.....	<b>548.47</b>	442.71
	<b>17,811.80</b>	15,842.14

Other Loans and Advances includes balances with government authorities, MAT credit entitlement, advance to suppliers, other recoverable expenses, deposits and prepaid expenses.

**22. Other Current Assets :**

	Rupees crores	
	2015	2014
(i) Government Grant Receivable.....	301.73	254.90
(ii) Others.....	644.60	671.01
	<b>946.33</b>	925.91
Less : Provision for doubtful other current assets .....	<b>3.88</b>	26.16
	<b>942.45</b>	899.75
Group Share of Joint Ventures .....	<b>26.33</b>	20.81
	<b>968.78</b>	920.56

**23. Revenue from Operations :**

Rupees crores

		2015	2014
Sale of Products.....		65,053.33	68,940.89
Sale of Services.....		2,251.59	2,134.37
Group Share of Joint Ventures .....		98.86	85.41
Gross Revenue from Sale of Products and Services.....		67,403.78	71,160.67
Other Operating Revenues			
(i) Income from long term contracts.....	878.88		548.45
(ii) Lease and rental income.....	141.83		110.34
(iii) Scrap Sales.....	210.60		395.05
(iv) Interest income of financial enterprises consolidated.....	5,840.21		5,114.20
(v) Dividend Income of Investment enterprises consolidated.....	0.12		0.11
(vi) Government Grant and Incentives.....	462.24		433.57
(vii) Others.....	469.94		408.10
Group Share of Joint Ventures .....	82.22		60.14
		8,086.04	7,069.96
		75,489.82	78,230.63
Less: Excise Duty attributable to products sold.....		3,541.23	4,229.70
		71,948.59	74,000.93

**24. Other Income :**

Rupees crores

		2015	2014
(i) Interest Income :			
(a) Interest – Current Investments.....	17.98		5.54
(b) Interest – others .....	284.29		303.43
		302.27	308.97
(ii) Dividend on long term Investments.....		0.17	0.21
(iii) Dividend on current Investments.....		94.94	89.44
(iv) Profit on sale of current Investments (Net).....		21.31	10.56
(v) Other non operating Income .....		105.05	93.74
		523.74	502.92
Group Share of Joint Ventures .....		1.29	2.17
		525.03	505.09

**25. Cost of Materials Consumed :**

Rupees crores

		2015	2014
Opening Stock .....		2,988.12	3,152.11
Add : Purchases .....		40,403.40	42,920.09
		43,391.52	46,072.20
Add : Stock taken over on Acquisition/(Disposal).....		65.58	(104.10)
		43,457.10	45,968.10
Less : Closing Stock.....		3,159.83	2,988.12
		40,297.27	42,979.98
Foreign currency translation .....		15.51	202.15
Group Share of Joint Ventures .....		74.05	70.42
		40,386.83	43,252.55

**26. Changes in Inventories of Finished Goods, Work-in-Progress, Stock-in-Trade and Manufactured Components :**

	Rupees crores	
	2015	2014
Opening Stock :		
(i) Finished Products Produced.....	2,256.48	2,066.15
(ii) Contracts and Work-in-Progress.....	544.21	684.81
(iii) Stock-in-Trade.....	572.93	602.67
(iv) Manufactured Components.....	144.43	156.90
	<b>3,518.05</b>	3,510.53
Add : Stock on Acquisition/(Disposal) :		
(i) Finished Products Produced.....	100.49	(92.33)
(ii) Contracts and Work-in-Progress.....	(103.37)	(206.91)
(iii) Manufactured Components.....	(2.18)	(1.49)
	<b>(5.06)</b>	(300.73)
Less : Closing Stock :		
(i) Finished Products Produced.....	2,112.38	2,256.48
(ii) Contracts and Work-in-Progress.....	462.36	544.21
(iii) Stock-in-Trade.....	538.78	572.93
(iv) Manufactured Components.....	125.33	144.43
	<b>3,238.85</b>	3,518.05
Excise Duty paid on changes in inventories of finished goods.....	274.14	(308.25)
Foreign currency translation.....	28.25	(46.81)
Group Share of Joint Ventures .....	(26.54)	118.00
(Increase)/decrease in Stock.....	(1.72)	(1.91)
	<b>274.13</b>	(238.97)

**27. Employee Benefits Expense :**

	Rupees crores	
	2015	2014
(i) Salaries, Wages, Bonus, etc. ....	5,551.01	5,679.08
(ii) Contribution to Provident and other funds .....	915.32	510.86
(iii) Employee Stock Compensation Expense .....	51.51	76.66
(iv) Welfare.....	612.57	604.82
	<b>7,130.41</b>	6,871.42
Group Share of Joint Ventures .....	16.14	14.52
	<b>7,146.55</b>	6,885.94

**28. Finance Costs :**

	Rupees crores	
	2015	2014
(i) Interest Expense.....	3,017.42	2,812.00
(ii) Other Borrowing Costs.....	107.15	120.74
	<b>3,124.57</b>	2,932.74
Group Share of Joint Ventures .....	32.12	21.19
	<b>3,156.69</b>	2,953.93

29. Other Expenses :

		Rupees crores	
		2015	2014
(i)	Stores consumed .....	358.14	394.77
(ii)	Tools consumed .....	48.65	67.45
(iii)	Power and Fuel.....	786.96	923.38
(iv)	Rent including lease rentals.....	375.18	362.05
(v)	Rates and Taxes.....	172.52	156.76
(vi)	Insurance.....	89.06	88.94
(vii)	Repairs and Maintenance :		
	(a) Buildings .....	79.07	76.40
	(b) Machinery.....	274.62	331.35
	(c) Others .....	220.40	181.25
		574.09	589.00
(viii)	Advertisement .....	668.02	507.56
(ix)	Commission on sales/contracts (Net) .....	893.10	844.03
(x)	Freight outward .....	1,961.78	1,906.34
(xi)	Sales Promotion Expenses.....	957.18	879.89
(xii)	Dealer and other sales incentives .....	1,033.67	877.98
(xiii)	Travelling and Conveyance Expenses.....	396.64	376.87
(xiv)	Cost of Projects, Property etc.....	490.38	470.39
(xv)	Subcontracting, Hire and Service Charges.....	1,082.13	1,064.47
(xvi)	Provision for doubtful trade and other receivables, loans and advances...	372.31	294.74
(xvii)	Donations and contributions .....	96.11	38.56
(xviii)	Excess of carrying cost over fair value of current investments (Net)	—	3.57
(xix)	Excess of carrying cost over fair value of current investments, reversed (Net).....	(0.76)	—
(xx)	Miscellaneous expenses.....	3,030.80	2,459.63
		13,385.96	12,306.38
	Group Share of Joint Ventures .....	57.88	35.53
		13,443.84	12,341.91

30. (a) During the year, Mahindra & Mahindra Financial Services Limited (MMFSL) has without recourse securitised on "at par" basis vide PTC route loan receivables of **27,907 contracts** (2014 : 47,122 contracts) amounting to **Rs. 722.30 crores** (2014 : Rs. 1,262.93 crores) for a consideration of **Rs. 722.30 crores** (2014 : Rs. 1,262.93 crores) and de-recognised the assets from the books.
- (b) During the year, MMFSL has without recourse assigned loan receivables of **Nil contracts** (2014: 6490 contracts) amounting to **Rs. Nil crores** (2014 : Rs. 198.50 crores) for a consideration of **Rs. Nil crores** (2014 : Rs. 155.54 crores) towards 90% of receivables assigned and de-recognised the assets from the books. Out of the total receivables, an amount of **Rs. Nil crores** (2014 : 19.85 crores) equivalent to 10% of the receivables have been recognized as "Retained interest in assignment transactions" representing Minimum Retention Requirement (MRR) as required under revised guidelines on securitization transactions vide RBI Circular dated August 21, 2012.

31. (a) Provision for warranty relates to warranty provision made in respect of sale of certain products, the estimated costs of which are accrued at the time of sale.
- (b) Provision on standard assets relates to those created under regulatory compliances of certain financial enterprises consolidated.

The movement in above provisions is as follows :

	Rupees crores			
	Warranty		Standard Assets	
	2015	2014	2015	2014
Balance as at 1 <sup>st</sup> April.....	1,148.88	981.97	121.43	98.59
Add :				
Provision made during the year .....	579.17	582.05	13.31	22.84
	1,728.05	1,564.02	134.74	121.43
Less :				
Utilisation during the year .....	505.91	486.28	—	—
Subsidiaries sold/disposed off during the year.....	—	9.89	—	—
	1,222.14	1,067.85	134.74	121.43
Add :				
Adjustments due to Exchange Difference.....	5.21	81.03	—	—
Balance as at 31 <sup>st</sup> March .....	1,227.35	1,148.88	134.74	121.43
Out of the above,				
Classified as Current.....	563.36	555.29	59.69	53.71
Classified as Non-Current .....	663.99	593.59	75.05	67.72
<b>Total</b> .....	<b>1,227.35</b>	<b>1,148.88</b>	<b>134.74</b>	<b>121.43</b>

### 32. Employee Defined Benefits :

General description of defined benefit plans :

#### Gratuity

Some of the group entities operate a gratuity plan covering qualifying employees. The benefit payable is the greater of the amount calculated as per the Payment of Gratuity Act or the Company scheme applicable to the employee. The benefit vests upon completion of five years of continuous service and once vested it is payable to employees on retirement or on termination of employment. In case of death while in service, the gratuity is payable irrespective of vesting. Some entities makes annual contribution to the group gratuity scheme administered by the Life Insurance Corporation of India through its Gratuity Trust Fund.

Ssangyong Motor Company provides certain severance benefit to employees on leaving service. The benefit is payable after one year of service and is one months salary for every completed year of service. Additionally based on number of years of service an additional benefit is provided on normal retirement.

#### Post Retirement Medical

Few entities provide post retirement medical cover to select grade of employees to cover the retiring employee and their spouse upto a specified age through mediclaim policy on which the premiums are paid by the Company. The eligibility of the employee for the benefit as well as the amount of medical cover purchased is determined by the grade of the employee at the time of retirement.

#### Post Retirement Housing Allowance

M&M operates a post retirement benefit scheme for a certain grade of employees in which a monthly allowance determined on the basis of the last drawn basic salary at the time of retirement, is paid to the retiring employee in lieu of housing.

Defined Benefit Plans - as per Actuarial valuation on 31<sup>st</sup> March, 2015

Rupees crores

	Funded Plan		Unfunded Plan					
	Gratuity		Gratuity		Post Retirement Medical Benefits		Post Retirement Housing Allowance	
	2015	2014	2015	2014	2015	2014	2015	2014
<b>A. Expense recognised in the Statement of Profit and Loss for the year ended 31<sup>st</sup> March</b>								
1. Current Service Cost.....	54.98	50.70	214.71	183.38	0.98	1.04	2.04	2.08
2. Interest Cost.....	55.34	44.38	45.33	30.09	1.54	1.31	3.05	2.64
3. Expected return on Plan Assets.....	(31.40)	(31.10)	—	—	—	—	—	—
4. Actuarial (Gains)/Losses.....	35.79	21.18	179.56	(2.99)	2.62	(0.95)	5.79	(3.04)
5. Past Service Cost.....	—	0.13	166.71	—	—	—	—	—
6. Settlement Cost/Curtailment Cost .....	—	(1.90)	—	—	—	—	—	—
7. Payments on account of employees transferred .....	(1.86)	(0.07)	—	—	—	—	—	—
8. Effect of the limit in Para 59(b) of the Revised AS 15.....	(0.01)	0.01	—	—	—	—	—	—
9. Total expense recognised in Employees Benefits Expense.....	112.84	83.33	606.31	210.48	5.14	1.40	10.88	1.68
<b>B. Net Asset/(Liability) recognised in the Balance Sheet as at 31<sup>st</sup> March</b>								
1. Present Value of Defined Benefit Obligation as at 31 <sup>st</sup> March .....	782.63	636.96	1,711.43	1,162.75	20.94	16.37	42.00	32.13
2. Fair value of Plan Assets as at 31 <sup>st</sup> March ....	500.91	448.30	—	—	—	—	—	—
3. Amount not recognised as an asset.....	—	0.04	—	—	—	—	—	—
4. Trust Fund Receivable.....	—	—	8.03	8.21	—	—	—	—
5. Net Asset/(Liability) as at 31 <sup>st</sup> March .....	(281.72)	(188.70)	(1,703.40)	(1,154.54)	(20.94)	(16.37)	(42.00)	(32.13)
6. Current Portion of the above.....	(60.23)	(37.80)	(2.67)	(2.15)	(0.65)	(0.64)	(1.01)	(1.01)
7. Non Current Portion of the above.....	(221.49)	(150.90)	(1,700.73)	(1,152.39)	(20.29)	(15.73)	(40.99)	(31.12)
<b>C. Change in the obligations during the year ended 31<sup>st</sup> March</b>								
1. Present Value of Defined Benefit Obligation at the beginning of the year.....	636.96	569.32	1,162.75	864.49	16.37	15.53	32.13	31.46
2. Adjustment to the opening balance/ exchange rate variation.....	0.40	(0.23)	(1.32)	119.53	—	—	—	—
3. Obligations arising on account of acquisitions/Change in group interest during the year.....	58.34	—	0.22	0.75	—	—	—	—
4. Consequent to sale/ disposal of the subsidiaries.....	(16.42)	(12.73)	(0.06)	—	—	—	—	—
5. Current Service Cost.....	54.98	50.70	214.71	183.38	0.98	1.04	2.04	2.08
6. Interest Cost.....	55.34	44.38	45.33	30.09	1.54	1.31	3.05	2.64
7. Actuarial (Gains)/Losses.....	43.74	26.83	179.56	(2.99)	2.62	(0.95)	5.79	(3.04)
8. Benefits paid.....	(50.71)	(41.44)	(56.47)	(32.50)	(0.57)	(0.56)	(1.01)	(1.01)
9. Past Service Cost.....	—	0.13	166.71	—	—	—	—	—
10. Present Value of Defined Benefit Obligation at the end of the year.....	782.63	636.96	1,711.43	1,162.75	20.94	16.37	42.00	32.13

Rupees crores

	Funded Plan		Unfunded Plan					
	Gratuity		Gratuity		Post Retirement Medical Benefits		Post Retirement Housing Allowance	
	2015	2014	2015	2014	2015	2014	2015	2014
<b>D. Change in the fair value of Plan Assets during the year ended 31<sup>st</sup> March</b>								
1. Fair value of Plan Assets at the beginning of the year .....	448.30	425.19	—	—	—	—	—	—
2. Adjustment to the opening balance/ exchange rate variation.....	0.69	1.09	—	—	—	—	—	—
3. Fair value of Plan Assets arising on account of acquisitions during the year.....	18.06	—	—	—	—	—	—	—
4. Fair value of Plan Assets transferred on disposal/sale of subsidiaries.....	(13.29)	(7.38)	—	—	—	—	—	—
5. Expected return on Plan Assets.....	31.40	31.10	—	—	—	—	—	—
6. Actuarial Gains/(Losses).....	7.95	5.65	—	—	—	—	—	—
7. Contributions by employer .....	58.51	34.10	—	—	0.57	0.56	1.01	1.01
8. Actual Benefits paid.....	(50.71)	(41.44)	—	—	(0.57)	(0.56)	(1.01)	(1.01)
9. Fair value of Plan Assets at the end of the year .....	500.91	448.30	—	—	—	—	—	—
10. Actual return on Plan Assets .....	38.94	33.98	—	—	—	—	—	—
<b>E. Major category of Plan Assets as a percentage of total plan</b>								
Insurer Managed Funds* .....	100.00%	100.00%	—	—	—	—	—	—
<b>F. Actuarial Assumptions</b>								
1. Discount Rate.....	7.74% - 9.00%	8.00% - 9.35%	2.28% - 9.10%	3.66% - 9.30%	8.00% - 8.05%	8.95% - 9.05%	8.00%	9.05%
2. Expected rate of return on Plan Assets.....	7.50% - 9.30%	7.50% - 9.50%	—	—	—	—	—	—
3. Attrition rate.....	1.00% - 43.91%	1.00% - 25.00%	1.00% - 8.00%	1.00% - 25.00%	1.00% - 9.00%	1.00% - 10.00%	—	—
4. Medical Premium inflation.....	—	—	—	—	3.00% - 7.00%	7.00%	—	—

\* In the absence of detailed information regarding plan assets which is funded with Insurance Companies, the composition of each major category of plan assets, the percentage or amount for each category to the fair value of plan assets has not been disclosed.

Rupees crores

	One percentage point increase in medical inflation rate		One percentage point decrease in medical inflation rate	
	2015	2014	2015	2014
<b>G. Effect of one percentage point change in the assumed medical inflation rate</b>				
Effect on the aggregate service and interest cost of Post Employment Medical benefits.....	0.48	0.39	(0.39)	(0.32)
Effect on the accumulated Post Employment Medical benefit obligations .....	2.99	2.19	(2.50)	(1.84)

Rupees crores

H. Experience Adjustments	Period ended				
	2015	2014	2013	2012	2011
<b>Gratuity (Funded)</b>					
Defined Benefit Obligation.....	782.63	636.96	569.32	500.99	435.87
Fair value of plan assets .....	500.91	448.30	425.19	384.51	338.13
Surplus/(Deficit).....	(281.72)	(188.70)	(144.14)	(116.48)	(97.74)
Experience adjustment on Plan Liabilities [(Gain)/Loss] .....	(7.61)	74.10	7.86	20.90	0.41
Experience adjustment on Plan Assets [Gain/(Loss)] .....	9.01	6.50	10.89	8.97	(0.41)
<b>Gratuity (Unfunded)</b>					
Defined Benefit Obligation.....	1,703.40	1,154.54	857.05	1,024.92	781.33
Surplus/(Deficit).....	(1,703.40)	(1,154.54)	(857.05)	(1,024.92)	(781.33)
Experience adjustment on Plan Liabilities [(Gain)/Loss] .....	0.08	(1.20)	21.38	4.10	(2.36)
<b>Post Retirement Medical Benefits (Unfunded)</b>					
Defined Benefit Obligation.....	20.94	16.37	15.53	13.87	14.36
Surplus/(Deficit).....	(20.94)	(16.37)	(15.53)	(13.87)	(14.36)
Experience adjustment on Plan Liabilities [(Gain)/Loss] .....	0.09	1.07	(0.67)	(0.16)	(0.36)
<b>Post Retirement Housing Allowance (Unfunded)</b>					
Defined Benefit Obligation.....	42.00	32.13	31.46	24.95	16.18
Surplus/(Deficit).....	(42.00)	(32.13)	(31.46)	(24.95)	(16.18)
Experience adjustment on Plan Liabilities [(Gain)/Loss] .....	1.56	0.75	2.55	6.28	(1.41)

Unfunded Pension Liability in respect of certain foreign subsidiaries is as below :

Rupees crores

	2015	2014
<b>A. Expense recognised in the Statement of Profit and Loss for the year ended 31<sup>st</sup> March</b>		
1. Current Service Cost .....	—	—
2. Interest Cost .....	—	—
3. Actuarial (Gains)/Losses .....	—	—
4. Past Service cost.....	—	—
5. Total expense recognised in Employee Benefits Expense.....	—	—
<b>B. Net Asset/(Liability) recognised in the Balance Sheet as at 31<sup>st</sup> March</b>		
1. Present Value of Defined Benefit obligation as at 31 <sup>st</sup> March .....	—	—
2. Net Asset/(Liability) as at 31 <sup>st</sup> March.....	—	—
<b>C. Change in the obligations during the year ended 31<sup>st</sup> March</b>		
1. Present Value of Defined Benefit obligation at the beginning of the year.....	—	154.53
2. Adjustment on account of exchange rate variations .....	—	—
3. Consequent to sale/Disposal of Subsidiaries .....	—	(154.53)
4. Current Service Cost .....	—	—
5. Interest Cost .....	—	—
6. Actuarial (Gains)/Losses .....	—	—
7. Benefits paid.....	—	—
8. Past Service Cost .....	—	—
9. Present Value of Defined Benefit obligation at the end of the year.....	—	—

**33. Contingent Liability and Commitments :****(A) Contingent Liability**

- (i) Claims against the Company not acknowledged as debts comprise :
- Excise Duty, Sales Tax and Service Tax claims disputed by the Company relating to issues of applicability and classification aggregating **Rs. 2,100.10 crores** before tax (2014 : Rs. 1,866.92 crores before tax).
  - Other matters (excluding claims where amounts are not ascertainable) : **Rs. 410.96 crores** before tax (2014 : Rs. 522.97 crores before tax).
  - Claims on capital account : **Rs. 1.37 crores** (2014 : Rs. Nil crores).
  - Group Share of Joint Ventures : **Rs. 1.19 crores** before tax (2014 : Rs. 1.02 crores before tax).
- (ii) Taxation matters :
- Demands not acknowledged as debts and not provided for, relating to issues of deductibility and taxability in respect of which the matters are in appeal and exclusive of the effect of similar matters in respect of assessments remaining to be completed :
    - Income Tax matters: **Rs. 922.28 crores** (2014 : Rs. 810.59 crores).
    - Group Share of Joint Ventures : **Rs. 1.48 crores** (2014 : Rs. 4.72 crores).
  - Items which have succeeded in appeal, but the Income Tax Department is pursuing/likely to pursue in appeal/reference and exclusive of the effect of similar matters in respect of assessments remaining to be completed :
    - Income Tax matters : **Rs. 353.94 crores** (2014 : Rs. 379.48 crores).
    - Surtax matters : **Rs. 0.13 crores** (2014 : Rs. 0.13 crores).
    - Group Share of Joint Ventures : **Rs. Nil crores** (2014 : Rs. 0.55 crores).
- (iii) Bills discounted not matured **Rs. 19.78 crores** (2014 : Rs. 16.52 crores).
- (iv) Corporate undertaking on assignment by Mahindra & Mahindra Financial Services Limited **Rs. 396.46 crores** (2014 : Rs. 604.13 crores).
- (v) The Customs, Excise and Service Tax Appellate Tribunal (CESTAT) by its order dated 7<sup>th</sup> December, 2009 has rejected the Company's appeal against the order dated 30<sup>th</sup> March, 2005 passed by the Commissioner of Central Excise (Adjudication), Navi Mumbai confirming the demand made on the Company for payment of differential excise duty (including penalty) of Rs. 304.10 crores in connection with the classification of Company's Commander range of vehicles, during the years 1991 to 1996. Whilst the Company had classified the Commander range of vehicles as 10-seater attracting a lower rate of excise duty, the Commissioner of Central Excise (Adjudication), Navi Mumbai, has held that these vehicles could not be classified as 10-seater as they did not fulfil the requirement of 10-seater vehicles, as provided under the Motor Vehicles Act, 1988 (MVA) read with Maharashtra Motor Vehicles Rules, 1989 (MMVR) and as such attracted a higher rate of excise duty. The Company has challenged the CESTAT order in the Supreme Court.
- In earlier collateral proceedings on this issue, the CESTAT had, by an order dated 19<sup>th</sup> July, 2005 settled the controversy in the Company's favour. The CESTAT had accepted the Company's submission that MVA and MMVR could not be referred to for determining the classification for the purpose of levy of excise duty and rejected the Department's appeal against the order of the Collector, Central Excise classifying the Commander range of vehicles as 10-seater. The Department had challenged the CESTAT order in the Supreme Court.
- Without prejudice to the grounds raised in this appeal, the Company has paid an amount of Rs. 40.00 crores in January, 2010. The Supreme Court has admitted the Company's appeal and has stayed the recovery of the balance amount till further orders.
- Both these orders of the Tribunals were heard and disposed of by the Hon'ble Supreme Court, in August 2014. Since contrary views were expressed by the Tribunals in two parallel proceedings, the Hon'ble Supreme Court directed that a larger bench of the Tribunal be constituted to hear the appeals without expressing any opinion on the issues.
- The Larger Bench of the CESTAT heard the matter in February 2015 and by an order dated 27 February 2015, remanded the matter to the Commissioner of Central Excise for consideration of the case afresh keeping all issues open.
- The company strongly believes, based on legal advice it has received, that it has a good case on merits so as to ultimately succeed in the matter.
- In another case relating to Armada range of vehicles manufactured during the years 1992 to 1996, by the Company at its Nashik facility, the Commissioner of Central Excise, Nashik passed an order dated 20<sup>th</sup> March, 2006 confirming a demand of Rs. 24.75 crores, on the same grounds as adopted for Commander range of vehicles. The CESTAT has given an unconditional stay against this order. The final hearing in this matter has been adjourned till the disposal of the appeal by the Supreme Court in the matter relating to Commander range of vehicles.
- As such, the Company does not expect any liability on this account. However, in view of the CESTAT orders and subsequent proceedings, pending their final outcome, the Company has reflected the above amount aggregating **Rs. 328.85 crores** (2014 : Rs. 328.85 crores) and the interest of **Rs. 341.44 crores** (2014 : Rs. 305.34 crores) accrued on the same upto 31<sup>st</sup> March, 2015, under Note (i)(a) above.
- (vi) In respect (i) and (ii) of the above, It is not practicable for the Company to estimate the closure of these issues and the consequential timings of cash flows, if any.

**(B) Commitments**

The estimated amount of contracts remaining to be executed on capital account and not provided for as at 31<sup>st</sup> March, 2015 is **Rs. 1,345.07 crores** (2014 : Rs. 1,808.67 crores).

Group Share of Joint Ventures : **Rs. 2.01 crores** (2014 : Rs. 0.29 crores).

34. Research and Development Expenditure debited to the Statement of Profit and Loss, including certain expenditure based on allocations made aggregate **Rs. 1,419.16 crores** (2014 : Rs. 1,257.25 crores).

Group Share of Joint Ventures : **Rs. 0.37 crores** (2014 : Rs. 0.30 crores).

35. The net difference in foreign exchange gain credited to the Statement of Profit and Loss is **Rs. 66.82 crores** (2014 : loss of Rs. 1.34 crores).

36. Matters pertaining to erstwhile Satyam Computers Services Limited (SCSL) :

In the financial statements of Tech Mahindra Limited (TML) for the year ended March 31, 2015, TML has, inter-alia, referred to certain letters, received by the erstwhile SCSL in 2009, from thirty seven companies requesting confirmation by way of acknowledgement for receipt of certain alleged amounts referred to as "alleged advances". These letters were followed by legal notices from these companies in August, 2009, claiming repayment of Rs. 1,230.40 crores allegedly given as temporary advances. The legal notices also claim damages/compensation @18% per annum from date of advance till date of repayment. The erstwhile Satyam has not acknowledged any liability to any of the thirty seven companies and has replied to the legal notices stating that the claims are legally untenable.

Based on legal opinion, the erstwhile SCSL management's view, which is also TML's managements view, the claim regarding repayment of "alleged advances" (including interest thereon) of the 37 Companies are not legally tenable. Accordingly, in the opinion of the TML's Management, even in the unlikely event that the principal amount of the claims of the 37 companies are held to be tenable and TML is required to repay these amounts, such an eventuality will not have an adverse bearing on either TML's profits or its reserves in that period, since TML has been legally advised that no damages/compensation/interest would be payable even in such an unlikely event.

However, pending the final outcome of the recovery suit filed by the 37 companies and other related matters, TML, as a matter of prudence, at this point of time, is continuing to classify, as had the erstwhile SCSL, the amounts of the "alleged advances" as "Amounts Pending Investigation Suspense Account (Net)", and the same would be appropriately dealt with/reclassified when the final outcome becomes clearer.

Group's shareholding in TML stands at 26.71%.

37. Investment fluctuation reserve utilised during the year comprises :

	Rupees crores	
	2015	2014
(i) Provision for diminution in value of certain long term investments.....	7.50	—
(ii) Impairment of goodwill on consolidation.....	177.02	—
	<u>184.52</u>	<u>—</u>

38. Exceptional items (net) of **Rs. 274.90 crores** (credit) [2014 : Rs. 317.85 crores (credit)], comprise :

	Rupees crores	
	2015	2014
(i) Profit on change in ownership interest in subsidiaries/disposal of subsidiaries (Net).....	274.90	368.18
(ii) Others.....	—	(50.33)
	<u>274.90</u>	<u>317.85</u>

Figures in brackets signify charge to the Statement of Profit and Loss.

39. Earnings per Share :

	2015	2014
Profit for the year (Rupees crores).....	3,137.47	4,666.93
Profit for the year for diluted earnings per share (Rupees crores).....	3,137.47	4,666.93
Weighted average number of Ordinary (Equity) Shares used in computing basic earnings per share .....	59,06,11,467	59,03,23,271
Effect of potential Ordinary (Equity) Shares on conversion of bonds and employee stock options.....	2,83,05,150	2,51,23,100
Weighted average number of Ordinary (Equity) Shares used in computing diluted earnings per share .....	61,89,16,617	61,54,46,371
Basic Earnings per share (Rs.) (Face value of Rs. 5 per share).....	53.12	79.06
Diluted Earnings per share (Rs.).....	50.69	75.83

40. Related Party Disclosures :

(a) Names of related parties where transactions have taken place during the year :

(i) Associate :

Sl. No.	Name of Company	Sl. No.	Name of Company
1.	Mahindra Construction Company Limited	7.	Topical Builders Private Limited
2.	Mahindra & Mahindra Contech Limited	8.	CIE Automotive, S.A.
3.	Swaraj Engines Limited	9.	Mahindra Tsubaki Conveyor Systems Private Limited (Mahindra Conveyor Systems Private Limited) (w.e.f. 1 <sup>st</sup> August, 2014)
4.	Mahindra CIE Automotive Limited	10.	Mriyalguda Farm Solution Limited (upto 11 <sup>th</sup> August, 2014)
5.	Tech Mahindra Limited		
6.	Kismat Developers Private Limited		

(ii) Joint Ventures :

Sl. No.	Name of the Company
1.	Mahindra Sona Limited

(iii) Joint Ventures of a Subsidiary :

Sl. No.	Name of the Company
1.	Mahindra Solar One Private Limited
2.	Mahindra Water Utilities Limited
3.	Mahindra Finance USA LLC
4.	Arabian Dreams Hotel Apartments LLC
5.	Mahindra Homes Private Limited

(iv) Key Management Personnel (KMP) :

1.	Chairman and Managing Director.....	Mr Anand Mahindra
2.	Executive Director and Group President (Auto & Farm Sectors) .....	Dr. Pawan Goenka

(v) Enterprise over which KMP is able to exercise significant influence :

Sl. No.	Name of the Company
1.	Prudential Management & Services Private Limited
2.	The Indian and Eastern Engineer Company Private Limited

(vi) Welfare Funds :

Sl. No.	Name of the Fund
1.	M&M Benefit Trust
2.	M&M Employees' Welfare Fund
3.	M&M Employees' Farm Equipment Sector Employees' Welfare Fund
4.	Mahindra World School Education Trust

(b) The related party transactions are as under :

Sl. No.	Nature of Transactions	Rupees crores			
		Associate Companies	Joint Ventures/Joint Ventures of Subsidiaries **	KMP/KMP Exercising Significant Influence	Welfare Funds
1.	Purchases :				
	Goods.....	1,459.50 (819.86)	176.54 (188.31)	— (—)	— (—)
	Fixed Assets.....	23.74 (2.06)	— (—)	— (—)	— (—)
	Services.....	157.93 (26.15)	8.75 (5.25)	0.29 (—)	— (—)

(b) The related party transactions are as under : (contd.)

Rupees crores					
Sl. No.	Nature of Transactions	Associate Companies	Joint Ventures/Joint Ventures of Subsidiaries **	KMP/KMP Exercising Significant Influence	Welfare Funds
2.	Sales :				
	Goods.....	<b>326.69</b> (6.12)	<b>9.50</b> (21.70)	— (—)	— (—)
	Fixed Assets.....	<b>0.42</b> (—)	— (—)	— (—)	— (—)
	Services .....	<b>39.81</b> (9.19)	<b>3.81</b> (7.44)	— (—)	* (—)
3.	Investments :				
	Purchases/Subscribed/Conversion.....	<b>890.96</b> (—)	— (0.52)	— —	— —
	Sales/Redemption/Conversion .....	<b>322.98</b> (—)	— (—)	— (—)	— (—)
4.	Deputation of Personnel :				
	From Parties .....	<b>1.00</b> (0.85)	— (—)	— (—)	— (—)
	To Parties.....	<b>7.80</b> (4.03)	— (0.09)	— (—)	— (—)
5.	Managerial Remuneration.....	— (—)	— (—)	<b>11.96</b> (14.77)	— (—)
6.	Stock Options.....	— (—)	— (—)	# (#)	— (—)
7.	Finance :				
	Inter Corporate Deposits given.....	<b>0.30</b> (65.05)	<b>3.11</b> (342.56)	— (—)	— (—)
	Inter Corporate Deposits Refunded by parties.....	<b>41.83</b> (10.00)	<b>0.28</b> (446.66)	— (—)	— (—)
	Debenture issued by Related parties.....	— (—)	— (320.17)	— (—)	— (—)
	Interest Income.....	<b>2.10</b> (3.01)	<b>58.02</b> (21.70)	<b>0.03</b> (0.02)	— (—)
	Interest Expense .....	— (0.36)	— (—)	— (—)	— (—)
	Dividend received.....	<b>154.90</b> (53.32)	<b>3.54</b> (3.54)	— (—)	— (—)
	Dividend distributed .....	— (—)	— (—)	<b>100.89</b> (93.46)	<b>75.29</b> (69.92)
8.	Other Transactions :				
	Other Income.....	<b>1.79</b> (0.41)	<b>1.46</b> (—)	— (—)	<b>72.57</b> (67.44)
	Other Expenses.....	<b>0.17</b> (3.54)	* (—)	— (—)	— (—)

# Refer Annexure II and clause VI of Annexure VII to the Directors' Report.

\* Denotes amounts loss than Rs. 50,000.

(b) The related party transactions are as under : (contd.)

Rupees crores					
Sl. No.	Nature of Transactions	Associate Companies	Joint Ventures/Joint Ventures of Subsidiaries **	KMP/KMP Exercising Significant Influence	Welfare Funds
	Reimbursements received from parties .....	<b>49.62</b> (4.17)	<b>0.06</b> (0.36)	— (—)	— (—)
	Reimbursements made to parties.....	<b>7.24</b> (1.37)	— (—)	— (—)	<b>0.07</b> (—)
9.	Outstandings :				
	Payable .....	<b>140.21</b> (33.03)	<b>36.84</b> (32.97)	<b>2.86</b> (3.41)	— (—)
	Receivable .....	<b>76.32</b> (18.39)	<b>106.77</b> (51.98)	<b>1.09</b> (1.07)	<b>17.00</b> (17.00)
	Debenture/Bonds issued by parties .....	— (—)	<b>320.17</b> (320.17)	— (—)	— (—)
	Inter Corporate Deposits Given .....	<b>8.35</b> (65.78)	<b>12.79</b> (10.25)	— (—)	— (—)
	Inter Corporate Deposits Taken.....	— (0.50)	— (—)	— (—)	— (—)
10.	Provision for Doubtful debts/advances .....	<b>11.70</b> (11.66)	— (—)	— (—)	<b>10.00</b> (10.00)
11.	Security Deposit paid.....	<b>0.02</b> (—)	— (—)	— (—)	— (—)
12.	Advances Refunded.....	— (0.14)	— (—)	— (—)	— (—)
13.	Security Deposit received .....	— (—)	— (—)	— (—)	— (0.01)

Previous year's figures are in brackets

\*\* Transactions with Joint Ventures/Joint ventures of Subsidiaries has been reported at full value.

The Significant related party transaction are as under :

Rupees crores					
Sl. No.	Nature of Transactions	Associate Companies	Amount	Joint Ventures/Joint Ventures of Subsidiaries **	Amount
1.	Purchases – Goods	Swaraj Engines Limited	<b>626.14</b> (711.61)	Mahindra Sona Limited	<b>176.54</b> (188.31)
		Mahindra CIE Automotive Limited	<b>827.35</b> (104.21)		
2.	Purchases – Fixed Assets	Tech Mahindra Limited	<b>13.76</b> (—)		
		Mahindra Tsubaki Conveyor Systems Private Limited	<b>3.16</b> (—)		
		Mahindra CIE Automotive Limited	<b>6.82</b> (—)		

The Significant related party transaction are as under : (contd.)

					Rupees crores
Sl. No.	Nature of Transactions	Associate Companies	Amount	Joint Ventures/Joint Ventures of Subsidiaries **	Amount
3.	Purchases – Services	Mahindra & Mahindra Contech Limited	— (4.89)	Mahindra Homes Private Limited	3.62 (—)
		Tech Mahindra Limited	152.56 (21.24)	Arabian Dreams Hotel Apartments LLC	5.14 (5.25)
4.	Sales – Goods	Swaraj Engines Limited	— (5.98)	Mahindra Sona Limited	— (3.62)
		Mahindra CIE Automotive Limited	316.49 (—)	Mahindra Solar One Private Limited	9.50 (18.08)
5.	Sales – Fixed Assets	Mahindra CIE Automotive Limited	0.39 (—)		
6.	Sales – Services	Tech Mahindra Limited	28.49 (9.04)	Mahindra Homes Private Limited	— (2.95)
		Mahindra CIE Automotive Limited	10.47 (—)	Mahindra Solar One Private Limited Mahindra Sona Limited	3.10 (4.34) 0.70 (—)
7.	Purchases/Subscribed/Conversion – Investments	Tech Mahindra Limited	364.66 (—)	Arabian Dreams Hotel Apartments LLC	— (0.52)
		Mahindra CIE Automotive Limited	526.30 (—)		
8.	Sales/Redemption/Conversion – Investments	Tech Mahindra Limited	64.15 (—)		
		Mahindra CIE Automotive Limited	258.83 (—)		
9.	Deputation of Personnel from related parties	Mahindra & Mahindra Contech Limited	0.33 (0.29)		
		Swaraj Engines Limited	0.67 (0.56)		
10.	Deputation of Personnel to related parties	Swaraj Engines Limited	4.53 (3.76)	Mahindra Solar One Private Limited	— (0.09)
		Mahindra CIE Automotive Limited	1.71 (—)		
		Tech Mahindra Limited	1.52 (—)		
11.	Inter Corporate Deposits Given	Mahindra CIE Automotive Limited	— (59.13)	Arabian Dreams Hotel Apartments LLC	3.09 (—)
		Topical Builders Private Limited	0.30 (—)	Mahindra Homes Private Limited	— (337.66)
12.	Inter Corporate Deposits refunded by parties	Mahindra CIE Automotive Limited	41.83 (—)	Mahindra Homes Private Limited Mahindra Water Utilities Limited	— (446.66) 0.30 (—)

The Significant related party transaction are as under : (contd.)

					Rupees crores
Sl. No.	Nature of Transactions	Associate Companies	Amount	Joint Ventures/Joint Ventures of Subsidiaries **	Amount
13.	Interest Income	Mahindra CIE Automotive Limited	1.78 (2.99)	Mahindra Solar One Private Limited	— (7.64)
		Topical Builders Private Limited	0.32 (—)	Mahindra Homes Private Limited	56.51 (13.67)
14.	Interest Expense	Swaraj Engines Limited	— (0.31)		
15.	Dividend Received	Tech Mahindra Limited	121.35 (30.34)	Mahindra Sona Limited	3.54 (3.54)
		Swaraj Engines Limited	— (13.62)		
		CIE Automotive, S.A.	19.11 (9.36)		
16.	Other Income	Mahindra Composites Limited	— (0.16)	Mahindra Solar One Private Limited	1.46 (—)
		Tech Mahindra Limited	0.52 (0.25)		
		Mahindra CIE Automotive Limited	1.27 (—)		
17.	Other Expenses	Tech Mahindra Limited	— (3.54)	Mahindra Sona Limited	* (—)
		Mahindra CIE Automotive Limited	0.06 (—)		
		Swaraj Engines Limited	0.12 (—)		
18.	Reimbursement received from parties	Mahindra CIE Automotive Limited	12.29 (2.66)	Mahindra Homes Private Limited	— (0.22)
		Tech Mahindra Limited	37.20 (1.14)	Mahindra Sona Limited	0.04 (0.09)
				Mahindra Solar One Private Limited	— (0.05)
				Mahindra Water Utilities Limited	0.02 (0.03)
19.	Reimbursement received from parties	Mahindra CIE Automotive Limited	2.33 (—)		
		Tech Mahindra Limited	4.90 (—)		

Previous year's figures are in brackets

\* denotes amounts less than Rs. 50,000.

\*\* Transactions with Joint Ventures has been reported at full value.

The Significant related party transactions with Key Management Personnel are as under :

				Rupees crores
Sl. No.	Nature of Transaction	Name of KMP		Amount
1	Managerial Remuneration	Mr. Anand Mahindra		5.98 (5.19)
		Dr. Pawan Goenka		5.98 (2.36)
		Mr. B. N. Doshi (upto 13 <sup>th</sup> November, 2013)		— (7.22)

Previous year's figures are in brackets

**41 Investment in Associates :**

Rupees crores

	No. of Equity shares held	% of Holding	Cost of Investments (Equity Shares)	Goodwill/ Capital Reserve	Share in accumulated Profit/(Loss)/ Reserves	Carrying Cost
<b>Unquoted :</b>						
Mahindra Construction Company Limited.....	<b>9,00,000</b> 9,00,000	<b>37.49%</b> 37.49%	<b>0.97</b> 0.97	— —	<b>(0.97)</b> (0.97)	— —
Officemartindia.com Limited .....	<b>7,49,997</b> 7,49,997	<b>50.00%</b> 50.00%	<b>0.22</b> 0.22	— —	<b>(0.22)</b> (0.22)	— —
Rathna Bhoomi Enterprises Private Limited.....	<b>500</b> 500	<b>25.41%</b> 25.53%	<b>*</b> *	— —	<b>*</b> *	— —
Kota Farm Services Limited .....	<b>2,73,420</b> 2,73,420	<b>45.00%</b> 45.00%	<b>0.27</b> 0.27	— —	<b>(0.27)</b> (0.27)	— —
Mriyalguda Farm Solution Limited .....	— 3,37,500	— 45.00%	— 0.34	— —	— (0.34)	— —
Mega One Stop Farm Services Limited .....	<b>3,51,000</b> 3,51,000	<b>45.00%</b> 45.00%	<b>0.35</b> 0.35	<b>0.03</b> 0.03	<b>(0.35)</b> (0.35)	— —
Mahindra & Mahindra Contech Limited.....	<b>70,000</b> 70,000	<b>46.66%</b> 46.66%	<b>1.73</b> 0.07	— —	<b>2.31</b> 2.03	<b>4.04</b> 2.10
PSL Media & Communications Limited.....	<b>39,498</b> 39,498	<b>36.12%</b> 36.12%	<b>0.01</b> 0.01	— —	<b>(0.01)</b> (0.01)	— —
Kismat Developers Private Limited.....	<b>15</b> 15	<b>42.86%</b> 42.86%	<b>*</b> *	— —	<b>*</b> *	— —
Topical Builders Private Limited.....	<b>175</b> 175	<b>50.00%</b> 50.00%	<b>*</b> *	— —	<b>*</b> *	— —
Mahindra Tsubaki Conveyor Systems Private Limited.....	<b>1,53,76,025</b> —	<b>49.00%</b> —	<b>18.31</b> —	— —	<b>10.63</b> —	<b>28.94</b> —
Holiday Club Resorts Oy .....	<b>7,07,777</b> —	<b>22.34%</b> —	<b>114.28</b> —	<b>28.10</b> —	<b>(0.76)</b> —	<b>113.52</b> —
<b>Total - Unquoted .....</b>						<b>146.50</b> 2.10
<b>Quoted :</b>						
Swaraj Engines Limited .....	<b>41,26,417</b> 41,26,417	<b>33.22%</b> 33.22%	<b>1.63</b> 1.63	<b>(10.33)</b> (10.33)	<b>60.13</b> 59.80	<b>61.76</b> 61.43
Tech Mahindra Limited .....	<b>25,66,93,512</b> 6,07,36,978	<b>26.71%</b> 26.01%	<b>2,691.53</b> 2,326.87	<b>496.31</b> 281.40	<b>1,261.20</b> 483.56	<b>3,952.73</b> 2,810.43
Mahindra CIE Automotive Limited.....	<b>6,52,71,407</b> 2,96,109	<b>20.21%</b> 0.32%	<b>531.48</b> 5.19	<b>131.58</b> —	<b>(18.65)</b> (2.09)	<b>512.83</b> 3.10
CIE Automotive, S.A. (Quoted on a stock exchange outside India)....	<b>1,60,40,706</b> 1,60,40,706	<b>12.44%</b> 13.50%	<b>821.60</b> 804.79	<b>312.30</b> 339.13	<b>28.67</b> (34.47)	<b>850.27</b> 770.32
<b>Total - Quoted .....</b>						<b>5,377.59</b> 3,645.28
<b>Total .....</b>						<b>5,524.09</b> 3,647.38

Current Years Figures are in Bold

\* denotes amount less than Rs. 50,000

42. Segment Information

Segment Report for the year ended 31<sup>st</sup> March, 2015  
Primary Segment Disclosure - Business Segment

	Rupees crores											
	Automotive	Farm Equipment	IT Services	Financial Services	Steel Trading and Processing	Infrastructure	Hospitality	Systech	Others	Total	Eliminations	Consolidated Total
<b>REVENUE</b>												
Gross External Revenue	46,337.98	16,043.64	314.13	6,037.61	1,146.46	1,106.69	770.89	1,119.89	2,612.53	75,489.82	—	75,489.82
Less: Excise Duty on Sales	48,385.12	16,993.25	258.91	5,276.93	735.70	695.12	756.48	3,215.76	1,913.36	78,230.63	—	78,230.63
	3,128.60	133.74	—	—	106.08	—	—	98.52	74.29	3,541.23	—	3,541.23
	3,687.46	132.85	—	—	86.93	—	—	216.00	106.46	4,229.70	—	4,229.70
<b>Net External Sales</b>	43,209.38	15,909.90	314.13	6,037.61	1,040.38	1,106.69	770.89	1,021.37	2,538.24	71,948.59	—	71,948.59
Inter Segment Revenue	44,697.66	16,860.40	258.91	5,276.93	648.77	695.12	756.48	2,999.76	1,806.90	74,000.93	—	74,000.93
	139.16	19.29	38.93	15.83	279.59	3.60	41.24	7.38	1,376.01	1,921.03	(1,921.03)	—
	177.60	23.76	32.81	28.94	648.93	26.55	60.66	812.48	1,401.31	3,213.04	(3,213.04)	—
<b>Total Revenue</b>	43,348.54	15,929.19	353.06	6,053.44	1,319.97	1,110.29	812.13	1,028.75	3,914.25	73,869.62	(1,921.03)	71,948.59
	44,875.26	16,884.16	291.72	5,305.87	1,297.70	721.67	817.14	3,812.24	3,208.21	77,213.97	(3,213.04)	74,000.93
<b>RESULT</b>												
Segment Result before exceptional items	1,319.34	1,967.59	45.34	1,394.34	105.40	448.43	91.98	(113.74)	(617.86)	4,640.82	(23.83)	4,616.99
Add/(Less) : Exceptional Items allocated to Segments	2,358.05	2,479.76	30.35	1,460.93	95.35	160.64	120.56	(26.85)	(502.84)	6,175.95	2.04	6,177.99
	—	—	—	—	—	—	—	—	—	—	—	—
	—	—	—	—	—	—	—	124.55	0.54	125.09	(124.55)	0.54
<b>Segment Result after exceptional items</b>	1,319.34	1,967.59	45.34	1,394.34	105.40	448.43	91.98	(113.74)	(617.86)	4,640.82	(23.83)	4,616.99
Unallocable Corporate Expenses (net of Income)	2,358.05	2,479.76	30.35	1,460.93	95.35	160.64	120.56	97.70	(502.30)	6,301.04	(122.51)	6,178.53
<b>Operating Profit</b>												
Less: Interest Expense not allocable to segments												369.03
												311.03
Add: Interest Income not allocable to segments												4,247.96
Add/(Less) : Exceptional Items unallocable to segment												5,867.50
<b>Profit before tax</b>												513.72
(Add)/Less: Income Taxes												676.36
– Current Tax												303.56
– MAT Credit Entitlement												311.15
– Deferred Tax												274.90
<b>Balance of Profit for the year before Share of Profit/(Loss) of Associates</b>												317.31
Add/(Less) : Share of Profit/(Loss) of Associates for the year												4,312.70
												5,819.60
												1,770.11
												1,793.91
												(92.72)
												(490.71)
												42.63
												193.02
<b>Profit for the year before Share of Profit/(Loss) of Associates</b>												2,592.68
Add/(Less) : Share of Profit/(Loss) of Associates for the year												4,323.38
												788.70
												830.42
<b>Profit for the year before Minority Interest</b>												3,381.38
												5,153.80



**42 Segment Information (Contd.) :**
**Secondary Segment Disclosure - Geographical Segment**

	Rupees crores		
	Domestic	Overseas	Total
Revenue From External Customers .....	50,919.45	24,570.37	75,489.82
	51,191.02	27,039.61	78,230.63
Segment Assets.....	63,190.12	17,520.12	80,710.24
	58,526.71	16,725.53	75,252.24
Capital Expenditure .....	2,980.73	1,734.82	4,715.55
	2,264.70	1,354.86	3,619.56

**Notes :**
**1. Business Segments :**

The Group has considered business segments as the primary segment for disclosure.

The segments have been identified taking into account the organisational structure as well as the differing risks and returns of these segments.

Automotive Segment comprises of sale of automobiles, spare parts and related services.

Farm Equipment Segment comprises of sale of tractors, spare parts and related services.

IT Services comprise of Business Consulting, Software Implementation and related support activities

Financial Services comprise of services relating to financing, leasing and hire purchase of automobiles and tractors.

Steel Trading and Processing comprises of trading and processing of steel.

Infrastructure comprise of operating of commercial complexes, project management and development.

Hospitality comprises of sale of Timeshare.

Systech comprises of automotive components and other related products and services.

Others comprise of Logistics, After-market, Two wheelers, Investments etc.

**2. Secondary Segments :**

The geographical segments are considered for disclosure as secondary segment.

Domestic Segment includes sales to customers located in India and service income accrued in India.

Overseas Segment includes sales and services rendered to customers located outside India.

**Segment Revenue comprises of :**

	Rupees crores	
	2015	2014
Sale of Products.....	65,148.60	69,022.63
Sale of Services.....	2,255.18	2,138.03
Income from long term contracts .....	887.12	555.32
Lease and rental income .....	141.83	110.34
Interest income of Financial Enterprises Consolidated .....	5,906.23	5,162.02
Other allocable income* .....	1,150.86	1,242.29
<b>Total .....</b>	<b>75,489.82</b>	<b>78,230.63</b>

	Rupees crores	
	2015	2014
* Other allocable income includes :		
Scrap Sales.....	211.44	395.88
Commission .....	10.28	11.63
Dividend Income of Investment Enterprises Consolidated.....	0.12	0.11
Others .....	929.02	834.67
<b>Total .....</b>	<b>1,150.86</b>	<b>1,242.29</b>

43. Additional information as required by Schedule III to the Companies Act, 2013

Additional information as required under Schedule III to the Companies Act, 2013, of enterprises consolidated as Subsidiary / Associate / Joint Ventures

Rupees crores

Name of the Enterprise	Net assets, i.e., total assets minus total liabilities		Share of profit or loss	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount
<b>PARENT</b>				
Mahindra and Mahindra Limited	74.47%	19,255.09	105.85%	3,321.11
<b>SUBSIDIARIES</b>				
<b>Indian</b>				
Anthurium Developers Limited	0.00%	0.05	0.00%	0.02
Bristlecone India Limited	0.29%	74.55	0.54%	16.98
Divine Heritage Hotels Private Limited	-0.03%	(7.83)	-0.15%	(4.79)
Defence Land Systems India Limited	0.33%	85.32	-0.29%	(9.20)
EPC Industrie Limited	0.44%	114.42	0.06%	1.79
Gables Promoters Private Limited	0.05%	13.15	0.00%	(0.02)
Holiday on Hills Resorts Private Limited	-0.02%	(5.75)	-0.06%	(1.91)
Industrial Township (Maharashtra) Limited	0.02%	4.85	0.00%	(0.01)
Knowledge Township Limited	0.08%	20.56	0.00%	*
Mahindra Consulting Engineers Limited	0.05%	11.88	0.07%	2.07
Mahindra Automobile Distributor Private Limited	0.03%	8.98	0.44%	13.81
Mahindra Aerospace Private Limited	1.68%	434.89	-0.04%	(1.27)
Mahindra Aerostructures Private Limited	0.32%	82.78	-1.39%	(43.76)
Mahindra Bebanco Developers Limited	0.02%	6.43	0.38%	11.98
Mahindra Integrated Business Solutions Private Limited	0.02%	5.67	0.06%	1.75
Mahindra Defence Naval Systems Private Limited	0.06%	16.54	0.02%	0.53
Mahindra Defence Systems Limited	0.30%	77.35	0.00%	0.12
Mahindra Engineering and Chemical Products Limited	1.90%	491.05	-1.48%	(46.31)
Mahindra EPC Services Private Limited	0.45%	117.28	0.49%	15.23
Mahindra Namaste Private Limited	0.01%	2.32	-0.12%	(3.67)
Mahindra First Choice Services Limited	0.13%	33.35	-1.72%	(54.05)
Mahindra First Choice Wheels Limited	0.32%	83.11	0.06%	1.92
Mahindra Gujarat Tractor Limited	0.01%	3.53	0.14%	4.50
Mahindra Hotels and Residences India Limited	0.00%	(0.08)	0.00%	(0.01)
Mahindra Holdings Limited	0.46%	119.99	0.18%	5.56
Industrial Cluster Private Limited	-0.05%	(12.87)	-0.45%	(14.16)
Mahindra Holidays & Resorts India Limited	2.83%	730.89	2.52%	79.02
Mahindra Insurance Brokers Limited	0.66%	171.89	1.37%	42.94
Mahindra Infrastructure Developers Limited	0.01%	1.93	-0.48%	(15.18)
Mahindra Intertrade Limited	1.54%	397.10	2.30%	72.17
Mahindra Integrated Township Limited	0.29%	73.75	1.29%	40.51
Mahindra Lifespace Developers Limited	5.12%	1,323.13	7.44%	233.30
Mahindra Logistic Limited	1.03%	266.45	1.31%	41.09
Mahindra & Mahindra Financial Services Limited	21.93%	5,669.41	26.51%	831.78
Mahindra Electrical Steel Private Limited	-0.01%	(2.31)	-0.01%	(0.26)
Mahindra Trucks and Buses Limited	0.10%	26.46	0.07%	2.28
Mahindra Heavy Engines Private Limited	0.77%	198.14	-1.70%	(53.41)
Mahindra Punjab Tractors Private Limited	0.00%	(0.01)	0.00%	*

43. Additional information as required by Schedule III to the Companies Act, 2013 (Contd.)

Additional information as required under Schedule III to the Companies Act, 2013, of enterprises consolidated as Subsidiary / Associate / Joint Ventures

Rupees crores

Name of the Enterprise	Net assets, i.e., total assets minus total liabilities		Share of profit or loss	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount
Mahindra Residential Developers Limited	0.34%	88.14	0.44%	13.92
Mahindra Reva Electric Vehicles Private Limited	0.13%	34.21	-3.00%	(94.08)
Mahindra Rural Housing Finance Limited	0.67%	173.16	1.41%	44.17
Mahindra Retail Private Limited	-0.19%	(48.74)	-3.79%	(118.89)
Mahindra Steel Service Centre Limited	0.36%	93.33	0.24%	7.54
Mahindra Shubhlabh Services Limited	0.08%	21.29	0.16%	4.99
Mahindra Telecommunications Investment Private Limited	0.02%	6.24	0.10%	3.05
Mahindra Two Wheelers Limited	1.25%	323.40	-16.86%	(528.87)
Mahindra Internet Commerce Private Limited	0.01%	1.80	-0.11%	(3.34)
Mahindra Vehicle Manufacturers Limited	5.88%	1,520.55	4.88%	153.03
Mahindra World City Developers Limited	0.45%	116.92	0.45%	14.26
Mahindra World City (Jaipur) Limited	1.01%	260.11	1.21%	37.99
Mahindra World City (Maharashtra) Limited	0.00%	0.03	0.00%	*
NBS International Limited	-0.04%	(9.48)	-0.11%	(3.32)
Mahindra Sanyo Special Steel Private Limited	0.74%	191.61	-2.02%	(63.27)
Raigad Industrial and Business Park Limited	0.00%	0.01	0.00%	(0.01)
Retail Initiative Holdings Limited	0.07%	19.11	-0.01%	(0.46)
Swaraj Automotives Limited	0.10%	25.17	0.08%	2.41
2 x 2 Logistics Private Limited	0.02%	4.11	0.00%	0.09
Mahindra Telephonics Integrated Systems Limited	0.03%	7.05	-0.19%	(6.09)
Mahindra HZPC Private Limited	0.06%	15.55	0.02%	0.63
Mahindra Asset Management Company Private Limited	0.00%	0.99	0.00%	(0.06)
Mahindra Trustee Company Private Limited	0.00%	0.02	0.00%	(0.01)
Mahindra Auto Steel Private Limited	0.27%	68.70	0.03%	0.93
Brightsolar Renewable Energy Private Limited	0.02%	6.08	0.00%	(0.07)
Cleansolar Renewable Energy Private Limited	0.07%	18.56	0.00%	0.01
Mahindra 'Electoral Trust' Company	0.00%	0.04	0.00%	*
Competent Hotels Private Limited	0.03%	7.46	0.06%	1.90
Mahindra UNIVeG Private Limited	0.04%	10.43	-0.01%	(0.38)
Lords Freight (India) Private Limited	0.02%	4.16	-0.09%	(2.71)
Mahindra Industrial Park Chennai Limited	0.00%	0.04	0.00%	(0.01)
Mahindra Offgrid Services Private Limited	0.02%	6.05	-0.01%	(0.27)
Mriyalguda Farm Solution Limited	0.00%	*	0.00%	*
<b>Foreign</b>				
Aerostaff Australia Pty. Limited ^	-0.01%	(1.75)	-0.07%	(2.15)
Airvan Flight Services Pty. Limited ^	0.00%	*	0.00%	*
Bristlecone Limited \$	0.12%	31.18	-0.29%	(9.06)
Bristlecone GmbH €	0.04%	11.16	0.12%	3.91
Bristlecone Inc. \$	0.24%	63.34	0.60%	18.72
Bristlecone Consulting Limited @	0.01%	3.52	0.01%	0.21
Bristlecone (Malaysia) Sdn. Bhd. **	0.02%	4.39	0.14%	4.27
Bristlecone (Singapore) Pte. Limited ++	0.00%	0.23	-0.01%	(0.33)

43. Additional information as required by Schedule III to the Companies Act, 2013 (Contd.)

Additional information as required under Schedule III to the Companies Act, 2013, of enterprises consolidated as Subsidiary / Associate / Joint Ventures

Rupees crores

Name of the Enterprise	Net assets, i.e., total assets minus total liabilities		Share of profit or loss	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount
Bristlecone UK Limited £	0.02%	4.04	0.00%	(0.07)
Bristlecone International AG <	0.01%	2.42	-0.18%	(5.66)
GA200 Pty. Limited ^	0.00%	*	0.00%	*
GA8 Airvan Pty. Limited ^	0.00%	*	0.00%	*
Gipp Aero Investments Pty. Limited ^	0.71%	182.68	0.00%	(0.04)
Gippsaero Pty. Limited ^	0.10%	26.34	-1.28%	(40.10)
Nomad TC Pty. Limited ^	0.00%	*	0.00%	*
Infinity Hospitality Group Company Limited #	0.03%	7.95	-0.06%	(1.93)
Mahindra Automotive Australia Pty. Limited ^	0.03%	8.83	0.08%	2.46
Mahindra Aerospace Australia Pty. Limited ^	0.84%	216.29	0.16%	5.10
Mahindra-BT Investment Company (Mauritius) Limited \$	0.60%	155.64	0.02%	0.63
Mahindra Europe S.r.l. €	0.04%	9.70	0.00%	0.01
Mahindra Emirates Vehicle Armouring FZ-LLC •	0.04%	9.46	0.14%	4.30
Mahindra Graphic Research Design S.r.l. €	0.02%	5.72	-0.10%	(3.11)
MH Boutique Hospitality Limited #	0.00%	0.69	-0.02%	(0.52)
Heritage Bird (M) Sdn. Bhd **	0.00%	(0.64)	-0.01%	(0.17)
Mahindra MiddleEast Electrical Steel Service Centre (FZC) •	0.12%	31.51	0.00%	0.02
Mahindra & Mahindra South Africa (Pty) Limited >>	0.30%	77.44	0.69%	21.52
Mahindra Overseas Investment Company (Mauritius) Limited \$	1.67%	432.22	-0.34%	(10.58)
Mahindra Racing S.r.l. €	0.01%	3.18	-0.02%	(0.54)
Mahindra Tractor Assembly Inc. \$	0.12%	30.04	-0.11%	(3.32)
Mahindra USA Inc. \$	0.27%	70.16	0.17%	5.46
Mahindra Yueda (Yancheng) Tractor Company Limited >	2.58%	666.30	-1.70%	(53.27)
Ssangyong European Parts Center B.V. €	0.11%	28.88	0.02%	0.62
Ssangyong Motor (Shanghai) Company Limited >	0.13%	33.59	-0.25%	(7.98)
Ssangyong Motor Company ~	15.59%	4,030.01	-22.61%	(709.52)
Mahindra North American Technical Center, Inc. \$	0.04%	10.15	0.32%	10.00
Mahindra Racing UK Limited £	0.00%	0.11	0.00%	(0.08)
MHR Holdings (Mauritius) Limited €	0.00%	(0.10)	-0.03%	(1.08)
Covington S.à r.l. €	0.19%	47.93	0.00%	*
Mahindra Two Wheelers Europe Holdings S.a r.l. €	0.44%	115.02	0.00%	*
Peugeot Motocycles SAS €	4.20%	1,085.71	-1.55%	(48.60)
Peugeot Motocycles Deutschland GmbH €	0.01%	2.57	-0.06%	(1.83)
Peugeot Motocycles Italia S.p.A €	0.00%	(0.01)	0.00%	0.04
<b>Associates (Investment as per the equity method)</b>				
<b>Indian</b>				
Mahindra Construction Company Limited	0.00%	-	0.00%	-
Officemartindia.com Limited	0.00%	-	0.00%	-
Rathna Bhoomi Enterprises Pvt. Limited	0.00%	-	0.00%	-
Kota Farm Services Limited	0.00%	-	0.00%	-
Mega One Stop Farm Services Limited	0.00%	-	0.00%	-
Mahindra & Mahindra Contech Limited	0.02%	4.04	0.01%	0.27

43. Additional information as required by Schedule III to the Companies Act, 2013 (Contd.)

Additional information as required under Schedule III to the Companies Act, 2013, of enterprises consolidated as Subsidiary / Associate / Joint Ventures

Rupees crores

Name of the Enterprise	Net assets, i.e., total assets minus total liabilities		Share of profit or loss	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount
PSL Media & Communications Limited	0.00%	–	0.00%	–
Kismat Developers Private Limited	0.00%	–	0.00%	–
Topical Builders Private Limited	0.00%	–	0.00%	–
Mahindra Tsubaki Conveyor Systems Private Limited	0.11%	28.94	0.01%	0.43
Swaraj Engines Limited	0.24%	61.76	0.55%	17.22
Tech Mahindra Limited	15.29%	3,952.73	22.37%	701.76
Mahindra CIE Automotive Limited	1.98%	512.83	-0.50%	(15.79)
<b>Foreign</b>				
CIE Automotive Spain €	3.29%	850.27	2.68%	84.16
Holiday Club Resort Oy €	0.44%	113.52	0.02%	0.66
<b>Joint Ventures (as per proportionate consolidation)</b>				
<b>Indian</b>				
Mahindra Sona Limited	0.16%	41.94	0.29%	9.23
Mahindra Solar One Private Limited	0.10%	27.07	-0.03%	(1.00)
Mahindra Water Utilities Limited	0.09%	22.26	0.03%	0.87
Mahindra Homes Private Limited	-0.02%	(6.44)	-0.23%	(7.08)
Mahindra Inframan Water Utilities Private Limited	0.00%	0.04	0.00%	*
<b>Foreign</b>				
Mahindra Finance USA LLC \$	0.60%	155.59	0.43%	13.62
Arabian Dreams Hotel Apartments LLC •	-0.01%	(3.44)	-0.06%	(1.78)
Jinan Qingqi Peugeot Motorcycle Company Limited >	0.15%	39.24	-0.07%	(2.14)
Minority Interest	-22.79%	(5,892.23)	-7.77%	(243.91)
Inter Company Adjustments	-55.37%	(14,317.18)	-17.59%	(551.91)
<b>Total</b>	<b>100.00%</b>	<b>25,856.38</b>	<b>100.00%</b>	<b>3,137.47</b>

\* denotes amounts less than Rs. 50,000.

# Converted into Indian Rupees at the exchange rate, 1THB = Rs. 1.91 as on 31<sup>st</sup> March, 2015

\$ Converted into Indian Rupees at the exchange rate, 1USD = Rs. 62.64 as on 31<sup>st</sup> March, 2015

• Converted into Indian Rupees at the exchange rate, 1AED = Rs. 16.97 as on 31<sup>st</sup> March, 2015

\*\* Converted into Indian Rupees at the exchange rate, 1MYR = Rs. 16.81 as on 31<sup>st</sup> March, 2015

@ Converted into Indian Rupees at the exchange rate, 1CAD = Rs. 49.22 as on 31<sup>st</sup> March, 2015

^ Converted into Indian Rupees at the exchange rate, 1AUD = Rs. 47.77 as on 31<sup>st</sup> March, 2015

£ Converted into Indian Rupees at the exchange rate, 1GBP = Rs. 92.56 as on 31<sup>st</sup> March, 2015

€ Converted into Indian Rupees at the exchange rate, 1EUR = Rs. 67.66 as on 31<sup>st</sup> March, 2015

++ Converted into Indian Rupees at the exchange rate, 1SGD = Rs. 45.52 as on 31<sup>st</sup> March, 2015

< Converted into Indian Rupees at the exchange rate, 1CHF = Rs. 64.67 as on 31<sup>st</sup> March, 2015

> Converted into Indian Rupees at the exchange rate, 1CNY = Rs. 10.10 as on 31<sup>st</sup> March, 2015

» Converted into Indian Rupees at the exchange rate, 1ZAR = Rs. 5.16 as on 31<sup>st</sup> March, 2015

≈ Converted into Indian Rupees at the exchange rate, 1KRW = Rs. 0.0565 as on 31<sup>st</sup> March, 2015

44. Previous years figures have been regrouped/restated where ever necessary.

Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014  
Statement Containing salient features of the financial statements of subsidiaries/associate companies /joint ventures as included in the Consolidated Financial Statements

## Part "A" : Subsidiaries

Sr. No.	Name of the Subsidiary	Reporting Currency	Exchange Rate	Capital (Including Preference Capital)	Reserves & Surplus	Total Assets	Total Liabilities	Investments (excluding investments in subsidiaries)	Gross Turnover	Profit/ (Loss) before Tax	Provision for Tax	Profit/ (Loss) after Tax	Proposed Dividend and Tax thereon	Proportion of ownership interest @	Proportion
															of voting power where different
1	Bristlecone Limited	USD	62.64	104.63	(73.45)	210.05	178.87	-	2.54	(9.06)	-	(9.06)	-	77.71%	77.71%
2	Bristlecone India Limited	INR	1.00	19.05	55.50	101.84	27.29	0.01	171.18	25.37	8.39	16.98	-	77.71%	100.00%
3	Bristlecone Inc.	USD	62.64	153.21	(89.87)	111.06	47.72	-	221.44	19.57	0.85	18.72	-	77.71%	100.00%
4	Bristlecone Consulting Limited	CAD	49.22	-	3.52	3.63	0.11	-	0.26	0.28	0.08	0.21	-	77.71%	100.00%
5	Bristlecone (Malaysia) Sdn. Bhd.	MYR	16.81	0.17	4.23	7.32	2.93	-	21.15	5.66	1.39	4.27	-	77.71%	100.00%
6	Bristlecone UK Limited	GBP	92.56	21.75	(17.71)	4.04	*	-	*	(0.07)	-	(0.07)	-	77.71%	100.00%
7	Bristlecone International AG	CHF	64.67	0.65	1.77	6.01	3.59	-	12.82	(5.66)	-	(5.66)	-	77.71%	100.00%
8	Bristlecone GmbH	EUR	67.66	0.34	10.82	17.17	6.01	-	39.80	5.19	1.28	3.91	-	77.71%	100.00%
9	Bristlecone (Singapore) Pte. Limited	SGD	45.52	7.60	(7.37)	0.29	0.06	-	0.53	(0.33)	-	(0.33)	-	77.71%	100.00%
10	Mahindra Aerospace Private Limited	INR	1.00	235.29	199.59	436.85	1.96	0.82	3.19	(1.22)	0.05	(1.27)	-	66.67%	100.00%
11	Mahindra Aerospace Australia Pty. Limited	AUD	47.77	211.38	4.91	312.79	96.50	-	10.53	5.10	-	5.10	-	66.67%	100.00%
12	Mahindra Aerostructures Private Limited	INR	1.00	160.36	(77.58)	190.55	107.77	10.64	1.96	(43.76)	-	(43.76)	-	66.67%	100.00%
13	Aerostaff Australia Pty. Limited	AUD	47.77	10.75	(12.49)	5.97	7.72	-	11.40	(2.15)	-	(2.15)	-	66.67%	100.00%
14	Gipp Aero Investments Pty. Limited	AUD	47.77	33.52	149.16	182.72	0.04	-	-	(0.04)	-	(0.04)	-	50.07%	75.10%
15	Gippaero Pty. Limited	AUD	47.77	158.83	(132.49)	213.27	186.93	-	82.66	(40.10)	-	(40.10)	-	50.07%	100.00%
16	Airvan Flight Services Pty. Limited	AUD	47.77	*	-	*	*	-	-	-	-	-	-	50.07%	100.00%
17	GA200 Pty. Limited	AUD	47.77	*	-	*	*	-	-	-	-	-	-	50.07%	100.00%
18	GAB Airvan Pty. Limited	AUD	47.77	*	-	*	*	-	-	-	-	-	-	50.07%	100.00%
19	Nomad TC Pty. Limited	AUD	47.77	0.05	(0.05)	-	-	-	-	-	-	-	-	50.07%	100.00%
20	Mahindra Defence Systems Limited	INR	1.00	7.17	70.18	106.48	29.13	-	59.36	(0.68)	(0.80)	0.12	-	100.00%	100.00%
21	Mahindra Defence Naval Systems Private Limited	INR	1.00	15.03	1.51	20.21	3.67	1.23	10.63	0.63	0.09	0.53	-	100.00%	100.00%
22	Mahindra Telephonics Integrated Systems Limited	INR	1.00	20.00	(12.95)	10.08	3.02	-	1.64	(6.09)	-	(6.09)	-	74.00%	100.00%
23	Mahindra Engineering and Chemical Products Limited	INR	1.00	48.50	442.55	547.42	56.37	23.44	3.78	(40.06)	6.25	(46.31)	-	100.00%	100.00%
24	Retail Initiative Holdings Limited	INR	1.00	20.55	(1.44)	513.53	494.42	-	-	(0.46)	-	(0.46)	-	100.00%	100.00%
25	Mahindra Retail Private Limited	INR	1.00	533.46	(582.20)	98.97	147.71	-	210.53	(118.89)	-	(118.89)	-	96.22%	100.00%
26	Mahindra Internet Commerce Private Limited	INR	1.00	5.01	(3.21)	7.77	5.98	-	4.03	(3.34)	-	(3.34)	-	96.22%	100.00%
27	Mahindra Holdings Limited	INR	1.00	96.59	23.40	120.06	0.07	13.46	5.33	5.83	0.27	5.56	-	100.00%	100.00%
28	Mahindra Offgrid Services Private Limited	INR	1.00	6.35	(0.30)	24.92	18.87	-	0.13	(0.27)	-	(0.27)	-	100.00%	100.00%
29	Mahindra EPC Services Private Limited	INR	1.00	43.68	73.60	316.09	198.81	6.45	507.64	23.57	8.34	15.23	-	100.00%	100.00%
30	Brightsolar Renewable Energy Private Limited	INR	1.00	6.16	(0.08)	6.11	0.03	5.99	0.14	(0.07)	-	(0.07)	-	100.00%	100.00%
31	Cleansolar Renewable Energy Private Limited	INR	1.00	2.96	15.60	18.58	0.02	18.09	0.14	0.01	-	0.01	-	100.00%	100.00%
32	Mahindra Integrated Business Solutions Private Limited	INR	1.00	1.50	4.17	9.52	3.85	2.14	12.93	2.45	0.70	1.75	0.18	100.00%	100.00%

Part "A" : Subsidiaries (Contd.)

Sr. No.	Name of the Subsidiary	Reporting Currency	Exchange Rate	Capital (Including Preference Capital)	Reserves & Surplus	Total Assets	Total Liabilities	Investments (excluding investments in subsidiaries)	Gross Turnover	Profit/ (Loss) before Tax	Provision for Tax	Profit/ (Loss) after Tax	Proposed Dividend and Tax thereon	Proportion of ownership interest @	Proportion
															of voting power where different
33	Mahindra Namaste Private Limited	INR	1.00	9.01	(6.69)	3.56	1.24	0.10	1.12	(3.75)	(0.08)	(3.67)	-	100.00%	
34	Mahindra Punjab Tractors Private Limited	INR	1.00	0.01	(0.02)	0.01	0.01	-	-	*	-	*	-	100.00%	
35	Mahindra Telecommunications Investment Private Limited	INR	1.00	0.47	5.77	6.26	0.02	0.10	3.17	3.14	0.09	3.05	-	100.00%	
36	Mahindra Holidays & Resorts India Limited	INR	1.00	88.05	642.84	2,713.92	1,983.03	9.58	807.56	104.97	25.94	79.02	42.74	75.64%	
37	Divine Heritage Hotels Private Limited	INR	1.00	0.70	(8.53)	27.02	34.84	-	3.47	(4.79)	-	(4.79)	-	75.64%	100.00%
38	Gables Promoters Private Limited **	INR	1.00	13.20	(0.05)	36.75	23.61	-	-	(0.02)	-	(0.02)	-	75.64%	100.00%
39	Holiday on Hills Resorts Private Limited	INR	1.00	1.00	(6.75)	34.12	39.86	-	7.38	(1.91)	-	(1.91)	-	75.64%	100.00%
40	Infinity Hospitality Group Company Limited #	THB	1.91	28.65	(20.70)	39.52	31.57	-	6.26	(1.93)	-	(1.93)	-	55.96%	100.00%
41	Mahindra Hotels and Residences India Limited	INR	1.00	0.05	(0.13)	*	0.08	-	-	(0.01)	-	(0.01)	-	75.64%	100.00%
42	MH Boutique Hospitality Limited	THB	1.91	1.91	(1.22)	7.28	6.59	-	*	(0.52)	-	(0.52)	-	37.07%	49.00%
43	Heritage Bird (M) Sdn. Bhd	MYR	16.81	0.50	(1.14)	7.68	8.32	-	1.51	(0.17)	*	(0.17)	-	75.64%	100.00%
44	Competent Hotels Private Limited	INR	1.00	3.08	4.38	9.25	1.78	-	2.71	2.94	1.04	1.90	-	75.64%	100.00%
45	MHR Holdings (Mauritius) Limited	EUR	67.66	0.98	(1.08)	74.11	74.21	-	0.66	(1.08)	-	(1.08)	-	75.64%	100.00%
46	Covington S.a.r.l. #	EUR	67.66	0.08	47.85	118.14	70.20	-	1.87	-	-	-	-	75.64%	100.00%
47	Mahindra Lifespace Developers Limited	INR	1.00	41.01	1,282.12	2,233.99	910.86	323.73	760.03	337.71	104.41	233.30	29.71	50.83%	
48	Mahindra Infrastructure Developers Limited	INR	1.00	18.00	(16.07)	3.22	1.29	0.07	0.05	(15.18)	*	(15.18)	-	50.83%	100.00%
49	Mahindra World City Developers Limited	INR	1.00	20.00	96.92	562.53	445.61	-	64.22	21.25	7.00	14.26	2.41	45.24%	89.00%
50	Mahindra Industrial Park Chennai Limited	INR	1.00	0.05	(0.01)	0.05	0.01	-	-	(0.01)	-	(0.01)	-	45.24%	100.00%
51	Mahindra World City (Jaipur) Limited	INR	1.00	200.00	60.11	690.16	430.05	58.64	134.28	56.15	18.16	37.99	10.23	37.61%	74.00%
52	Mahindra Integrated Township Limited	INR	1.00	50.44	23.31	218.08	144.33	-	155.67	42.00	1.48	40.51	-	48.95%	99.14%
53	Mahindra Residential Developers Limited	INR	1.00	0.26	87.88	134.70	46.56	-	67.69	17.62	3.69	13.92	-	48.95%	100.00%
54	Mahindra World City (Maharashtra) Limited	INR	1.00	1.17	(1.14)	0.04	0.01	-	*	*	-	*	-	50.83%	100.00%
55	Raigad Industrial and Business Park Limited	INR	1.00	0.11	(0.10)	0.06	0.05	-	-	(0.01)	-	(0.01)	-	50.83%	100.00%
56	Anthurium Developers Limited	INR	1.00	0.05	*	2.40	2.35	-	0.03	0.02	-	0.02	-	50.83%	100.00%
57	Industrial Township (Maharashtra) Limited	INR	1.00	5.00	(0.15)	5.17	0.32	-	-	(0.01)	-	(0.01)	-	50.83%	100.00%
58	Knowledge Township Limited	INR	1.00	21.00	(0.44)	44.76	24.20	-	0.01	*	-	*	-	50.83%	100.00%
59	Mahindra Bebanco Developers Limited	INR	1.00	0.05	6.38	129.05	122.63	-	81.13	15.20	3.22	11.98	-	35.58%	70.00%
60	Industrial Cluster Private Limited	INR	1.00	0.41	(13.28)	851.23	864.10	-	-	(14.16)	-	(14.16)	-	50.83%	100.00%
61	Mahindra Intertrade Limited	INR	1.00	16.60	380.50	558.02	160.93	11.00	1,306.59	110.24	38.07	72.17	19.98	100.00%	
62	Mahindra MiddleEast Electrical Steel Service Centre (FZC)	AED	16.97	3.45	28.06	35.94	4.43	-	37.97	0.02	-	0.02	-	90.00%	

## Part "A" : Subsidiaries (Contd.)

Sr. No.	Name of the Subsidiary	Reporting Currency	Exchange Rate	Capital (Including Preference Capital)	Reserves & Surplus	Total Assets	Total Liabilities	Investments (excluding investments in subsidiaries)	Gross Turnover	Profit/ (Loss) before Tax	Provision for Tax	Profit/ (Loss) after Tax	Proposed Dividend and Tax thereon	Rupees Crores	
														Proportion of ownership interest @	Proportion of voting power where different
63	Mahindra Electrical Steel Private Limited **	INR	1.00	0.05	(2.36)	8.94	11.25	-	0.01	(0.26)	-	(0.26)	-	100.00%	
64	Mahindra Steel Service Centre Limited	INR	1.00	16.54	76.79	208.70	115.37	-	164.24	13.50	5.96	7.54	1.99	61.00%	
65	Mahindra Auto Steel Private Limited **	INR	1.00	68.50	0.20	99.21	30.51	8.00	1.24	1.13	0.20	0.93	-	51.00%	
66	Mahindra Logistic Limited	INR	1.00	100.71	165.74	565.58	299.13	120.34	1,924.18	62.10	21.01	41.09	-	84.01%	
67	2 x 2 Logistics Private Limited	INR	1.00	4.01	0.10	4.94	0.83	-	1.46	0.13	0.04	0.09	-	46.20%	55.00%
68	Lords Freight (India) Private Limited	INR	1.00	2.36	1.80	18.74	14.58	0.01	69.46	(2.53)	0.18	(2.71)	-	50.41%	60.00%
69	Mahindra & Mahindra Financial Services Limited	INR	1.00	112.83	5,556.58	35,074.14	29,404.73	768.29	5,584.70	1,253.64	421.87	831.78	271.75	51.62%	
70	Mahindra Insurance Brokers Limited	INR	1.00	2.58	169.31	187.83	15.94	97.65	126.19	65.28	22.34	42.94	3.88	43.88%	85.00%
71	Mahindra Rural Housing Finance Limited	INR	1.00	65.74	107.42	2,119.42	1,946.26	-	328.44	67.32	23.14	44.17	10.29	45.17%	87.50%
72	Mahindra Asset Management Company Private Limited **	INR	1.00	1.05	(0.06)	0.99	*	0.75	0.01	(0.06)	-	(0.06)	-	51.62%	100.00%
73	Mahindra Trustee Company Private Limited **	INR	1.00	0.05	(0.03)	0.03	*	-	-	(0.01)	-	(0.01)	-	51.62%	100.00%
74	Mahindra Two Wheelers Limited	INR	1.00	2,094.39	(1,770.99)	771.25	447.85	133.29	724.16	(528.87)	-	(528.87)	-	88.91%	
75	Mahindra Two Wheelers Europe Holdings S.a r.l.	EUR	67.66	115.02	*	115.02	*	-	-	*	-	*	-	88.91%	100.00%
76	Peugeot Motorcycles SAS #	EUR	67.66	66.37	1,019.34	1,355.78	270.08	1.45	157.10	(48.60)	-	(48.60)	-	45.34%	51.00%
77	Peugeot Motorcycles Deutschland GmbH #	EUR	67.66	0.18	2.40	14.25	11.67	-	25.09	(1.83)	-	(1.83)	-	45.34%	100.00%
78	Peugeot Motorcycles Italia S.p.A #	EUR	67.66	1.79	(1.80)	32.94	32.95	-	9.95	0.04	-	0.04	-	45.34%	100.00%
79	Ssangyong Motor Company #	KRW	0.0565	3,856.33	173.68	11,668.82	7,638.81	-	18,271.03	(709.52)	-	(709.52)	-	73.23%	
80	Ssangyong European Parts Center B.V. #	EUR	67.66	4.74	24.14	37.54	8.66	-	68.34	0.74	0.12	0.62	-	73.23%	100.00%
81	Ssangyong Motor (Shanghai) Company Limited #	CNY	10.10	30.30	3.29	35.43	1.84	-	29.59	(7.88)	0.11	(7.98)	-	73.23%	100.00%
82	Mahindra Overseas Investment Company (Mauritius) Limited	USD	62.64	635.80	(203.58)	1,352.27	920.06	1,188.91	19.78	(10.58)	-	(10.58)	-	100.00%	
83	Mahindra-BT Investment Company (Mauritius) Limited	USD	62.64	74.42	81.22	155.69	0.05	0.56	-	0.63	-	0.63	-	57.00%	
84	Mahindra Europe S.r.l.	EUR	67.66	9.62	0.08	41.30	31.61	-	65.23	0.23	0.22	0.01	-	100.00%	
85	Mahindra Emirates Vehicle Armouring FZ-LLC	AED	16.97	16.97	(7.51)	13.91	4.46	-	40.73	4.30	-	4.30	-	51.00%	
86	Mahindra Graphic Research Design S.r.l.	EUR	67.66	6.49	(0.77)	16.48	10.76	-	23.96	(3.12)	*	(3.11)	-	100.00%	
87	Mahindra Tractor Assembly Inc.	USD	62.64	35.14	(5.10)	46.90	16.86	-	77.03	(3.45)	(0.13)	(3.32)	-	100.00%	
88	Mahindra Yueda (Yancheng) Tractor Company Limited #	CNY	10.10	519.14	147.16	1,007.27	340.98	-	575.20	(53.27)	-	(53.27)	-	51.00%	
89	Mahindra Racing S.r.l.	EUR	67.66	3.73	(0.55)	8.88	5.70	-	34.53	(0.16)	0.38	(0.54)	-	100.00%	
90	Mahindra Racing UK Limited	GBP	92.56	0.19	(0.08)	11.43	11.32	-	33.83	(0.08)	-	(0.08)	-	100.00%	
91	Mahindra Shubhlabh Services Limited	INR	1.00	13.41	7.87	55.58	34.30	-	158.49	7.17	2.18	4.99	-	100.00%	
92	Mahindra UNIVEG Private Limited	INR	1.00	5.55	4.88	19.81	9.38	-	12.23	(0.38)	-	(0.38)	-	60.00%	
93	Mahindra USA Inc.	USD	62.64	87.70	(17.54)	967.16	897.00	-	2,238.13	24.61	(19.15)	5.46	-	100.00%	

Part "A" : Subsidiaries (Contd.)

Sr. No.	Name of the Subsidiary	Reporting Currency	Exchange Rate	Capital (including Preference Capital)	Reserves & Surplus	Total Assets	Total Liabilities	Investments (excluding investments in subsidiaries)	Gross Turnover	Profit/ (Loss) before Tax	Provision for Tax	Profit/ (Loss) after Tax	Proposed Dividend and Tax thereon	Proportion of ownership interest @	Rs
															Proportion of voting power where different
94	Mahindra North American Technical Center, Inc.	USD	62.64	*	10.15	36.43	26.22	-	119.18	9.80	(0.20)	10.00	-	100.00%	
95	EPC Industrie Limited	INR	1.00	27.65	86.78	152.38	37.95	0.01	171.82	2.67	0.88	1.79	-	54.78%	
96	Mahindra Automotive Australia Pty. Limited	AUD	47.77	21.85	(13.02)	46.12	37.29	-	97.38	2.46	-	2.46	-	100.00%	
97	Mahindra Consulting Engineers Limited	INR	1.00	2.13	9.75	23.13	11.26	-	25.99	3.07	1.00	2.07	0.62	54.16%	
98	Mahindra Automobile Distributor Private Limited	INR	1.00	1.00	7.98	33.07	24.09	14.23	86.55	20.61	6.80	13.81	13.72	95.00%	
99	Mahindra First Choice Services Limited	INR	1.00	191.90	(158.55)	47.73	14.39	-	50.25	(54.05)	-	(54.05)	-	100.00%	
100	Mahindra First Choice Wheels Limited	INR	1.00	73.84	9.26	110.27	27.17	3.18	44.03	1.92	-	1.92	-	45.50%	
101	Mahindra & Mahindra South Africa (Pty) Limited	ZAR	5.16	26.83	50.61	163.28	85.83	-	354.22	29.87	8.35	21.52	-	100.00%	
102	Mahindra Trucks and Buses Limited	INR	1.00	22.96	3.50	60.42	33.96	8.00	101.22	3.42	1.14	2.28	1.38	100.00%	
103	Mahindra Heavy Engines Private Limited	INR	1.00	508.00	(309.86)	361.53	163.39	-	176.63	(53.41)	-	(53.41)	-	100.00%	
104	Mahindra Reva Electric Vehicles Private Limited	INR	1.00	35.69	(1.47)	215.52	181.30	3.33	43.04	(94.08)	-	(94.08)	-	75.72%	
105	Mahindra Vehicle Manufacturers Limited	INR	1.00	962.25	558.30	3,622.25	2,101.70	2.80	6,160.46	239.14	86.11	153.03	66.82	100.00%	
106	Swaraj Automotives Limited	INR	1.00	2.40	22.77	50.91	25.74	-	104.41	3.57	1.16	2.41	1.01	71.19%	
107	Mahindra HZPC Private Limited	INR	1.00	7.89	7.66	22.78	7.22	-	21.62	0.94	0.31	0.63	-	59.95%	
108	Mahindra 'Electoral Trust' Company	INR	1.00	0.05	(0.01)	0.05	*	-	-	*	-	*	-	100.00%	
109	Mriyalguda Farm Solution Limited	INR	1.00	0.80	(0.80)	*	*	-	-	*	-	*	-	69.00%	
110	Mahindra Gujarat Tractor Limited	INR	1.00	20.30	(16.77)	63.51	59.98	-	115.18	6.02	1.52	4.50	-	60.00%	
111	NBS International Limited	INR	1.00	0.05	(9.53)	34.03	43.51	-	182.37	(3.42)	(0.11)	(3.32)	-	100.00%	
112	Defence Land Systems India Limited	INR	1.00	166.00	(80.68)	93.22	7.91	2.21	18.90	(9.20)	-	(9.20)	-	100.00%	
113	Mahindra Sanyo Special Steel Private Limited	INR	1.00	10.00	181.61	625.56	433.95	14.00	1,026.22	(63.27)	-	(63.27)	-	51.00%	

Notes :

\* denotes amounts less than Rs. 50,000.

\*\* denotes companies yet to commence operations

@ excluding shares issued to ESOP Trusts of the respective entities/their holding companies but not allotted to employees as per the Guidance Note on Accounting for Employee Share Based Payments issued by 'The Institute of Chartered Accountants of India'.

# denotes companies where reporting period is 1<sup>st</sup> January, 2014 to 31<sup>st</sup> December, 2014. The financial year for all other subsidiaries is 1<sup>st</sup> April, 2014 to 31<sup>st</sup> March, 2015

Names of subsidiaries which have ceased to exist during the year on account of Liquidation/ Sale/Merger through scheme of arrangement are as under (also refer note 1 of Consolidated Financial Statements):

- Mahindra Engineering Services Limited
- Mahindra Engineering Services (Europe) Limited
- Mahindra Engineering GmbH
- Mahindra Technologies Services Inc.
- Mahindra Ugin Steel Company Limited
- Mahindra Gears International Limited
- Mahindra Gears Global Limited
- Mahindra Gears Cyprus Limited
- Metalcastello S.P.A.
- Crest Geartech Private Limited
- Mahindra Gears & Transmissions Private Limited
- Mahindra Investments (India) Private Limited
- Mahindra Conveyor Systems Private Limited
- Bell Tower Resorts Private Limited
- Mahindra Holidays and Resorts USA Inc.
- Jiangxi Mahindra Yueda Tractor Company Limited
- Mahindra Business & Consulting Services Private Limited

**Part "B" Details of Associates / Joint Ventures**

Rupees crores

Name of Associates / Joint Ventures	Audited Balance Sheet Date	No. of Equity shares held	% of Holding	Cost of Investments (Equity Shares)	Networth attributable to Shareholding as per latest audited Balance Sheet	Profit / (Loss) for the year	
						Considered in Consolidation	Not considered in consolidation
<b>Associates ~</b>							
Mahindra Construction Company Limited	31/03/2014	9,00,000	37.49%	0.97	(3.55)	-	(7.13)
Officemartindia.com Limited	31/03/2015	7,49,997	50.00%	0.22	(0.12)	-	*
Rathna Bhoomi Enterprises Private Limited ++	31/03/2014	500	25.41%	*	(0.06)	-	*
Kota Farm Services Limited	31/03/2015	2,73,420	45.00%	0.27	(0.14)	-	*
Mega One Stop Farm Services Limited	31/03/2015	3,51,000	45.00%	0.35	(0.25)	-	*
Mahindra & Mahindra Contech Limited ≈	31/03/2015	70,000	46.66%	1.73	2.96	0.27	0.31
PSL Media & Communications Limited ≈	31/03/2014	39,498	36.12%	0.01	0.66	-	0.04
Kismat Developers Private Limited >	31/03/2015	15	42.86%	*	(0.22)	-	*
Topical Builders Private Limited >	31/03/2015	175	50.00%	*	(2.75)	-	0.16
Mahindra Tsubaki Conveyor Systems Private Limited <	31/03/2015	1,53,76,025	49.00%	18.31	28.94	0.43	0.51
Holiday Club Resorts Oy !	30/09/2014	7,07,777	22.34%	114.28	- •	0.66	2.28
Swaraj Engines Limited	31/03/2015	41,26,417	33.22%	1.63	70.45	17.22	34.62
Tech Mahindra Limited ##	31/03/2015	25,66,93,512	26.71%	2,691.53	3,271.13	701.76	1,925.91
Mahindra CIE Automotive Limited	31/03/2015	6,52,71,407	20.21%	531.48	384.39	(15.79)	(62.36)
CIE Automotive, S.A. »	31/12/2014	1,60,40,706	12.44%	821.60	537.97	84.16	592.65
<b>Joint Ventures</b>							
Mahindra Sona Limited	31/03/2015	26,20,000	29.77%	1.64	41.94	9.23	21.79
Mahindra Water Utilities Limited **	31/03/2015	50,000	50.00%	0.05	22.26	0.87	0.87
Mahindra Infranman Water Utilities Private Limited **	31/03/2015	25,000	50.00%	0.03	0.04	*	*
Mahindra Solar One Private Limited #	31/03/2015	27,81,640	26.00%	27.73	27.07	(1.00)	(2.85)
Mahindra Homes Private Limited ^	31/03/2015	2,06,017	50.00%	0.21	(6.44)	(7.08)	(7.08)
Mahindra Finance USA LLC @	31/03/2015	1,99,52,105	49.00%	107.87	155.59	13.62	14.18
Arabian Dreams Hotel Apartments LLC £	31/03/2015	147	49.00%	0.52	(3.44)	(1.78)	(1.85)
Jinan Qingqi Peugeot Motorcycle Company Limited €	31/12/2014	1	50.00%	46.25	- ◊	(2.14)	(2.14)

\* denotes amounts less than Rs. 50,000.

~ Significant influence is exercised through shareholding except CIE Automotive, S.A. where it is through contractual representation on the board of the company

• The investment was acquired on 21<sup>st</sup> November, 2014 hence networth of the company as per latest audited balance sheet date is Nil

◊ The investment was acquired on 19<sup>th</sup> January, 2015 hence networth of the company as per latest audited balance sheet date is Nil

++ Shareholding is through a subsidiary, Mahindra Infrastructure Developers Limited.

≈ Shareholding is through the Company and its subsidiary, Mahindra Holdings Limited.

> Shareholding is through a subsidiary, Mahindra Lifespace Developers Limited.

» Shareholding is through a subsidiary, Mahindra Overseas Investment Company (Mauritius) Limited.

! Shareholding is through a subsidiary, Covington S.à.r.l.

< Shareholding is through a subsidiary, Mahindra Engineering and Chemical Products Limited.

## Shareholding is through the Company and its subsidiaries, Mahindra Holdings Limited and Mahindra-BT Investment Company (Mauritius) Limited.

\*\* Shareholding is through a subsidiary, Mahindra Infrastructure Developers Limited.

# Shareholding is through a subsidiary, Mahindra Holdings Limited.

@ Shareholding is through a subsidiary, Mahindra & Mahindra Financial Services Limited.

^ Shareholding is through a subsidiary, Mahindra Lifespace Developers Limited.

£ Shareholding is through a subsidiary, Mahindra Holidays & Resorts India Limited.

€ Shareholding is through a subsidiary, Peugeot Motocycles SAS

**Notes:** 1. No Associates / Joint Ventures are yet to commence operations.  
2. No Associates / Joint Ventures have been liquidated or sold during the year.

Bharat Doshi  
Deepak S. Parekh  
Nadir B. Godrej  
M. M. Murugappan  
R. K. Kulkarni  
Anupam Puri  
Vishakha N. Desai  
Vikram Singh Mehta  
S. B. Mainak

Directors

Anand G. Mahindra

Chairman & Managing Director

Dr. Pawan Goenka

Executive Director & Group President  
(Auto and Farm Sector)

V. S. Parthasarathy

Group Chief Financial Officer, Group CIO &  
President (Group Finance and M&A)

Narayan Shankar

Company Secretary

Mumbai, 29<sup>th</sup> May, 2015

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## Awards and Accolades

- Mahindra & Mahindra Ltd. (M&M) featured in The Economic Times - Hay Group survey of India's Best Boards and was ranked at No. 3 in The Economic Times list of India's Best Companies for CSR 2014.
- The Aon Hewitt Top Companies for Leaders study evaluates and recognizes what it takes to execute best-in-class leadership and talent management around the world. M&M received the AON Hewitt Award for Top 10 Global Companies for Leaders.
- M&M was awarded the Dun & Bradstreet — Manappuram Finance Limited Corporate Award 2014 for being No. 1 in the Automobile Sector, in the list of India's Top 500 Companies.
- Mahindra received the Best Risk Management Framework & Systems – Conglomerate of the Year award and the Best Supply Chain Risk Management Framework – Company of the Year award at the ICICI Lombard & CNBC TV 18 India Risk Management Awards.
- Keshub Mahindra, Chairman Emeritus, M&M, was honoured with the Lifetime Achievement Award from ASSOCHAM (The Associated Chambers of Commerce and Industry of India), in recognition of his stellar contribution to Indian industry over the past five decades.
- Anand Mahindra, Chairman & Managing Director, M&M, became the first Indian to receive the prestigious Harvard Medal for his dedication, generosity and service to the University. Harvard President Drew Faust, the Lincoln Professor of History, presented him with the medal at the Annual Meeting of the Harvard Alumni Association during Harvard's 363rd Commencement Afternoon Program on May 29, 2014.
- Anand Mahindra was declared Best CEO overall in the Large Companies category at the Business Today Best CEO Awards. He also received the award for Best CEO in the automobile industry.
- Dr. Pawan Goenka, Executive Director, M&M and Group President (Auto & Farm Sector) was conferred the degree of Doctor of Science (Honoris Causa) by his alma mater, IIT Kanpur in recognition of his outstanding contribution to automotive engineering including designing, manufacturing and launching commercially successful vehicles.
- Dr. Pawan Goenka received the Qimpro Gold Standard 2014 for Business award at the Qimpro Awards 2014 which recognise excellence in quality.
- The "Most Powerful HR Professionals of India" Award was presented to Rajeev Dubey, Group President (HR & Corporate Services) & (CEO After-Market Sector) and Member of the Group Executive Board at the World HRD Congress in 2015.
- V S Parthasarathy, Group CFO, Group CIO & President (Group Finance and M&A) and Member of the Group Executive Board was adjudged the winner of the CFO Innovation Asia Award 2014 for Excellence in Mergers & Acquisitions. He also received the award for Best CFO in the Manufacturing Sector from his alma mater, ICAI.
- V S Parthasarathy received the Lifetime Achievement Award for his contribution to the IT field at CIOL's C-Change Enterprise Awards 2015.

**Mahindra**  
*Rise.*

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