

## MAHINDRA & MAHINDRA LIMITED

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### **Press Release**

### **M&M + MVML Q4 F2016 Net Revenue grows by 13% and PBT grows by 26%**

**Mumbai, 30<sup>th</sup> May 2016:** The Board of Directors of Mahindra and Mahindra Limited today announced the financial results for the quarter ended 31<sup>st</sup> March 2016 of the company and the audited results for the year ended 31<sup>st</sup> March 2016 for the company and the consolidated Mahindra Group.

Mahindra Vehicle Manufacturers Limited (MVML), was set up as a 100% subsidiary of the company with a view to sourcing contemporary products for expanding the market offerings of the company. Hence it is a critical part of its business and only the combined results of M&M and MVML (Combined Entity) can provide a comprehensive view of the company's performance.

### **Q4 F2016 – M&M + MVML Results**

The Gross Revenues and Other Income of the Combined Entity for the quarter ended 31<sup>st</sup> March 2016 is **Rs. 11669 crore** as against Rs. 10064 crore in the corresponding quarter of the previous year – **a growth of 16%**. The Profit before tax and exceptional item for the current quarter is **Rs. 931 crore** as against Rs 740 crore in the corresponding quarter of the previous year – **a growth of 26%**. The Net Profit after tax before exceptional items for the current quarter is **Rs. 662 crore** as against Rs. 550 crore in the corresponding quarter of the previous year – **a growth of 20.5%**. The Net Profit after tax after exceptional item is **Rs 668 crore** for the current quarter as against Rs 586 crore for the corresponding quarter of the previous year – **a growth of 14%**.

For Q4 F2016, the passenger vehicle market grew 2.5% with the Utility Vehicle segment growing 15.2% on back of new launches and urban demand. The MHCV goods segment continued to grow on back of replacement demand, improvement in industrial activity and movement in infrastructure projects. For Q4 F2016, sentiment in rural India however, continued to remain subdued. After five consecutive quarters of de-growth the tractor industry witnessed a growth of 7.9% in Q4 F2016. This was primarily due to a marginally higher Rabi food grain production and lower industry base. Going ahead a good monsoon will be a key enabler in reviving the demand for tractors. The IMD and Skymet have both forecasted above normal monsoon which bodes well for the industry.

The Combined Entity continued its leadership position in both the utility vehicle segment and the domestic tractor market with a market share of 41% and 39.2% respectively. In the Utility Vehicle segment, the company sold a total of 69,082 vehicles in Q4 F2016 – **a growth of 21.1%** over the corresponding quarter in the previous year. In January 2016, The Combined Entity launched its much awaited compact SUV, KUV100. The KUV100 combines aggressive styling and an SUV stance with refined and stylish interiors and safety features such as ABS with EBD standard across the range, dual airbags optional from the base variant and ISOFIX mounts for

a child seat on the rear seat. The KUV100 is powered by the all new mFALCON family of petrol and diesel engines and marks Mahindra's entry into the petrol space. The Company continued its leadership position in the Pick-Up (LCV 2 to 3.5 T) segment with a 66.6% market share and continued to be the largest player in the small commercial vehicle (< 3.5T GVW) segment with a market share of 49%. The combined entity sold 41129 tractors in Q4 2016 in the domestic market registering - **a growth of 18.6%**. In the current quarter the Combined Entity exported 9501 vehicles and 2286 tractors respectively.

#### **Q4 F2016 – M&M Standalone results**

The Gross Revenues and Other Income of the Company for the quarter ended 31<sup>st</sup> March 2016 is **Rs. 11824 crore** as against Rs. 10199 crore in the corresponding quarter of the previous year. The Net Profit after exceptional item and tax for the current quarter is **Rs. 584 crore** as against Rs. 551 crore in the corresponding quarter of the previous year.

#### **F2016 – M&M + MVML Results**

The Gross Revenues and other income of the Combined Entity for the year ended 31<sup>st</sup> March 2016 is **Rs. 43918 crore** as against Rs. 40997 crore in the previous year – **a growth of 7.1%**. The Net Profit after tax before exceptional items for the current year is **Rs. 3292 crore** as against Rs. 3088 crore in the previous year – **a growth of 6.6%**. The Net Profit after tax after exceptional items for the current year is Rs. 3298 crore as against Rs. 3423 crore in the previous year.

#### **F2016 - M&M Standalone results**

The Gross Revenues and other income of the Company for the year ended 31<sup>st</sup> March 2016 is **Rs. 44461 crore** as against Rs. 41481 crore in the previous year. The Net Profit after tax before exceptional items for the current year is **Rs. 3099 crore** as against Rs. 2985 crore in the previous year. The Net Profit after tax after exceptional items for the current year is Rs. 3167 crore as against Rs. 3321 crore in the previous year.

The Board of Directors has recommended a dividend of Rs. 12.00 (240%) per share of face value Rs. 5.00 which will absorb a sum of Rs. 841.68 crore inclusive of tax (previous year Rs. 12 (240%) per share of face value Rs.5.00 each which absorbed an amount of Rs. 846.95 crore inclusive of tax) and will be paid to those shareholders whose names stand registered in the books of the company as on the book closure date.

#### **F2016 – Group Consolidated Results**

The consolidated Gross Revenues and Other Income for the year ended 31<sup>st</sup> March 2016 is **Rs. 83207 crore (USD 12.8 billion)** as against Rs.75514 crore (USD 11.6 billion) in the previous year – **a growth of 10%**. The consolidated Profit after tax after minority interest before exceptional items for the year is **Rs. 3206 crore (USD 491.7 million)** as against Rs. 2863 crore (USD 439 million) in the previous year – **a growth of 12%**. The consolidated Profit after tax after minority interests and exceptional items for the year is **Rs. 3211 crore (USD 492.4 million)** as against Rs. 3137 crore (USD 481.1 million) in the previous year.

During the year some of the major group companies like Tech Mahindra and Mahindra Holidays improved their performance over the previous year. The group's hospitality arm Mahindra Holidays posted a revenue growth of 19% and profit after tax growth of 49%. Tech Mahindra Limited grew consolidated revenue by 17% and consolidated PAT by 19%.

The Group at the end of the year comprised of 154 Subsidiaries, 8 Joint Ventures and 16 Associates. A full summation of Gross Revenues and other income of all the group companies taken together for the whole year F2016 is **Rs. 116245 crore (USD 17.8 billion)**.

**Outlook:**

While the macroeconomic environment in India continues to improve, the pace of growth recovery has, thus far, remained modest and patchy. With external demand remaining sluggish, a rural economy battered by two consecutive drought years, gridlocked infrastructure projects and, a private corporate sector reeling under the burden of slowing sales and rising balance sheet stress, urban consumption demand, foreign direct investments and public capital expenditure were the only drivers of growth left standing through most of the year. Recent data indicators, however, suggest that a turnaround may be in the offing with the country likely to experience a stronger, more broad-based economic recovery through 2016-17. For one, infrastructural activity, particularly in the power and road sectors, registered a smart pick up in the last quarter of 2015-16 indicating that the government's focused policy efforts in this space are finally beginning to bear fruit. Rising bitumen production, cement dispatches and freight rates attest to the same. Second, growth in domestic sales of motor cycles and tractors turned positive this past quarter, suggesting that the rural economy may now be stabilizing, albeit at a low level. With a robust monsoon season predicted for this year, rural demand will, in all likelihood, pick up pace in the coming quarters. Finally, with both infrastructural activity and consumption demand gaining strength, balance sheet stresses in the corporate sector are likely to wane, setting the stage for a revival in domestic private sector investment by year end. Thus, even as we remain alert to the downside risks emanating from a challenging global environment and domestic banking distress, the company's outlook on the economy remains upbeat and it looks to the future with confidence.

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**Note:** Translation of rupee to dollar is a convenience translation at the average exchange rate for the twelve month period ended 31<sup>st</sup> March 2016.