

MAHINDRA & MAHINDRA LIMITED

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Press Release

M&M + MVML Revenue Rs. 12049 crore – up 18%

M&M + MVML PAT Rs. 1253 crore – up 29%

Mumbai, 11th November 2016: The Board of Directors of Mahindra and Mahindra Limited today announced the unaudited financial results of the company for the quarter ended 30th September 2016. The results are being published under the new Indian Accounting Standard (IND AS) which became applicable from 1st April 2016.

Q2 F2017 – M&M + MVML* Results

- Gross Revenues and Other Income Rs. 12049 crore, up 18% YoY
- Profit from ordinary activities before tax Rs. 1740 crore, up 34% YoY
- Profit from ordinary activities after tax Rs. 1253 crore, up 29% YoY

- 114795 vehicles sold, a YoY growth of 11.6%
- 52287 utility vehicles sold, a YoY growth of 15.6%
- 57863 tractors sold in the domestic market, a YoY growth of 36.9%
- Total exports of 15181 numbers (11385 vehicles & 3796 tractors), a YoY growth of 13.3%

Q2 F2017 – M&M Standalone results

- Gross Revenues and Other Income Rs. 12071 crore, up 17% YoY
- Profit from ordinary activities after tax Rs. 1163 crore, up 27% YoY

H1 F2017 – M&M + MVML Results

- Gross Revenues and Other Income Rs. 24010 crore, up 16% YoY
- Profit from ordinary activities before tax Rs. 3058 crore, up 25% YoY
- Profit from ordinary activities after tax Rs. 2215 crore, up 23% YoY

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

H1 F2017 – M&M Standalone results

- Gross Revenues and Other Income Rs. 24231 crore, up 16% YoY
- Profit from ordinary activities after tax Rs. 2118 crore, up 20% YoY

Outlook:

India's macro economic story is slowly but surely taking shape although data on industrial production and slow trade growth continued to act as ceilings to India's growth. The IMF avers that in the current – and projected – global scenario, India will continue to stand out with the fastest growth rate. And this prognosis is not without reason. After two years of sub-par rainfall, this year's monsoon has been abundant and well spread which will help revive farm income and push up private consumption. The first advance estimates released by the agriculture ministry for kharif crops this year suggests a record output, higher by 9%. Higher soil moisture due to good monsoon also augurs well for the Rabi crop. Higher crop output will help improve spends on agri-inputs and services. Moreover, prices of key agricultural inputs have stabilized which signals that farmer balance sheets are on the mend now and this will help revive the overall rural economy.

Importantly, there is discernible traction on reforms including GST which augurs well for India's growth trajectory. Moreover, there are signs of demand recovery manifesting through broader consumption pick-up in growth rates in automobile sales, air passenger traffic and retail loans. The Seventh Pay Commission and the OROP scheme award has put money in the pockets of government employees and pensioners which will further help demand. The lagged effects of interest rate cuts by RBI along with the increased transmission of lower interest rates will also be supportive of consumption. All of these bode well for broad-based consumption led growth in the coming quarters.