

REF:NS:SEC:

10th November, 2017

National Stock Exchange of India Limited
"Exchange Plaza", 5th Floor,
Plot No.C/1, G Block
Bandra-Kurla Complex
Bandra (East), Mumbai 400051.

BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street, Fort,
Mumbai 400001.

Bourse de Luxembourg
Societe de la Bourse de Luxembourg
Societe Anonyme/R.C.B. 6222,
B.P. 165, L-2011 Luxembourg.

London Stock Exchange Plc
10 Paternoster Square
London EC4M 7LS.

Sub: SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015 - Presentation made to the Analyst/Institutional Investor

This is further to our letter bearing REF:NS:SEC dated 30th October, 2017 wherein we had given you an advance intimation of the upcoming Analyst or Institutional Investor Interactions in terms of Regulation 30(6) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

We wish to inform that the Company today conducted M&M Q2 FY2018 Earnings Con-Call with several funds/Investors/Analysts, at Mumbai and the Presentation which was sent to the Stock Exchanges vide letter bearing REF:NS:SEC dated 10th November, 2017 has been uploaded on the Company's website with the link <http://www.mahindra.com/resources/investor-reports/FY18/Announcements/Investor-Presentation-post-Q2FY18-results.pdf>

Further, an IR Flash being issued based on the discussions on the above Con-call is attached.

Kindly take the same on record and acknowledge receipt.

Yours faithfully,
For MAHINDRA & MAHINDRA LIMITED


NARAYAN SHANKAR
COMPANY SECRETARY

Encl.: a/a

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Mahindra & Mahindra Limited

IR Flash – Q2FY18 – Earnings Call

Date & Time	November 10, 2017; 5:15 pm IST
Event	Earnings Call – Q2FY18
Participants from M&M	<ul style="list-style-type: none"> ➤ Dr. Pawan Goenka - Managing Director; ➤ Mr. V.S. Parthasarathy - Group CFO, Group CIO ➤ Senior Management of the company including the IR team
Audio Recording	Available on: http://www.mahindra.com/investors/reports-and-presentations under M&M Reports/2017-2018/Earnings Update

There were 2 significant changes in Q2FY18 that are relevant for current financials:

- As the final approval for merger of 2-wheeler business was received in October 2017, the financials of the current quarter include the financials of 2-wheeler business; also, the financials of previous quarters have been restated, wherever required. Accordingly, Q2FY18 financials include Rs 37 Crs in topline, loss of Rs.21cr at PBT level and loss of Rs 12cr at PAT level, attributable to 2-wheeler business.
- Tractor became taxable under GST regime. Accordingly, Q2F17 financials have been re-stated assuming GST was applicable at that time, strictly to make both figures comparable (Q2FY17 Revenue restated downwards by Rs 181 Crs).

Key Financial Highlights:

- Net Revenues of Rs 12,018 Crs, higher by 19.4% Vs Q2FY17 (Rs 10,065 Crs) and this is highest ever Revenue of M&M+MVML
- EBIDTA at Rs 1,923 Crs is 35.1% higher than Q2FY17 (Rs 1,423 Crs)
- OPM margin at 16.0% expanded 190 bps over Q2FY17 (14.1%); highest since FY12
- Key drivers for margin growth during the quarter were:
 - Operational efficiency
 - Reduced losses in MTBD
 - Favourable model mix
- PBIT of Rs 2079 Crs, is higher by 25.9% against Q2FY17 (Rs 1651Crs), resulting in ROS of 16.54%, which is highest ever ROS since FY12.
- Higher tax rate continues in Q2FY18 at higher than 31%, on account of:
 - R&D weighted deduction reduced from earlier 200% to 150%
 - Investment allowance u/s 32AC discontinued from FY18 onwards
 - No reduction in headline tax rate
- PAT at Rs 1,411 Crs is up by 22.0% against Q2F17 (Rs 1,157 Crs). This is highest ever quarterly profit by M&M + MVML.

FES Highlights:

- Segment Result at Rs. 841 Crs is higher by 38.1% Vs Q2FY17 (Rs 609 Crs). This is highest ever segment profit & ROS margin (21.64%) reported by FES in any quarter
- Export volumes at 3,983 in Q2FY18 were higher by 4% over previous year, highest ever Q2 exports
- Tractor Industry is expected to end the year with 12-14% growth for FY18.

- The Tractor industry is not likely to be saturated at least for the next 8-9 years. The industry is likely to be saturated only when the industry volume reaches 12-13 lakhs per annum, which would mean it would take at least 8-9 years based on a CAGR of 8-9%.
- After a build-up of Inventory in September due to festive season, M&M has destocked inventory significantly in October.
- During the quarter, the company took a price increase of 1.7%.

Auto Highlights:

- Auto Sector reported highest ever segment profit (Rs. 837 crs) & ROS margin (10.78%) in any quarter (on comparable basis including MTBD).
- Exports were lower by 32%, mainly due to challenging economic environment in neighboring markets
- Power brands (XUV500, Scorpio, Bolero) continued to perform well. Scorpio recorded highest ever sales in September; Bolero volume returned to its peak run rate of about 8000 nos./ month. New products (KUV100 & TUV300) are gaining traction
- The launch schedule of new products (U321 & S201) and all refreshes is on track.
- By 2020, all models will have petrol variant. M&M is currently working on 3 models of gasoline engine - 1.2L, 1.5L and 2L.
- **Electric Vehicles –**
 - Mahindra Electric will invest (Rs.600cr) in technology development and component manufacturing while, M&M will invest in vehicle development and manufacturing.
 - Mahindra Electric will invest in following areas of technology development, either on its own or through joint venture:
 - Battery (cells will be imported)
 - Power electronics
 - Transmission
 - Motor
 - M&M has plans to expand manufacturing capacity to 5000 vehicles per month. The products will include the entire range from 3-wheelers to buses, to be gradually introduced within next few years.

Financials at a glance (Figures in Rs Crs)			
(M&M + MVML)	Q2FY18	Q2FY17	Change
Net Income from Operations	12,018	10,065	19.4%
EBITDA	1,923	1,423	35.1%
OPM	16.0%	14.1%	+190 bps
PAT	1,411	1,157	22.0%
PAT (%)	11.7%	11.5%	

- Access our first Integrated report on our website:
<http://www.mahindra.com/annualreviewFY17/assets/Downloads/Mahindra/Riseforgood/mahindra-integrated-report-FY17.pdf>
- Mahindra Investor Relations App is available on Google Play Store and Apple Store. Kindly search for 'Mahindra Investor Relations'