

THE SIXTY-SIXTH ANNUAL GENERAL MEETING OF MAHINDRA & MAHINDRA LIMITED will be held at Birla Matushri Sabhagar, 19, Sir Vithaldas Thackersey Marg (New Marine Lines), Mumbai - 400 020 on Wednesday, the 8th day of August, 2012 at 3.30 p.m. to transact the following businesses:

1. To receive and adopt the audited Balance Sheet as at 31st March, 2012 and the Statement of Profit and Loss for the year ended on that date and the Reports of the Directors and the Auditors thereon.
2. To declare a dividend on Ordinary (Equity) Shares.
3. To appoint a Director in place of Mr. Deepak S. Parekh who retires by rotation and, being eligible, offers himself for re-election.
4. To appoint a Director in place of Mr. A. K. Nanda who retires by rotation and, being eligible, offers himself for re-election.
5. To appoint a Director in place of Mr. Narayanan Vaghul who retires by rotation and, being eligible, offers himself for re-election.
6. To appoint a Director in place of Mr. R. K. Kulkarni who retires by rotation and, being eligible, offers himself for re-election.
7. **To consider and, if thought fit, to pass, with or without modification(s), the following as an Ordinary Resolution:**

"RESOLVED that pursuant to section 224 of the Companies Act, 1956, Messrs Deloitte Haskins & Sells, Chartered Accountants (ICAI Registration Number 117364W), the retiring Auditors of the Company, be re-appointed as Auditors of the Company to hold office from the conclusion of this Annual General Meeting, until the conclusion of the next Annual General Meeting of the Company at a remuneration to be determined by the Board of Directors of the Company in addition to out of pocket expenses as may be incurred by them during the course of the Audit."

SPECIAL BUSINESS

8. **To consider and, if thought fit, to pass, with or without modification(s), the following as an Ordinary Resolution:**

"RESOLVED that Dr. Vishakha N. Desai, who was appointed by the Board of Directors as an Additional Director of the Company with effect from 30th May, 2012 and who holds office upto the date of this Annual General Meeting of the Company in terms of section 260 of the Companies Act, 1956 ("the Act") and in respect of whom the Company has received a Notice in writing from a Member under section 257 of the Act proposing her candidature for the office of Director of the Company, be appointed a Director of the Company, liable to retire by rotation."

9. **To consider and, if thought fit, to pass, with or without modification(s), the following as an Ordinary Resolution:**

"RESOLVED that Mr. Vikram Singh Mehta, who was appointed by the Board of Directors as an Additional Director of the Company with effect from 30th May, 2012 and who holds office upto the date of this Annual General Meeting of the Company in terms of section 260 of the Companies Act, 1956 ("the Act") and in respect of whom the Company has received a Notice in writing from a Member under section 257 of the Act proposing his candidature for the office of Director of the Company, be appointed a Director of the Company, liable to retire by rotation."

10. **To consider and, if thought fit, to pass, with or without modification(s), the following as a Special Resolution:**

"RESOLVED that pursuant to the provisions of sections 198, 269, 309, 310, 311 and all other applicable provisions of the Companies Act, 1956 ("the Act") (including any statutory modification or re-enactment thereof for the time being in force) read with Schedule XIII of the Act and subject to the approval of the Central Government, if necessary, and such other approvals, permissions and sanctions, as may be required and subject to such conditions and modifications, as may be prescribed or imposed by any of the authorities while granting such approvals, permissions and sanctions, approval of the Company be accorded to the 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 4th April, 2012 to 3rd April, 2017 on a salary of Rs. 8,29,200 per month in the scale of Rs. 8,00,000 to Rs. 25,00,000 per month.

FURTHER RESOLVED that the approval of the Company be accorded to the Board of Directors of the Company (hereinafter referred to as the 'Board' which term shall be deemed to include any duly authorised Committee thereof, for the time being exercising the powers conferred on the Board by this Resolution) to revise the basic salary payable to Mr. Anand G. Mahindra, designated as Vice-Chairman & Managing Director (hereinafter referred to as "the appointee") within the abovementioned scale of salary.

FURTHER RESOLVED that the perquisites (including allowances) payable or allowable and commission to the appointee be as follows:

Perquisites:

1. In addition to the salary, the appointee shall also be entitled to perquisites which would include accommodation (furnished or otherwise) or house rent allowance in lieu thereof, gas, electricity, water, furnishings, medical reimbursement and leave travel concession for self and family, club fees, use of Company cars, medical and personal accident insurance and other benefits, amenities and facilities including those under the Company's Special Post Retirement Benefits Scheme in accordance with the Rules of the Company.

The value of the perquisites would be evaluated as per Income-tax Rules, 1962 wherever applicable and at cost in the absence of any such Rule.

2. Contribution to Provident Fund, Superannuation Fund, Annuity Fund and Gratuity would not be included in the computation of ceiling on remuneration to the extent these either singly or put together are not taxable under the Income-tax Act, 1961.
3. Encashment of earned leave at the end of the tenure as per Rules of the Company shall not be included in the computation of ceiling on remuneration.
4. Provision of car for use on Company's business, telephone and other communication facilities at residence would not be considered as perquisites.

Commission:

In addition to the salary and perquisites, the appointee would be entitled to such commission based on the net profits of the Company in any financial year not exceeding one per cent of such profits as the Governance, Remuneration and Nomination Committee shall decide, having regard to the performance of the Company.

Provided that the remuneration payable to the appointee (including the salary, commission, perquisites, benefits and amenities) does not exceed the limits laid down in sections 198 and 309 of the Act, including any statutory modifications or re-enactment thereof.

FURTHER RESOLVED that where in any financial year during the currency of the tenure of the appointee, the Company has no profits or its profits are inadequate, the Company may pay to the appointee, the above remuneration as the minimum remuneration for a period not exceeding 3 years from the date of appointment by way of salary, perquisites and other allowances and benefits as specified above subject to receipt of the requisite approvals, if any.

FURTHER RESOLVED that for the purpose of giving effect to this Resolution, the Board be authorised to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, proper or desirable and to settle any questions, difficulties or doubts that may arise in this regard and further to execute all necessary documents, applications, returns and writings as may be necessary, proper, desirable or expedient."

11. **To consider and, if thought fit, to pass, with or without modification(s), the following as a Special Resolution:**

"RESOLVED that pursuant to the provisions of sections 198, 269, 309, 310, 311 and all other applicable provisions of the Companies Act, 1956 ("the Act") (including any statutory modification or re-enactment thereof for the time being in force) read with Schedule XIII of the Act and subject to the approval of the Central Government, if necessary, and such other approvals, permissions and sanctions, as may be required and subject to such conditions and modifications, as may be prescribed or imposed by any of the authorities while granting such approvals, permissions and sanctions, approval of the Company be accorded to the re-appointment of Mr. Bharat Doshi as the Executive Director of the Company designated as Executive Director and Group Chief Financial Officer with effect from 28th August, 2012 to 31st March, 2015 on a salary of Rs.7,83,500 per month in the scale of Rs.7,00,000 to Rs.15,00,000 per month.

FURTHER RESOLVED that the approval of the Company be accorded to the Board of Directors of the Company (hereinafter referred to as the 'Board' which term shall be deemed to include any duly authorised Committee thereof, for the time being exercising the powers conferred on the Board by this Resolution) to revise the basic salary payable to Mr. Bharat Doshi, designated as Executive Director and Group Chief Financial Officer (hereinafter referred to as "the appointee") within the abovementioned scale of salary.

FURTHER RESOLVED that the perquisites (including allowances) payable or allowable and commission to the appointee be as follows:

Perquisites:

1. In addition to the salary, the appointee shall also be entitled to perquisites which would include accommodation (furnished

or otherwise) or house rent allowance in lieu thereof, gas, electricity, water, furnishings, medical reimbursement and leave travel concession for self and family, club fees, use of Company cars, medical and personal accident insurance and other benefits, amenities and facilities including those under the Company's Special Post Retirement Benefits Scheme in accordance with the Rules of the Company.

The value of the perquisites would be evaluated as per Income-tax Rules, 1962 wherever applicable and at cost in the absence of any such Rule.

2. Contribution to Provident Fund, Superannuation Fund, Annuity Fund and Gratuity would not be included in the computation of ceiling on remuneration to the extent these either singly or put together are not taxable under the Income-tax Act, 1961.
3. Encashment of earned leave at the end of the tenure as per Rules of the Company shall not be included in the computation of ceiling on remuneration.
4. Provision of car for use on Company's business, telephone and other communication facilities at residence would not be considered as perquisites.

Commission:

In addition to the salary and perquisites, the appointee would be entitled to such commission based on the net profits of the Company in any financial year not exceeding one per cent of such profits as the Governance, Remuneration and Nomination Committee shall decide, having regard to the performance of the Company.

Provided that the remuneration payable to the appointee (including the salary, commission, perquisites, benefits and amenities) does not exceed the limits laid down in sections 198 and 309 of the Act, including any statutory modifications or re-enactment thereof.

FURTHER RESOLVED that where in any financial year during the currency of the tenure of the appointee, the Company has no profits or its profits are inadequate, the Company may pay to the appointee, the above remuneration as the minimum remuneration during the term of his appointment by way of salary, perquisites and other allowances and benefits as specified above subject to receipt of requisite approvals, if any.

FURTHER RESOLVED that for the purpose of giving effect to this Resolution, the Board be authorised to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, proper or desirable and to settle any questions, difficulties or doubts that may arise in this regard and further to execute all necessary documents, applications, returns and writings as may be necessary, proper, desirable or expedient."

12. **To consider and, if thought fit, to pass, with or without modification(s), the following as a Special Resolution:**

"RESOLVED that pursuant to the provisions of Section 31 and all other applicable provisions, if any, of the Companies Act, 1956 and Rules framed thereunder and the provisions of other statutes as applicable and subject to such approvals, consents, permissions and sanctions as may be necessary from the appropriate authorities or bodies, the existing Articles of Association of the Company be amended as under:

- i) The following Article be inserted after the existing Article 78 as Article 78A:

Participation through Electronic Mode

78A: Notwithstanding anything contrary contained in the Articles of Association, the Company may provide 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. Such participation by the Shareholders at General Meetings or other Meetings of the Company through Video Conference facility and/or use of other permissible electronic or virtual facilities for communication shall be governed by such legal or regulatory provisions as applicable to the Company for the time being in force.

- ii) The following Article be inserted after the existing Article 145 as Article 145A:

Participation through Electronic Mode

145A: Notwithstanding anything contrary contained in the Articles of Association, the Director(s) may participate in Meetings of the Board and Committees thereof, through Video Conference facility and/or other permissible electronic or virtual facilities for communication. Such participation by the Director(s) at Meetings of the Board and Committees thereof, through Video Conference facility and/or use of other permissible electronic or virtual facilities for communication shall be governed by such legal or regulatory provisions as applicable to the Company for the time being in force.

- iii) The following proviso be inserted after the existing Article 146:

Provided further that a Director participating in a Meeting through use of Video Conference or any other permissible electronic mode of communication shall be counted for the purpose of quorum, notwithstanding anything contrary contained in the Articles of Association.

- iv) The following Article be inserted after the existing Article 206(2) as Article 206(3):

206(3):Notwithstanding anything contrary contained in the Articles of Association, a document may be served by the Company on any Member by any electronic mode of communication and in such manner as is/may be permitted by any law. Where a document is served by any such electronic mode, the service thereof shall be deemed to be effected in the manner as is/may be provided by any law.

FURTHER RESOLVED that the Board of Directors of the Company (hereinafter referred to as the 'Board' which term shall be deemed to include any Committee or any person which the Board may constitute/nominate to exercise its powers, including the powers conferred by this Resolution) be authorised to carry out the abovementioned amendments in the existing Articles of Association of the Company and that the Board may take all such steps as may be necessary to give effect to this Resolution."

Notes:

- A. Explanatory Statement as required under section 173(2) of the Companies Act, 1956 is annexed hereto.
- B. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER.
- C. The instrument appointing a proxy must be deposited with the Company at its Registered Office not less than 48 hours before the time for holding the Meeting.
- D. The Company's Registrar and Transfer Agents for its Share Registry Work (Physical and Electronic) are Sharepro Services (India) Private Limited having their Registered Office at 13AB, Samhita Warehousing Complex, 2nd Floor, Sakinaka Telephone Exchange Lane, Off Andheri Kurla Road, Sakinaka, Andheri (East), Mumbai – 400 072.
- E. The Register of Members and Transfer Books of the Company will be closed from 14th July, 2012 to 8th August, 2012 (both days inclusive).
- F. The dividend, if declared at the Annual General Meeting, would be paid/despached on and after 9th August, 2012 to those persons or their mandates:
 - (a) whose names appear as Beneficial Owners as at the end of the business hours on 13th July, 2012 in the list of Beneficial Owners to be furnished by National Securities Depository Limited and Central Depository Services (India) Limited in respect of the shares held in electronic mode; and
 - (b) whose names appear as Members in the Register of Members of the Company after giving effect to valid share transfers in physical form lodged with the Company/its Registrar and Transfer Agents on or before 13th July, 2012.
- G. Under the Companies Act, 1956 dividends that are unclaimed for a period of seven years are required to be transferred to the Investors Education and Protection Fund (IEPF) administered by the Central Government. An amount of Rs. 33,67,998 being unclaimed dividend of the Company for the financial year ended 31st March, 2004 was transferred in September, 2011 to IEPF and no claim lies against the Company in respect thereof.

Due dates of transferring unclaimed and unpaid dividends declared by the Company for the financial year 2004-05 and thereafter to IEPF:

Financial Year ended	Date of declaration of dividend	Last date for claiming unpaid / unclaimed dividend
31 st March, 2005	28 th July, 2005	28 th August, 2012
31 st March, 2006	26 th July, 2006	24 th August, 2013
31 st March, 2007 – (Interim Dividend)	21 st March, 2007	19 th April, 2014
31 st March, 2007	30 th July, 2007	30 th August, 2014
31 st March, 2008	30 th July, 2008	28 th August, 2015
31 st March, 2009	30 th July, 2009	30 th August, 2016
31 st March, 2010	28 th July, 2010	26 th August, 2017
31 st March, 2011	8 th August, 2011	6 th September, 2018

Members who have not encashed the dividend warrants so far in respect of the aforesaid periods, are requested to make their claim to

Sharepro Services (India) Private Limited well in advance of the above due dates. It may be noted that once the amounts in the unpaid dividend accounts are transferred to IEPF, no claim shall lie against the IEPF or the Company in respect thereof and the Members would lose their right to claim such dividend.

- H. Members can avail of the facility of nomination in respect of shares held by them in physical form pursuant to the provisions of section 109A of the Companies Act, 1956. Members desiring to avail of this facility may send their nomination in the prescribed Form No.2B duly filled in to Sharepro Services (India) Private Limited at the abovementioned address. Members holding shares in electronic mode may contact their respective Depository Participants for availing this facility.
- I. The Securities and Exchange Board of India has made it mandatory for all companies to use the bank account details furnished by the Depositories for payment of dividend through Electronic Clearing Service (ECS) to investors wherever ECS and bank details are available. In the absence of ECS facilities, the Company will print the bank account details, if available, on the payment instrument for distribution of dividend. The Company will not entertain any direct request from Members holding shares in electronic mode for deletion of/change in such bank details. Further, instructions if any, already given by them in respect of shares held in physical form will not be automatically applicable to shares held in the electronic mode. Members who wish to change such bank account details are therefore requested to advise their Depository Participants about such change, with complete details of bank account.
- J. The Company has extended the facility of electronic credit of dividend directly to the respective bank accounts of the Member(s) through the Electronic Clearing Service (ECS)/National Electronic Clearing Service (NECS). The ECS facility is available at Ahmedabad, Bengaluru, Bhubaneshwar, Chandigarh, Chennai, New Delhi, Guwahati, Hyderabad, Jaipur, Kanpur, Kolkata, Mumbai, Nagpur, Patna, Pune and Thiruvananthapuram. Members wishing to avail of this facility are requested to intimate the Company's Registrar and Transfer Agents/ Depository Participants in the prescribed form and with the prescribed details. Members located in places where ECS/NECS facility is not available may submit their bank details. This will enable the Company to incorporate this information on the dividend warrants and thus prevent fraudulent encashment.
- K. The Ministry of Corporate Affairs, Government of India, has taken a "Green Initiative in Corporate Governance" by allowing paperless compliances by the companies and has issued Circulars allowing companies to send official documents to their Shareholders electronically.

In support of the Green Initiative, your Company proposes to send, as was done last year, an e-mail to the Members at their e-mail addresses available in the records of the Company informing them about the Company's proposal to send the documents like Notice calling the Annual General Meeting and Annual Report containing

Balance Sheet, Statement of Profit & Loss and Directors' Report, etc. for the year ended 31st March, 2012 and other communication, in electronic form.

These Members would also be given an option to receive the documents in Physical Form. Accordingly, the Annual Report for the year 2011-12, Notice for the Annual General Meeting, etc. would be sent in electronic mode to such of the Members of the Company who do not opt to receive the same in physical form.

Members are requested to support this Green Initiative by registering/ updating their e-mail addresses, with the Depository Participant (in case of Shares held in dematerialised form) or with Sharepro Services (India) Private Limited (in case of Shares held in physical form).

- L. Members are requested to:
- intimate to the Company's Registrar and Transfer Agents, Sharepro Services (India) Private Limited at the abovementioned address, changes, if any, in their registered addresses at an early date, in case of Shares held in physical form;
 - intimate to the respective Depository Participant, changes, if any, in their registered addresses at an early date, in case of Shares held in dematerialised form;
 - quote their folio numbers/Client ID/DP ID in all correspondence; and
 - consolidate their holdings into one folio in case they hold Shares under multiple folios in the identical order of names.
- M. Appointment/Re-appointment of Directors
- Mr. Deepak S. Parekh holds 1,12,180 Ordinary (Equity) Shares, Mr. A. K. Nanda holds 2,00,166 Ordinary (Equity) Shares, Mr. Narayanan Vaghul holds 1,00,000 Ordinary (Equity) Shares and Mr. R. K. Kulkarni holds 82,576 Ordinary (Equity) Shares of Rs.5 each in the Company.
- Dr. Vishakha N. Desai and Mr. Vikram Singh Mehta do not hold any Ordinary (Equity) Shares in the Company.
- None of the Directors of the Company are inter-se related to each other.
- In respect of the information to be provided under Clause 49 of the Listing Agreement pertaining to the Directors being appointed, re-appointed, Members are requested to kindly refer the Chapter on Corporate Governance in the Annual Report.

By Order of the Board

NARAYAN SHANKAR
Company Secretary

Registered Office:
Gateway Building,
Apollo Bunder,
Mumbai - 400 001.
e-mail: investors@mahindra.com
30th May, 2012

Explanatory Statement pursuant to section 173(2) of the Companies Act, 1956

ITEM NO.8

Pursuant to the recommendation of the Governance, Remuneration and Nomination Committee, the Board of Directors at its Meeting held on 30th May, 2012 has appointed Dr. Vishakha N. Desai as an Additional Director of the Company with effect from 30th May, 2012. She holds office upto the date of the forthcoming Annual General Meeting pursuant to section 260 of the Companies Act, 1956 and Article 120 of the Articles of Association of the Company.

Dr. Vishakha N. Desai is President and CEO of Asia Society, a leading global organisation committed to strengthening partnerships among the people, leaders and institutions of Asia and the United States. Dr. Desai holds a B.A. in Political Science from Bombay University and an M.A. and Ph.D. in Asian Art History from the University of Michigan.

Dr. Desai does not hold any Ordinary (Equity) Share in the Company.

The Board is of the view that Dr. Desai's knowledge and experience will be of immense benefit and value to the Company and, therefore, recommends her appointment to the Members.

Apart from Dr. Vishakha N. Desai, no other Director is interested or concerned in this item of business.

ITEM NO.9

Pursuant to the recommendation of the Governance, Remuneration and Nomination Committee, the Board of Directors at its Meeting held on 30th May, 2012 has appointed Mr. Vikram Singh Mehta as an Additional Director of the Company with effect from 30th May, 2012. He holds office upto the date of the forthcoming Annual General Meeting pursuant to section 260 of the Companies Act, 1956 and Article 120 of the Articles of Association of the Company.

Mr. Vikram Singh Mehta is the Chairman of the Shell Group of Companies in India since 1994. Mr. Mehta completed his Bachelors' Degree in Mathematics (Hons.) from St. Stephens College, Delhi University. He also has a Master's Degree in Politics and Economics (Hons.) from Magdalen College, Oxford University, UK and a Master's Degree in Energy Economics from the Fletcher School of Law and Diplomacy, Tufts University in USA.

Mr. Mehta does not hold any Ordinary (Equity) Share in the Company.

The Board is of the view that Mr. Mehta's knowledge and experience will be of immense benefit and value to the Company and, therefore, recommends his appointment to the Members.

Apart from Mr. Vikram Singh Mehta, no other Director is interested or concerned in this item of business.

ITEM NOS. 10 and 11

At the 61st Annual General Meeting ("AGM") of the Company held on 30th July, 2007, the Members of the Company had, inter alia, approved of the

re-appointment and remuneration payable to Mr. Anand G. Mahindra, Managing Director designated as Vice-Chairman & Managing Director of the Company and Mr. Bharat Doshi, Executive Director of the Company for a further period of 5 years with effect from 4th April, 2007 and 28th August, 2007 respectively.

Subsequently, at the 65th AGM of the Company held on 8th August, 2011, the Members of the Company had, inter alia, approved of the revision in the scale of salary payable to Mr. Anand G. Mahindra as the Managing Director of the Company designated as Vice-Chairman & Managing Director and revision in the scale of salary and basic salary payable to Mr. Bharat Doshi as the Executive Director of the Company designated as Executive Director and Group Chief Financial Officer with effect from 1st August, 2010 for the remainder of their respective terms of Office.

The Board of Directors of the Company at its Meeting held on 20th March, 2012 has, pursuant to the approval of the Governance, Remuneration and Nomination Committee of the Board and subject to the approval of the Members, approved of the re-appointment and the remuneration payable to Mr. Anand G. Mahindra as the Managing Director of the Company designated as Vice-Chairman & Managing Director for a period of five years with effect from 4th April, 2012 to 3rd April, 2017 and also the re-appointment and the remuneration payable to Mr. Bharat Doshi as the Executive Director of the Company designated as Executive Director and Group Chief Financial Officer for a period with effect from 28th August, 2012 to 31st March, 2015, in line with the current market trends.

In compliance with the requirements of section 302 of the Companies Act, 1956, an Abstract of the terms of the re-appointment and remuneration payable to the Vice-Chairman & Managing Director and the Executive Director and Group Chief Financial Officer (hereinafter referred to as "the appointees") together with the Memorandum of Concern or Interest was sent to the Members in April, 2012. The other terms of remuneration of the appointees including commission payable to them are set out in the Special Resolutions under Item Nos.10 and 11.

Pursuant to sections 198, 269, 309, 310, 311 and all other applicable provisions of the Companies Act, 1956 ("the Act"), read with Schedule XIII of the Act, the re-appointment and remuneration payable to the appointees is now being placed before the Members in the Annual General Meeting for their approval by way of Special Resolutions.

Your Directors recommend these Resolutions as Special Resolutions for approval of the Members.

Apart from Mr. Anand G. Mahindra and Mr. Bharat Doshi, who would be interested in their respective re-appointments and remuneration, none of the other Directors is concerned or interested in these items of businesses.

The following additional information as required by Schedule XIII to the Act is given below:

I. General Information:

(i) Nature of Industry:

The Company is inter alia in the business of manufacture of different range of automotive vehicles, agricultural tractors, implements, industrial engines, etc.

(ii) Date or expected date of commencement of commercial production:

The Company was incorporated on 2nd October, 1945 and started assembly of jeep type vehicles in the year 1949.

(iii) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus:

Not Applicable.

(iv) Financial performance based on given indicators - as per audited financial results for the year ended 31st March, 2012:

Particulars	(Rupees in Crores)
Gross Turnover & Other Income	34,820.30
Net profit as per Statement of Profit & Loss (After Tax)	2,878.89
Profit as computed under section 309(5) read with section 198 of the Act	3,543.35
Net Worth	12,171.09

(v) Export performance and net foreign exchange collaborations:

During the year ended 31st March, 2012, the Company exported 29,176 vehicles and 13,722 tractors. The FOB value of exports at Rs.1,766.95 crores was 67.95% higher in value terms as compared to the preceding year. The Company's earnings in foreign exchange were Rs.1,857.62 crores for the financial year ended 31st March, 2012. The Company has no significant foreign exchange earnings or outgo in relation to any foreign collaborations.

(vi) Foreign investments or collaborators, if any:

Not Applicable.

II. Information about the appointee(s):

(i) Background details:

Mr. Anand G. Mahindra

Career Graph

Mr. Anand G. Mahindra, Vice-Chairman & Managing Director of Mahindra & Mahindra Limited 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 an Executive Assistant to the Finance Director. In 1989, he was appointed as 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 as 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 as Managing Director of Mahindra & Mahindra Limited and in January, 2001 given the additional responsibility of Vice-Chairman.

During Mr. Mahindra's tenure, Mahindra Group has also grown inorganically, seizing opportunities across the globe. Recent acquisitions include Ssangyong Motor Company Limited, Mahindra Reva Electric Vehicles Private Limited, Satyam Computer Services Limited, Aerostaff Australia Pty. Limited, 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.

Mr. Mahindra is the Vice-Chairman & Managing Director of Mahindra & Mahindra Limited, Vice Chairman of Mahindra UGINE Steel Company Limited, Chairman of Tech Mahindra Limited, Mahindra Navistar Automotives Limited, Mahindra First Choice Wheels Limited, Mahindra Two Wheelers Limited, Defence Land Systems India Private Limited and Director of Mahindra Holdings Limited, Tech Mahindra Foundation, Prudential Management & Services Private Limited, Araku Originals Limited, Naandi Community Water Services Private Limited, Avion Aerosols Private Limited, M.A.R.K. Hotels Private Limited and Prana Holdings Inc.

He was a co-promoter of Kotak Mahindra Finance Limited, which in 2003 was converted into a Bank. Kotak Mahindra Bank is one of the foremost private sector banks 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 Limited and the National Council of Applied Economic 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 and JRD Tata Corporate Leadership Award 2011 from the All India Management Association.

Mr. Bharat Doshi

Mr. Bharat Doshi joined the Company in 1973 as an Executive. He is a Fellow Member of The Institute of Chartered Accountants of India and The Institute of Company Secretaries of India and has a Master's Degree in Law from the University of Bombay. He has also participated in the Program for Management Development at Harvard Business School. He was also a Fellow of the Salzburg Seminar on 'Asian Economies: Regional and Global Relationships' held in December, 2000. Mr. Doshi was Executive Vice President (Corporate Affairs) from July, 1991 to August, 1992. In August, 1992, he joined the Board of the Company as an Executive Director in charge of Finance & Accounts, Corporate Affairs and Information Technology. In addition, he was the President of the Trade & Financial Services Sector from December, 1994 to October, 2007. Mr. Doshi is designated as Executive Director and Group Chief Financial Officer (Group CFO). Mr. Doshi is the Chairman of Mahindra & Mahindra Financial Services Limited and Mahindra Intertrade Limited. He is a Director of several companies in the Mahindra Group viz. Tech Mahindra Limited, Mahindra Holdings Limited, Mahindra Navistar Automotives Limited, Mahindra Navistar Engines Private Limited, Mahindra USA Inc. and Ssangyong Motor Company Limited.

He is an Independent Director on the Boards of Godrej Consumer Products Limited and NSE.IT Limited.

He is a Trustee of the Mahindra Foundation and the K.C. Mahindra Education Trust. He is also on the Board of Governors of The Mahindra United World College of India and a Director on the Board of Indian Council on Global Relations and Member of Managing Committee of The Associated Chamber of Commerce and Industry of India. He is also on the Board of Governors of Indian Institute of Management, Tiruchirappalli. Mr. Doshi was the President of Bombay Chamber of Commerce and Industry (BCCI) for the year 2009-10 and presently he is a Member of the Managing Committee of BCCI. He was one of the Founding Members and Member of the Governing Council of InAct (Indian Association of Corporate CFOs & Treasurers), now renamed as Association of Finance Professionals of India (AFPI).

Mr. Doshi was a Member of the High Powered Expert Committee constituted by the Ministry of Finance, Government of India, on making Mumbai an International Financial Centre and was a Member of the SEBI (Securities and Exchange Board of India) Committee on Disclosures and Accounting Standards (SCODA).

Mr. Doshi was a Member of the Working Group constituted by Reserve Bank of India (RBI) "to examine a range of emerging

issues pertaining to regulation of the NBFCs (Non-Banking Financial Companies) Sector".

He is presently a Member of CII National Council on Corporate Governance & Regulatory Affairs.

Mr. Bharat Doshi was adjudged "India's Best CFO" by the leading business fortnightly Business Today (India Today Group Publication) in April, 2005. He was also conferred the 'CFO of the Year' Award, honouring financial excellence, by IMA India, an associate of The Economist Group, in December, 2005. In November, 2007, Mr. Bharat Doshi was honoured with the prestigious CNBC CFO of the Year 2007 award. In March, 2011, he has been inducted by CFO India as a Founding Member to the *CFO Hall of Fame* in recognition of an exemplary career and a lifetime of contribution in the field of Finance.

(ii) Past remuneration during the financial year ended 31st March, 2012:

Name of Directors	Amount (Rs. in lakhs)
Mr. Anand G. Mahindra	406.78
Mr. Bharat Doshi	276.42

(iii) Recognition or Awards:

The information is already covered in the section "Background details".

(iv) Job Profile and their suitability:

Mr. Anand G. Mahindra is the Managing Director of the Company since April, 1997 and Vice-Chairman & Managing Director of the Company since January, 2001.

Mr. Bharat Doshi joined the Board of the Company in August, 1992 as an Executive Director in charge of Finance & Accounts, Corporate Affairs and Information Technology and in addition he was also the President of the Trade & Financial Services Sector from December, 1994 to October, 2007. He was redesignated as the Executive Director and Group Chief Financial Officer of the Company in 2007.

The Managing Director and the Executive Director are responsible for the operations and the affairs of the Company pertaining to their respective areas. Taking into consideration their qualifications and expertise in relevant fields, the Managing Director and the Executive Director are best suited for the responsibilities currently assigned to them by the Board of Directors.

(v) Remuneration proposed:

Name	Scale of Salary
Vice-Chairman & Managing Director Mr. Anand G. Mahindra	- Rs.8,29,200 per month in the scale of Rs.8,00,000 to Rs.25,00,000 per month
Executive Director & Group CFO Mr. Bharat Doshi	- Rs.7,83,500 per month in the scale of Rs.7,00,000 to Rs.15,00,000 per month

It is proposed to authorise the Board (which term shall be deemed to include any duly authorised Committee thereof, for the time being exercising the powers conferred on the Board by this Resolution) to revise the basic salaries payable to Mr. Anand G. Mahindra and Mr. Bharat Doshi, within the above mentioned scales of salary.

(vi) Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin):

Taking into consideration the size of the Company, the profile of Mr. Anand G. Mahindra and Mr. Bharat Doshi, the responsibilities shouldered by them and the industry benchmarks, the remuneration proposed to be paid is commensurate with the remuneration packages paid to similar senior level counterpart(s) in other companies.

(vii) Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any:

Besides the remuneration proposed to be paid to them, the Vice-Chairman & Managing Director and the Executive Director and Group Chief Financial Officer do not have any other pecuniary relationship with the Company or relationship with the managerial personnel.

III Other Information:

(i) Reasons of loss or inadequate profits:

Not applicable, as the Company has posted a net profit after tax of Rs.2,878.89 crores during the year ended 31st March, 2012.

(ii) Steps taken or proposed to be taken for improvement and

(iii) Expected increase in productivity and profits in measurable terms:

Not applicable, as the Company has adequate profits.

IV. Disclosures:

The information and Disclosures of the remuneration package of the managerial personnel have been mentioned in the Annual Report in the Corporate Governance Report Section under the Heading "Remuneration paid/payable to Managing Director and Executive Director (Whole-time Directors) for the year ended 31st March, 2012".

ITEM NO.12

The Ministry of Corporate Affairs ("MCA"), Government of India, New Delhi vide General Circulars No.27/2011 and 28/2011 dated 20th May, 2011 and Circular No.35/2011 dated 6th June, 2011 has permitted companies to hold Board Meetings and Shareholders Meetings through Video Conference facility, as part of the Green Initiatives under Corporate Governance. Further, MCA vide Circular No. 72/2011 dated 27th December, 2011 made the Video Conference facility at the Shareholders Meetings optional to the listed companies.

Section 53 of the Companies Act, 1956 and Articles 206(1) and (2) provide for modes of service of documents on a Member of the Company. The MCA has vide Circular No. 17/2011 dated 21st April, 2011 stated that a company would have complied with section 53 if the service of a document has been made through electronic mode, provided the company has obtained e-mail addresses of its Members for sending Notices/Documents through e-mail by giving an advance opportunity to every Shareholder to register their e-mail addresses with the company.

It is proposed to carry out necessary amendments in the existing Articles of Association of the Company by inserting appropriate enabling provisions as set out in the Special Resolution under Item No.12 to give effect to the above Circulars of MCA.

In terms of section 31 of the Companies Act, 1956, approval of the Members by way of a Special Resolution is required to amend the Articles of Association of the Company. A copy of the existing Memorandum and Articles of Association of the Company alongwith the proposed draft amendments to the Articles of Association is available for inspection by any Member at the Registered Office of the Company between 10.00 a.m. and 12.00 noon on all working days (except Saturdays, Sundays and Public Holidays).

The Directors recommend the passing of the Resolution at Item No.12 as a Special Resolution.

None of the Directors of the Company is, in any way, concerned or interested in this item of business.

By Order of the Board

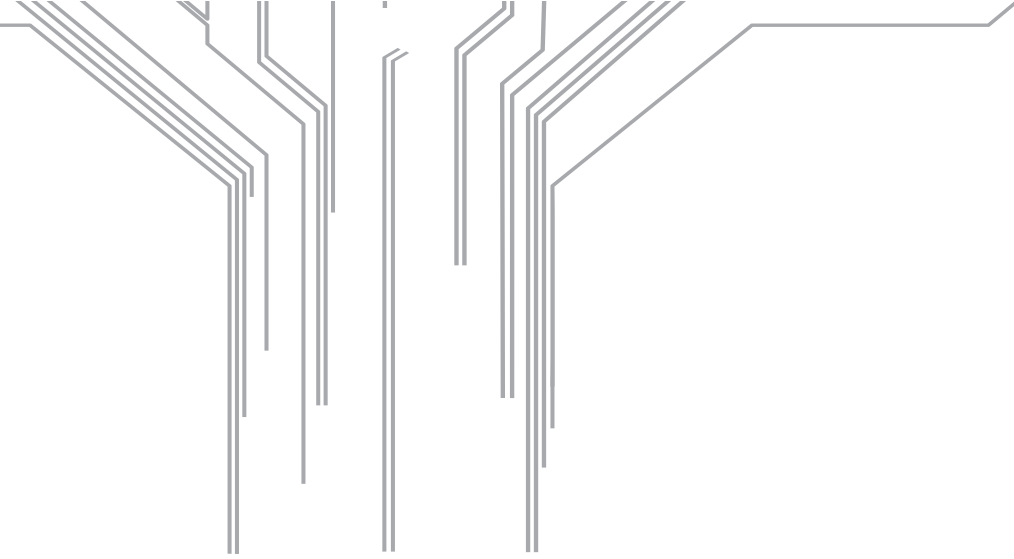
NARAYAN SHANKAR
Company Secretary

Registered Office:
Gateway Building,
Apollo Bunder,
Mumbai - 400 001.
e-mail: investors@mahindra.com

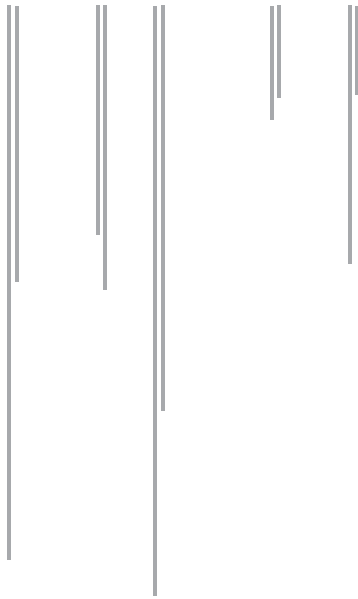
30th May, 2012



CONTINUITY
GIVES US ROOTS,
CHANGE GIVES US BRANCHES,
LETTING US STRETCH AND GROW
AND REACH NEW HEIGHTS.



The visual metaphor of a tree captures the essence of continuity and change like nothing else. In many ways we are like a tree. Rooted and yet, reaching out. Over time, we have become a name that stands for solid values and nimble minds. We are as much about innovation as we are about resilience. And whenever there is change, what we stand for will remain the same but what we aim for will rise to new heights.



**Keshub Mahindra**

Dear Shareholder,

Over the past decades, on many occasions I have written directly to you when the occasion so warranted. This is one such occasion, since by the time you receive this letter my decision to retire as the non-executive Chairman of your Company will be a matter of public knowledge, as required by law.

It has been an incredible journey for me. As a Director of your Company for 64 years, of which 48 years were as your Chairman, I have had the honour and good fortune of witnessing your Company march in step with the Nation through the early years of Independence, the following "socialist" years and finally the rewarding decades of liberalisation and globalisation. Over the years, your Company has successfully embraced the economic and technological winds of change and brought about their fusion with the needs of Society. This has been done by harnessing the expanding horizons of human intelligence and creativity in the context of globalization, which has taught us to blend the culture of our country and its people with those prevailing in distant lands. This transformed your Company from being just a Corporate entity, to a societal institution with a soul and the vision to create a life with greater potential.

The performance of the Company has been phenomenal over the last decade. I have no intention of burdening you with figures, you are familiar with them. On reflection, the one thing that is clear is that the wondrous rise and the outstanding achievements would not have been possible without your understanding, encouragement and continuing support. It has given your Company stability, sense of direction and a shared vision of the future.

We believe in building relationships through trust and faith, in a manner which is totally transparent. Our ethics and codes of behaviour are not negotiable, we respect the rights and dignity of the human being and believe in every individual's limitless ability to excel. These are values which have endured since the Company was founded.

At the Board meeting your Directors accepted my wish to retire at the end of our next Annual General Meeting, which is scheduled to be held on 8th August, 2012. They have elected Anand Mahindra, presently your Vice-Chairman and Managing Director, to succeed me as Chairman.

Cont/2

I urge you to support him as lavishly as you have supported me over the years. I am confident that he will lead from the front, bringing in fresh ideas and new horizons while cherishing and preserving the reputation, integrity and values on which your Company has been built.

These values and traits are likely to prove invaluable in steering the Company through the challenging economic conditions that lie ahead. The global macro environment is currently rife with risks: the probability of a major crisis in the euro zone is high and rising, economic recovery in the US is faltering, China is slowing and, given geopolitical tensions surrounding Iran, oil markets remain in a state of flux. In India, meanwhile, weak domestic macros - high inflation, large fiscal and current account deficits - and partisan coalition politics continue to constrain policy actions critical to supporting growth in this challenged global economic environment. The Company's management team, led by Anand, will need to continue to be vigilant to successfully weather the rough economic terrain that lies ahead. I have the fullest confidence in their ability to do so.

I am deeply moved by the sentiments expressed by the Board and the Management in requesting me to accept the position of Chairman Emeritus, which I do with humility.

It has been a privilege and an honour to work with you. It only remains for me to thank you for all the confidence, support and trust that I have received from you and to wish you and your families good health and happiness in the years to come.

Kind regards,

May 30, 2012

Yours sincerely,



Board of Directors



Seated:

Deepak S. Parekh
A.S. Ganguly
Keshub Mahindra
Narayanan Vaghul
Anupam Puri

Standing:

A.K. Nanda
Nadir B. Godrej
Anand G. Mahindra
R.K. Kulkarni
M.M. Murugappan
Bharat Doshi

Group Executive Board



Left to Right:

Front Row : **Rajan Wadhwa**, Chief Executive – Technology, Product Development & Sourcing, (Automotive & Farm Equipment Sectors), **Harsh Kumar**, Managing Director - Mahindra Intertrade Limited, **Ruzbeh Irani**, Chief Executive - International Operations, (Automotive & Farm Equipment Sectors), **Ramesh Iyer**, CEO - Financial Services Sector & Managing Director - Mahindra & Mahindra Financial Services Limited, **V S Parthasarathy**, Group CIO, Executive Vice President – Group M&A, Finance & Accounts, **Pawan Goenka**, President (Automotive and Farm Equipment Sectors), **Anita Arjundas**, Managing Director - Mahindra Lifespace Developers Limited & CEO Real Estate Sector

Second Row : **Pravin Shah**, Chief Executive - Automotive Division, **Rajiv Sawhney**, Managing Director, Mahindra Holidays & Resorts India Limited, **Ulhas N. Yargop**, President, IT Sector, Group CTO, **C.P. Gurnani**, Chief Executive Officer, Mahindra Satyam, **Shriprakash Shukla**, President – Group Strategy & Chief Brand Officer, **Zhooben Bhiwandiwalla**, Executive Vice President - Group Legal, Managing Partner - Mahindra Partners

Third Row : **Hemant Luthra**, President (Systech Sector), **Anand G. Mahindra**, Vice-Chairman & Managing Director, **Bishwambhar Mishra**, Chief Executive - Tractor & Farm Mechanization, Farm Equipment Sector, **Anoop Mathur**, President (Two-Wheeler Sector), **Romesh Kaul**, Global Chief Executive Officer - Gears Business, Systech Sector, **Bharat Doshi**, Executive Director & Group CFO, **Rajeev Dubey**, President (Group HR, Corporate Services & After-Market)



The Yin and Yang of Continuity & Change

2012 has been a time of triumph and transition at M&M. Profits continued their upward graph. Revenues rose from 14.6 billion US dollars to 15.4 billion US dollars in spite of the sharp fall of the rupee. We pushed ahead with our new brand positioning of Rise. And, with effect from 2012, Keshub Mahindra will take on the mantle of Chairman Emeritus, and Anand Mahindra will succeed him as Chairman and Managing Director of Mahindra & Mahindra.

The last such transition occurred 48 years ago, when Keshub Mahindra was appointed Chairman on the death of the surviving founder, KC Mahindra. Under Keshub Mahindra's leadership, the business grew and flourished; but never at the expense of the values of integrity, innovation and inclusiveness laid down by the founders. There were many times when M&M walked away from businesses that did not fit its values even though such a change would have enhanced its profitability. At the same time, M&M changed quickly when change was necessary. For example, the early 1970s, when the oil crunch threatened the very existence of the petrol vehicle industry, M&M continued to leverage its strengths as a manufacturer of off road vehicles, but rapidly adapted the diesel engine used in its tractors to its automobiles. Even today, expertise in diesel engines is one of the competitive advantages that M&M enjoys. So one might almost say that to combine continuity and change in the right proportions is a well established tradition at M&M.

By the last decade of the twentieth century, M&M had grown to become the ninth largest company in India. When the winds of economic change began to blow, we were again quick to change and restructure ourselves into 6 diversified businesses, each with its own accountability for the bottom line. At the same time we consciously decided, in 1997, to articulate and preserve our Core Values, so as to combine the best of continuity and change.

The start of the new century brought many challenges. Many people were writing M&M's epitaph, believing that it was an old economy company that would not survive the onslaughts of liberalisation. Market confidence - or lack of it - was reflected in the share price, which fell precipitously in 2002 and led to M&M being removed from the BSE index. But M&M adapted and changed, seizing new opportunities without diluting the values and traditions on which the company was founded, and soon regained its premier position in the Indian economy. And, in the post liberalisation era, even as we consciously made the decision to expand, globalise and pursue new horizons, we made an equally conscious decision to continue to reaffirm our Core Values and enhance them. Our Rise global branding introduced last year combines the best of traditional human values with global aspirations.

Today, as we transition to a new leadership, M&M consists of 11 major business areas. The market has recognised its successful transition from an old economy business to an agile and competitive and well reputed player. An M&M share purchased in 2002 at a price of Rs 144, would, after accounting for splits and bonuses, be worth Rs.2787.60 on 31st March 2012. More importantly, M&M's continued quest to combine values with business success has been recognised and appreciated - M&M has consistently featured in the Forbes list of the world's most reputable companies.

The M&M of 2012 bears very little resemblance in its sweep, scope and scale to the M&M of the last decade of the twentieth century. But as far as reputation, idealism and integrity are concerned, nothing has changed. Continuity and change have both been M&M's guiding lights. Continuity has given us strength, stability and roots. Our quest for change has enabled us to spread out like the branches of a deeply rooted tree ever growing in the sunshine of business opportunity. Together, continuity and change are the yin and yang that help to ensure our business leadership. And it will continue to be so, even as the captains change.



COMMITTEES OF THE BOARD

Audit Committee

Deepak S. Parekh
Chairman
Nadir B. Godrej
M. M. Murugappan
R. K. Kulkarni

Share Transfer and Shareholders/ Investors Grievance Committee

Keshub Mahindra
Chairman
Anand G. Mahindra
Bharat Doshi
A. K. Nanda
R. K. Kulkarni

Governance, Remuneration and Nomination Committee

Narayanan Vaghul
Chairman
Keshub Mahindra
Nadir B. Godrej
M. M. Murugappan
R. K. Kulkarni

Strategic Investment Committee

Keshub Mahindra
Anand G. Mahindra
Bharat Doshi
Deepak S. Parekh
Nadir B. Godrej
A. S. Ganguly

Loans & Investment Committee

Keshub Mahindra
Chairman
Anand G. Mahindra
Bharat Doshi
A. K. Nanda
R. K. Kulkarni

Research & Development Committee

A. S. Ganguly
Chairman
Anand G. Mahindra
Bharat Doshi
Nadir B. Godrej
M. M. Murugappan

BOARD OF DIRECTORS

Keshub Mahindra
Chairman
Anand G. Mahindra
Vice-Chairman & Managing Director
Bharat Doshi
Executive Director & Group CFO
Deepak S. Parekh
Nadir B. Godrej
M. M. Murugappan
A. K. Nanda
Narayanan Vaghul
A. S. Ganguly
R. K. Kulkarni
Anupam Puri
Vishakha N. Desai
(Appointed w.e.f. 30th May, 2012)
Vikram Singh Mehta
(Appointed w.e.f. 30th May, 2012)
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
12, Dr. Annie Besant Road, Opp. Shiv Sagar
Estate, Worli, Mumbai 400 018.

ADVOCATES

Khaitan & Co.,
One Indiabulls Centre,
13th 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 accounts of your Company for the year ended 31st March, 2012.

Financial Highlights

(Rs. in crores)

	2012	2011
Gross Income	34,820	25,989
Less: Excise Duty on Sales	2,501	2,095
Net Income	32,319	23,894
Profit before Depreciation, Finance Costs, Exceptional items and Taxation	4,237	3,888
Less: Depreciation and Amortisation	576	414
Profit before Finance Costs, Exceptional items and Taxation	3,661	3,474
Less: Finance Costs	163	72
Profit before Exceptional items and Taxation	3,498	3,402
Add: Exceptional items	108	118
Profit before Taxation	3,606	3,520
Less: Provision for Tax – Current Tax (including MAT credit entitlement)	538	762
Less: Provision for Tax - Deferred Tax (Net)	189	96
Profit for the year	2,879	2,662
Balance of profit for earlier years	6,209	4,588
Add/(Less): Transfer from/(to) Debenture Redemption Reserve (Net)	(14)	36
Profits available for appropriation	9,074	7,286
Less: General Reserve	300	275
Proposed Dividends	768	706
Income-tax on Proposed Dividend	101	96
Balance carried forward	7,905	6,209

The Financial Year 2011-12 was beset with challenges. Global macro risks, stemming from sovereign debt issues in the advanced economies and turmoil in the Middle East, remained high through the year. At the same time, a weak economic environment at home – rising fiscal and current account deficits, persistently high inflation, rising interest rates, a weakening currency and prolonged policy and regulatory uncertainty - added to the risks facing domestic firms and households. Demand as a consequence, turned sluggish and the country's economic growth dropped to 6.9% this year (as per advance estimates put out by the CSO), considerably below the 8.4% growth registered in the previous two fiscals.

While the agricultural and services sectors displayed some resilience, the unsettled global outlook and constrained domestic economic environment took a particularly heavy toll on industrial activity during the year. Environmental hurdles, corruption charges and slowing Government approvals brought mining activity to a standstill which severely constrained power generation and other core infrastructure activities in the country. Hemmed in by structural impediments and rising input costs on the one hand and weakening domestic and external demand on the other, manufacturing activity suffered a severe loss in momentum with volume growth dropping from 7.7% year-on-year in the first quarter of the Financial Year 2012 to 0.2% in the fourth quarter of the Financial Year 2012. Over all, industrial production grew a paltry 2.8% in 2011-12, in sharp contrast to the 8.2% increase registered in the previous fiscal.

Financial Performance

In these challenging times, the Automotive and Farm Divisions of your Company have secured good performance reflecting in substantial growth in the net income of the Company by 35.3% to Rs.32,319 crores in the year under review from Rs.23,894 crores in the previous year.

Consequent to this commendable performance, the Profit for the year before Depreciation, Finance Costs, Exceptional items and Taxation recorded an increase of 9.0% at Rs.4,237 crores as against Rs.3,888 crores in the previous year. Similarly, Profit after tax clocked an increase of 8.1% at Rs.2,879 crores as against Rs.2,662 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, process efficiencies

and product innovations that exceed customer expectations in all areas thereby enabling the Company to maintain profitable growth in the current economic scenario.

Dividend

Your Directors are pleased to recommend a dividend of Rs.12.50 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 2011-12, inclusive of tax on distributed profits (after reducing the tax on distributed profits of Rs.23.38 crores payable by the subsidiaries on the dividends receivable from them during the current Financial Year) would absorb a sum of Rs.868.61 crores (as against Rs.802.64 crores comprising the dividend of Rs.10.50 per Ordinary (Equity) Share and also a Special Dividend of Re.1 per Ordinary (Equity) Share aggregating Rs.11.50 per Ordinary (Equity) Share of the face value of Rs.5 each paid for the previous year).

Performance Review

Automotive Division:

Your Company's Automotive Division recorded total sales of 3,98,357 vehicles (including Verito) and 70,988 three-wheelers as compared to 2,99,342 vehicles (including Verito) and 64,740 three-wheelers in the previous year registering a growth of 33.1% and 9.7% in vehicle sales and three-wheeler sales respectively.

On the domestic sales front, your Company sold 2,45,700 Passenger Vehicles [including 2,02,217 Utility Vehicles (UVs), 25,644 Multi Purpose Vehicles (MPVs) and 17,839 Cars] registering a growth of 36.4% over the previous year's volumes of 1,80,180 Passenger Vehicles [including 1,69,205 UVs, 966 MPVs and 10,009 Cars by Mahindra Automobile Distributor Private Limited] (for a meaningful comparison, sales numbers of Verito Car is also added in the previous year's sales numbers). In the commercial vehicle segment, your Company sold 1,27,029 vehicles [including 53,895 vehicles < 2T GVW and 73,134 vehicles between 2-3.5T GVW] registering a growth of 21.4% over the previous year's volume of 1,04,622 commercial vehicles [including 43,717 vehicles < 2T GVW and 60,905 vehicles between 2-3.5T GVW]. In the three-wheeler segment, your Company sold 67,440 three-wheelers registering a growth of 8.5% over the previous year's volume of 62,142 three-wheelers.

Your Company's UV sales volume grew by 19.5% and your Company strengthened its leadership position of the domestic UV market by posting a market share of 55.1% against the previous year market share of 53.7%. During this year, Bolero posted record sales and

became the first SUV in India to cross the milestone of 1 lakh sales in a year. Bolero retains the title of India's largest selling SUV for the 6th consecutive year. It is also the 7th highest selling passenger vehicle in India. The Scorpio continues to strengthen its iconic status with sales of over 50,000 units in the year under review.

In September, 2011, your Company launched the XUV500. The XUV500 is loaded with enhanced technology and safety features, a strong diesel engine, luxurious interiors and unprecedented refinement, all at a very competitive price. Twenty two awards received from various Media Groups bear testimony to the mass appeal and acceptance of the product. The XUV500 was launched simultaneously in India and South Africa – a first for the Indian Automotive Industry.

With an aim to strengthen its product portfolio and enter new segments, your Company successfully launched many new products over the past two years. As a result, the Company's share of the Indian Automotive market stood at 11.5% in 2011-12 as compared to 9.6% in the previous year.

In the Overseas market, your Company registered a volume growth of 70.2% over the previous year. This growth was driven by volume growth in the SAARC countries, Chile and South Africa. During the year under review, your Company sold 25,628 vehicles [including 157 vehicles sourced from Mahindra Navistar Automotives Limited ("MNAL")] and 3,548 three-wheelers in the Overseas market as compared to 14,540 vehicles [including 305 vehicles sourced from MNAL] and 2,598 three-wheelers in the previous year.

Spare parts sales for the year stood at Rs.873.99 crores (including Exports of Rs.55.47 crores) as compared to Rs.666.97 crores (including Exports of Rs.28.3 crores) in the previous year, registering a growth of 31.0%.

Farm Division:

Your Company's Farm Division (including the Swaraj Division) recorded sales of 2,36,666 tractors as against 2,14,325 tractors sold in the previous year, recording a growth of 10.4%.

In the Financial Year 2012, the Indian tractor industry continued to enjoy double digit growth. The domestic market recorded sales of around 5,35,210 tractors as compared to 4,80,377 tractors in the previous year, recording a growth of 11.4%.

Your Company's performance was in line with the tractor industry with domestic sales of 2,22,944 tractors as compared to 2,02,513 tractors in the previous year recording a growth of 10.1%. Your Company's market share now stands at 41.4% as compared to 42% in the previous

financial year, thus completing 29 years of leadership in the Indian tractor industry. Your Company's tractor exports grew by 16.2% to reach 13,722 tractors as compared to 11,812 tractors exported in the previous year.

Beyond agriculture, in the power generation space under the Mahindra Powerol Brand, your Company sold 29,122 engines in the current financial year as against 27,748 engines in the previous year. The growth in volume was achieved in spite of adverse market conditions in the Telecom Sector. Your Company, while retaining its leadership position in the genset market catering to the telecom space, has focused its presence in the retail segment. It strengthened its position in the fragmented inverter/Home UPS market and sold 83,993 units against 47,217 units in the previous year, a growth of 78%.

Mahindra Special Services Group (MSSG):

Special Services Group business, a part of the Mahindra Defence Systems Division of your Company provides corporate risk management consultancy services, assisting organisations in maintaining their competitive edge by protecting Information, Physical and Personnel assets through implementing the security strategy encompassing people, process and technology. During the year, MSSG has been successful in registering and maintaining business growth across various industry verticals through a wide range of service offerings in the Corporate Security Risk landscape in India thereby enabling over 150 major corporate customers secure their people, assets, information and reputation.

MSSG has witnessed tremendous growth opportunities in the areas of Governance and Fraud Risk Management during the year. MSSG's marketing and brand promotion activities have been strengthened with increased manpower and as a result, MSSG has been able to make its brand visible in many cities across India.

Management Discussion and Analysis Report

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

Corporate Governance

Your Company has a rich legacy of ethical governance practices most of which were in place even before they were mandated. 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 the compliance of conditions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement forms part of this Annual Report.

Finance

The Financial Year 2011-12 witnessed a period of uncertainty in both the global and Indian economic scenarios. The year saw the US recovery being slow, Europe under the shadow of a lengthened sovereign debt crisis and China's growth scaled down. On the domestic front, tight liquidity conditions prevailed during most of the year, with short term interest rates on an upsurge. Fiscal and current account deficits and capital flows dominated financial markets activity bringing volatilities to the fore. Reserve Bank of India ("RBI") has in the last few months cut the CRR by 125 bps and also Repo Rate by 50 bps to infuse liquidity and stem the faltering growth of the Indian economy. Despite the recent monetary actions, liquidity is expected to remain tight in the short term given the large Government of India debt programme in the Financial Year 2013 budget proposals. RBI surprised the market by a larger than expected Repo cut, but indicated they would be constrained in providing further reductions to boost growth.

To meet the challenges of the daunting environment, your Company continued to focus on managing cash efficiently and ensured that it had adequate liquidity and back-up lines of credit. Your Company successfully unlocked about Rs.750 crores from its working capital by employing Non-fund based limits of banks to release statutory refunds under a facility on offer by a State Government. The Company also actively assisted its business partners including vendors by various initiatives in channel management and making available an e-enabled structured payment platform. The vendor initiative will enable freeing up working capital relating to Rs.3,000 crores worth of annual supplies to the Company.

During the year, your Company raised External Commercial Borrowings of US\$ 150 million to finance its growth plans. The funds were raised for average maturity of 5 years at an opportune time at benchmark rates.

Your Company follows a prudent financial policy and aims to maintain optimum financial gearing at all times. The Company's total Debt to Equity Ratio was 0.29 as at 31st March, 2012.

Your Company has been rated by CRISIL, ICRA Limited ("ICRA") and Credit Analysis & Research Limited ("CARE") for its banking facilities under Basel II norms. CRISIL, ICRA and CARE have all re-affirmed the highest rating for your Company's Short Term facilities. During the year,

CRISIL maintained the rating for your Company's Long Term Banking facilities to "AA+/Stable", ICRA maintained the Long Term Rating of "LAA+/Stable" and CARE also maintained the rating "CARE AA+".

Your Company's Bankers continue to rate your Company as a prime customer and extend facilities/services at prime rates.

Acquisitions and other matters

1. Voluntary Open Offer for 27% of the paid-up share capital of Swaraj Automotives Limited ("SAL")

Your Company had a shareholding of 44.19% in SAL which manufactures seats and seating systems for tractors, commercial vehicles, cars and passenger vehicles. Your Company made a voluntary open offer under the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 to acquire upto 27% of the paid-up share capital and consolidate its shareholding in SAL. The Offer was made at a price of Rs.90 per fully paid-up equity share of Rs.10 each and was for an offer size of Rs.5,82,64,380. The Offer was fully tendered. Consequently, the shareholding held by your Company in SAL has increased from 44.19% to 71.19%, thereby making SAL a subsidiary of your Company.

2. Open Offer to the Shareholders of EPC Industrie Limited ("EPC") and Rights Issue by EPC

As reported in the Annual Report for the Financial Year 2011, your Company acquired 38% of the equity share capital of EPC through a preferential allotment. EPC being a listed entity, open offer under the erstwhile Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 was triggered. Accordingly, an Open Offer to acquire further 20% of the paid-up capital of EPC was made at an Offer price of Rs.67.55 per share of Rs.10 each. Your Company received shares to the extent of 0.11% of the share capital of EPC in the open offer. The current shareholding of your Company in EPC is 38.10%. During the year, EPC became a subsidiary of your Company on account of the rights exercisable by your Company, under the Articles of Association of EPC to appoint majority Directors on the Board of EPC upon completion of the Open Offer. Subsequent to the year end, EPC has made a Rights Issue of 1,03,58,199 Equity Shares of Rs.10 each at a premium of Rs.30 per Equity Share for an amount aggregating Rs.41.43 crores in the ratio of 3 Equity Shares for every 5 fully paid-up Equity Shares held by the existing Equity Shareholders of EPC on the record date. The Rights Issue opened on 14th May, 2012 and will close on 31st May, 2012.

3. Demerger of Automotive Business of Mahindra Automobile Distributor Private Limited

Mahindra Automobile Distributor Private Limited ("MADPL"), a subsidiary of your Company, was engaged in the business of assembling and selling Automotive vehicles and accessories ("Automotive Business") and spare parts ("Spares Business").

MADPL, earlier known as Mahindra Renault Private Limited, was a Joint Venture between Renault s.a.s., France ("Renault") and your Company. After the divestment of Renault from the Joint Venture, your Company has assumed full control over the activities of MADPL. However, Renault will continue to supply components and sub-assemblies to MADPL at re-negotiated prices and will continue to support the product in India.

Your Company is already dealing in all segments of automobile industry e.g. passenger vehicles, commercial vehicles, light commercial vehicles and three-wheelers. Verito brand of vehicles which replaced the earlier Logan brand, is a perfect fit in the entire product portfolio.

Due to the divestment of Renault and in order to consolidate, it was proposed to demerge the Automotive Business of MADPL into your Company. The proposed demerger of the Automotive Business would enable MADPL to streamline its operations by being focused on the Spares Business so as to enhance its profitability and to rationalise its management, businesses and finances. It will also provide your Company more flexibility in the manufacturing and supply chain.

To achieve the above, a Scheme of Arrangement was announced by your Company whereby MADPL would demerge the Automotive Business into your Company. The same was approved by the Shareholders of your Company at the Court Convened Meeting held on 7th February, 2012. The Scheme has been approved by the High Court on 30th March, 2012 and the same has been effective from 23rd April, 2012 by filing the certified copy of the Order with the Registrar of Companies. The appointed date of the Scheme is 1st April, 2011. As per the Scheme and pursuant to the demerger, the share capital of MADPL has been restructured and shares held by your Company and its wholly owned subsidiary viz. Mahindra Holdings Limited, stand cancelled to the extent of capital restructuring. As per the Scheme, your Company has on 17th May, 2012 allotted 5,917 Ordinary (Equity) Shares of Rs.5 each to Infina Finance Private

Limited, the Shareholder of MADPL in the share exchange ratio of 1 fully paid-up Ordinary (Equity) Share of Rs.5 each for every 3,162 fully paid-up Equity Shares of Rs.10 each held in MADPL.

4. Consolidation of Two Tractor Joint Ventures in China

Your Company through Mahindra Overseas Investment Company (Mauritius) Limited ("MOICML"), a wholly owned subsidiary of your Company has a stake of 88.55% in Mahindra China Tractor Company Limited ("MCTCL") – a Joint Venture in Jiangsu Province with Jiangling Motors Co. Group and a 51% stake in Mahindra Yueda Yancheng Tractor Co. Limited ("MYYTCL") – a Joint Venture in Jiangxi Province with Yueda Group. These two Joint Venture companies were formed in 2005 and 2009 respectively.

In order to synergise the business in China it is proposed to create a single face for brand Mahindra at the market place through integrating sales and marketing approach, manufacturing operations and supply chain for both the companies, leveraging size advantage of MYYTCL and optimising financial resources to support growth at both the companies. With a view to achieve the above, MYYTCL would purchase MOICML's 88.55% stake in MCTCL, resulting in MCTCL becoming a subsidiary of MYYTCL. This process is currently in progress in China, in terms of getting approvals from the respective Provincial Governments and other Government agencies in China.

5. Proposed Amalgamation of Satyam Computer Services Limited and other companies with Tech Mahindra Limited

The Board of Directors of Tech Mahindra Limited, a Joint Venture of your Company ("transferee company" or "TechM") alongwith Venturbay Consultants Private Limited, Satyam Computer Services Limited ("Mahindra Satyam"), C&S System Technologies Private Limited, Mahindra Logisoft Business Solutions Limited and CanvasM Technologies Limited (collectively referred to as "the transferor companies") at their respective Meetings held on 21st March, 2012 have pursuant to the provisions of sections 391 to 394 read with sections 78, 100 to 104 and other applicable provisions of the Companies Act, 1956 and subject to the requisite approval of the Shareholders of the respective companies and subject to all necessary statutory approvals, approved Amalgamation of the transferor companies with TechM. Pursuant to the Scheme of Amalgamation and Arrangement of the transferor companies with the transferee company, TechM shall issue and allot 2 equity shares of Rs.10 each fully paid-up in its capital in respect of every 17 equity shares of Rs.2 each fully paid-up in the equity share capital of Mahindra Satyam to the Shareholders of Mahindra Satyam.

The proposed Amalgamation would result in creation of a new off-shore services leader with deep competencies and a balanced mix of revenues of over \$ 2.4 billion, from various geographies and domains and more than 75,000 professionals and 350 + active clients. The combined entity would provide an edge with diversification benefits arriving from Mahindra Satyam's Enterprise Mobility and TechM's Telecom domain expertise and would lead to a balanced mix of revenues from Telecom, Manufacturing, Media & Entertainment and Banking, Financial Services, Insurance, Retail and Healthcare.

Share Capital

As reported in the Annual Report for the Financial Year 2011, your Company had allotted 34,730 Ordinary (Equity) Shares of Rs.5 each to International Finance Corporation, the Shareholder of Mahindra Shubhlabh Services Limited ("MSSL"), a subsidiary of your Company in the share exchange ratio of 1 fully paid-up Ordinary (Equity) Share of Rs.5 each for every 190 fully paid-up Equity Shares of Rs.10 each held in MSSL pursuant to the Scheme of Arrangement between MSSL and the Company and their respective Shareholders ("the Scheme"). The Scheme became effective on 15th April, 2011.

Subsequent to the year end, your Company has allotted 5,917 Ordinary (Equity) Shares of Rs.5 each to Infina Finance Private Limited, the Shareholder of Mahindra Automobile Distributor Private Limited ("MADPL") on 17th May, 2012, pursuant to the Scheme of Arrangement between MADPL and the Company and their respective Shareholders and Creditors based on the swap ratio determined by the Independent Valuer. Consequently, the issued, subscribed and paid-up Share Capital of the Company stood at Rs.307 crores comprising of 61,39,80,756 Ordinary (Equity) Shares of Rs.5 each fully paid-up as on the date of this Report.

Stock Options

During the year under review, on the recommendation of the Governance, Remuneration and Nomination Committee of your Company, the Trustees of the Mahindra & Mahindra Employees' Stock Option Trust have granted 6,55,334 Stock Options to the Eligible Employees under the Mahindra & Mahindra Limited Employees Stock Option Scheme – 2010. Further, no new Options have been granted under the Mahindra & Mahindra Limited Employees Stock Option Scheme - 2000.

Details required to be provided under the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 are set out in Annexure I to this Report.

Industrial Relations

A cordial Industrial Relations environment prevailed at all the manufacturing units across your Company during the year under review. The focus has been on propagating proactive and employee centric shop floor practices, quick grievance resolution mechanisms and alignment to overall business goals thus ensuring no loss of production in Financial Year 2012. Propagating employee engagement as a business imperative and the belief that highly engaged employees deliver exceptional performance has resulted in record production in Financial Year 2012.

Over the last few years, your Company has provided an impetus to enhancing capabilities at the shop floor - beyond the immediate technical skills which is usually undertaken. Operators are trained and encouraged to work in Teams for resolving quality concerns, reducing cost, improving safety and efficiency. For the year under review, the workmen generated over 10 ideas per person towards this cause.

In a restructuring exercise to right size the workforce during the year under review, your Company accepted Voluntary Retirement from 28 employees at Igatpuri Plant of the Automotive Division. The 'Management Discussion and Analysis Report' shares an overview of the developments in Human Resources/Industrial Relations during the year.

Safety, Occupational Health and Environment

Your Company continues to demonstrate a strong commitment towards Safety, Health and Environment and as a part of the same, multiple measures and actions through safety Kaizens and Poka Yoke's were undertaken during the year under review. Through its well-established Safety, Occupational Health & Environmental Policy, the objectives and targets derived are supported by respective Management Programs.

Among the core organisational values is the Safety & Occupational Health of employees of the Company. The Policy inter alia covers and ensures safety of public, employees, plant and equipment, ensures compliance on a monthly basis, imparting training to all its employees and stakeholders as per training calendar, carrying out statutory safety assurance and audits of its facilities as per legal requirements, conducting regular internal and external medical and occupational check-up of its employees and promoting health-friendly sustainable activities.

Ongoing initiatives like Road Safety Week, Safety Week and Fire Service Day are organised, coupled with Safety Audits/Inspection and Safety awareness training with benchmarks on overall safety performance.

Regular Occupational Health Examination Camps, medical check-ups, consultation and counselling were organised to monitor employees and contract workmen.

Through stakeholders' engagement and employees' involvement, your Company demonstrates its road map on the fundamentals of Planet, People and Profit. Various path breaking projects have been implemented by your Company in the areas of Air Pollution Management, Water and Waste Water Management, Solid Waste Management and Greenbelt Development.

Subsequent to the year end, a fire broke out in one of the storage areas pertaining to manufacturing of Scorpio/Xylo TCF lines of the Company's Automotive Plant 1 at Nasik. The fire was confined to this specific area and there has been no casualty. The Plant assets are adequately covered by insurance. Post the incident, necessary actions were taken to restore normalcy of operations and recover lost production. Further, the Company has strengthened the safety and fire audit procedures across all its locations.

Certifications / Re-certifications

Your Company's commitment to the environment stems from the Mahindra Group's abiding concern for Stakeholder engagement in and around the Society. The nature of operations has a low impact on the environment as your Company has implemented an Environment Management System wherein a healthy work environment is provided to its employees and environment friendly businesses are conducted. Besides, to bring cross cultural sensitivity of the Company's business associates, promotional activity towards increasing the awareness on Green Supply Chain Management in the vendor community has also been initiated. Through the Sustainability Reporting System, your Company annually revises its objectives and targets and helps in continually improving its air quality by controlling emissions, water pollution and minimising waste from its processes.

Implementation of the Safety, Occupational Health & Environment Management System Standard has been re-enforced by way of a re-certification process towards the Company's commitment to Safety, Occupational Health and Environment of the highest levels. All Plants of the Automotive and Farm Division have been certified under OHSAS 18001: 2007 & EMS ISO 14001: 2004. The EMS & OHSAS systems aim to eliminate or minimise risk and environmental impact on employees and other interested parties who may be exposed to Occupational Safety risks/impacts associated with its activities. Sustainable development is promoted across the Divisions through sharing of best practices and monitoring mechanism of the Policy in the fields of Safety, Occupational Health & Environment.

Corporate Social Responsibility

Last year the Mahindra Group introduced 'Rise' to the world, a symbol of Mahindra's dedication to continual improvement within ourselves and in the communities the Group touches. Your Company kept to its commitment of spending 1% of its Profit After Tax to drive positive change in the communities where it operates. While education remains the focus area as can be seen in the Corporate Social Responsibility ("CSR") initiatives listed below, environment and health are also areas your Company has invested in, especially through the Hariyali project and sponsoring of the Lifeline Express.

Some of the major CSR initiatives the Company has invested in during 2011-2012 are described below:

A. *Nanhi Kali*

Bearing in mind the millennium development goals, the Mahindra Group has been supporting the cause of Girl Child education for many years through investing in Nanhi Kali, a project that supports the education of underprivileged girl children. During the last financial year, 74,383 girls across 9 states in India were provided academic and material support, of which, the Mahindra Group supports the education of 27,887 Nanhi Kalis. Significant outcomes include curtailing drop out of girls from school to less than 10% and a 20% increase in learning outcomes across all project areas.

B. *Mahindra Pride Schools*

Your Company continues to support the Government mandate for affirmative action by providing youth from socially disadvantaged sections of Society with livelihood training through the Mahindra Pride Schools. 3,830 students from socially disadvantaged sections of Society have been provided training at the 3 Mahindra Pride Schools in Pune, Chennai and Patna. The students are being trained in three areas of Hospitality, Craft, Information Technology Enabled Services (ITES - for BPOs and KPOs) and Customer Relationship Management. The highlight of the placement process has been 100% placement of students in lucrative jobs.

C. *Scholarships and Grants*

Your Company established various scholarships which have helped transform the lives of youth. These scholarships range from rewarding excellence in academics in 35 schools to providing vocational scholarship to students from disadvantaged sections of Society, to providing interest free loan scholarship to students who wish to pursue post graduate studies overseas. During the

year under review, almost 2,100 students benefitted from these scholarships. Your Company is also supporting 28 Mumbai Public Schools which provide quality English medium education to students from the lower socio-economic strata of society.

Your Company also plans on carrying out Relief and Rehabilitation work at the cyclone affected areas of Tamil Nadu. The Mahindra Group will construct houses and associated infrastructural facilities such as water supply, sanitation, rain water harvesting facilities, etc. in the severely affected villages.

Employee Social Options

The Esops initiative which was undertaken in the year 2005 on the 60th year of the Company has now become a rising movement within the Company. "Esops" here stands for Employee Social Options, a systematic employee volunteering Programme under the CSR initiatives.

Esops for the Mahindra-ites means sharing a part of your time to help the less fortunate. It implies looking beyond oneself. It means sharing one's skills to make society healthier, cleaner, greener, more literate and hence more sustainable.

Esops is a set of social work volunteering options that are created and implemented exclusively by employees themselves based on the needs of underprivileged communities in and around their areas of operation. In a way, it is each employee's personal CSR.

Esops enables the Mahindra workforce to collectively donate thousands of person-hours for various social projects, in the three focused areas of Education, Health and Environment, making social work an integral part of their lives. Esops, a way of giving back to society, delivers not only a Management value but also a Team value.

Some of the notable Esops initiatives this year were the Lifeline Express at Haridwar in Uttarakhand and at Rajgir in Bihar where jointly 4,429 people were either surgically treated or given medicines and appliances free of cost, Mahindra Hariyali for planting more than 1.2 million trees, Esops Awards – 2011, Esops Star Performers Awards, etc.

The other Esops activities included numerous initiatives in Education, Health, Environment and others having short term as well as long term impact on the beneficiaries or society at large.

'Sustainability' Initiative

Your Company continued with its journey on sustainable development with conscious efforts to minimise the environmental impact caused by products & processes and simultaneously taking responsibility to enable communities to Rise without losing focus on economic

performance. The triple bottom line performance for 2010-11 was published in accordance with the latest guidelines of the internationally accepted Global Reporting Initiative or the GRI standards. As in case of the previous three Reports, this Report was also externally assured by Ernst & Young with an A+ rating and GRI checked. The Report for the year 2011-12 is under preparation and will be ready for release shortly.

In order to follow a structured path towards sustainable development, in 2008-2009 your Company has devised a road map with seven commitments for reducing the environmental footprint of its operations. So far, all targets have been surpassed. A percentage reduction in energy and water consumption as well as GHG emission was recorded in the Automotive as well as the Farm Division, as compared to the previous year. This was the result of the continuous improvement approach followed at the plant level.

After four years into this journey, your Company's operations have naturally aligned itself to the National Agenda on Climate Change articulated through the National Action Plan for Climate Change ("NAPCC"). Business models have been created that support the missions under the NAPCC e.g. the conscious progression from Farm Equipment Manufacturing to Farm Prosperity which directly addresses the National Mission for Sustainable Agriculture. Entry into the renewable energy segment is in keeping with the National Solar mission. Constant improvements in energy and water efficiencies support the National Mission for enhanced energy efficiency and Water Mission. These are humble contributions to National goals, which your Company is committed to pursue.

This transparency about the impact of business on environment and local communities has made your Company secure first place in the Standard & Poor ESG India Index 2011 amongst the top 50 best performing companies on the Stock Market. Your Company also had the distinction of receiving an invitation to participate in the Dow Jones Sustainability Index ("DJSI") 2011, in the category of Industrial Engineering. Your Company's performance under each of the three dimensions, i.e. Economic, Environmental and Social, is above the average score of all companies rated in the category.

Over the years, Alternative Thinking has been ingrained in your Company. It is also one of the three brand pillars of Rise. Processes, Products and People, all are driven by Alternative Thinking. It is helping your Company not only in rising to emerging challenges but also in translating them into opportunities. This transformative power stems from your Company's commitment to create a sustainable enterprise, which in turn is derived from the Group's purpose - to enable people to Rise.

Directors

At the Meeting of the Board of Directors of the Company held on 30th May, 2012, the Chairman Mr. Keshub Mahindra expressed his intention to relinquish his position as Chairman and Director of the Company and requested the Board to accept this request and make his retirement as Chairman and Director of the Company effective at the conclusion of the next Annual General Meeting.

The Board with great reluctance and utmost regret accepted the Chairman's request to relinquish his office as Chairman and Director of the Company at the conclusion of the 66th Annual General Meeting of the Shareholders which is scheduled to be held on 8th August, 2012. The Board however, requested the Chairman to accept the position as Chairman Emeritus of the Company so that his advice and guidance would continue to be available to the Company. The Chairman thanked the Board and stated that this would indeed be a great honour which he would accept with humility.

The Board Members unanimously complimented the Chairman on the illustrious services rendered by him to the Company, the Industry and the Nation. The Board recalled that Mr. Keshub Mahindra joined the Board in 1948 and became the Chairman in 1963. His continued Membership of the Board for a little over six decades and as Chairman for close to 50 years is unparalleled in the annals of Corporate History.

During this period, the Mahindra Group grew from a manufacturer of automobiles to a federation of companies operating in a range of businesses which include automobiles, tractors, auto components, information technology, real estate, financial services and hospitality. Over the years, the Company under his leadership successfully created business alliances with global majors such as the Willys Corporation, Mitsubishi, International Harvester, United Technologies, British Telecom, Ford, Renault and many others, laying the foundation for the emergence of the Group as an Indian multi-national.

While pursuing the growth objectives of the Company, Mr. Keshub Mahindra never lost sight of the larger interests of the nation. Even before the buzz word of Corporate Social Responsibility came into vogue in the Corporate World, the Mahindra Group quietly and unobtrusively developed a high sense of philanthropy on a wide range of social issues and more particularly education to benefit diverse sections of the Society.

An important contribution of the Chairman had been to develop and mentor a broad range of leaders in the Company to carry on the legacy inherited over six decades of exceptional governance. The depth of managerial talent that is available in the Company has been a major factor for the continued growth of the Company.

The Board Members placed on record their deep sense of gratitude and appreciation for all that Mr. Keshub Mahindra had given to the Company during the last six decades and wished him continued good health and active retirement for years to come.

In the light of Mr. Keshub Mahindra relinquishing his office as the Chairman and Director of the Company, the Board after due deliberations unanimously decided that Mr. Anand G. Mahindra, Vice-Chairman and Managing Director of the Company, in recognition of the immense contribution that he had made to the growth of the Company and the vast experience that he had gathered during his over two decades of association with the Company, be elevated to the position of the Chairman. The appointment of Mr. Anand G. Mahindra as the Chairman would become effective after Mr. Keshub Mahindra ceases to be the Chairman and Director at the conclusion of the forthcoming Annual General Meeting scheduled to be held on 8th August, 2012 and Mr. Anand G. Mahindra would thereafter function as the Chairman and Managing Director of the Company.

Mr. Anand G. Mahindra commenced his professional career with Mahindra Ugine Steel Company Limited in 1989 and then joined the Company in 1991 as Deputy Managing Director. He has been largely credited for the Company's diversification into new businesses viz. real estate and hospitality management. In April, 1997, Mr. Anand G. Mahindra was appointed as Managing Director and in January, 2001 was given additional responsibility of Vice-Chairman.

Life Insurance Corporation of India withdrew the nomination of Mr. Arun Kanti Dasgupta, as a Nominee Director with effect from 9th August, 2011. Consequently, Mr. Dasgupta ceased to be a Director of the Company.

The Board has placed on record its sincere appreciation of the valuable services rendered by Mr. Dasgupta during his tenure as a Director of the Company.

Mr. Deepak S. Parekh, Mr. A. K. Nanda, Mr. Narayanan Vaghul and Mr. R. K. Kulkarni retire by rotation and, being eligible, offer themselves for re-appointment.

The Board of Directors at its Meeting held on 20th March, 2012 have pursuant to the approval of the Governance, Remuneration and Nomination Committee of the Board and subject to the approval of the Members to be obtained at the ensuing Annual General Meeting of the Company, re-appointed Mr. Anand G. Mahindra as the Managing Director for a period of 5 years with effect from 4th April, 2012 to 3rd April, 2017 and Mr. Bharat Doshi as the Executive Director for a period with effect from 28th August, 2012 to 31st March, 2015.

Pursuant to the recommendation of the Governance, Remuneration and Nomination Committee, Dr. Vishakha N. Desai and Mr. Vikram Singh Mehta were appointed as Additional Directors of the Company with effect from 30th May, 2012 at the Meeting of the Board of Directors of the Company held on 30th May, 2012.

Dr. Vishakha N. Desai is President and CEO of Asia Society, a leading global organisation committed to strengthening partnerships among the people, leaders and institutions of Asia and the United States. Dr. Desai holds a B.A. in Political Science from Bombay University and an M.A. and Ph.D. in Asian Art History from the University of Michigan.

Mr. Vikram Singh Mehta is the Chairman of the Shell Group of Companies in India since 1994. Mr. Mehta completed his Bachelors' Degree in Mathematics (Hons.) from St. Stephens College, Delhi University. He also has a Master's Degree in Politics and Economics (Hons.) from Magdalen College, Oxford University, UK and a Master's Degree in Energy Economics from the Fletcher School of Law and Diplomacy, Tufts University in USA.

Dr. Desai and Mr. Mehta hold office upto the date of the ensuing Annual General Meeting of the Company.

The Company has received a Notice from a Member signifying his intention to propose Dr. Desai and Mr. Mehta for the office of Directors at the forthcoming Annual General Meeting.

Directors' Responsibility Statement

Pursuant to section 217(2AA) of the Companies Act, 1956, your Directors, based on the representations received from the Operating Management, and after due enquiry, confirm that:

- (i) in the preparation of the annual accounts, the applicable accounting standards have been followed;
- (ii) they have, in the selection of the accounting policies, consulted the Statutory Auditors and these have been applied consistently and reasonable and prudent judgments and estimates have been made so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2012 and of the profit of the Company for the year ended on that date;
- (iii) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

(iv) the annual accounts have been prepared on a going concern basis.

Subsidiary Companies

The subsidiary companies of your Company continue to contribute to the overall growth of the Company. Major subsidiaries such as Mahindra & Mahindra Financial Services Limited with a 30.6% growth in its consolidated profits and Mahindra Lifespace Developers Limited with a 10.1% growth in its consolidated profits deserve special mention. The consolidated Group Profit for the year after exceptional items, prior period adjustments and tax and after deducting minority interests is Rs.3,126.66 crores as against Rs.3,079.73 crores earned in the previous year.

During the year under review, Bristlecone International AG, EPC Industrie Limited, Mahindra Telecommunications Investment Private Limited, Navyug Special Steel Private Limited, Bell Tower Resorts Private Limited, Mahindra Racing S.r.l. and Swaraj Automotives Limited became subsidiaries of your Company.

During the year under review, Engines Engineering S.r.l., Eff Engineering S.r.l. and Gipp Aero International Pty. Limited ceased to be subsidiaries of the Company.

Subsequent to the year end, Mahindra Defence Naval Systems Private Limited was formed as a wholly owned subsidiary of your Company.

The Statement pursuant to section 212 of the Companies Act, 1956 containing details of the Company's subsidiaries is attached.

In accordance with the General Circular issued by the Ministry of Corporate Affairs, Government of India, the Balance Sheet, Profit and Loss Account and other documents of the subsidiary companies are not being attached with the Balance Sheet of the Company. The Company will make available the Annual Accounts of the subsidiary companies and the related detailed information to any Member of the Company who may be interested in obtaining the same. Further, the Annual Accounts of the subsidiaries would also be available for inspection by any Member at the Head Office of the Company and at the Office of the respective subsidiary companies, during working hours upto the date of the Annual General Meeting.

Consolidated Financial Statements

The Consolidated Financial Statements of the Company and its subsidiaries, prepared in accordance with Accounting Standard AS21 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.

Auditors

Messrs Deloitte Haskins & Sells, Chartered Accountants, retire as Auditors of the Company and have given their consent for re-appointment. The Members would be required to elect Auditors for the current year and fix their remuneration.

As required under the provisions of section 224(1B) of the Companies Act, 1956, the Company has obtained a written Certificate from the above Auditors proposed to be re-appointed to the effect that their re-appointment, if made, would be in conformity with the limits specified in the said section.

Cost Auditors

As per the Order of the Central Government and in pursuance of section 233B of the Companies Act, 1956, your Company carries out an audit of its cost records. The due date for filing of the Cost Audit Report with the Ministry of Corporate Affairs for the Financial Year ended 31st March, 2011 was 30th September, 2011. The Reports were filed on 14th September, 2011 for the Farm Equipment Sector and 20th September, 2011 for Motor Vehicles. The Central Government has approved the appointment of M/s. N. I. Mehta & Co., Cost Accountants as Cost Auditors for conducting Cost Audit for the Financial Year 2011-12.

Pursuant to section 233B(2) of the Companies Act, 1956, the Board of Directors on the recommendation of the Audit Committee appointed M/s. N. I. Mehta & Co., Cost Accountants, as the Cost Auditors of the Company for the Financial Year 2013. M/s. N. I. Mehta & Co. have confirmed that their appointment, is within the limits of section 224(1B) of the Companies Act, 1956 and have also certified that they are free from any disqualifications specified under section 233B(5) read with section 224 and sub section (3) or sub section (4) of section 226 of the Companies Act, 1956.

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

Public Deposits and Loans/Advances

Out of the total 10,553 deposits of Rs.7,805.20 lakhs from the Public and Shareholders as at 31st March, 2012, 437 deposits amounting to Rs.190.84 lakhs had matured and had not been claimed as at the end

of the Financial Year. Since then, 205 of these deposits of the value of Rs.104.73 lakhs have been claimed.

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.

Current Year

During the period 1st April, 2012 to 29th May, 2012, 56,811 vehicles (including Verito) were despatched as against 52,304 vehicles (including Verito) during the corresponding period in the previous year. During the same period, 35,779 tractors were despatched as against 40,971 tractors despatched during the corresponding period in the previous year.

Looking forward, your Company expects the economic environment in 2012-13 to be as, if not more challenging than that in 2011-12. The risks of a full fledged crisis in the euro zone are high and rising, the US economic recovery is looking increasingly more fragile, China is slowing and financial markets are in a state of flux. At the same time, weak domestic macros and partisan coalition politics continue to constrain policy actions needed to support growth amidst a deteriorating global environment. While falling commodity and oil prices may provide some relief, the depreciation in the external value of the rupee is likely to limit beneficial impact on domestic operations. The near term outlook on the economy, thus, is cautious and watchful.

Whilst the economic terrain looks rough at present, your Company is confident that it will, through a relentless focus on customer delight, new product introduction, process innovation and cost controls, successfully negotiate the economic challenges that lie ahead.

Energy Conservation, Technology Absorption and Foreign Exchange Earnings and Outgo

Particulars required to be disclosed under the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 are set out in Annexure II to this Report.

Particulars of Employees

The Company had 159 employees who were in receipt of remuneration of not less than Rs.60,00,000 during the year ended 31st March, 2012 or not less than Rs.5,00,000 per month during any part of the said year. However, as per the provisions of section 219(1)(b)(iv) of the Companies Act, 1956, the Directors' Report and Accounts are being sent to all the Members of the Company excluding the Statement of particulars of employees. Any Member interested in obtaining a copy of the Statement may write to the Company Secretary of the Company.

For and on behalf of the Board

KESHUB MAHINDRA
Chairman

Mumbai, 30th May, 2012

ANNEXURE I TO THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2012

Information to be disclosed under the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999:

a	Options granted	Mahindra & Mahindra Limited Employees Stock Option Scheme - 2000 ("2000 Scheme") – 1,51,80,898 Mahindra & Mahindra Limited Employees Stock Option Scheme - 2010 ("2010 Scheme") – 38,72,092											
b	The pricing formula	2000 Scheme										2010 Scheme	
		1 st Tranche	2 nd Tranche	3 rd Tranche	4 th Tranche	5 th Tranche	6 th Tranche	7 th Tranche	8 th Tranche	9 th Tranche	10 th Tranche	1 st Tranche	2 nd Tranche
		Average price preceding the specified date – 27 th September, 2001	Average price preceding the specified date - 30 th May, 2003	Discount of 5.13% on the average price preceding the specified date - 31 st May, 2004	Discount of 4.85% on the average price preceding the specified date - 30 th May, 2005	Average price preceding the specified date - 14 th September, 2005	Discount of 5.02% on the average price preceding the specified date - 29 th May, 2006	Discount of 4.89% on the average price preceding the specified date - 13 th September, 2006	Discount of 4.97% on the average price preceding the specified date - 30 th July, 2007	Discount of 5.03% on the average price preceding the specified date - 4 th August, 2008	Discount of 4.97% on the average price preceding the specified date - 30 th July, 2009	Options issued at Par specified date - 29 th October, 2010	Options issued at Par specified date - 9 th December, 2011
		Average price			-	Average of the daily high and low of the prices for the Company's Equity Shares quoted on Bombay Stock Exchange Limited during 15 days preceding the specified date.							
		The specified date			-	Date on which the Governance, Remuneration and Nomination Committee decided to recommend to the Mahindra & Mahindra Employees' Stock Option Trust ("Trust"), the grant of Options.							
c	Options vested	2000 Scheme – 1,27,14,367 2010 Scheme – 6,23,069											
d	Options exercised	2000 Scheme – 92,56,826 2010 Scheme – 2,66,309											
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 – 46,68,123 Equity Shares of Rs.5. These were transferred from the Trust to the Eligible Employees during the period 1 st April, 2010 to 31 st March, 2012. 2010 Scheme – 2,66,309 Equity Shares of Rs.5. These were transferred from the Trust to the Eligible Employees during the period 1 st April, 2011 to 31 st March, 2012.											
f	Options lapsed	2000 Scheme – 14,26,544 2010 Scheme – 1,56,152											
g	Variation of terms of options	At the Sixty-first Annual General Meeting of the Company held on 30 th 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 st April, 2007.											
h	Money realised by exercise of options	2000 Scheme - Rs.2,18,22,99,950 2010 Scheme – Rs.13,31,545 This amount was received by the Trust.											
i	Total number of options in force	2000 Scheme – 44,97,528 2010 Scheme – 34,49,631											
j	Employee-wise details of options granted to:												
	(i) Senior managerial personnel	As per Statement attached											

	(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 st March, 2004*	Names	Options granted during the year ended 31 st March, 2005*
		Mr. Raghunath Murti	15,000	Mr. Pranab Datta	15,240
		Mr. Hemant Luthra	15,240	Mr. Rajeev Dubey	15,000**
		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 th 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.46.89			
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 th June, 2003, under 2000 Scheme and 2010 Scheme, the employee compensation cost would have been lower by Rs.5.51 crores, Profit after tax higher by Rs.5.51 crores and the basic and diluted earnings per share would have been higher by Rs.0.09 and Rs.0.09 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.	2010 Scheme			
		Options Grant Date	Exercise price (Rs.)	Fair value (Rs.)	
		14 th December, 2011	5.00	633.59	

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:	The fair-value of the stock options granted under 2010 Scheme have been calculated using Black-Scholes Options pricing Formula and the significant assumptions made in this regard are as follows:
	(i) risk-free interest rate,	8.34%
	(ii) expected life,	3.25 years
	(iii) expected volatility,	41.96%
	(iv) expected dividends, and	1.82%
	(v) the price of the underlying share in market at the time of option grant.	Rs.676.05

STATEMENT ATTACHED TO ANNEXURE I TO THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2012

Name of Senior Managerial Persons to whom Stock Options have been granted	2000 Scheme					2010 Scheme
	Options granted in December, 2001*	Options granted in June, 2005**(\$)	Options granted in September, 2006 (\$\$)	Options granted in July, 2007 (\$\$\$)	Options granted in August, 2008 (\$\$\$\$)	Options granted in January, 2011 (\$\$\$\$\$)
Mr. Bharat Doshi	1,00,000	*10,000***	*11,345***	*8,362***	29,039***	71,080
Mr. Deepak S. Parekh	20,000	*5,000	Nil	Nil	Nil	Nil
Mr. Nadir B. Godrej	20,000	*5,000	Nil	Nil	Nil	Nil
Mr. M. M. Murugappan	20,000	*5,000	Nil	Nil	Nil	Nil
Mr. A. K. Nanda	1,00,000	*10,000	*11,345***	*8,362***	24,890***	Nil
Mr. Narayanan Vaghul	20,000	*5,000	Nil	Nil	Nil	Nil
Dr. A. S. Ganguly	20,000	*5,000	Nil	Nil	Nil	Nil
Mr. R. K. Kulkarni	20,000	*5,000	Nil	Nil	Nil	Nil
Mr. Anupam Puri	20,000	@5,000***	Nil	Nil	Nil	Nil

@ Unexercised options lapsed.

Options granted on (\$)	Vesting period	Exercise period	Exercise price
June, 2005	Already vested in June, 2006	Within five years from the date of vesting	**Rs.454 per share***
(\$\$) September, 2006	Four equal instalments in September, 2007, 2008, 2009 and 2010 respectively	On the date of Vesting or within five years from the date of Vesting	Rs.616 per share***
(\$\$\$) July, 2007	Four equal instalments in July, 2008, 2009, 2010 and 2011 respectively	On the date of Vesting or within five years from the date of Vesting	Rs.762 per share***
(\$\$\$\$) August, 2008	Four equal instalments in August, 2009, 2010, 2011 and 2012 respectively	On the date of Vesting or within five years from the date of Vesting	Rs.500 per share***
(\$\$\$\$\$) January, 2011	Five equal instalments in January, 2012, 2013, 2014, 2015 and 2016 respectively	On the date of Vesting or within six months from the date of Vesting	Rs.5 per share

* All the above Options have been exercised.

** 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.

*** Further, the number of Stock Options granted and outstanding as on 30th March, 2010, stand 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 II TO THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2012

PARTICULARS AS PER THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988 AND FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2012

A) Conservation of Energy

Your Company has always been aware of the need for conservation of energy and natural resources and has been consciously making progress year on year towards this end. Energy efficiency improvement initiatives have been implemented at all the Plants and Offices of the Company by undertaking various energy conservation projects.

Your Company ensures strict compliance with all statutory requirements at all its Plants/Units and takes several voluntary steps like Zero Discharge, reduced consumption of water, deploying reduce, recycle and reuse approach and takes various other steps as explained under Sustainability Initiatives taken by the Company.

Your Company has also implemented the following activities to ensure better environment:

- Reduction in carbon footprint.
- Move towards Carbon neutrality.
- Effective effluent and Sewerage treatment, recycle and reuse of water.
- Reduce, Recycle and Reuse of Waste.
- Move towards Water neutrality.
- Reducing solid waste and Eco friendly waste disposal.
- Saving of natural resources like water, fuel, etc.
- Environment friendly Ambient and work place.
- Use of Renewable Energy in Manufacturing.
- Optimisation of Compressed Air.

(a) During the year, the Company has taken the following initiatives for conservation of energy:

(i) Engineering Initiatives

- Installation of heat recovery equipment for furnaces and ovens.

- Use of Piped Natural Gas in place of electrical heating for heat treatment and industrial washing.
- Installation of LPG flux saver in ovens.
- Installation of energy efficient Water cooled screw chiller for air conditioning.
- Introduction of energy efficient pumps.
- Installation of VFDs (Variable frequency drives) at select locations.
- Installation of LED lights for street lighting and Workshop lighting. Installation of solar panels and small wind turbine.
- Installation of Mag coupled magnetic lamps instead of sodium/mercury vapour lamps.
- Rainwater harvesting and water conservation.
- Installation of Heat pumps for washing machines combining heating and cooling.

(ii) Process Improvement

- Cycle time reduction of various manufacturing processes through introduction of new technology and process improvement.
- Optimising temperature settings on HVAC units, considering seasonal changes.
- Use of heat recovery in Paint shop for ASU heating during winter reducing Gas consumption.
- Use of Oven heat recovery for using it in Hot water generator.

(iii) Initiatives Generating Awareness on Energy Consumption

- Awareness campaign is conducted by celebrating ECON week across the plants.
- E-mailer sent on various ECON topics.
- Display galleries.
- Display and sale of Energy efficient products for employees.

- Conference of all the stake holders.
- Guest lecture and quiz competition on “Sustainable Growth through Energy Conservation”.
- Sustainability Audit conducted at Dealers, Suppliers end to reduce Carbon footprint.
- Display of sustainability posters at workplace.
- Extensive involvement of shop floor operating teams in improvement activities and projects. Some examples are:
 - Periodic checking of Pressure Regulators, Air Leakage audits.
 - Shift from continuous to intermittent operation of motors (where possible).
 - Optimisation of overhead lights.
- Extend energy conservation campaigns to nearby schools and colleges.
- Reward and recognition for energy saving projects.

(b) Additional investments and proposals, if any, being implemented for reduction of consumption of energy

- 5 kw Wind + Solar hybrid Installation.
- ASU Blower modification by replacing two fans with one single fan with VFD.
- ASU heating with heat recovery from Top coat and Primer Oven in Paint Shops.
- Improvement in efficiency of air conditioning units.
- Application of efficient Magnetic coupled lighting.
- VFD for Pumps.
- Solar assisted LPG vaporizer.
- Heat Pump for Washing Machine heating.
- PNG hot water Generator for Washing Machine heating.

(c) Impact of the measures at (a) & (b) above for reduction in energy consumption and consequent impact on the cost of production of goods

The measures taken have resulted in lower energy consumption. In the Automotive Division, the specific power consumption improved by 6.4% over the previous year and in the Farm Division, the specific power consumption improved by 4.7% over the previous year.

During the current year, the Company has won several awards at National/ State/ Regional level for Energy management and Environment protection.

(d) Total energy consumption and energy consumptions per unit of production as per Form A of the Annexure to the Rules in respect of industries specified in the Schedule

Not Applicable.

B) Technology Absorption

Research & Development

1. Areas in which Research & Development is carried out:

During the year under review, the Automotive Division focused on Technology upgradation and capability development in core areas of Engine, Driveline, Safety, Value engineering through the use of modern manufacturing processes, alternate material and developing capabilities in Automotive Electronics and infotainment.

The Farm Division focused on retaining fuel efficiency advantage while meeting the upcoming engine emission norms in India and US. This was done on the complete range of the engines with improvement focused on engine technology and system level overall tractor optimisation. Beyond tractor, efforts were focused on development of a range of mechanisation solutions for focused crops.

2. Benefits derived as a result of the above efforts:

Some significant achievements in the Automotive Division include the Global launch of Genio, New Bolero, New Xylo and all new XUV500.

XUV500 has Cheetah-inspired styling, refinement like never before, enhanced technology and safety features along with luxurious interiors. XUV500 is the first monocoque constructed vehicle from Mahindra and comes with 140bhp (103Kw) mHawk engine with 330Nm torque and 5th Generation Variable Geometry Turbocharger. It has a 6-speed transaxle with all Wheel Drive and Interactive Torque Management.

For safety, XUV has Electronic Stability Program (ESP) with Rollover Mitigation, 6 Airbags (front, side and curtain), ABS with Electronic Brakeforce Distribution (EBD), Hill Hold Control and Hill Descent Control.

XUV500 comes with a host of features like - 6" touch screen Blue Sense Infotainment System with GPS, Driver Information System, Micro Hybrid technology; Fully Automatic Temperature Control with dual HVAC; Static-bending projector headlamps with LED parking lights; Voice Commands, Tyretronics (Tyre Pressure Monitoring System) and Intellipark (Reverse Parking Assist).

Moving on to the Farm Division, various variants of Bhoomiputra, Sarpanch and Arjun across the domestic range were launched during the course of the year. Engines in >50 HP segment have been upgraded to meet the Bharat TREM IIIA emission norms.

In the international space, for the US market, the Company has successfully launched the 4025 4WD Compact tractor strengthening your Company's position in the market. Similarly, 90 HP Tractor was launched for the African market.

The in-house engine development effort resulted in higher kVA engines adding to the Mahindra Powerol portfolio.

During the year, the Automotive and Farm Divisions filed 54 new patents, while 7 patents were granted.

3. Future plan of action:

Your Company continues its efforts on developing new products and technologies to meet the ever growing customer needs, regulatory requirements, competitive pressures and to prepare for the future.

On 11th April, 2012, your Company inaugurated its world class engineering research and development centre, Mahindra Research Valley ("MRV") in Chennai. Your Company has always been committed to technology-driven innovation and MRV bears testament to this conviction. Spread across 125 acres in Mahindra World City, an investment of over Rs.650 crores and a capacity of 3,000 employees, MRV will be the cradle of future innovation for the Company. All the Company's new technology and product programs are already operating from MRV.

Sustainable mobility solutions are a key focus area and your Company will continue to aggressively pursue technology development in these areas. Some of the key thrust areas in this direction are weight reduction by using alternate materials, designing modularity to take care of variants, VAVE (Value Analysis Value Engineering) approach for meeting cost pressures. Development and adaptation of safety Technologies also remain a key focus area.

4. Expenditure on R&D:

The Company spent Rs.824.26 crores (including Rs.363.44 crores on Capital Expenditure) for Research & Development work during the year, which was approximately 2.37% of the total turnover.

Technology absorption, adaptation and innovation:

1. Efforts, in brief, made towards technology absorption, adaptation and innovation

Your Company has continued its endeavor to absorb advanced technologies for its product range to meet the requirements of a globally competitive market. All of the Company's Vehicles, Engines and Tractors are compliant with the prevalent regulatory norms in India and also in the countries to which they are exported. Your Company is making good progress in its programs for development of vehicles which would run on alternate fuels like CNG, Bio-diesel, Hydrogen and Electric traction. The acquisition of a majority stake in Mahindra Reva Electric Vehicles Private Limited has substantially helped your Company to leapfrog in EV technology capability.

2. Benefits derived as a result of the above efforts

- Launch of XUV500 - the all new Cheetah - inspired SUV featuring host of technologies.
- Launch of XUV500 in India and South Africa, Global launch of Genio Pick up, New Bolero, New Xylo and the Verito.
- Compliance with new emission norms for Tractors introduced in India with effect from October, 2011.

- Compliance with new emission norms for Tractors introduced in US with effect from January, 2012.
- New Engine for Construction equipment.
- Launch of Compact Tractor in US, Higher HP Tractor in Africa.
- Build a knowledge base for the Company.
- Emphasis on value analysis/value engineering and innovative cost reduction ideas to cut down costs.

3. Imported Technology for the last 5 years

Sr. No.	Technology Imported	Year of Import	Status
1.	Hydrophilic Nano coated Feature	2007	Technology Absorbed
2.	Automatic Transmission for SUV	2007	Technology Absorbed
3.	Transmission for new SUV	2007	Technology Absorbed
4.	New Generation system for Brakes for SUV	2007	Technology Absorbed
5.	New Electricals & Electronics Features	2007	Technology Absorbed
6.	CNG engines for LCV	2007	Technology Absorbed
7.	Common Rail Diesel on Light commercial vehicle	2007	Technology Absorbed
8.	Next generation Common rail adaptation	2007	Technology Absorbed
9.	Hydrogen ICE	2007	Technology Absorbed
10.	Fuel Cell Vehicle Development	2007	Technology Absorbed
11.	2 nd Generation Biofuels (Biomass to Liquid /Gas to Liquid)	2007	Technology Absorbed
12.	Hybrid Vehicles	2008	Technology Absorbed
13.	Transmission Upgrade	2008	Technology Absorbed
14.	Electricals & Electronics Update	2008	Technology Absorbed
15.	Design for New Tractor Transmission	2008	Technology Absorbed
16.	Start Stop Micro Hybrid	2009	Technology Absorbed
17.	New Generation Engine Management System	2009	Technology Absorbed
18.	CNG Engines for Pickups/3 Wheelers	2009	Technology Absorbed
19.	Electronic Programs for Safety, Stability & Steering Control	2009	Technology Absorbed
20.	CAN Based Networking	2009	Technology Absorbed
21.	New Airbag Program	2009	Technology Absorbed
22.	Advanced Materials Technologies	2009	Technology Absorbed
23.	Development of components using alternate materials and advanced manufacturing processes	2010	In the process of Absorption
24.	Engine upgrades and Emission improvement technologies	2010	In the process of Absorption
25.	New transmissions for compact vehicles and Utility vehicles	2010	Technology Absorbed
26.	Technology for NVH management	2010	Technology Absorbed

Sr. No.	Technology Imported	Year of Import	Status
27.	Electrical and electronic technologies for safety, infotainment and convenience feature addition	2010	Technology Absorbed
28.	Alternate fuel technologies	2010	In the process of Absorption
29.	New suspension system for improved comfort	2010	Technology Absorbed
30.	Development of digital service interface	2010	Technology Absorbed
31.	Agri Implements Technology transfer	2010	In the process of Absorption
32.	Electric Vehicle Technology	2011	In the process of Absorption
33.	Advanced Engine Technologies	2011	In the process of Absorption
34.	Advanced Propulsion Technologies	2011	In the process of Absorption
35.	Duel Fuel Technology	2012	In the process of Absorption
36.	Technology for NVH Improvement	2012	In the process of Absorption
37.	Hybrid Vehicle Technology	2012	In the process of Absorption

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

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 earnings and outgo is furnished in the Notes on Accounts.

For and on behalf of the Board

KESHUB MAHINDRA
Chairman

Mumbai, 30th May, 2012

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:

(Rs. in crores)

Name of the Company	Balances as on 31st March, 2012	Maximum outstanding during the year
Mahindra & Mahindra Financial Services Limited	-	100.00
Bristlecone India Limited	8.03	8.03
Mahindra Gujarat Tractor Limited	1.00	1.00
Mahindra Shubhlabh Services Limited	8.00	8.00
NBS International Limited	1.30	2.00
Bristlecone Limited	92.29	92.29
Mahindra Overseas Investment Company (Mauritius) Limited	85.07	95.25
Mahindra Engineering & Chemical Products Limited	-	156.63
Mahindra Two Wheelers Limited	41.00	148.00
Mahindra Gears International Limited	37.34	37.34
Ssangyong Motor Company Limited	428.84	428.84

Loans and advances in the nature of loans to associates:

(Rs. in crores)

Name of the Company	Balance as on 31st March, 2012	Maximum outstanding during the year
Vayugrid Marketplace Services Private Limited	8.00	8.00

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 372A of the Companies Act, 1956.



MANAGEMENT DISCUSSION AND ANALYSIS

Management Discussion & Analysis

Mahindra & Mahindra Limited ("M&M") or ("Mahindra") is the flagship brand of the Mahindra Group which consists of 132 companies with diverse businesses across the globe and aggregate revenues of US \$ 15.4 billion. The year 2011-12 was a challenging one with many shocks in the global and domestic environment. Your Company was undeterred by these difficulties, and fortified by its Rise philosophy of accepting no limits, thinking innovatively and driving positive change in the lives of others, has raised the bar for itself in its global ambitions. In December 2011, the Group articulated its aspiration statement to make Mahindra one of the world's 50 most admired brands by 2021, by helping people everywhere to Rise.

The Automotive and Farm Equipment Sectors of M&M continued to work together with distinct and strong customer focus at the front end and structured synergy at the back end. In Financial Year 2011-2012, your Company sold 4,69,345 vehicles (a growth of 28.9% over the previous year) while tractor sales added up to 2,36,666 tractors (a growth of 10.4% over the previous year).

The Automotive and Farm Equipment Sectors, along with their subsidiary companies and joint ventures, achieved global sales of 8,73,646 vehicles and tractors (5,98,370 vehicles and 2,75,276 tractors).

Industry Structure

The Indian automotive industry comprises of a number of Indian-origin and multinational players with varying degree of presence in different segments. Today, nine of the top ten global automotive manufacturers have a presence in India which clearly points to its importance as a strategic market.

Similarly, the domestic tractor market also has a mix of Indian-origin and international manufacturers and is segmented by horsepower into the sub 30 HP segment, the 30-40 HP segment, the 40-50 HP segment and the higher segment of above 50 HP.

Industry Overview and Trends

Global Automotive Industry

After witnessing robust growth during Calendar Year 2010, the global automotive industry once again hit a rough patch in Calendar Year 2011. This was due to economic uncertainty in various parts of the world, as well as the natural disasters that took place in Japan and Thailand. During Calendar Year 2011, global automotive industry production grew by just 3.2%, as compared to about 25.8% in Calendar Year 2010. Source: OICA (Organisation Internationale des Constructeurs d'Automobiles).

China, the growth engine of the global automotive industry, slowed down to just 0.8% growth as against 32.4% in the previous year. Also, during the year, USA overtook Japan as the world's second largest automobile producer. This was the result of demand picking up in the US market as well as the adverse impact on Japan's production due to the earthquake in Fukushima. USA posted 11.5% growth in automotive production which is the highest among the top five auto producing nations and second only to Mexico, among the top ten auto producing nations.

India maintained its rank as the world's 6th largest automobile producing country but its growth slowed down to 10.7% in Calendar Year 2011, as compared to 34.7% in the previous year.

Indian Automotive Industry

In spite of the challenging macroeconomic environment - both domestic and global - the Indian automotive industry (excluding two wheelers) crossed the 3.9 million mark and registered a growth of 6.2% during Financial Year 2011-12. The passenger vehicle segment grew by 4.7%, with domestic sales crossing 2.6 million vehicles. Within this segment, the passenger car segment grew by 2.2%, the multipurpose vehicle (MPV) segment grew by 10.0% and the utility vehicle (UV) segment registered a growth of 16.5%.

The Commercial Vehicle (CV) segment grew by 18.2%. This growth was principally driven by an increase of 27.4% in the Light Commercial Vehicle (LCV) segment. The Medium and

Heavy Commercial Vehicles (MHCV) segment grew by 7.9%. Within the LCV segment, the growth was greatest in the less than 2 tonne segment (growth of 31.3%) and the 2-3.5 tonne segment (growth of 34.8%).

The three wheeler segment de-grew 2.4% during the year. The three wheeler goods segment grew by 6.3%, while the three wheeler passenger segment witnessed a de-growth of 4.5%.

During Financial Year 2011-12, the two-wheeler segment grew by 14.2%. Within two wheelers, scooters / scooterettes grew by 24.5%, motorcycles / step-throughs by 12.01% and mopeds by 11.4%.

The growth across several segments of the Indian Automotive Industry was significantly lower than projected by SIAM (Society

of Indian Automobile Manufacturers) at the beginning of the year. This was due to factors such as uncertainty over economic growth, high vehicle financing rates, high inflation leading to less discretionary expenses, rise in commodity prices leading to increase in vehicle prices and hike in fuel costs.

The adverse impact on industry growth was also because of short supply of vehicles due to prolonged labour unrest at a major automotive manufacturer as mentioned in several media reports, capacity shortage in various links of the automotive supply chain and disruption of components supply from Thailand which suffered the onslaught of floods.

The table below summarises the growth of the various segments of the Indian Automotive industry as compared to the previous year.

Segment	Total Domestic Sales			Industry Growth (%)	
	Financial Year 2010	Financial Year 2011	Financial Year 2012	Financial Year 2011	Financial Year 2012
Passenger Cars	1,528,337	1,972,845	2,016,115	29.1	2.2
Utility Vehicles	272,740	315,123	367,012	15.5	16.5
MPV (Vans)	150,256	213,574	234,945	42.1	10.0
Passenger Vehicles	1,951,333	2,501,542	2,618,072	28.2	4.7
MHCV	244,944	323,059	348,701	31.9	7.9
<i>MHCV Passenger</i>	<i>43,083</i>	<i>47,938</i>	<i>49,392</i>	<i>11.3</i>	<i>3.0</i>
<i>MHCV Goods</i>	<i>201,861</i>	<i>275,121</i>	<i>299,309</i>	<i>36.3</i>	<i>8.8</i>
LCV	287,777	361,846	460,831	25.7	27.4
<i>LCV Passenger</i>	<i>34,413</i>	<i>44,816</i>	<i>49,371</i>	<i>30.2</i>	<i>10.2</i>
<i>LCV Goods < 2T GVW</i>	<i>212,943</i>	<i>191,373</i>	<i>251,186</i>	<i>28.2</i>	<i>31.3</i>
<i>LCV Goods 2-3.5T GVW</i>		<i>81,622</i>	<i>110,006</i>		<i>34.8</i>
<i>LCV Goods > 3.5T GVW</i>	<i>40,421</i>	<i>44,035</i>	<i>50,268</i>	<i>8.9</i>	<i>14.2</i>
Total CV	532,721	684,905	809,532	28.6	18.2
3W	440,392	526,024	513,251	19.4	-2.4
<i>3W Passenger</i>	<i>349,868</i>	<i>425,358</i>	<i>406,236</i>	<i>21.6</i>	<i>-4.5</i>
<i>3W Goods</i>	<i>90,524</i>	<i>100,666</i>	<i>107,015</i>	<i>11.2</i>	<i>6.3</i>
2W	9,370,951	11,768,910	13,435,769	25.6	14.2
Total Domestic	12,295,397	15,481,381	17,376,624	25.9	12.2
Domestic (Excl. 2W)	2,924,446	3,712,471	3,940,855	26.9	6.2

Source: Society of Indian Automobile Manufacturers (SIAM)

Indian Tractor industry

The Indian tractor market, the world's largest, continued on its upward trajectory to touch 5,35,210 tractors, a growth of 11.4% over the previous year. This was on the back of two years of high growth of 32% and 20%, respectively. While increasing cost and scarcity of farm labour, normal monsoons and continued government support for agriculture and rural India continued to fuel this growth, the bumper agri production from November onwards resulted in a correction in prices of agri produce, impacting liquidity and slowing demand in most states across the country.

Looking at the various tractor segments, volume growth has been led mainly by two segments, namely the <30 HP segment and the >50 HP segment. In the <30 HP segment, the Mahindra Yuvraj 215 created a space of its own, single handedly driving growth in a category which was otherwise witnessing a decline. At the other end of the spectrum, >50 HP - the segment of the future - grew over 15%.

Across the country, tractor growth was concentrated around a few major states like Rajasthan with over 50% and Gujarat and Tamil Nadu with around 25-30%. Karnataka, Uttar Pradesh, Bihar and Maharashtra recorded single digit growth rates.

Your Company's performance

Automotive Sector – towards new frontiers

During the year under review, your Company achieved many milestones and landmarks on its journey to becoming a globally recognised automotive brand. The Sector launched several new products in various segments and also received numerous awards and accolades.

In September 2011, the Sector launched the eagerly awaited XUV500. Inspired by the world's most agile animal, the Cheetah, the XUV500 received an overwhelming response from both customers as well as the automotive fraternity. Designed and developed in-house by Mahindra, it is your Company's first global SUV platform, with significant inputs on styling and development from customers across the globe. The Mahindra XUV500 offers benefits such as aspirational style,



technologically advanced features, safety, comfort and convenience at a very competitive price. These features have hitherto been seen only in high-end SUVs. Within just a few months of its launch, it received 22 awards - testimony to its mass appeal and value for money proposition. The XUV500 was launched simultaneously in India and South Africa, a first for the Indian Automotive Industry.

The Sector - including Mahindra Navistar Automotives Limited (MNAL), a subsidiary of your Company - achieved overall volumes of 4,53,987 vehicles in the domestic market, a significant growth of 26.8%. Healthy growth in UV volumes, entry into newer segments and good growth across the entire product range are some of the major factors that contributed to this growth.

As a result of this good performance, your Company's market share increased to 11.5% in Financial Year 2011-12 as compared to 9.6% in the previous year.



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

Segment	M&M AS		Industry		M&M Mkt. Share	
	Financial Year 2012 Actual	Growth	Financial Year 2012 Actual	Growth	Financial Year 2012	Financial Year 2011
UV Total	202,217	19.5%	367,012	16.5%	55.1%	53.7%
MPV Total	25,644	NM	234,945	10.0%	10.9%	0.5%
Verito	17,839	78.2%	187,026	31.8%	9.5%	7.1%
LCV < 2	53,895	23.3%	251,186	31.3%	21.5%	22.8%
2T > LCV < 3.5T	73,134	20.1%	110,006	34.8%	66.5%	74.4%
3W Total	67,440	8.5%	513,251	-2.4%	13.1%	11.8%
AD (Dom.) Total	440,169	26.9%	1,663,426	13.2%	26.5%	23.6%
LCV > 3.5T Total	10,328	0.9%	99,639	12.1%	10.4%	11.5%
MHCV (Load)	3,490	NM	299,309	8.8%	1.2%	0.3%
MNAL Total	13,818	24.7%	398,948	9.6%	3.5%	3.0%
AS (Dom.) Total	453,987	26.8%	2,062,374	12.5%	22.0%	19.5%

Source: SIAM

NM = Not Material

At the forefront of the industry

- Your Company strengthened its leadership position in the domestic Utility Vehicle (UV) market by selling a record 2,02,217 UVs, posting a growth of 19.5% over the previous year. M&M's market share in the domestic UV market stood at 55.1% for the Financial Year 2011-12, as against 53.7% in the previous year.

- During this year, the Bolero became the first Sports Utility Vehicle (SUV) in India to cross the 1 lac milestone. This tough and rugged UV thus retains the title of India's largest selling SUV for the 6th consecutive year. It is also the 7th highest selling passenger vehicle in India.



- The Scorpio continues to strengthen its iconic status with sales of over 50,000 units in 2011-12.
- In the MPV segment, your Company has garnered market share of 10.9% within the last one year. In the highly competitive < 2 tonne Light Commercial Vehicle (LCV) segment, the Company's market share stands at 21.5%.
- Your Company is the market leader in the 2-3.5 tonne LCV segment with a market share of 66.5%.

- During the previous year, your Company had bought over the shareholding of its joint venture partner in Mahindra Automobile Distributor Private Limited. This led to the Logan being re-launched under the Mahindra badge as the Verito. The new Verito retains the famed strengths of the Logan, while adding a new style with some key changes. The sales for the Verito have since been continuously improving with 17,839 units sold in 2011-12 - a growth of 78.2% over the previous year.



- In the MHCV segment, MNAL's range of sturdy yet stylish trucks have received encouraging customer feedback with its market share standing at 1.2%.

Delighting the customer

At Mahindra, customers are at the core of its business. All products and initiatives cater to the diverse needs of its varied customers. In addition to the highly acclaimed XUV500, all new products and initiatives launched in 2011-12 received an excellent response.

- In February, 2012, Mahindra unveiled the Stylish New Xylo which sports 50 new changes and features. The new version includes five variants powered by three distinct engine options, including the powerful 120 BHP mHawk engine. The Stylish New Xylo also boasts of a pioneering Voice Command Technology which allows the driver to control over thirty features in the car, merely by talking to it! This makes the Xylo convenient and very enjoyable to drive.



- In September 2011, Mahindra launched the New Bolero with better driveability and excellent fuel efficiency, powered by the refined and peppy new m2DiCR engine. It incorporates new technology features like Digital Cluster with Driver Information System (DIS) and a digital Engine Immobilizer. India's most popular UV also sports a stylish new dashboard, wood-finish central console and all-new seats and upholstery.

- In April 2011, Mahindra launched the Maxximo Mini Van, a next generation passenger carrier developed on the technologically superior Maxximo platform. This stylish people mover is set to redefine the entry-level contract carriage and stage carriage segments in India. Equipped with best-in-class comfort and safety features and powered by the advanced C2 CRDe fuel-efficient diesel engine, the Maxximo Mini Van is competitively priced.

- During the year, MNAL launched the MN31 cowl which received an enthusiastic



response in the market. With its pan India commercial launch in December 2011 which saw it emerge as a full range Commercial Vehicle (CV) player, MNAL is a force to reckon with in the Commercial Vehicle segment.

Automotive Sector – Overseas Operations

- During this year, your Company launched the Genio double cab for overseas markets at a special event in Mumbai which was also attended by global media.

The Automotive Sector of your Company exported a total of 29,176 vehicles during the year 2011-12, posting an impressive growth of 70.2% over the previous year. This growth was predominantly on account of favourable market response in neighbouring countries for Mahindra’s range of products. Since 2006, the Company has been working on the development of a vehicle for the US market. However, your Company recently decided not to proceed further with the project due to changes in the US regulatory and market situation. Your Company will continue to monitor the US situation and remain flexible with its approach to this market.



Future ready

- During the previous year, the Automotive Sector of your Company took two significant steps on its journey towards becoming a globally recognised automotive manufacturer. It acquired a majority stake in Reva Electric Car Company Private Limited (since rechristened as Mahindra Reva Electric Vehicles Private Limited) and in March 2011, it completed the acquisition of a majority shareholding and management control in South Korea’s Ssangyong Motor Company Limited (SYMC).
- Mahindra Reva displayed the prototype of its all new electric car, the NXR, at the Delhi Auto show in January 2012 which attracted considerable interest from both the media and visitors. The car is expected to be launched in the second half of Financial Year 2012-13.



- The acquisition of SYMC is a significant step towards realising your Company’s global ambitions. Over the last 12 months, satisfactory progress has been made in creating synergy in the areas of product development, sourcing and channel sharing. Work on development of new vehicle and engine platforms has been initiated and is progressing well.
- In March 2010, Mahindra Vehicle Manufacturers Limited (MVML), a 100% subsidiary of your Company, set up its manufacturing plant in Chakan near Pune. Spread over 700 acres with capacity to manufacture 3,00,000 vehicles in phase one, the facility will cater to future demand for new products, making it a critical component of your Company’s business.

This state-of-the-art facility has the capability to manufacture a wide variety of vehicles, ranging from small commercial vehicles and heavy commercial vehicles to modern SUVs and construction equipment. Products manufactured here include the XUV500, the Genio Pick Up and the Maxximo range of vehicles, as well as the Mahindra Navistar range of trucks and the Mahindra EarthMaster range of construction equipment. In its second year of operation, MVML Chakan manufactured 1,16,502 vehicles, a substantial increase as compared to 40,954 vehicles manufactured in the previous year.

- In April 2012, your Company inaugurated its world class engineering and research and development centre, Mahindra Research Valley (MRV), in Chennai. Spread over 125 acres in Mahindra World City, MRV bears testimony to the Mahindra Group’s commitment to technology-driven innovation and is the cradle of its future. It houses automobile as well as tractor engineering research and product development divisions under one roof and enables close and creative collaboration between engineers and researchers. This facility was created at an investment of over RS. 650 crores. Home to over 1,500 employees, it has experts who are leading various technology and product development projects.

Farm Equipment Sector

With its quest to deliver ‘Farm Tech Prosperity’ to the Indian farmer, Financial Year 2012 saw numerous initiatives by the Sector in the area of farm mechanisation and across the agriculture value chain.

Tractor and Farm Mechanisation Business

In Financial Year 2012, Mahindra retained its leadership in the domestic tractor market for the 29th consecutive year, with



a 41.4% market share. In this period, your Company sold 2,36,666 tractors under the Mahindra and Swaraj brands, as against 2,14,325 tractors sold in the previous year - a 10.4% increase.

In the less than 30 HP segment, the Mahindra Yuvraj 215, which aims to provide the vast number of small and marginal farmers with affordable mechanisation, practically doubled its volumes over the last year, with sales of 10,760 units this year. Strengthening the Swaraj presence in this segment was the Swaraj 724 Orchard, which also focused on this niche but growing segment.



In the 30-40 HP segment, the largest segment in the tractor industry, customer options were further enhanced with the launch of the 35 HP Mahindra 265 Power Plus in March 2012. This product will gradually be rolled out across the country in Financial Year 2013. This launch was accompanied by the introduction of 'Robolift' hydraulics which deliver superior precision, better uniformity and the ability to optimise performance in a range of agricultural applications.

In the 40-50 HP segment, the Swaraj 855 XM series with side shift was also launched.

As far as the over 50 HP segment is concerned, the Arjun Multi Application Tractor (MAT) launched last year has been well

accepted in the market, contributing to the 50% market share of the Farm Equipment Sector in this segment.

Bolstering this leadership was the introduction of the Arjun International 8085. This product represents a quantum leap in technology and comfort, giving the affluent and often demanding Indian farmer a world class experience.



Your Company was also among the first manufacturers in the country to prepare itself for the advent of Trem III A norms in this segment by not only meeting these stringent emission norms but also by retaining an edge over competition in terms of fuel efficiency. The product's superiority, coupled with unmatched service quality and reach have resulted in the highest customer satisfaction in the industry.

Global Footprint

The Sector continued to expand its global footprint with a focus on the key markets of USA and China, amongst other regions.

China

In China, the second largest tractor market in the world, Mahindra volumes from the two Joint Ventures, Mahindra (China) Tractor Company Limited (MCTCL) and Mahindra Yueda Yancheng Tractor Company Limited (MYYTCL), crossed the 30,000 mark for the first time. Mahindra retained its position amongst the top five brands in this market. While domestic volumes grew to 26,444 tractors, an increase of 11%, exports from China grew by a healthy 20% to 5,244 units. Amongst many highlights was the inauguration of MYYTCL's integrated manufacturing facility which has the capacity to produce over 40,000 tractors.

USA

Mahindra USA crossed the 10,000 volume mark for the second time in its history. This represents a strong growth of 35% and a gain in market share. Compact and Cabin tractor models introduced in the last couple of years, combined



with high customer and dealer satisfaction levels for both products and service have been major contributors to this success. The 4025 4WD was also launched in this market and received a good response from customers, strengthening the Mahindra portfolio in the USA.

Rest of the World

The growth story for Financial Year 2012 was characterised by the success of the Sector's African operations, with 77% increase seen in this market over the last year. The introduction of the 90HP tractor to the Sector's portfolio contributed to this performance. The Sector's nascent presence in South America and Turkey were the other key areas of growth. Turkish operations saw strengthening of the distribution network, together with product portfolio augmentation due to the launch of a number of models from the '30 series' of tractors. Your Company continued its strong performance in the SAARC region with over 40% market share in both Nepal and Bangladesh, though with limited volume growth due to a challenging business environment in these markets.

Mechanisation (Mahindra AppliTrac) - Towards Agri Prosperity

With labour scarcity becoming an ever increasing challenge for farmers across the country, mechanisation of most agricultural operations is the way forward. This has fuelled demand for better and more efficient equipment across the spectrum of operations. AppliTrac continued to grow the market for mechanisation in the country, playing its part in boosting agricultural productivity.



- Mahindra Gyrovator – The pride of the rotavation range of equipment in the AppliTrac stable, this product has been well accepted by the Indian farmer by virtue of its sheer performance, placing it in a league of its own. As a result, overall sales of rotavation equipment grew by over 30% over last year.
- New mechanisation solutions – Due to increasing labour scarcity, more and more agri operations are moving towards mechanisation. To meet emerging needs in this segment, AppliTrac introduced three new products this year - sprayers, shredders and mulchers, thus expanding the range of options available to the Indian farmer.

Construction Equipment – Mahindra EarthMaster creates an impact

This nascent business has made rapid strides in the last one year, with the Mahindra EarthMaster well accepted by the customer, both for its performance and unmatched value. With expansion of the sales network gathering steam, the construction equipment business has achieved sales of over 800 Mahindra EarthMaster backhoe loaders, making its way into the list of top six players for backhoe loaders in the country.



Agriculture – sowing the seeds for India's future

Agriculture Inputs

The Sector offers a whole range of crop care solutions, especially seeds, herbicides, pesticides, fungicides and micro nutrients. Eight new products were launched this year, creating a great deal of excitement and aiding in its best ever performance.

Micro-irrigation business

Your Company acquired a 38% stake in EPC Industrie Limited, one of India's leading micro-irrigation companies, in February last year, to gain a foothold in this space. This year, the focus was on growth, with a nearly 50% increase in top line. Micro-irrigation offers tremendous benefits to the farmer which include over 25% water savings, reduced expenditure on labour and fertiliser and higher productivity. By virtue of this development, your Company will be able to help the farmer to better utilise scarce water resources and thereby contribute to overall water conservation in the country.

Mahindra Samriddhi

By the end of the previous financial year, over 155 Mahindra Samriddhi centres became operational. Each Samriddhi Centre offers innovative farming technologies that transform the lives of farmers by helping them to improve productivity. The Mahindra Samriddhi India Agri Awards continues to be the premier event in the field of agriculture for the second consecutive year. The event, which was graced by the Honourable Union Minister for Agriculture, Mr. Sharad Pawar, and other leading luminaries from the field of agriculture, honoured the torch bearers of farm prosperity from across the nation.

Mahindra Powerol – powering India



For Mahindra Powerol, Financial Year 2012 was an inflection point. In spite of continued challenging circumstances, the business focussed on expanding markets. A quantum leap in exports and growth in DG (Diesel Genset) sales in the retail space enabled a reversal

of fortune, getting Powerol back onto the path of top line growth. Despite a subdued market for engines and DGs for the telecom sector, Mahindra Powerol has further strengthened its dominance with market share crossing 50% in powergen for telecom.

On the product front, the DG range has been widened with the introduction of 2.5kVA and 5kVA DG sets, extending the range right from 2.5kVA to 500kVA. In addition, Mahindra Powerol's focus on customer centricity has been applauded and has won the Company industry-wide recognition.

Opportunities and threats

Automotive Sector

In spite of some current concerns, the growth forecast for the Indian economy remains healthy. With the resulting increase in income levels and lifestyle aspirations, the potential size of the Indian passenger vehicle market in the next five years is likely to be as large as 4-5 million vehicles with a conservative growth rate of 10-12% per year.

The current low vehicle penetration of 15 vehicles per 1,000 population (compared to an average of 120 vehicles per 1,000 population for the world) also suggests that there are significant growth opportunities for the industry. Given the importance of the automobile industry to the economy, its potential for employment and due to its backward and forward linkages with many Sectors, the Government is keen to support its development.

On the other hand, there is continuous pressure globally to reduce emissions from automobiles, leading to the need for ongoing investments in technology upgradation and alternate energy across the automotive value chain. Growing environmental consciousness among consumers, Government regulations to manage traffic congestion, as well as improvement in public transport infrastructure is a trend that will have significant impact on the future of the

automotive industry. Automobile manufacturers such as your Company have to monitor such trends carefully and adapt to them quickly.

Similarly, for Commercial Vehicles, the growth in agriculture and industrial production, the spread of organised retail and the growing prevalence of the hub-and-spoke model for transportation of goods will lead to a significant expansion of the overall market size. The expected introduction in the medium to long term of more stringent norms related to overloading of goods vehicles and roadworthiness and vehicle age will also lead to considerable expansion in the market for CVs.

Farm Equipment Sector

Continued support from the Government for agriculture and rural development, broad basing of the rural economy, greater adoption of improved agricultural practices (mechanisation, micro-irrigation, hybrid seeds, nutrient based fertiliser application, etc.) are positive developments that will drive sustainable agriculture and rural growth.

Despite having the second largest area of arable land in the world and favourable environmental conditions, lower than world average yields have limited India's agricultural output. Having taken on the goal of 'Delivering Farm Tech Prosperity' and with the creation of the agribusiness vertical, your Company is geared to contribute in this area.

Within India, there are several areas of low tractor penetration, especially among the large base of small and marginal farmers. With increasing cost and scarcity of farm labour, greater adoption of various forms of mechanisation is the way forward. These are opportunities which your Company is well positioned to tap.

The Indian domestic tractor market, having recorded a significant growth in the last two financial years, is expected to see more competition among existing players. International brands have been investing in capacity augmentation and are gradually increasing their market share. Increased competition will lead to more frequent product launches in all industry segments and raise customer expectations in terms of performance, quality and technology, leading to higher costs. Your Company views this as both an opportunity and a challenge.

Power shortage remains a reality across the country with power capacity additions not keeping up with demand growth. This is an opportunity for your Company to continue to offer power solutions to retail and institutional customers in urban and rural centres, increasing their realm of possibility.

Risks and Concerns – Automotive and Farm Equipment Sectors

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

Commodity Prices

On the back of a strong increase in commodity prices in Financial Year 2010-11 (even higher than the previous record highs of Financial Year 2008-09), the Financial Year 2011-12 saw a firming up of prices in the international market, leading to a moderate increase in commodity prices in the domestic market. This trend is expected to continue into Financial Year 2012-13, putting pressure on margins. Your Company will continue to focus on cost re-engineering to minimise the impact of this development.

Capacity

With the rapid growth in demand, some of the Company's key suppliers occasionally face capacity constraints and are unable to meet demand peaks. This could lead to potential loss of volumes and market share. The Company is working closely with its key suppliers to minimise such supply constraints through capacity planning, capacity enhancement and longer term contracts. Opportunities for global sourcing are also being actively explored.

Competitive Intensity

Keeping in mind the high growth potential of the Indian Automotive market, all Original Equipment Manufacturers (OEMs) are actively investing in new product development and product technology upgrades. Multinational players are increasingly becoming India focused and are developing products which are built around the needs of the Indian customer. With increased local sourcing and development taking place in India, cost structures of multinational corporations are becoming competitive.

Your Company continues to invest in new product development as well as technology upgrades and will focus on delivering customer centric products. Frugal innovation remains a thrust area for the Company as it moves forward.

Tax Regulations

In India, there is a large differential between taxes levied on small cars and larger vehicles. With the resulting lower price tag for small cars, many customers may opt to postpone large car

purchases or buy a small car which could impact the growth of UVs and the large car segment. Your Company is working on plans to meet the changing regulatory environment.

Many State Governments have increased the registration tax for diesel vehicles. Almost all of your Company's UV models are diesel powered and an increase in prices can have a negative impact on demand.

Environment and Alternate fuels

Stringent regulatory norms are being introduced to safeguard the environment, especially in the area of emissions.

With the price of crude oil rising significantly over the past few months, automotive fuel prices are likely to face upward pressure. Today, diesel fuel is subsidised by the Government and is priced lower than petrol. However, this price differential will reduce if the Government decontrols diesel prices. Any reduction in the price differential between petrol and diesel fuels may have an adverse impact on the demand of your Company's products, as almost all products are diesel powered.

At present, there is customer demand for vehicles powered by CNG, LPG and electric batteries, as well as hybrid powertrains and the Government is also promoting these. Your Company is well prepared to meet these demands. It has proactively invested in development of vehicles that run on CNG, bio-diesel and hydrogen. Further, substantial progress has been made for development of a hybrid powertrain. Your Company is very actively working on development of an electric vehicle portfolio through its subsidiary, Mahindra Reva Electric Vehicles Private Limited.

Your Company has also developed tractors and gensets capable of running on bio-diesel which are also a benchmark for fuel efficiency.

Financial Market Conditions

With the objective of curbing inflation, the Reserve Bank of India raised its policy rates significantly in 2011-12. This in turn, led to an increase in vehicle financing rates and adversely impacted vehicle sales. Availability of credit and affordable interest rates are important facilitators for automobile and tractor sales. In April 2012, there was a reduction in the financing rates and this should provide some support to the demand. However, to address this risk, your Company has entered into several strategic tie-ups with multiple banks and financing companies for providing preferential terms of financing to customers.

Given the uncertainty prevailing in many parts of the world, especially with respect to the Eurozone, slowdown in China and the growth outlook for India, the outlook for FII inflows and exchange rates is difficult to predict. This has implications for

the profitability of your Company's overseas operations which are a key thrust area. A rupee appreciation could be a risk for both the Automotive and Farm Equipment Sectors. However, your Company as a practice, hedges currency exposure appropriately, thus limiting the impact of risk.

With increase in global sourcing activity and incorporation of advanced technology in new products, the import exposure for your Company is increasing. Rupee depreciation could have an adverse impact in the future. Your Company is working with its supplier fraternity to minimise the import exposure by localising import content.

New projects

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

Monsoon

A normal monsoon is vital 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, both positive and negative. In addition, an untimely monsoon also has the potential of adversely impacting the business.

Outlook – Automotive & Farm Equipment Sectors

Both the Automotive and Farm Equipment Sectors with their updated product portfolios and continued exploration of global horizons will strive to maintain their leadership position in their respective markets. Simultaneously, your Company will continue its focus on achieving cost leadership through focused cost optimisation, value engineering, improved efficiency measures like supply chain management, countrywide connectivity of all its suppliers and dealers and exploiting synergies between its Sectors. The long term outlook for the automotive industry is bright and robust, though in the near term there are some challenges relating to the external environment. Inflation, interest rates, fuel prices and commodity prices could dampen consumer confidence and sentiment which has always been a key determinant of automobile sales.

In the long term, the Indian economy is projected to grow rapidly and demand conditions are expected to remain strong. According to SIAM long term forecasts, the Indian automobile

industry is expected to grow at an annual average rate of 10-15%. However, in the near term, there are challenges as outlined above which will have a bearing on demand and OEM profitability.

For Financial Year 2012-13, SIAM has projected a growth of 10-12% for the personal vehicle segment and 9-11% for the commercial vehicle segment.

Similarly, in the case of tractors, the long term outlook continues to be positive with the tractor industry expected to continue to grow with a CAGR ranging between 7% and 10%.

Strategy

Automotive Sector

Your Company is pursuing several strategic initiatives in all key areas of business, to maintain a healthy and sustainable growth for its Automotive Sector. Some of the key elements of strategy include creating an active presence across various automotive segments, continually refreshing and updating products and upgrading R&D and technology.

In addition, your Company is pursuing expansion in overseas markets through organic and inorganic routes. The acquisition of Ssangyong Motor Company Limited in 2011 is resulting in synergies in the areas of product development and sourcing and is also helping to expand its global reach and network.

Further, in keeping with continued global focus on sustainable mobility driven by environmental concerns, your Company is also investing in alternate fuel technologies. Mahindra Reva is playing a vital role in this area by helping your Company remain at the forefront of these developments.

Farm Equipment Sector

The Farm Equipment 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. At the same time, the business will continue to build on its position of global leadership in volumes across major markets around the world. In addition, your Company will offer a wider range of mechanisation solutions to make life easier and more prosperous for farmers. This will enable the organisation to offer farmers a range of inputs and know-how. All these together will thus lead to greater farm productivity and deliver prosperity, strengthening the Company's leadership position.

Material Developments in Human Resources / Industrial Relations for Automotive and Farm Equipment Sectors

The strategic purpose of Human Resources in the Mahindra Group continued to be the creation of a culture of sustained business outperformance while simultaneously addressing the needs of all its stakeholders, starting with customers and employees, and strengthening the core values of the Group. In the long run, the metric for success would be improvements in the total factor productivity, while addressing the business imperatives of cash, cost, competence and confidence. The emphasis was on aligning all the HR levers towards achieving these goals.

A major challenge for HR during the year was to create a detailed plan of action for bringing the RISE pillars – accepting no limits, alternative thinking and driving positive change – into the nuts and bolts of the HR levers. This is a gigantic task which brought together business and HR professionals from across the Group to formulate a detailed roll-out plan over the next few years. It also created a platform for sharing best practices which would take the Company to the next orbit.

In this overall architecture, some key strategic initiatives that need mention are employer branding, the employee value proposition, the template for creating Tomorrow's Leaders and harnessing the power of diversity (across its many dimensions which include gender, age, nationality and culture). There was huge focus on the Talent Management and Leadership Development process which included Development Centres, Individual Development Planning, e-learning, up-skilling programs, Leadership Lifecycle programs and action-learning projects. This was supplemented by a continuous dialogue with top management through Intranet and Fireside Chats.

An important development was the establishment of an ongoing partnership with the Centre for Creative Leadership USA, one of the world's leading executive education providers, to deliver leadership lifecycle programs for early, emerging and senior leaders.

HR continued to harness the power of IT through Project Harmony, which now covers 24 HR processes across the Group.

Needless to say, all the initiatives mentioned above need to apply not only to Officers but also to the blue collar workforce. To that extent, the ongoing 'Transformational Work Culture' initiatives have grown both in depth and width of coverage. It must, however, be noted that while Industrial Relations largely remained cordial and harmonious during the year, the overall industrial relations climate in the country is volatile,

especially the issue of contract labour. In this context, training and engagement programs were organised across locations for developing personal, interpersonal and technical skills of the Company's workmen. These training programs covered a wide range of topics which included Positive Attitude, Stress Management, Creativity, Team Effectiveness, Safety and Environment, Quality Tools, TPM, Dexterity and Technical Training. The workmen participated wholeheartedly in the training programmes, in many cases on holidays or after working hours.

The permanent employee strength of Mahindra & Mahindra Limited as on 31st March, 2012 was 17,847.

Internal Control Systems

The Company maintains adequate internal control systems which provide, among other things, reasonable assurance of recording the transactions of its operations in all material respects and of providing protection against significant misuse or loss of Company assets. The Company uses an Enterprise Resource Planning ("ERP") package, which enhances the internal control mechanism. The Company has a strong and independent internal audit function. The Chief Internal Auditor reports directly to the Chairman of the Board. Professionally qualified, technical and financial personnel of the internal audit function conduct periodic audits to ensure that the Company's internal control systems are adequate and are complied with.

Discussion on financial performance with respect to operational performance

Overview

The financial statements have been prepared in compliance with the requirements of the Companies Act, 1956 and Generally Accepted Accounting Principles (GAAP) in India.

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. The Company has provided segment reporting on a consolidated basis as per standard AS 17 on segment reporting. This information appears along with the consolidated accounts.

Financial Information (Standalone)

Fixed Assets:

As at 31st March 2012, the Fixed Assets was Rs. 5,080.75 crores as compared to Rs. 3,906.59 crores as at 31st March, 2011. During the year, the Company incurred capital expenditure of Rs. 1,368.03 crores (previous year Rs. 1,152.51 crores). The major items of capital expenditure were related to new product development, capacity enhancement and research and development including on the Company's research

facility in Chennai. This included purchase of Intangible assets aggregating to Rs. 267.28 crores (previous year Rs. 191.03 crores).

Inventories:

	March 31, 2012	March 31, 2011
Raw materials and bought out components as a % of cost of materials consumed	4.43%	5.33%
Finished goods as a % of sales of products	3.73%	2.66%

The reduction in raw material and bought out components as a percentage of consumption is due to better materials planning and control. However, finished goods as a percentage have increased during the current year due to the slowdown being witnessed in the tractor market in the closing months of the year.

RESULTS OF OPERATIONS

Income:

(Rs. crores)

Particulars	Financial Year-2012		Financial Year-2011		Inc./(Dec.)
	Amount	%	Amount	%	
Sale of Products	33,531.33	105.27	24,795.02	105.69	35.23
Sale of Services	361.69	1.13	341.72	1.46	5.84
Other Operating Revenues	461.49	1.45	418.28	1.78	10.33
Gross Sales & Income from Operations	34,354.51	107.85	25,555.02	108.93	34.43
Less : Excise Duty on Sales	2,500.99	7.85	2,094.76	8.93	19.39
Net Sales & Income from Operations	31,853.52	100.00	23,460.26	100.00	35.78
Other Income	465.79	1.46	434.15	1.85	7.29

Net Sales, Income from Operations and Other Income:

The net sales and income from operations of the Company grew by 35.78 % over the previous year on a growth of 47.54% in the automotive business and 19.61% in the Company's tractor business. This growth in the businesses was due to the

Trade Receivables:

Trade Receivables amounts to Rs. 1,988.36 crores as at March 31, 2012, as compared with Rs. 1,260.31 crores as at March 31, 2011. As a percentage of sales of products and services, the trade receivable is higher at 5.87% for the year ended March 31, 2012, as compared to 5.01% for the previous year. The increase in the trade receivable levels during the current year is due to stiff competition and slowdown in the tractor market.

Long Term and Short Term Borrowings:

Borrowings (including current maturities of long term debt and unclaimed matured deposits) have increased from Rs. 2,405.29 crores in the previous year to Rs. 3,582.67 crores in the current year. The increase is primarily on account of increased foreign currency borrowings in the current year.

increased volumes in both the domestic and export markets.

Other income during Financial Year 2012 at Rs. 465.79 crores is higher than Rs. 434.15 crores earned in the previous year due to higher dividend income from subsidiaries and other miscellaneous income.

Expenditure:

(Rs. crores)

Particulars	Financial Year-2012		Financial Year-2011		Inc./(Dec.)
	Amount	% to Net Sales and Income from Operations	Amount	% to Net Sales and Income from Operations	
Material Costs	23,499.77	73.77	16,263.94	69.33	44.49
Employee Benefits Expense	1,701.78	5.34	1,431.52	6.10	18.88
Finance Costs	162.75	0.51	72.49	0.31	124.51
Depreciation and Amortisation Expense	576.14	1.81	413.86	1.76	39.21
Other expenses	2,881.25	9.05	2,310.47	9.85	24.70
Total Expenses	28,821.69	90.48	20,492.28	87.35	40.65

The total expenditure during the year as a percentage of net sales and income from operations is 90.48 % as compared to 87.35% in the previous year.

Material Cost:

For the year ended 31st March, 2012, material cost has increased by 44.49% which is higher than the increase in net sales and income from operations. Material cost as a percentage to net sales and income from operations increased to 73.77% in Financial Year 2012 as compared with 69.33% in Financial Year 2011. The increase in material cost has been largely driven by the hike in input cost due to higher commodity prices, changes in product mix and cost of compliance with regulatory norms. The above were partially offset through selling price increase and continued cost reduction initiatives undertaken by the Company.

Personnel Cost:

Personnel cost has increased by 18.88% to Rs. 1,701.78 crores from Rs. 1,431.52 crores in the previous year. This is mainly due to increase in strength and annual increments during the year.

Other Expenses:

Other expenses as a percentage of net sales and operating income shows a decrease over the previous year. However, expenses in absolute terms are higher due to greater marketing related expenses on warranty, incentives, advertisement and sales promotion due to increased volumes, professional fees and brand building.

Depreciation and Amortisation:

The depreciation and amortisation for the year ended 31st March, 2012 is at Rs. 576.14 crores as compared to Rs. 413.86 crores in the previous year. This is due to the impact in the current year on account capitalization of assets during the year and increased amortisation of intangibles.

Finance Costs:

The interest expense for the year ended 31st March, 2012 is Rs. 162.75 crores, as compared to Rs. 72.49 crores in the previous year. This is mainly due to new borrowings during the year and in the last quarter of the previous year.

Exceptional Items:

The profit from Exceptional Items during the year ended 31st March, 2012 is Rs. 108.27 crores as against Rs. 117.48 crores in the previous year. The profit in the current year is on account of reversal of provision for impairment of assets of the automotive

division of Mahindra Automobile Distributor Private Limited (MADPL) which has been demerged into your Company. In the previous year, it was on account of profit earned on sale of certain shares.

Provision for taxation:

The provision for current tax and deferred tax for the year ended 31st March, 2012 as a percentage to profit before tax is lower than the previous year. This is due to unabsorbed tax losses of the automotive division of Mahindra Automobile Distributor Private Limited (MADPL) which became available on the merger of the automotive business of MADPL with the Company, increased research and development expenditure and higher tax free dividend income in Financial Year 2012.

Consolidated Financial Position of the Mahindra Group

As on 31st March, 2012 the Group comprised of the flagship holding company, Mahindra & Mahindra Limited, 114 Subsidiaries, 6 Joint Ventures and 11 Associates.

The Gross turnover for the year ended 31st March, 2012 for the Consolidated Mahindra Group is Rs. 63,357.80 crores as against Rs. 39,864.40 crores for the previous year. The Group's net turnover grew by 60.69% to Rs. 59,744.95 crores in the current year from Rs. 37,180.62 crores in Financial Year 2011. The profit before exceptional items and tax for the current year is Rs. 4,122.76 crores as compared to Rs. 4,310.84 crores in the previous year. The consolidated Group Profit for the year after exceptional items, prior period adjustments and tax and after deducting minority interest is Rs. 3,126.66 crores as against Rs. 3,079.73 crores earned last year. The commendable growth in Group revenues during the year is due to the inclusion of the turnover of Ssangyong Motor Company Limited during the year. The sluggish growth in Group profits is also to some extent due to the inclusion of Ssangyong results. Excluding Ssangyong, the growth in consolidated gross revenues is 28.13% and that in profits is 14.46%.

Tech Mahindra Limited, the Group's IT arm, registered a revenue (consolidated) of Rs. 5,489.69 crores as against Rs. 5,140.23 crores in Financial Year 2011 - an increase of 6.80%. On the back of a strong performance by its associate company, Satyam Computer Services Limited, Tech Mahindra's consolidated profit grew by 70.06% from Rs. 644.15 crores in the previous year to Rs. 1,095.46 crores in the current year.

The Group's Finance company, Mahindra & Mahindra Financial Services Limited (consolidated), while maintaining its leadership position for vehicles and tractors in the rural and

semi-urban markets crossed the two million mark in terms of customer base with a 35% growth in disbursements. With its efficient NPA management, the Company maintained healthy growth in its profit in spite of increased borrowing cost. It reported a total consolidated income of Rs. 2,910.36 crores during the current year as compared to Rs. 2,038.59 crores in the last year, a growth of 42.76%. The consolidated profit after tax for the Financial Year 2012 grew by 30.59% from Rs. 492.77 crores in the previous year to Rs. 643.50 crores in the current year.

Mahindra Lifespace Developers Limited, the Group's subsidiary in the business of real estate and infrastructure grew its consolidated operating income from Rs. 611.93 crores to Rs. 701.27 crores, an increase of 14.6%. The consolidated profit after tax after minority interest for the year, increased from Rs. 108.17 crores in the previous year to Rs. 119.08 crores in the current year.

Segment Results (before exceptional item)

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

(Rs. Crores)

	Segments	Financial Year 2012	Financial Year 2011
1.	Automotive	1,156.81	1,641.18
2.	Farm Equipment	1,924.54	1,690.67
3.	Financial Services	953.48	745.01
4.	Steel Trading & Processing	122.84	85.38
5.	Infrastructure	198.00	173.06
6.	Hospitality	131.94	139.27
7.	IT Services	424.54	445.91
8.	Systech	225.68	93.31
9.	Others	(257.63)	(184.69)
10.	Eliminations	(131.52)	10.61
	Total	4,748.68	4,839.71

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 image features a solid, muted green background. A series of vertical lines of varying lengths and thicknesses are scattered across the page, some extending from the top and others from the bottom. In the center, the words "CORPORATE" and "GOVERNANCE" are stacked vertically in a bold, white, sans-serif font. The letters have a thin black outline, and the text is partially overlaid by the vertical lines.

CORPORATE GOVERNANCE

Corporate Governance

Your Company has always practiced Corporate Governance of the highest standard and follows a culture that is built on core values and ethics.

Your Company is committed towards transparency in all its dealings and places high emphasis on business principles and believes that good Governance goes beyond working results and financial propriety and is a pre-requisite for attainment of excellent performance.

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

I. Board of Directors

The composition of the Board is in conformity with Clause 49 of the Listing Agreement, as amended from time to time. The Non-Executive Chairman of the Company is a Promoter and the number of Non-Executive Independent Directors is more than one-half of the total number of Directors. The Board reviews and approves strategy and oversees the actions and results of management to ensure that the long term objectives of enhancing stakeholders' value are met.

The Vice-Chairman & Managing Director and the Executive Director are the Whole-time Directors of your Company. The Chairman and the Vice-Chairman & Managing Director, though Professional Directors in their individual capacities, belong to the Company's promoter group. The remaining Non-Executive Directors comprising nine Independent Directors and one Non-Independent Non-Executive Director 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 30th May, 2012 has accepted the request of the Chairman to relinquish his office as Chairman and Director of the Company at the conclusion of the Sixty-Sixth Annual General Meeting of the Company which is scheduled to be held on 8th August, 2012. In the light of Mr. Keshub Mahindra relinquishing his office as the Chairman, the Board at the same Meeting unanimously approved the elevation of Mr. Anand G. Mahindra to the position of the Chairman. The appointment of Mr. Anand G. Mahindra as the Chairman would become effective after Mr. Keshub Mahindra ceases to be the Chairman and Director i.e. with effect from the conclusion of the Sixty-Sixth Annual General Meeting and Mr. Anand G. Mahindra would thereafter function as the Chairman & Managing Director of the Company.

Apart from reimbursement of expenses incurred in the discharge of their duties, the remuneration that these Directors would be entitled under the Companies Act, 1956 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 has any other material pecuniary relationships or transactions with the Company, its Promoters, its Directors, its Senior Management or its Subsidiaries and Associates 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, amounts to Rs.153.60 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/or commercial transactions between them and the Company which could have potential conflict of interest with the Company at large.

A. Composition of the Board

Currently, the Board comprises of Thirteen Directors. 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 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 is a Director.

Directors	Category	Total Number of Directorships of public companies*, Committee Chairmanships and Memberships as on 31 st March, 2012		
		Directorship\$	Committee Chairmanships+	Committee Memberships+
NON-EXECUTIVE				
Mr. Keshub Mahindra (Chairman)	Promoter	6	1	1
Mr. Deepak S. Parekh	Independent	9	2	5
Mr. Nadir B. Godrej	Independent	12	1	2
Mr. M. M. Murugappan	Independent	10	4	5
Mr. A. K. Nanda	Non-Independent	12	3	6
Mr. Narayanan Vaghul	Independent	5	1	2
Dr. A. S. Ganguly	Independent	3	-	-
Mr. R. K. Kulkarni	Independent	7	2	6
Mr. Anupam Puri	Independent	4	-	2
Mr. Arun Kanti Dasgupta@ [Nominee of Life Insurance Corporation of India ("LIC")]	Independent	N.A.	N.A.	N.A.
Dr. Vishakha N. Desai^	Independent	N.A.	N.A.	N.A.
Mr. Vikram Singh Mehta^	Independent	N.A.	N.A.	N.A.
EXECUTIVE				
Mr. Anand G. Mahindra (Vice-Chairman & Managing Director)	Promoter	8	-	1
Mr. Bharat Doshi (Executive Director & Group CFO)	Non-Independent	8	2	3

@ Resigned as a Director of the Company with effect from 9th August, 2011.

* Excludes private limited companies, foreign companies, companies registered under section 25 of the Companies Act, 1956 and Government Bodies.

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

+ Committees considered are Audit Committee and Shareholders/ Investors Grievance Committee, including that of Mahindra & Mahindra Limited.

^ Appointed as an Additional Director with effect from 30th May, 2012.

B. Board Procedure

A detailed Agenda folder is sent to each Director in advance of the Board Meetings and the Committee Meetings. To enable the Board to discharge its responsibilities effectively, the Vice-Chairman & Managing Director apprises the Board at every Meeting of the overall performance of the Company, followed by Presentations by the Sector President(s). A detailed functional Report is also placed at Board Meetings. The Board also inter alia reviews strategy and business plans, annual operating and capital expenditure budgets, investment and exposure limits, compliance reports 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, adoption of quarterly/half-yearly/annual results, significant labour issues, transactions

pertaining to purchase/disposal of property(ies), major accounting provisions and write-offs, corporate restructuring, Minutes of Meetings of the Audit and other Committees of the Board and information on recruitment of Officers just below the Board level, including the Company Secretary and Compliance Officer.

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

During the year 1st April, 2011 to 31st March, 2012, seven Board Meetings were held on the following dates — 30th May, 2011, 8th August, 2011, 10th October, 2011, 14th November, 2011, 29th November, 2011, 7th February, 2012 and 20th March, 2012. The gap between two Meetings did not exceed four months. These Meetings were well attended. The Sixty-fifth Annual General Meeting (AGM) of the Company was held on 8th August, 2011.

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

Directors	Number of Board Meetings Attended	Attendance at the AGM
Mr. Keshub Mahindra	7	Yes
Mr. Anand G. Mahindra	7	Yes
Mr. Bharat Doshi	7	Yes
Mr. Deepak S. Parekh	6	Yes
Mr. Nadir B. Godrej	7	Yes
Mr. M. M. Murugappan	5#	Yes
Mr. A. K. Nanda	7	Yes
Mr. Narayanan Vaghul	5#	Yes
Dr. A. S. Ganguly	6	Yes
Mr. R. K. Kulkarni	7	Yes
Mr. Anupam Puri	5#	Yes
Mr. Arun Kanti Dasgupta+	2	Yes
Dr. Vishakha N. Desai^	N.A.	N.A.
Mr. Vikram Singh Mehta^	N.A.	N.A.

In addition, Mr. M. M. Murugappan and Mr. Anupam Puri participated in two Board Meetings through teleconference and Mr. Narayanan Vaghul participated in one Board Meeting through teleconference. No sitting fees were paid to the Directors for participation through teleconference.

+ Resigned with effect from 9th August, 2011.

^ Appointed as an Additional Director with effect from 30th May, 2012.

D. Meetings of Independent Directors

The Independent Directors of the Company meet before the Board Meeting to examine various Corporate Governance issues, functioning of the Company and of the Group and other issues without the presence of Chairman, Vice-Chairman & Managing Director or Executive Director & Group CFO or Management Personnel. These Meetings are conducted in an informal and flexible manner to enable the Independent Directors to discuss matters pertaining to the affairs of the Company and put forth their views and recommend their suggestions to the Board.

E. Directors seeking Re-appointment/Appointment

Mr. Deepak S. Parekh, Mr. A. K. Nanda, Mr. Narayanan Vaghul and Mr. R. K. Kulkarni, retire by rotation and, being eligible, have offered themselves for re-appointment. Pursuant to the recommendation of the Governance, Remuneration and Nomination Committee, Dr. Vishakha N. Desai and Mr. Vikram Singh Mehta were appointed as Additional Directors of the Company with effect from 30th May, 2012 at the Meeting of the Board of Directors of the Company held on 30th May, 2012 and they would hold office upto the next Annual General Meeting of the Company. The Company has received a Notice from a Member signifying his intention to propose Dr. Desai and Mr. Mehta for the office of Directors at the forthcoming Annual General Meeting.

Further, the Board of Directors at its Meeting held on 20th March, 2012 have pursuant to the approval of the Governance, Remuneration and Nomination Committee of the Board and subject to the approval of the Members, re-appointed Mr. Anand G. Mahindra as the Managing Director for a period of 5 years with effect from 4th April, 2012 to 3rd April, 2017 and Mr. Bharat Doshi as the Executive Director for a period with effect from 28th August, 2012 to 31st March, 2015.

Mr. Deepak S. Parekh

Mr. Deepak S. Parekh, a Chartered Accountant by profession, spearheads India's premier housing finance company Housing Development Finance Corporation Limited ("HDFC"), which has turned the dream of owning a home into a reality for millions across the country. Mr. Parekh's astute business acumen and farsightedness has not only made HDFC the leader in Mortgages, but has also transformed it into India's leading Financial Services Conglomerate with presence in Banking, Asset Management, Life Insurance, General Insurance, Real Estate Venture Fund and Education Loans.

Besides HDFC, Mr. Parekh is on the Board of several leading corporations across diverse sectors. He is the Non-Executive Chairman of Glaxo Smithkline Pharmaceuticals Limited, Infrastructure Development Finance Company Limited, HDFC Asset Management Company Limited, HDFC Ergo General Insurance Company Limited, HDFC Standard Life Insurance Company Limited and Siemens Limited. He is also on the Boards of Mahindra & Mahindra Limited, The Indian Hotels Company Limited and Alternate Director of Zodiac Clothing Company Limited and Exide Industries Limited among others and International Boards of WNS Global Services Private Limited – USA and DP World – UAE. In addition, he is also on the Advisory Boards of several Indian corporates and MNCs.

In addition to being known for his vociferous views seeking standardisation and transparency in the real estate sector, Mr. Parekh is dubbed as the unofficial crisis consultant of the Government. Be it his role as Special Director on the Board of Satyam Computer Services Limited in 2009 to revive it or the crucial role played by him sometime back during the UTI mess (late '90s) to recommend measures for sustaining investor confidence. Mr. Parekh has always been willing to share his ideas and experience to formulate reform policies across Sectors. This at times, has also meant advising the Government to take hard decisions. It is his quality of a trouble-shooter that has made him a guiding force and an active Member of various high-powered Economic Groups, Government-appointed Advisory Committees and Task Forces such as Expert Group on restructuring of Hindustan Aeronautics Limited (HAL), Expert Group to recommend ways and means to modernise Indian Railways, Sub-Committee of PM's Council on Trade & Industry for promoting Financial Inclusion, Committee to look into the feasibility of a proposed India Infrastructure Debt Fund, Committee to suggest ways of making Indian cities slum-free (Rajiv Awas Yojna), High Level Committee constituted in 2010 by the Government of India to make recommendations on the issues regarding the deteriorating financial health and competitiveness of BSNL, Expert Group for recommending investment norms for New Pension Scheme (NPS) launched by the Pension Fund Regulatory & Development Authority, a High Level Task Force on Affordable Housing, etc.

Some of the international organisations, which Mr. Parekh is associated with in an advisory capacity, include City of London, Habitat for Humanity-India and American India Foundation. He

is a Member of Euro India Centre, Indian School of Business, INSEAD, Indo-American Chamber of Commerce, Indo-German Chamber of Commerce, Nehru Trust for Cambridge University (Trustee), Asia Society.

A man with a mission, Mr. Parekh's philosophy on Corporate Social Responsibility is simple yet profound. He believes that if a company earns, it must also return to the society and that companies owe a responsibility not just to shareholders, but also to all its stakeholders.

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

Sr. No.	Name of the Company	Name of Committee	Position held
1.	The Indian Hotels Company Limited	Audit Committee	Member
2.	Siemens Limited	Audit Committee	Member
		Remuneration Committee	Member
3.	Glaxo Smithkline Pharmaceuticals Limited	Audit Committee	Member
		Investors Grievance Committee	Chairman
4.	Mahindra & Mahindra Limited	Audit Committee	Chairman
		Strategic Investment Committee	Member
5.	Infrastructure Development Finance Company Limited	Remuneration Committee	Member

Mr. Deepak S. Parekh holds 1,12,180 Ordinary (Equity) Shares in the Company.

Mr. A. K. Nanda

Mr. A. K. Nanda holds a Degree in Law from the University of Calcutta, is a fellow member of The Institute of Chartered Accountants of India (FCA) and a fellow member of The Institute of Company Secretaries of India (FCS). Mr. Nanda has also participated in a Senior Executive Programme at the London Business School. He joined the Mahindra Group in 1973. He has held several important positions within the Group over the 37 years he was with the Company.

He was inducted on the Board of Mahindra & Mahindra Limited (M&M) in August, 1992 and resigned as Executive Director in March, 2010 to focus on the social sector and create a favourable ecosystem for senior citizens. He was immediately appointed as a Non-Executive Director of M&M.

He is currently the Chairman of Mahindra Holidays & Resorts (India) Limited, Mahindra Lifespace Developers Limited, Mahindra Consulting Engineers Limited, Mahindra Construction Company Limited, Mahindra Infrastructure Developers Limited,

Government and Industry impressed by Mr. Parekh's performance and sobriety, have honoured him with several awards. Some of the most important ones are the "Padma Bhushan" in 2006. Republic of France conferred the honour, "Knight in the Order of the Legion of Honour" one of the highest distinction by the French Republic in 2010 and being the first international recipient of the Institute of Chartered Accountants in England and Wales' Outstanding Achievement Award-2010.

Knowledge Township Limited, Vice-Chairman of Mahindra World City Developers Limited and Director of Mahindra & Mahindra Limited, Mumbai Mantra Media Limited, Mahindra World City (Jaipur) Limited, Mahindra Water Utilities Limited, Mahindra Holdings Limited, Mahindra Holidays & Resorts (USA) Inc. and MHR Hotel Management GmbH. He is also on the Advisory Boards of Schneider Electric India Private Limited and Advent Indian PE Advisors Private Limited. He is also elected as a Member of the Supervisory Board of BAH Hotelanlagen AG.

He is Chairman Emeritus of the Indo-French Chamber of Commerce & Industry, Member of the Governing Boards of the Council of EU Chambers of Commerce in India and was Chairman of CII Western Region for 2010-2011.

Mr. Nanda was honoured with an award of "Chevalier de la Legion d'Honneur" (Knight of the National Order of the Legion of Honour) by the President of the French Republic, Mr. Nicolas Sarkozy in 2008.

Mr. Nanda has received the "Real Estate Person of the Year" Award from GIREM Leadership Awards in India in 2008.

Mr. Nanda was awarded with the “CA Business Achiever Award - Corporate” at The Institute of Chartered Accountants of India Award 2009 and “Lifetime Achievement Award” for his

outstanding contribution to the Hospitality Industry and the Service Sector by the Golden Star Awards 2010.

Mr. A. K. Nanda is a Member of the following Board Committees:

Sr. No.	Name of the Company	Name of Committee	Position held
1.	Mahindra & Mahindra Limited	Share Transfer and Shareholders/Investors Grievance Committee	Member
		Loans & Investment Committee	Member
2.	Mahindra Holidays & Resorts (India) Limited	Loans and Investment Committee	Member
		Inventory Approval Committee	Chairman
		Remuneration Committee	Member
		Share Allotment/ Transfer cum Investor Grievances Committee	Chairman
		IPO Committee	Member
3.	Mahindra Construction Company Limited	Remuneration Committee	Member
4.	Mahindra Lifespace Developers Limited	Investors’ and Shareholders’ Grievance Committee	Chairman
		Loans & Investment Committee	Chairman
		Remuneration Committee	Member
		Share Allotment Committee for ESOP	Member
		Committee for Residential Projects in Joint Venture	Member
		Committee for Large Format Developments	Member
		Committee of Directors for investment in a subsidiary company: Knowledge Township Limited	Member
5.	Mahindra Infrastructure Developers Limited	Audit Committee	Member
6.	Mahindra World City (Jaipur) Limited	Audit Committee	Member
		Capital Issue Committee	Member
		Land Lease Committee	Member
		Loans and Investment Committee	Member
		Remuneration Committee	Chairman
7.	Mahindra Consulting Engineers Limited	Remuneration Committee	Member
8.	Mahindra Holdings Limited	Audit Committee	Chairman
		Loans & Investment Committee	Member
9.	Mahindra World City Developers Limited	Remuneration Committee	Member

Mr. Nanda holds 2,00,166 Ordinary (Equity) Shares in the Company.

Mr. Narayanan Vaghul

Mr. Narayanan Vaghul is the former Chairman of ICICI Bank Limited which is the second largest Commercial Bank in the country. He is widely recognised in India for his role in pioneering the concept of the Universal Banking Model that laid the foundation for a new era in Indian Banking.

Mr. Vaghul received his Bachelor of Commerce (Hons.) Degree from the University of Madras (now known as Chennai) in 1956. He joined the State Bank of India in 1957 as a Probationary Officer, became the Director in the National Institute of Bank Management, Mumbai in 1976, before assuming charge as Executive Director in Central Bank of India in 1978. He became

Chairman of Bank of India in 1981 and had the distinction of being the youngest ever Chairman in a Public Sector Bank. He joined ICICI Limited as Chairman & CEO in 1985 and continued to head the Group till April, 2009.

During his tenure in ICICI, Mr. Vaghul created several new institutions laying the foundation for the development of the Universal Banking Model. He started the first venture capital company in India in 1987 which from a small beginning has become the leading venture capital company today. He was also instrumental in setting up ICICI Securities, an Investment Banking company. When the banking licence was thrown open to the non state players, he set up a commercial bank with which ICICI merged subsequently to become the first major universal financial institution catering to the diverse needs of all segments of customers. He also pioneered the concept of Credit Rating in India by setting up CRISIL. He was the founder Chairman of CRISIL for close to ten years and helped in evolving the best practices of credit rating in the country.

Mr. Vaghul is deeply interested in Education, particularly the under privileged sections of the society. He was the Chairman of "Pratham" a leading NGO in this sector. He is associated with several foundations dedicated to the cause of primary education. He is also deeply committed to the cause of science and technology and was responsible for setting up the first Science and Technology Park in the country known as ICICI

Knowledge Park. He is associated with Institute of Technology in Jaipur. He has been the Chairman of IFMR a Business School with an array of research centers engaged in a variety of economic and social research.

Mr. Vaghul is the recipient of numerous awards and honours. He was chosen as the Business Man of the Year by Business India in 1992. He was given Lifetime Achievement Award by the Economic Times in 2006. He was given an award for the contribution to the Corporate Governance by The Institute of Company Secretaries of India in 2007. He was given the Lifetime Achievement Award by the "Ernst & Young Entrepreneur of the Year Award Program" in 2009. He was awarded Padma Bhushan by the Government of India in 2009.

Mr. Vaghul is also on the Board of several companies. He is the Chairman of Mahindra World City Developers Limited and ICICI Knowledge Park and Director of Mahindra & Mahindra Limited, Wipro Limited, Piramal Healthcare Limited, Apollo Hospitals Enterprise Limited, Hemogenomics Private Limited, Universal Trustees Private Limited, IKP Trusteeship Services Private Limited, Pratham India Education Initiative, IKP Centre for Technologies in Public Health, IKP Centre for Advancement in Agricultural Practice, Kaivalya Education Foundation, Institute for Policy Research Studies and Arcelor Mittal Luxembourg.

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

Sr. No.	Name of the Company	Name of Committee	Position held
1	Wipro Limited	Audit Committee	Chairman
		Board Governance and Compensation Committee	Member
2.	Mahindra & Mahindra Limited	Governance, Remuneration and Nomination Committee	Chairman
3.	Piramal Healthcare Limited	Compensation Committee	Chairman
		Audit Committee	Member
4.	Mahindra World City Developers Limited	Remuneration Committee	Member
5.	Apollo Hospitals Enterprise Limited	Remuneration Committee	Member

Mr. Vaghul holds 1,00,000 Ordinary (Equity) Shares in the Company.

Mr. R. K. Kulkarni

Mr. R. K. Kulkarni, B.Sc., LL.M, is a practicing Advocate and Solicitor and is a Senior Partner in Khaitan & Co., Advocates & Solicitors.

He has immense experience in all aspects of Corporate law; Mergers & Acquisitions – such as due diligence, structuring documentation involving listed companies, cross-border transactions in Capital Markets - such as advice and documentation relating to domestic IPOs and GDR/FCCB

offerings of securities by Indian companies; in Securities Law – such as insider trading, takeover-code, public offers, buyback of securities, etc.; in Restructuring—such as advice and documentation involving creditors restructuring, sick companies, demergers, spin-offs, sale of assets, etc. In Privatisation—such as advice and documentation in relation to privatisation of Government business and companies in India on behalf of several bidders, etc.; in Foreign Investment, Joint Venture and Foreign Collaboration—such as advice and documentation, obtaining regulatory approvals, joint venture and licensing, shareholder agreements and arrangements, technology transfers, import of plant and equipment, etc. In Infrastructure and Project Financing—such as advice and documentation relating to corporate financing, debt issues, including concession agreements, construction contracts,

operation & maintenance contracts, etc. He also has considerable experience in litigation having handled writs and civic litigation.

He advises a range of large Indian and multinational clients in various business sectors, including infrastructure, power, telecom, automobile, engineering steel, cement, agriculture and agri-products, software and information technology, retail services, etc.

He is on the Board of various companies viz. Mahindra & Mahindra Limited, Alternate Brand Solutions (India) Limited, Elantas Beck India Limited, Styrolution ABS (India) Limited, Entertainment Network (India) Limited, Shamrao Vithal Co-op. Bank Limited, Tech Mahindra Limited, Chowgule Steamships Limited and Lavgan Dockyard Private Limited.

Mr. R. K. Kulkarni is a Member of the following Board Committees:

Sr. No.	Name of the Company	Name of the Committee	Position held
1.	Elantas Beck India Limited	Audit Committee	Chairman
		Shareholders'/ Investors Grievance Committee	Chairman
2.	Mahindra & Mahindra Limited	Audit Committee	Member
		Share Transfer and Shareholders/ Investors Grievance Committee	Member
		Governance, Remuneration and Nomination Committee	Member
		Loans & Investment Committee	Member
3.	Tech Mahindra Limited	Remuneration Committee	Chairman
4.	Entertainment Network (India) Limited	Audit Committee	Member
		Remuneration Committee	Member
5.	Styrolution ABS (India) Limited	Audit Committee	Member
		Remuneration Committee	Member

Mr. R.K. Kulkarni holds 82,576 Ordinary (Equity) Shares in the Company.

Dr. Vishakha N. Desai

Dr. Vishakha N. Desai is the President and CEO of Asia Society, a leading global organization committed to strengthening partnerships among the people, leaders and institutions of Asia and the United States. Founded by John D. Rockefeller 3rd in 1956, Asia Society is the premier organisation with a unique focus on three-dimensional engagement—combining culture, commerce and current affairs—with more than 35 countries in Asia. Appointed President in 2004, Dr. Desai sets the direction for the Society's diverse sets of programs ranging from major

US-Asia policy initiatives and national educational partnerships for global learning to path-breaking art exhibitions and innovative Asian American performances.

Dr. Desai is a frequent speaker at various national and international fora on a wide variety of subjects that include US-Asia relationships, cultural roots of Asian economic development, regional connections within the Asia Pacific region, as well as the arts and cultures of Asia and Asian America. Dr. Desai has authored many opinion pieces that have appeared in over 50 publications around the world.

As a scholar of Asian Art, Dr. Desai has published and edited several books and numerous articles on traditional and contemporary Art. Dr. Desai has an international reputation for introducing contemporary Asian Art in the US through critically acclaimed exhibitions and scholarly catalogues. Under her leadership, Asia Society has expanded the scope and scale of its activities, including opening of new offices in India and Korea, inauguration of a new center on US-China relations and the development of new initiatives focusing on the environment, on Asian women leaders and on partnerships amongst the next generation of exceptional leaders in Asia and the United States.

Prior to assuming her current position as President & CEO, Dr. Desai held several positions at Asia Society, first as Director of its Museum and then as Vice President for Arts and Cultural Programs and as Senior Vice President of the Society. Before joining Asia Society in 1990, Dr. Desai was a curator at the Museum of Fine Arts, Boston and the head of Public Programs and Academic Affairs. Dr. Desai has also taught at the University of Massachusetts, Boston University, Columbia University and Williams College.

Dr. Desai holds a B.A. in Political Science from Bombay University and an M.A. and Ph.D. in Asian Art History from the University of Michigan. The recipient of numerous international and national grants and fellowships, Dr. Desai has received honorary degrees from Susquehanna University, College of Staten Island and Centre College. For her work on Asian American issues, Dr. Desai has received awards from the University of Massachusetts, City University of New York and Asian Americans for Equality. For her leadership in the arts, Dr. Desai has been honoured by ArtTable, a national organization of women leaders in the Arts and has received a Gold Medal from the National Institute of Social Sciences. Dr. Desai was selected by Crain's New York as one of the "100 most powerful women leaders" in New York, by India Abroad, the leading national weekly for Indian Americans, as one of the "50 most distinguished Indian Americans" and was honoured by Zee Television (India) as the outstanding International Woman of the Year.

Dr. Desai serves on the Boards of The Brookings Institution, Citizens Committee for New York City, Bertelsmann Foundation (USA) and the New York City Mayor's Advisory Commission for Cultural Affairs. Dr. Desai has also been appointed to the

International Advisory Committee for the House of World Cultures, Berlin and the Fondazione Intercultura, Italy and on the Board of Mahindra & Mahindra Limited. Dr. Desai served as the President of the Association of Art Museum Directors (AAMD) in 1998-99 and was on its Board from 1995-2000. Dr. Desai has also served on the Boards of the Andy Warhol Foundation for the Visual Arts, LEAP (Leadership Education for Asian Pacifics), the South Asian Council of the Association of Asian Studies, the College Art Association, ArtTable and the Massachusetts Foundation for the Humanities.

Dr. Desai is not a Chairman/Member of any Board Constituted Committee and does not hold any Ordinary (Equity) Shares in the Company.

Mr. Vikram Singh Mehta

Mr. Vikram Singh Mehta is the Chairman of the Shell Group of Companies in India since 1994. He has been serving the Shell Group since 1988, was a Director on the Board of Shell companies in the Middle East and South Asia based out of London during 1988-91 and Managing Director of Shell Marketing and Shell Chemicals Overseas, Cairo, Egypt, during 1991-93. Mr. Mehta's illustrious career began as a Member of the Indian Administrative Service of the Government of India in 1978 and he has since held various prestigious positions. These include advisory positions with world-renowned petroleum companies and the Indian Government's Ministry of Petroleum.

Mr. Mehta completed his Bachelors' Degree in Mathematics (Hons.) from St. Stephens College, Delhi University. He also has a Master's Degree in Politics and Economics (Hons.) from Magdalen College, Oxford University, UK and a Master's Degree in Energy Economics from the Fletcher School of Law and Diplomacy, Tufts University in USA.

Mr. Mehta was also associated as Research Associate, India International Centre, New Delhi during 1976-77, Senior Economist, Phillips Petroleum Europe-Africa, London during 1980-82, Senior International Affairs Specialist, Phillips Petroleum, Bartlesville, Oklahoma, USA during 1982-84 and Adviser - Strategic Planning, Oil India Limited, Government of India, New Delhi during 1984-88.

Mr. Mehta was the recipient of Asia House (London), "Businessmen of the Year" Award 2010, Chairman of

Confederation of Indian Industries, Hydrocarbon Committee, Member of Board of Governors – Pandit Deendayal Petroleum University, Member, Board of Overseers – Fletcher School of Law and Diplomacy, Tufts University, Former Chairman, Young Peoples Award Programme India (erstwhile Duke of Edinburgh's Award), Former Member, Board of Governors, Indian Public Schools' Society and is the Author of a Monthly OPED column "Over the Barrel" (Indian Express and Financial Express).

Mr. Mehta is also Chairman of Hazira Port Private Limited, Hazira LNG Private Limited, Shell India Markets Private Limited, Shell MRPL Aviation Fuels and Services Private Limited, Hazira Gas Private Limited and Director of Colgate-Palmolive (India) Limited and Mahindra & Mahindra Limited.

Mr. Mehta is a Member of the Audit Committee of Colgate-Palmolive (India) Limited and does not hold any Ordinary (Equity) Shares in the Company.

Mr. Anand G. Mahindra

Career Graph

Mr. Anand G. Mahindra, Vice-Chairman and Managing Director of Mahindra & Mahindra Limited 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 Ugin Steel Company Limited ("MUSCO"), the country's foremost producer of specialty steels, as an Executive Assistant to the Finance Director. In 1989, he was appointed as 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 as 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 liberalized economic environment in India.

In April, 1997, he was appointed as Managing Director of Mahindra & Mahindra Limited and in January, 2001 given the additional responsibility of Vice-Chairman.

During Mr. Mahindra's tenure, the Mahindra Group has also grown inorganically, seizing opportunities across the globe. Recent acquisitions include Ssangyong Motor Company Limited, Mahindra Reva Electric Vehicles Private Limited, Satyam Computer Services Limited, Aerostaff Australia Pty. Limited, 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.

Mr. Mahindra is currently the Vice-Chairman & Managing Director of Mahindra & Mahindra Limited, Vice Chairman of Mahindra Ugin Steel Company Limited, Chairman of Tech Mahindra Limited, Mahindra Navistar Automotives Limited, Mahindra First Choice Wheels Limited, Mahindra Two Wheelers Limited, Defence Land Systems India Private Limited and Director of Mahindra Holdings Limited, Tech Mahindra Foundation, Prudential Management & Services Private Limited, Araku Originals Limited, Naandi Community Water Services Private Limited, Avion Aerosols Private Limited, M.A.R.K. Hotels Private Limited and Prana Holdings Inc.

He was a co-promoter of Kotak Mahindra Finance Limited, which in 2003 was converted into a bank. Kotak Mahindra Bank is one of the foremost private sector banks 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 Limited and the National Council of Applied Economic 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 and JRD Tata Corporate Leadership Award 2011 from the All India Management Association.

Mr. Anand G. 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	Share Transfer and Shareholders/ Investors Grievance Committee	Member
		Research and Development Committee	Member
		Loans & Investment Committee	Member
		Strategic Investment Committee	Member
2.	Mahindra Navistar Automotives Limited	Remuneration Committee	Chairman
3.	Mahindra Two Wheelers Limited	Remuneration Committee	Member
4.	Mahindra Holdings Limited	Loans & Investment Committee	Member

Mr. Anand G. Mahindra holds 6,75,004 Ordinary (Equity) Shares in the Company.

Mr. Bharat Doshi

Mr. Bharat Doshi joined the Company in 1973 as an Executive. He is a Fellow Member of The Institute of Chartered Accountants of India and The Institute of Company Secretaries of India and has a Master's Degree in Law from the University of Bombay. He has also participated in the Program for Management Development at Harvard Business School. He was also a Fellow of the Salzburg Seminar on 'Asian Economies: Regional and Global Relationships' held in December, 2000. Mr. Doshi was Executive Vice President (Corporate Affairs) from July, 1991 to August, 1992. In August, 1992, he joined the Board of the Company as an Executive Director in charge of Finance & Accounts, Corporate Affairs and Information Technology. In addition, he was the President of the Trade & Financial Services Sector from December, 1994 to October, 2007. Mr. Doshi is designated as Executive Director and Group Chief Financial Officer ("Group CFO"). Mr. Doshi is the Chairman of Mahindra & Mahindra Financial Services Limited and Mahindra Intertrade Limited. He is a Director of several companies in the Mahindra Group viz. Tech Mahindra Limited, Mahindra Holdings Limited, Mahindra Navistar Automotives Limited, Mahindra Navistar Engines Private Limited, Mahindra USA Inc. and Ssangyong Motor Company Limited.

He is an Independent Director on the Boards of Godrej Consumer Products Limited and NSE.IT Limited.

He is a Trustee of the Mahindra Foundation and the K.C. Mahindra Education Trust. He is also on the Board of Governors of The Mahindra United World College of India, Director on the Board of Indian Council on Global Relations and Member of Managing Committee of The Associated Chambers of Commerce and Industry of India. He is also on the Board of Governors of Indian Institute of Management, Tiruchirappalli. Mr. Doshi was the President of Bombay Chamber of Commerce and Industry (BCCI) for the year 2009-10 and presently he is a Member of the Managing Committee of BCCI. He was one of the Founding Members and Member of the Governing Council of InAct (Indian Association of Corporate CFOs & Treasurers), now renamed as Association of Finance Professionals of India (AFPI).

Mr. Doshi was a Member of the High Powered Expert Committee constituted by the Ministry of Finance, Government of India, on making Mumbai an International Financial Centre and was a Member of the SEBI (Securities and Exchange Board of India) Committee on Disclosures and Accounting Standards (SCODA).

Mr. Doshi was a Member of the Working Group constituted by Reserve Bank of India (RBI) "to examine a range of emerging

issues pertaining to regulation of the NBFCs (Non-Banking Financial Companies) Sector”.

He is presently a Member of CII National Council on Corporate Governance & Regulatory Affairs.

Mr. Bharat Doshi was adjudged “India’s Best CFO” by the leading business fortnightly Business Today (India Today Group Publication) in April, 2005. He was also conferred the ‘CFO of

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

Sr. No.	Name of the Company	Name of the Committee	Position held
1.	Mahindra & Mahindra Limited	Share Transfer and Shareholders/ Investors Grievance Committee	Member
		Loans & Investment Committee	Member
		Research and Development Committee	Member
		Corporate Social Responsibility Committee	Member
		Strategic Investment Committee	Member
2.	Mahindra Intertrade Limited	Remuneration/Compensation Committee	Member
3.	Mahindra Navistar Automotives Limited	Audit Committee	Chairman
4.	Godrej Consumer Products Limited	Audit Committee	Chairman
		Human Resources and Compensation Committee	Member
		Nominations Committee	Member
5.	Mahindra and Mahindra Financial Services Limited	Loans & Investment Committee	Member
		Remuneration/Compensation Committee	Member
		Nominations Committee	Member
6.	Mahindra Navistar Engines Private Limited	Audit Committee	Chairman
		Remuneration Committee	Member
7.	Mahindra holdings Limited	Loans & Investment Committee	Member

Mr. Bharat Doshi holds 5,56,552 Ordinary (Equity) Shares in the Company.

F. Codes of Conduct

The Board has laid down two separate Codes of Conduct (“Codes”), one for 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>. All Board Members and Senior Management Personnel have affirmed compliance with these Codes. A declaration signed by the Vice-Chairman & Managing Director to this effect is enclosed at the end of this Report.

G. CEO/CFO Certification

As required under Clause 49 V of the Listing Agreement with the Stock Exchanges, the Vice-Chairman & Managing Director and the Group Chief Financial Officer of the Company have

the Year’ Award, honouring financial excellence, by IMA India, an associate of The Economist Group, in December, 2005. In November, 2007, Mr. Bharat Doshi was honoured with the prestigious CNBC CFO of the Year 2007 Award. In March, 2011, he has been inducted by CFO India as a Founding Member to the *CFO Hall of Fame* in recognition of an exemplary career and a lifetime of contribution in the field of Finance.

certified to the Board regarding the Financial Statements for the year ended 31st March, 2012.

II. Remuneration to Directors

A. Remuneration Policy

While deciding on the remuneration for Directors, the Board and the Governance, Remuneration and Nomination Committee (“Committee”) consider the performance of your Company, the current trends in the industry, the qualification of the appointee(s), their experience, past performance and other relevant factors. The Board/ Committee regularly keeps track of the market trends in terms of compensation levels and practices in relevant industries. This information is used to review remuneration policies.

B. Remuneration to Non-Executive Directors for the year ended 31st March, 2012

The eligible Non-Executive Directors are paid commission upto

a maximum of 1% of the net profit of the Company as specifically computed for this purpose. A commission of Rs.172.99 lakhs has been provided as payable to the eligible Non-Executive Directors in the accounts of the year under review.

During the year under review, the Non-Executive Directors were paid a commission of Rs.156 lakhs (provided in the accounts for the year ended 31st March, 2011), distributed amongst the Directors as under:

(Rs. in Lakhs)

Directors	Commission for the year ended 31 st March, 2011, paid during the year under review
Mr. Keshub Mahindra	48.00
Mr. Deepak S. Parekh	12.00
Mr. Nadir B. Godrej	12.00
Mr. M. M. Murugappan	12.00
Mr. A. K. Nanda	12.00
Mr. Narayanan Vaghul	12.00
Dr. A. S. Ganguly	12.00
Mr. R. K. Kulkarni	12.00*
Mr. Anupam Puri	12.00
Mr. Arun Kanti Dasgupta (Nominee of LIC)	12.00#

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

The commission was paid to LIC.

Non-Executive Directors are also paid sitting fees of Rs.20,000 for every Meeting of the Board or Committee attended other than the Share Transfer and Shareholders/Investors Grievance Committee. The sitting fees for Share Transfer and Shareholders/Investors Grievance Committee is Rs.10,000.

The sitting fees paid to Non-Executive Directors for the year ended 31st March, 2012 alongwith their Shareholdings in the Company are as under:

Directors	Sitting Fees for the Board and Committee Meetings paid during the year ended 31 st March, 2012 (Rs. in Lakhs)	No. of Ordinary (Equity) Shares held as on 31 st March, 2012
Mr. Keshub Mahindra	5.40	4,02,296
Mr. Deepak S. Parekh	2.80	1,12,180
Mr. Nadir B. Godrej	3.80	3,04,284
Mr. M. M. Murugappan	2.60	1,00,000
Mr. A. K. Nanda	3.40	2,00,166
Mr. Narayanan Vaghul	1.40	1,00,000
Dr. A. S. Ganguly	2.20	1,00,000
Mr. R. K. Kulkarni	5.60*	82,576
Mr. Anupam Puri	1.00	Nil
Mr. Arun Kanti Dasgupta (Nominee of LIC)+	0.40**	N.A.
Dr. Vishakha N. Desai [^]	N.A.	N.A.
Mr. Vikram Singh Mehta [^]	N.A.	N.A.

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

+ Resigned as a Director of the Company with effect from 9th August, 2011.

** Sitting fees for Board Meetings were paid to LIC.

[^] Appointed as an Additional Director with effect from 30th May, 2012.

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

C. Remuneration paid/payable to Managing Director and Executive Director (Whole-time

Directors) for the year ended 31st March, 2012:

Remuneration to Whole-time Directors is fixed by the Governance, Remuneration and Nomination 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 31st March, 2012:

Directors	(Rs. in Lakhs)					Contract Period \$	No. of Options granted in***				
	Salary*	Commission	Company's Contribution to Funds**	Perquisites and Allowances	Total		June, 2005	September, 2006	July, 2007	August, 2008	January, 2011
Mr. Anand G. Mahindra (Vice-Chairman & Managing Director)	116.93	192.39	25.97	71.49	406.78	4 th April, 2007 to 3 rd April, 2012	Nil	Nil	Nil	Nil	Nil
Mr. Bharat Doshi (Executive Director & Group CFO)	92.81	135.30	24.35	23.96	276.42	28 th August, 2007 to 27 th August, 2012	10,000	11,345	8,362	29,039	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 I to the Directors' Report.

\$ The Board of Directors, at its Meeting held on 20th March, 2012, have pursuant to the approval of the Governance, Remuneration and Nomination Committee of the Board and subject to the approval of the Members to be obtained at the ensuing Annual General Meeting of the Company re-appointed Mr. Anand G. Mahindra as the Managing Director for a period of 5 years with effect from 4th April, 2012 to 3rd April, 2017 and Mr. Bharat Doshi as the Executive Director for a period with effect from 28th August, 2012 to 31st March, 2015.

Notes:

a) Notice period applicable to each of the Whole-time Directors – six months.

b) 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. Further, your Company has established procedures to periodically place before the Board, the risk assessment and minimisation procedures being followed by the Company and steps taken by it to mitigate these risks.

IV. Committees of the Board

A. Audit Committee

This Committee comprises solely of Independent Directors viz. Mr. Deepak S. Parekh (Chairman of the Committee), Mr. Nadir B. Godrej, Mr. M. M. Murugappan and Mr. R. K. Kulkarni. 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. 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 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. The Committee is empowered to, inter alia, review the remuneration payable to the Statutory Auditors and to recommend a change in the Auditors, if felt necessary. It 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. Generally all items listed in Clause 49 II (D) of the Listing Agreement are covered in the terms of reference. The Audit Committee has been granted powers as prescribed under Clause 49 II (C) and reviews all the information as prescribed in Clause 49 II (E). The Meetings of the Audit Committee are also attended by the Vice-Chairman & Managing Director, the Executive Director & Group CFO, the Group CIO, Executive Vice President-M&A, Finance & Accounts, the Executive Vice President-M&A and Secretarial, the Statutory Auditors, the Chief Internal Auditor and the Company Secretary. The Chairman of the Audit Committee, Mr. Deepak S. Parekh was present at the 65th Annual General Meeting of the Company held on 8th August, 2011 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 — 30th May, 2011, 8th August, 2011, 14th November, 2011, 7th February, 2012 and 20th March, 2012. 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)	5
Mr. Nadir B. Godrej	5
Mr. M. M. Murugappan	5
Mr. R. K. Kulkarni	5

B. Governance, Remuneration and Nomination Committee (earlier known as Remuneration/ Compensation Committee)

The terms of reference of the Governance, Remuneration and Nomination Committee (earlier known as Remuneration/ Compensation Committee) have been revised and has been vested with 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 and integrity and establish Director retirement policies and appropriate succession plans and determining 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", "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 Vice-Chairman & Managing Director, the Executive Director(s), Presidents, etc., lay down performance parameters for the Vice-Chairman & Managing Director, the Executive Director(s), Presidents, etc. and review the same.

The Committee comprises of majority of Independent Directors including its Chairman.

Mr. Narayanan Vaghul is the Chairman of the Committee. Mr. Keshub Mahindra, Mr. Nadir B. Godrej, Mr. M. M. Murugappan and Mr. R. K. Kulkarni are the other Members of the Committee. Mr. Anand G. Mahindra is a permanent invitee to the Committee.

The Committee met twice during the year under review. The attendance at the Meetings was as under:

Members	Number of Meetings attended
Mr. Narayanan Vaghul (Chairman)	2
Mr. Keshub Mahindra	2
Mr. Nadir B. Godrej	2
Mr. M. M. Murugappan	2
Mr. R. K. Kulkarni*	1

* appointed with effect from 10th October, 2011.

C. Share Transfer and Shareholders/Investors Grievance Committee

The Company's Share Transfer and Shareholders/Investors Grievance Committee functions under the Chairmanship of Mr. Keshub Mahindra, Chairman of the Board and a Non-Executive Director. Mr. Anand G. Mahindra, Mr. Bharat Doshi, Mr. A. K. Nanda and Mr. R. K. Kulkarni are also Members of the Committee. Mr. Narayan Shankar, Company Secretary is the Compliance Officer of the Company.

The Committee meets, as and when required, to inter alia deal with matters relating to transfer of shares and monitor redressal of complaints from Shareholders relating to transfers, non-receipt of Balance Sheet, non-receipt of dividends declared, etc. With a view to expediting 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 met twice during the year. Both the Meetings were well attended by its Members. During the year, 26 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.

D. 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 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. Dr. A. S. Ganguly is the Chairman of the Committee. Mr. Anand G. Mahindra, Mr. Bharat Doshi, Mr. Nadir B. Godrej and Mr. M. M. Murugappan are the other Members of the Committee.

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

The Strategic Investment Committee is a Committee 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 and make necessary recommendations to the Board from time to time including disinvestments. Mr. Keshub Mahindra, Mr. Anand G. Mahindra, Mr. Bharat Doshi, Mr. Deepak S. Parekh, Mr. Nadir B. Godrej and Dr. A. S. Ganguly are the Members of the Committee.

F. 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 Guidelines prescribed by the Board. Mr. Keshub Mahindra is the Chairman of the Committee. Mr. Anand G. Mahindra, Mr. Bharat Doshi, Mr. A. K. Nanda and Mr. R. K. Kulkarni are the other Members of the Committee.

V. Subsidiary Companies

Clause 49 defines a "material non-listed Indian subsidiary" as an unlisted subsidiary, incorporated in India, whose turnover or net worth (i.e. paid-up capital and free reserves) exceeds 20% of the consolidated turnover 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 sufficient 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.

VI. Disclosures

A. Disclosure of transactions with Related Parties

During the financial year 2011-12, there were no materially significant transactions 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.

B. Disclosure of Accounting Treatment in preparation of Financial Statements

Your Company has followed the Accounting Standards laid down by The Companies (Accounting Standards) Rules, 2006, as amended from time to time, in preparation of its financial statements.

C. Code for Prevention of Insider Trading Practices

The Company has 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 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 cautioning them of the consequences of violations.

VII. Shareholder Information

1. 66th Annual General Meeting

Date	:	8 th August, 2012
Time	:	3:30 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 14th July, 2012 to 8th August, 2012, both days inclusive.

3. Date of Dividend Payment

The Dividend would be paid/despached on and after 9th August, 2012.

4. Financial Year of the Company

The financial year covers the period from 1st April to 31st March.

Financial Reporting for:

Quarter ending

30th June, 2012 - Second week of August, 2012

Half-year ending

30th September, 2012 - Second week of November, 2012

Quarter ending

31st December, 2012 - Second week of February, 2013

Year ending

31st March, 2013 - End May, 2013

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 Bombay Stock Exchange Limited (BSE) and National Stock Exchange of India Limited (NSE). The Global Depositary 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.

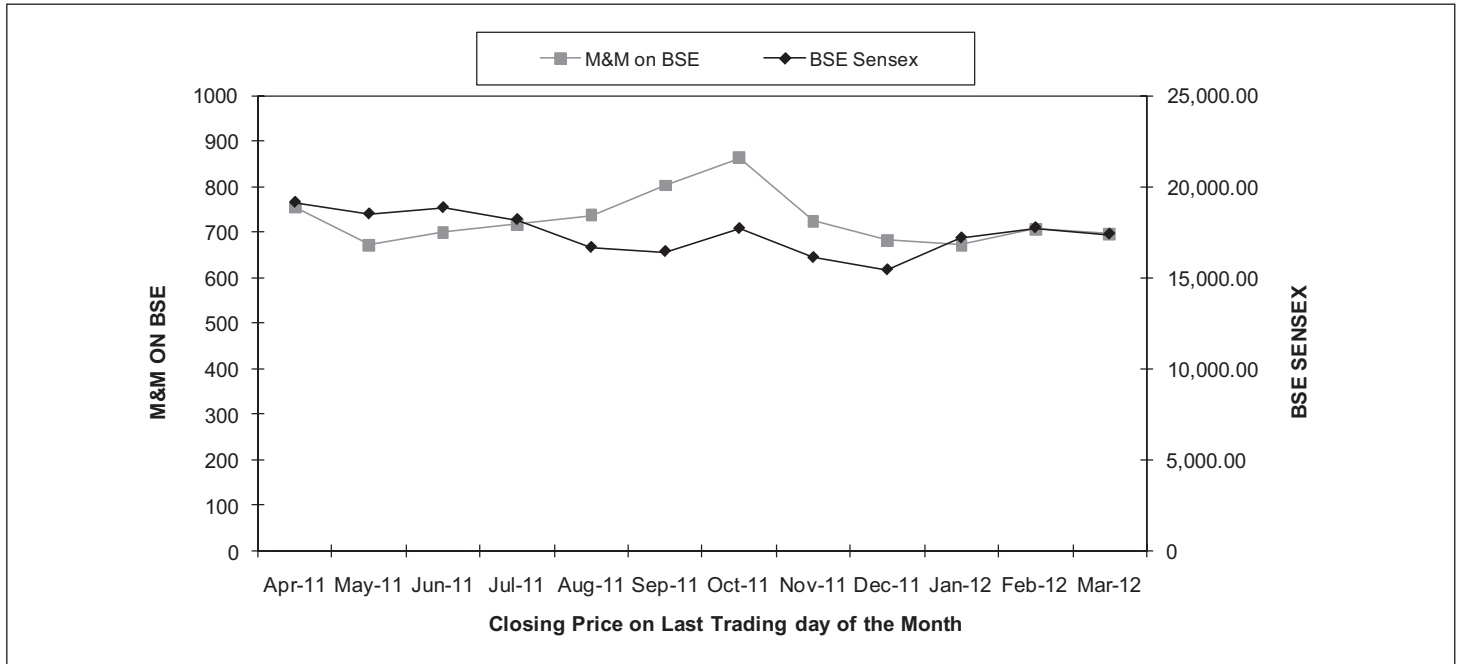
7A. Stock Codes

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

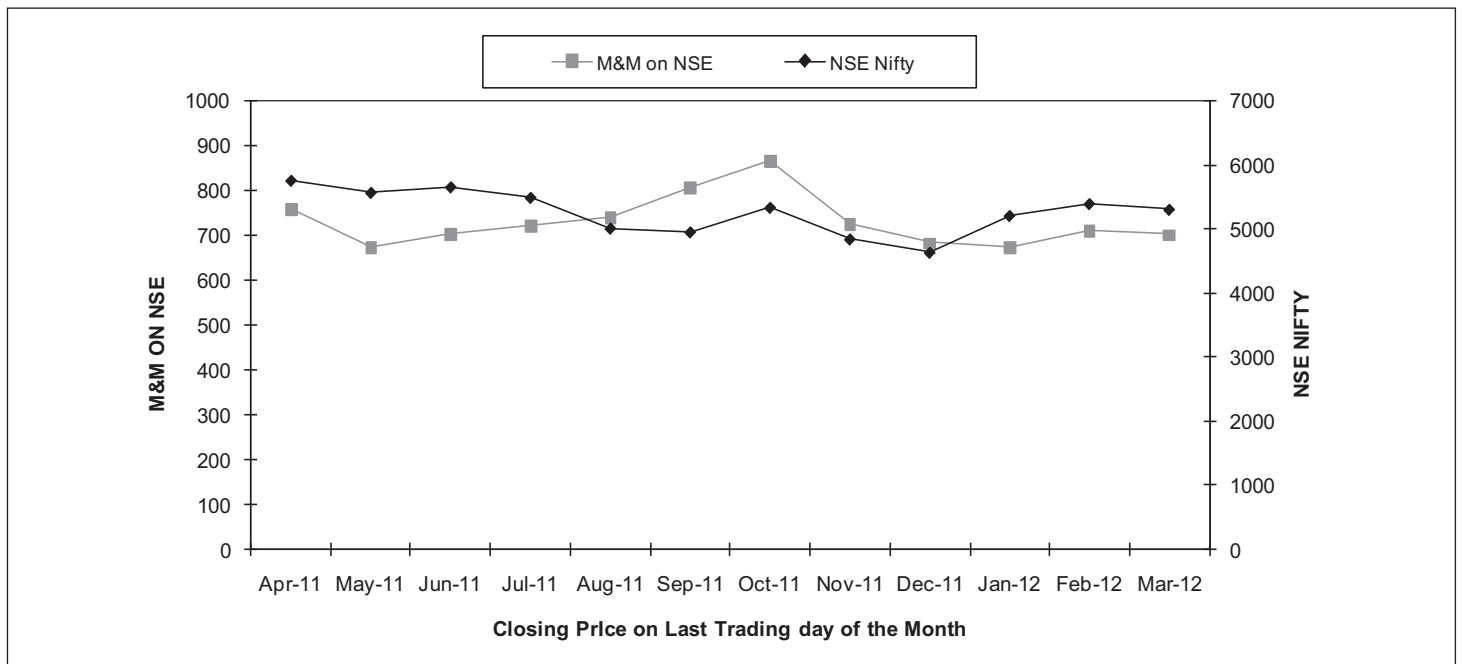
7B. Corporate Identity Number : L65990MH1945PLC004558

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	
	Bombay Stock Exchange Limited		National Stock Exchange of India Limited		Luxembourg Stock Exchange	
	High	Low	High	Low	High	Low
	Rs.	Rs.	Rs.	Rs.	US \$	US \$
April, 2011	778.25	697.05	778.95	697.15	17.32	15.95
May, 2011	765.00	649.25	765.80	648.95	16.72	14.74
June, 2011	705.00	617.00	705.00	616.70	15.70	14.11
July, 2011	752.00	688.10	753.45	688.35	16.86	15.51
August, 2011	746.10	633.00	745.60	632.60	16.58	14.65
September, 2011	820.80	740.00	823.90	740.80	17.26	15.61
October, 2011	874.75	775.00	877.30	773.80	17.83	15.82
November, 2011	862.95	681.70	863.00	681.20	17.09	13.31
December, 2011	762.55	633.40	762.95	632.20	14.67	12.34
January, 2012	710.00	628.20	709.65	628.10	14.14	12.08
February, 2012	766.85	672.20	769.30	672.00	15.41	13.97
March, 2012	709.90	650.00	708.90	650.00	13.87	13.11

10. Registrar and Transfer Agent:

Sharepro Services (India) Private Limited
Unit: Mahindra & Mahindra Limited
13AB, Samhita Warehousing Complex,
2nd 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

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. : +91-22-22881568/69

Fax No. : +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 thirty days from the date of receipt of the documents, provided the documents are valid and complete in all respects. With a view to expediting the process of share transfers, Mr. Bharat Doshi, Executive Director and Group Chief Financial Officer or Mr. S. Durgashankar, Executive Vice President-M&A and 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 2,00,000 or more Ordinary (Equity) Shares in the Company. The Share Transfer and Shareholders/ Investors Grievance Committee meets as and when required to consider the other transfer proposals and attend to Shareholders' grievances.

12. Distribution of Shareholding as on 31st March, 2012:

Number of Shares held	Number of Shareholders	Number of Shares held	% of Shareholding
1 to 1,000	1,95,283	1,93,03,824	3.15
1,001 to 2,000	4,754	68,91,775	1.12
2,001 to 10,000	4,063	1,65,86,032	2.70
10,001 to 20,000	483	67,01,091	1.09
20,001 and above	860	56,44,92,117	91.94
Total	2,05,443	61,39,74,839	100.00

13. Dematerialisation of Shares

98.84% of the paid-up Equity Share Capital is held in a dematerialised form with National Securities Depository Limited and Central Depository Services (India) Limited as on 31st March, 2012. 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 75% and the stock is highly liquid.

14. Outstanding GDRs / ADRs / Warrants or any Convertible Instruments, Conversion date and likely impact on equity

3,42,93,405 GDRs were outstanding as at 31st March, 2012. 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 31st March, 2012.

15. Plant Locations

Your Company's manufacturing facilities are located at Kandivali, Nashik, Igatpuri, Nagpur, Zaheerabad, Jaipur, Rudrapur, Haridwar, Chakan 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, 2nd Floor,

Sakinaka Telephone Exchange Lane,
Off Andheri Kurla Road, Sakinaka, Andheri (East),
Mumbai - 400 072.

Tel. Nos. : +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.

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,
5th 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
2009	30 th July, 2009	3.30 p.m.	Change in place of keeping Registers and Index of Members and Debenture/Bond Holders and copies of Annual Returns, etc.
2010	28 th July, 2010	3.00 p.m.	1. Payment of Commission upto one per cent of the net profits of the Company to the Directors who are neither in the whole-time employment of the Company nor the Managing Director, Executive Director(s) and such of remainder as may not desire to participate for a period of five years with effect from 1 st November, 2010.
			2. Introduction and implementation of the Mahindra & Mahindra Limited Employees Stock Option Scheme-2010 and authorising the Board to offer, issue and allot equity shares and/or equity linked instruments including Options/ Warrants/ Restricted Stock Units not exceeding 3% of the issued Equity Share Capital of the Company as on 31 st March, 2010.
			3. Extend the benefits of the Mahindra & Mahindra Limited Employees Stock Option Scheme - 2010 to Employees/ Directors of subsidiary company(ies).
2011	8 th August, 2011	3.30 p.m.	Revision in the scale of salary payable to Mr. Anand G. Mahindra as the Managing Director of the Company designated as Vice – Chairman and Managing Director and revision in the scale of salary and basic salary payable to Mr. Bharat Doshi as the Executive Director designated as Executive Director and Group Chief Financial Officer with effect from 1 st August, 2010 for the remainder of their respective terms of Office.

The above Meetings were held at Birla Matushri Sabhagar, 19, Sir Vitthal Das Thackersey Marg (New Marine Lines), Mumbai - 400 020, except the Annual General Meeting held on 30th July, 2009 which was convened at Y. B. Chavan Centre, General Jagannathrao Bhosale Marg, Next to Sachivalaya Gymkhana, Mumbai - 400 021.

No Extraordinary General Meeting was held during the past 3 years.

Details of the Court Convened Meeting held during the year under review:

Date	Time	Resolution passed
7 th February, 2012	3.00 p. m.	Approving the arrangement embodied in the Scheme of Arrangement between Mahindra Automobile Distributor Private Limited and Mahindra and Mahindra Limited and their respective Shareholders and Creditors.

The above Meeting was held at Birla Matushri Sabhagar, 19, Sir Vithaldas Thackersey Marg (New Marine Lines), Mumbai - 400 020. No special Resolution 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.

Your Company has been regularly posting information relating to its financial results and other communications on Corporate Filing and Dissemination System viz. www.corpfiling.co.in, the common platform launched by BSE and NSE for electronic filing by listed companies.

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

a. Office of the Chairman

Your Company has provided the Chairman (Non-Executive) with a full-fledged office, the expenses of which are borne by the Company.

The Chairman is reimbursed all expenses incurred in the performance of his duties.

b. Remuneration Committee

Your Company has set up the Governance, Remuneration and Nomination Committee (earlier known as Remuneration/Compensation Committee) long before application of Clause 49 of the Listing Agreement.

c. 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.

d. Whistle Blower Policy

The Company promotes ethical behaviour in all its business activities and has during the year put in place a mechanism wherein the Employees are free to report illegal or unethical behaviour, actual or suspected fraud or violation of the Company's Codes of Conduct or Corporate Governance Policies or any improper activity to the Chairman of the Audit Committee of the Company or Chairman of the Company or Corporate Governance Cell. The Whistle Blower Policy has been appropriately communicated within the Company.

Under the Whistle Blower Policy, the confidentiality of those reporting violation(s) is protected and they are not subject to any discriminatory practices. No personnel has been denied access to the Audit Committee.

Your Company has not adopted the other non-mandatory requirements as specified in Annexure I D of Clause 49.

7. Compliance with the Corporate Governance –Voluntary Guidelines, 2009

In December, 2009 the Government of India, Ministry of Corporate Affairs (“MCA”) had issued Corporate Governance Voluntary Guidelines, 2009 (“the Guidelines”). MCA has clarified that the Guidelines were prepared and disseminated for consideration and adoption by Corporates

and may be voluntarily adopted by public companies with the objective to enhance not only the economic value of the enterprise but also the value for every stakeholder who has contributed in the success of the enterprise and set a global benchmark for good Corporate Governance.

Your Company has been a strong believer in good Corporate Governance and has been adopting the best practices that have evolved over the last two decades.

Your Company is in substantial compliance with the Guidelines and it will always be the Company’s endeavour to attain the best practices in Corporate Governance.

Mumbai, 30th May, 2012.

**DECLARATION BY THE MANAGING DIRECTOR UNDER CLAUSE 49
OF THE LISTING AGREEMENT**

To

The Members of Mahindra & Mahindra Limited

I, Anand G. Mahindra, Vice-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 31st March, 2012.

Anand G. Mahindra

Vice-Chairman & Managing Director

Mumbai, 30th May, 2012

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 March 31, 2012, as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges in India.

The compliance of the 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

(ICAI Registration No.117364W)

Partner

(B. P. Shroff)

Membership Number: 34382

Mumbai, May 30, 2012



SUSTAINABILITY

alternative™
THINKING
THE MAHINDRA APPROACH TO SUSTAINABILITY



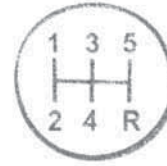
people



planet



profit



product



Alternative Thinking is a shift of consciousness that dramatically and irreversibly transforms us and our relationships with society and natural world. 'Alternative Thinking' can be found at the very genesis of sustainability in Mahindra. Over the years Alternative Thinking has evolved from Native to 'Transformative' and it is now being wielded as a powerful tool to seed and affect positive change in multiple areas. Mahindra views sustainability not only as a responsibility but also as an opportunity to create lasting value across economic, environment and social bottom lines. Our journey of sustainability started with formulation of structured roadmap based on materiality issues in front of the business. The strategic initiatives at business and unit levels were then identified and implemented for the achievement of long-term goals that were set in the roadmap. The tracking, monitoring and reporting mechanism was put in place. As a result, we have surpassed the targets set for all commitments in the roadmap. During the year a host of projects/initiatives were undertaken to improve performance on energy efficiency, reduction of GHG emissions & Waste, Stakeholder engagement and societal commitments etc. A few such initiatives/projects are elaborated in the opposite page.

T R A N S F O R M A T I O N A L

A U T O M O T I V E D I V I S I O N

Introduced Asia's 1st 100% Biodiesel SUV & India's 1st hydrogen powered three wheeler

Development of HCNG (Hydrogen + CNG mixture) commercial vehicles

Challenging Old Technologies

Enhanced product offerings beyond SUVs to boost self employment in semi urban and rural India

India's 1st compact low maintenance, high mileage and affordable trucks - Mahindra Gio and Maxximo

Entry in construction equipment and heavy vehicles manufacturing

Empowering Small-scale Enterprises

State-of-the-art green manufacturing plant with a phased investment of over USD 1 bn and vision to be among the world's most eco-friendly auto plants

Fully integrated R&D facility - Mahindra Research Valley (MRV) in Chennai

Acquired Reva Electric Vehicles Ltd. - one of the 1st companies in the world to introduce electric vehicles

Expanded global reach through acquisition of Ssangyong Motor Company Limited

Becoming Future-ready



From Alternative Technologies
to Alternative Markets

Protecting Biodiversity

from unutilized land to resourceful landscape: Nashik Plant of Automotive Division transformed 7.5 Acres of underutilized land neglected by the local municipality into a 'Botanical Garden' by planting approximately 9660 trees and over 130 different species of medicinal & botanical plants. This botanical garden is now helping the school children to learn and study nature in a much better way.

Alternative Technology for Managing Tractors: "Durr Niyrantran"

(Sustainable Monitoring) is a GPS based technology for effective remote management of tractors. Live feeds and data is passed on to the data centre and is made available on internet or mobile phone using GSM service provider which enables user to check and know the location of tractor and view automatically generated daily reports on different parameters e.g. ignition status, battery voltage, etc.

Sustainable Supply Chain Management:

Automotive and Farm Divisions had developed Green Supply Chain Policy in July 2010. This policy was explained during supplier meets conducted in India and abroad. This policy is now in execution stage. Automotive Division has formed clusters for suppliers to Kandivli, Nashik, Igatpuri, Zaheerabad Plants as well as Mahindra Vehicle Manufacturers Limited, Chakan. These clusters have initiated certification to ISO14001, and various projects on reducing packaging waste, optimization in logistics, ergonomic and safety improvements. These suppliers are sensitized on applicable legal compliance, Restriction on Hazardous Substances (RoHS) and End of Life Vehicles (ELV) compliance, energy & water conservation, Waste Management using Reduce-Reuse and Recycle etc. The efforts are yielding results as suppliers have also started reporting the savings due to these initiatives.

Alternative Reward:

Mahindra & Mahindra Limited – Farm Division instituted Mahindra Samridhhi Agri Awards to transform the perception of farming as a profession and empower enterprising individuals and institutions in the field of agriculture to rise and take centre stage. These awards recognize exemplary farm professionals who think alternatively, rise above the legacy farming practices and drive positive change in the agricultural sphere. This year eight national and fourteen regional/runner-up winners across six categories were felicitated and awards were even broadcast on national television. The aim is to bring glory to these sons of soil, and create a national awakening whereby agricultural enterprise and industrial enterprise are recognized as equals and success in any sphere, be it in agri-space or aerospace, is celebrated alike.

J O U R N E Y — — — — —

F A R M D I V I S I O N

Swaraj 843 XM, a tractor powered by 42 HP engine for greater power and better fuel efficiency

B5 tractor that runs on eco-friendly biodiesel

Mahindra Samridhhi Centres empower farmers with agri-support information, counselling and services at every stage from planting to selling

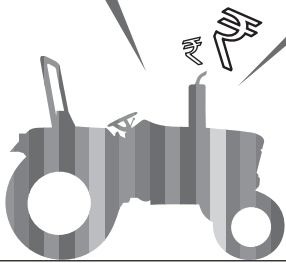
Introduction of an array of farm-tech products that help transform rural productivity, income, and living standards

Yuvraj - a revolutionary 15HP tractor for small and marginal farmers

Enhancing Fuel Efficiency

Going Beyond Tractors

Providing Technology for Prosperity



From Farm Equipment to Enhancing Farm Prosperity

Financial Position at a Glance

Rupees crores

	As per Revised Schedule VI		As per Old Schedule VI							
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Net Fixed Assets	5081	3907	3703	3214	2361	1871	1555	1475	1391	1466
Investments	10311	8926	6398	5786	4215	2238	1669	1190	1111	862
Foreign Currency Monetary Item Translation Difference Account Asset/(Liability)	66	—	(3)	18	—	—	—	—	—	—
Inventories	2358	1694	1189	1061	1084	878	879	760	500	457
Trade Receivables/Debtors	1988	1260	1258	1044	1005	701	638	512	400	517
Other Non Current/Current Assets	4108	3753	3599	2959	1555	2169	1232	1028	625	640
Misc. Expenditure not written off	—	—	—	13	14	18	18	24	10	40
Borrowings	3174	2321	2880	4053	2587	1636	883	1052	730	1140
Long Term/Current Liabilities and Provisions	8040	6551	5197	4798	3240	2666	2052	1760	1329	1095
Deferred Tax Liabilities/(Assets) Net	527	355	240	(18)	57	20	147	190	203	177
Equity Capital	295	294	283	273	239	238	233	112	116	116
Reserves and Surplus	11876	10019	7544	4989	4111	3315	2676	1875	1659	1454
Net Worth	12171	10313	7827	5262	4350	3553	2909	1987	1775	1570
Book Value Per Share (Rupees)	206.44	175.43	@138.10	192.12	180.87	147.98	*123.29	174.46	150.89	130.56

@ 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 Miscellaneous 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							
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Income	34820	25989	20724	15072	13301	11645	9496	7840	6026	4626
Materials	23500	16264	12333	9274	7726	6828	5714	4603	3353	2500
Excise Duty (Net)	2501	2095	1807	1587	1584	1335	1136	1055	955	785
Personnel	1701	1432	1198	1025	868	666	553	465	421	385
Finance Costs/Interest	163	72	157	134	87	20	27	30	77	116
Depreciation and Amortisation Expense	576	414	371	292	239	209	200	184	165	165
Other Expenses	2881	2310	2102	1734	1563	1271	977	803	646	535
Exceptional Income	108	118	91	10	173	122	210	14	29	57
Profit before tax for the year	3606	3520	2847	1036	1407	1438	1099	714	438	197
Tax for the year	727	858	759	199	304	351	242	201	89	51
Adj. pertaining to Prev. Years	—	—	—	▲31	—	(19)	—	—	—	—
Balance profit	2879	2662	2088	868	1103	1068	857	513	349	146
Dividends	#+869	+803	+624	+312	+321	+325	+278	+172	+118	+72
Equity Dividend (%)	250	230	190	100	115	115	100	130	90	55
Earnings per Share (Rupees)	48.97	46.21	37.97	15.92	23.12	22.58	19.04	11.52	7.51	3.14
Vehicles produced/ purchased (Units)	474145	355500	284516	201993	196956	169557	148213	148025	117670	87088
Vehicles sold (Units)	469345	354073	282119	206688	195077	169679	147591	145024	117399	86890
Tractors produced (Units)	246475	216388	173276	119098	98917	103847	87075	67115	50102	45183
Tractors sold (Units)	236666	214325	175196	120202	99042	102531	85029	65390	49576	47028

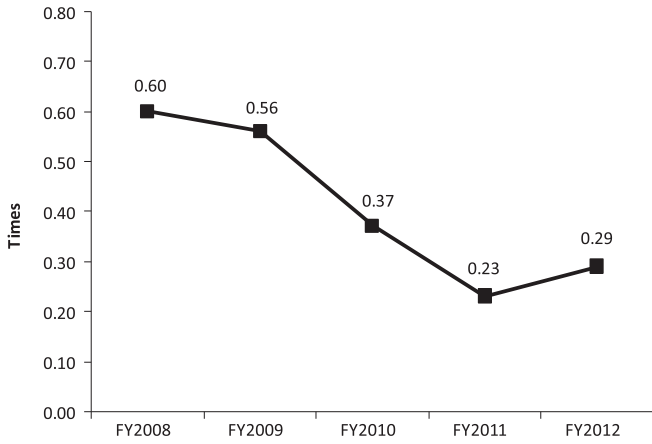
Proposed Dividend.

+ Including Income-tax on Proposed Dividend/Dividends.

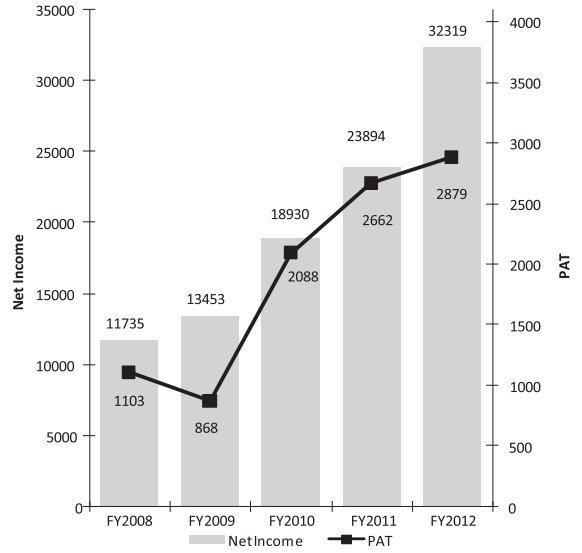
▲ Profit of Mahindra Holdings and Finance Limited for the period 1st February, 2008 to 31st March, 2008.

Financial Highlights

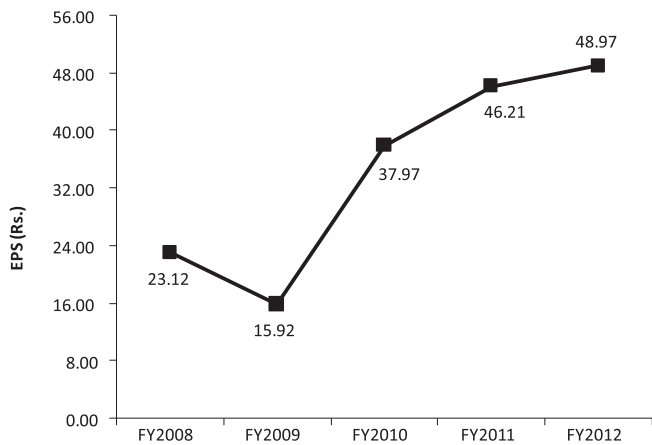
Debt Equity Ratio



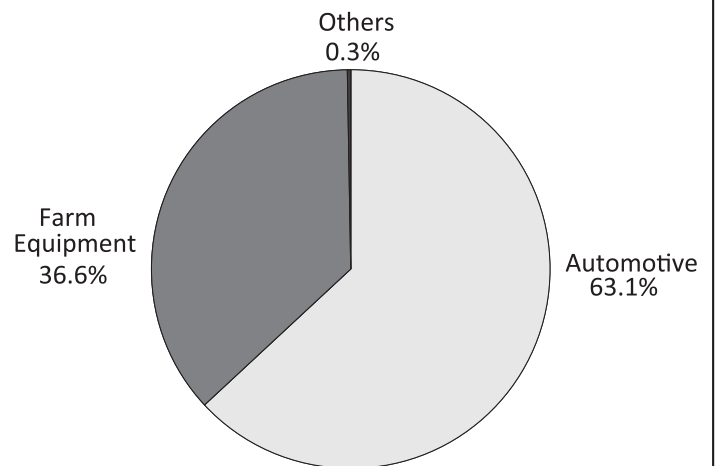
Net Income and PAT (Rupees crores)



Earnings Per Share (Rs.)



Net Segmental Revenue F-2012





ACCOUNTS

Auditors' Report to the Members of Mahindra & Mahindra Limited

1. We have audited the attached Balance Sheet of Mahindra & Mahindra Limited as at 31st March, 2012, the Statement of Profit and Loss and the Cash Flow Statement of the Company for the year ended on that date, both annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and the disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by the Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 (CARO) issued by the Central Government in terms of Section 227(4A) of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report as follows:
 - (a) we have 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 Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this report are in compliance with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956;
 - (e) in our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2012;
 - (ii) in the case of the Statement of Profit and Loss, of the profit of the Company for the year ended on that date; and
 - (iii) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.
5. On the basis of the written representations received from the Directors as on 31st March, 2012, and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2012 from being appointed as a director in terms of Section 274(1) (g) of the Companies Act, 1956.

For DELOITTE HASKINS & SELLS
Chartered Accountants
(Registration No.117364W)

B. P. Shroff
Partner
(Membership No.34382)

MUMBAI : 30th May, 2012

Annexure to the Auditors' Report of Mahindra & Mahindra Limited for the year ended 31st March, 2012.

(Referred to in paragraph (3) thereof)

- 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.
 - (c) The fixed assets disposed off during the year, in our opinion, do not constitute a substantial part of the fixed assets of the Company and such disposal has, in our opinion, not affected the going concern status of the Company.
- 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 explanation given to us, the procedures of physical verification of inventories 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 neither granted nor taken any loans, secured or unsecured, to/from companies, firms or other parties listed in the Register maintained under Section 301 of the Companies Act, 1956.
- iv. In our opinion and according to the information and explanations given to us, having regard to the 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 commensurate with the size of the Company and the nature of its business with regard to purchases of inventory and fixed assets and 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. In respect of contracts or arrangements entered in the Register maintained in pursuance of Section 301 of the Companies Act, 1956, to the best of our knowledge and belief and according to the information and explanations given to us:
 - (a) The particulars of contracts or arrangements referred to in Section 301 that needed to be entered in the Register maintained under the said Section have been so entered.
 - (b) Where each of such transaction is in excess of Rs. 5 lakhs in respect of any party, having regard to the explanations that some of the items purchased are of special nature and suitable alternative sources are not readily available for obtaining comparable quotations, the transactions have been made at prices which are *prima facie* reasonable having regard to the prevailing market prices at the relevant time.
- vi. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 58A and 58AA or any other relevant provisions of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 with regard to the deposits accepted from the public. 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.
- vii. In our opinion, the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- viii. We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under Section 209(1) (d) of the Companies Act, 1956 in respect of manufacture of motor vehicles and tractors and are of the opinion that *prima facie* the prescribed accounts and records have been made and maintained. We have, however, not made a detailed examination of the records with a view to determining whether they are accurate or complete. To the best of our knowledge and according to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records for any other product of the Company.
- ix. According to the information and explanations given to us in respect of statutory dues:
 - (a) The Company has generally been regular in depositing undisputed dues, including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Value Added Tax, Customs Duty, Excise Duty, Cess and other material statutory dues applicable to it with the appropriate authorities.
 - (b) There were no undisputed amounts payable in respect of Income-tax, Wealth Tax, Customs Duty, Excise Duty, Cess and other material statutory dues in arrears as at 31st March, 2012 for a period of more than six months from the date they became payable.

(c) Details of dues of Income-tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty and Cess which have not been deposited as on 31st March, 2012 on account of disputes are given below:

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	1998-2009	799.66
		Appellate Authority – Commissioner (Appeals)	1995-2009	29.72
Sales Tax Laws	Sales Tax	High Court	1987-2008	181.88
		Appellate Authority – Tribunal Level	1987-2010	8.65
		Appellate Authority – Commissioner (Appeals)	1997-2010	43.26
Service Tax Laws	Service Tax	Appellate Authority – Tribunal Level	2002-2009	5.95
		Appellate Authority – Commissioner	2004-2010	36.94
Excise Duty Laws	Excise Duty	Supreme Court	1991-1996	475.52
		Appellate Authority – Tribunal Level	1987-2009	536.86
		Appellate Authority – Commissioner	2001-2010	81.23
Customs Duty Laws	Customs Duty	Appellate Authority – Tribunal Level	1992-2001	0.76

- x. The Company does not have accumulated losses as at 31st March, 2012 and has not incurred cash losses during the financial year ended on that date and in the immediately preceding financial year.
- xi. In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks, financial institutions and debenture holders.
- xii. In our opinion and according to the information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii. The provisions of any special statute as specified under the clause (xiii) of the said Order are not applicable to the Company.
- xiv. In our opinion the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of paragraph 4(xiv) of the Order are not applicable to the Company.
- xv. 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.
- xvi. 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.
- xvii. In our opinion and according to the information and explanations given to us and on an overall examination of the Balance Sheet, we report that

funds raised on short term basis have not been used during the year for long term investments.

- xviii. The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956, during the year.
- xix. According to the information and explanations given to us, the Company has created security in respect of the debentures issued in earlier years.
- xx. The Company has not raised any money by public issue during the year.
- xxi. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of significant fraud on or by the Company, noticed or reported during the year nor have we been informed of such case by the management.

For DELOITTE HASKINS & SELLS
Chartered Accountants
(Registration No.117364W)

B. P. Shroff
Partner
(Membership No.34382)

MUMBAI : 30th May, 2012

Balance Sheet as at 31st March, 2012

Rupees crores

	Note	2012	2011
I. EQUITY AND LIABILITIES			
SHAREHOLDERS' FUNDS :			
(a) Share Capital.....	2	294.52	293.62
(b) Share Capital Suspense Account.....	38	*	0.02
(c) Reserves and Surplus	3	11,876.57	10,019.75
		12,171.09	10,313.39
* denotes amount less than Rs. 50,000			
NON CURRENT LIABILITIES :			
(a) Long Term Borrowings.....	4	3,173.83	2,311.95
(b) Deferred Tax Liabilities (Net).....	5	527.13	354.38
(c) Other Long Term Liabilities.....	6	197.10	187.25
(d) Long Term Provisions	7	482.66	421.38
		4,380.72	3,274.96
CURRENT LIABILITIES :			
(a) Short Term Borrowings.....	8	0.39	9.15
(b) Trade Payables	9	4,796.18	3,952.67
(c) Other Current Liabilities.....	10	1,200.99	729.45
(d) Short Term Provisions.....	11	1,362.61	1,260.16
		7,360.17	5,951.43
		23,911.98	19,539.78
II. ASSETS			
NON CURRENT ASSETS :			
(a) Fixed Assets			
Tangible Assets.....	12 (A)	4,045.28	3,001.57
Intangible Assets.....	12 (B)	240.74	131.34
Capital Work-in-Progress.....		569.93	534.01
Intangible Assets Under Development		224.80	239.67
		5,080.75	3,906.59
(b) Non Current Investments.....	13 (A)	9,273.56	8,205.36
(c) Long Term Loans and Advances.....	14	1,476.68	1,868.13
(d) Other Non Current Assets.....	15	36.45	117.02
(e) Foreign Currency Monetary Item Translation Difference Account		53.82	—
		15,921.26	14,097.10
CURRENT ASSETS :			
(a) Current Investments.....	13 (B)	1,036.90	720.27
(b) Inventories	16	2,358.39	1,694.21
(c) Trade Receivables	17	1,988.36	1,260.31
(d) Cash and Bank Balances	18	1,188.43	614.64
(e) Short Term Loans and Advances	19	930.99	837.94
(f) Other Current Assets	20	475.07	315.31
(g) Foreign Currency Monetary Item Translation Difference Account		12.58	—
		7,990.72	5,442.68
		23,911.98	19,539.78
Total			

See accompanying notes to the Financial Statements

In terms of our report attached

For Deloitte Haskins & Sells
Chartered Accountants

B. P. Shroff
Partner

Deepak S. Parekh
Nadir B. Godrej
M. M. Murugappan
A. K. Nanda
Narayanan Vaghul
A. S. Ganguly
R. K. Kulkarni
Anupam Puri

Directors

Keshub Mahindra

Anand G. Mahindra

Bharat Doshi

Narayan Shankar

Chairman

Vice-Chairman & Managing Director

Executive Director & Group CFO

Company Secretary

Mumbai, 30th May, 2012

Mumbai, 30th May, 2012

Statement of Profit and Loss for the year ended 31st March, 2012

Rupees crores

	Note	2012	2011
Revenue from Operations (Gross)	21	34,354.51	25,555.02
Less : Excise Duty.....		2,500.99	2,094.76
Revenue from Operations (Net).....		31,853.52	23,460.26
Other Income.....	22	465.79	434.15
Total Revenue		32,319.31	23,894.41
EXPENSES :			
Cost of Materials Consumed	23	18,804.52	14,708.94
Purchases of Stock-in-Trade.....	24	5,292.58	1,757.23
Changes in Inventories of Finished Goods, Work-in-Progress, Stock-in-Trade and Manufactured Components	25	(597.33)	(202.23)
Employee Benefits Expense.....	26	1,701.78	1,431.52
Finance Costs	27	162.75	72.49
Depreciation and Amortisation Expense.....	28	576.14	413.86
Other Expenses	29	2,954.78	2,361.34
		28,895.22	20,543.15
Less : Cost of Manufactured Products Capitalised.....		73.53	50.87
Total Expenses.....		28,821.69	20,492.28
Profit Before Exceptional Items and Tax.....		3,497.62	3,402.13
Add : Exceptional Item	39	108.27	117.48
Profit Before Tax		3,605.89	3,519.61
Less : Tax Expense			
Current Tax.....		703.47	761.67
Less : MAT Credit Entitlement		165.23	—
Net Current Tax.....		538.24	761.67
Deferred Tax (Net).....		188.76	95.84
Profit for the year		2,878.89	2,662.10
EARNINGS PER EQUITY SHARE			
(Face value Rs. 5/- per share) (Rupees)	40		
Basic		48.97	46.21
Diluted.....		46.89	44.33
See accompanying notes to the Financial Statements			

In terms of our report attached

For Deloitte Haskins & Sells
Chartered Accountants

B. P. Shroff
Partner

Deepak S. Parekh
Nadir B. Godrej
M. M. Murugappan
A. K. Nanda
Narayanan Vaghul
A. S. Ganguly
R. K. Kulkarni
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} Directors

Keshub Mahindra

Anand G. Mahindra

Bharat Doshi

Narayan Shankar

Chairman

Vice-Chairman & Managing Director

Executive Director & Group CFO

Company Secretary

Mumbai, 30th May, 2012

Mumbai, 30th May, 2012

Cash Flow Statement for the year ended 31st March, 2012

Rupees crores

	2012	2011
A. CASH FLOW FROM OPERATING ACTIVITIES :		
Profit before exceptional item and taxation.....	3,497.62	3,402.13
Adjustments for :		
Depreciation and Amortisation	576.14	413.86
Profit on Exchange (Net)	(5.55)	(25.24)
Investment and Interest Income	(306.72)	(301.37)
Interest, Commitment and Finance Charges	162.75	72.49
Amortisation of Employee Stock Options Scheme	97.97	29.37
Profit on sale of investments (Net)	(34.76)	(27.65)
Profit on fixed assets sold/scrapped/written off (Net)	(24.95)	(20.54)
Excess of cost over fair value of current investments (Net)	(0.05)	1.90
	464.83	142.82
Operating Profit before Working Capital changes	3,962.45	3,544.95
Changes in :		
Trade and other receivables.....	(761.15)	(682.56)
Inventories.....	(652.36)	(497.62)
Trade and other payables	929.22	1,387.54
	(484.29)	207.36
Cash generated from operations.....	3,478.16	3,752.31
Income Taxes paid (Net of refunds)	(743.21)	(772.53)
NET CASH FROM OPERATING ACTIVITIES	2,734.95	2,979.78
B. CASH FLOW FROM INVESTING ACTIVITIES :		
Purchase of fixed assets	(1,374.69)	(1,235.53)
Sale of fixed assets	34.27	28.56
Purchase of investments.....	(22,271.87)	(27,772.15)
Sale of investments.....	21,207.57	24,801.26
Interest received	108.18	107.77
Dividends received	162.10	129.26
Inter corporate deposits (Net)	197.90	60.23
Exceptional Items :		
Sales Proceeds on sale of Long Term Investments.....	—	145.61
NET CASH USED IN INVESTING ACTIVITIES	(1,936.54)	(3,734.99)

Cash Flow Statement (contd.)

Rupees crores

	2012	2011
C. CASH FLOW FROM FINANCING ACTIVITIES :		
Proceeds from Issue of Share Capital	—	8.68
Proceeds from borrowings	900.97	803.73
Repayments of borrowings	(256.77)	(472.67)
Dividends paid [including income-tax on dividends Rs. 96.56 crores (2011 : Rs. 74.23 crores)]	(800.78)	(622.31)
Interest, Commitment and Finance Charges paid.....	(149.57)	(101.18)
NET CASH USED IN FINANCING ACTIVITIES	(306.15)	(383.75)
NET INCREASE/(DECREASE) IN CASH AND BANK BALANCES	492.26	(1,138.96)
CASH AND BANK BALANCES :		
Opening Balance.....	614.17	1,750.81
Cash and Bank Balance acquired pursuant to the Scheme of Arrangement	81.80	2.32
Closing Balance	1,188.23	614.17
See Notes attached		

In terms of our report attached

For **Deloitte Haskins & Sells**
Chartered Accountants**B. P. Shroff**
Partner

Deepak S. Parekh Nadir B. Godrej M. M. Murugappan A. K. Nanda Narayanan Vaghul A. S. Ganguly R. K. Kulkarni Anupam Puri	}	Directors
--	---	-----------

Keshub Mahindra

Chairman

Anand G. Mahindra

Vice-Chairman & Managing Director

Bharat Doshi

Executive Director & Group CFO

Narayan Shankar

Company Secretary

Mumbai, 30th May, 2012Mumbai, 30th May, 2012

Notes to the Cash Flow Statement for the year ended 31st March, 2012

Rupees crores

	2012	2011
1. Cash and Cash Equivalents	1,136.28	511.29
Other Bank Balances [includes Earmarked balances with banks Rs. 10.29 crores (2011 : Rs. 8.33 crores)]	52.15	103.35
	1,188.43	614.64
Unrealised Gain on foreign currency Cash and Cash Equivalents	(0.20)	(0.47)
Cash and Bank Balances	1,188.23	614.17
2. During the year the Company has acquired additional stake in Swaraj Automotives Limited with an investment of Rs. 5.83 crores making it a subsidiary of the Company.		
3. Pursuant to the Scheme of Arrangement between Mahindra Automobile Distributor Private Limited (MADPL), a subsidiary of the Company, and the Company, as sanctioned by Honourable High Court of Bombay vide its order dated 30 th March, 2012, the entire assets and liabilities, duties and obligations of the Automotive business of MADPL was transferred to and vested in the Company, from 1 st April, 2011 (the appointed date) at the values indicated below :		
(i) Loan Funds	309.47	—
(ii) Other Liabilities	160.50	—
(iii) Fixed Assets (Net)	32.47	—
(iv) Investments	19.26	—
(v) Other Assets	127.56	—
This arrangement into the Company is a non-cash transaction.		
4. Previous year's figures have been regrouped/restated wherever necessary.		

Notes forming part of the Financial Statements for the year ended 31st March, 2012

1. Significant Accounting Policies :

(A) Basis of Accounting :

The financial statements are prepared in accordance with the generally accepted accounting principles in India and comply with the Accounting Standards notified under sub-section (3C) of Section 211 of the Companies Act, 1956 and the relevant provisions thereof.

(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 31st 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 at the rates and in the manner prescribed in Schedule XIV to the Companies Act, 1956, except for :
- (1) Certain items of Plant and Machinery individually costing more than Rs. 5,000 - over their useful lives (2 years, 3 years, 5 years or 7 years, as the case may be) as determined by the Company.
 - (2) Cars and Vehicles - at 15% of cost.
- (iii) Depreciation charge for each year is after deducting the amount representing the depreciation on the increase due to revaluation of Land and Buildings, transferred from the Revaluation Reserve.

(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) 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 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 (excluding investment property) 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.

Investment properties are capitalised and depreciated (where applicable) in accordance with the policy stated for tangible assets.

Investment properties are carried individually at cost less accumulated depreciation and impairment, if any.

(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 tangible assets are added to or subtracted from the cost of such depreciable tangible 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 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 :

Sales of products and services are recognised when the products are shipped or services rendered including export benefits thereon.

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 :

Defined Contribution Plan/Defined Benefit Plan/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 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.

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.

(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 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) Excise duty recovered on sales is included in "Revenue from Operations". Excise duty in respect of Finished Goods manufactured is shown separately as an item under other expenses and included in valuation of Finished Goods produced.

2. Share Capital :

	Rupees crores	
	2012	2011
Authorised :		
1,20,00,00,000 Ordinary (Equity) Shares of Rs. 5 each	600.00	600.00
25,00,000 Unclassified Shares of Rs. 100 each	25.00	25.00
	625.00	625.00
Issued and Subscribed :		
61,39,74,839 (2011 : 61,39,40,109) Ordinary (Equity) Shares of Rs. 5 each fully paid up	306.99	306.97
Less :		
2,49,45,194 (2011 : 2,66,92,992) Ordinary (Equity) Shares of Rs. 5 each fully paid up issued to ESOP Trust but not allotted to employees	12.47	13.35
Adjusted : Issued and Subscribed Share Capital	294.52	293.62

(A) Reconciliation of number of Ordinary (Equity) Shares and amount outstanding :

	2012		2011	
	No. of shares	Rupees crores	No. of shares	Rupees crores
Issued and Subscribed :				
Balance as at the beginning of the year.....	61,39,40,109	306.97	57,84,34,478	289.21
Add :				
Shares issued under Scheme of Arrangement with Mahindra Shubhlabh Services Limited	34,730	0.02	—	—
Shares issued to ESOP Trust.....	—	—	1,73,53,034	8.68
Shares issued pursuant to conversion of Zero Coupon Convertible Bonds	—	—	1,81,52,597	9.08
Balance as at the end of the year.....	61,39,74,839	306.99	61,39,40,109	306.97
Less :				
Shares issued to ESOP Trust but not allotted to Employees.....	2,49,45,194	12.47	2,66,92,992	13.35
Adjusted : Issued and Subscribed Share Capital	58,90,29,645	294.52	58,72,47,117	293.62

(B) The equity shares of the Company have rights and restrictions as prescribed under law, in particular the Companies Act, 1956.

(C) Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company :

Name of the Shareholder	2012		2011	
	No. of shares	% shareholding	No. of shares	% shareholding
(i) Life Insurance Corporation of India	8,47,14,974	13.80	8,86,41,107	14.44
(ii) M&M Benefit Trust	5,18,35,214	8.44	5,18,35,214	8.44
(iii) The Bank of New York Mellon (for GDR holders)	3,42,93,405	5.59	3,64,89,443	5.94

(D) Issued and Subscribed Share Capital includes an aggregate of 6,61,93,634 (2011 : 6,61,58,904) 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 31st March, 2012.

3. Reserves and Surplus :

	Rupees crores	
	2012	2011
(A) Capital Reserve :		
Balance as at the beginning of the year.....	11.50	11.50
Less :		
Consequent to the Scheme of Arrangement [Note 38(a)(v)]	1.37	—
Balance as at the end of the year.....	10.13	11.50

	Rupees crores	
	2012	2011
(B) Securities Premium Account :		
Balance as at the beginning of the year.....	2,263.31	1,271.99
Add :		
(i) On account of exercise of employee stock options.....	21.23	3.43
(ii) Consequent to the Scheme of Arrangement [Note 38(c)]	—	2.77
(iii) Premium on conversion of Zero Coupon Convertible Bonds	—	827.80
(iv) Reversal/Reduction of provision for premium on conversion/redemption of Zero Coupon Convertible Bonds [Net of Tax of Rs. Nil (2011 : Rs. 78.81 crores)].....	—	158.45
	2,284.54	2,264.44
Less :		
Applied, in accordance with Section 78 of the Companies Act, 1956, towards :		
(i) Writing-off of share and bond/debenture issue expenses [Net of Tax of Rs. 0.05 crores (2011 : Rs. 0.47 crores)].....	0.10	1.13
	2,284.44	2,263.31
Less :		
Premium on shares issued to ESOP Trust but not allotted to employees [Note 3(J)].....	78.25	80.39
Balance as at the end of the year.....	2,206.19	2,182.92
(C) Revaluation Reserve :		
Balance as at the beginning of the year	11.18	11.67
Less :		
(i) Adjusted against depreciation for the year	0.13	0.25
(ii) Adjusted in respect of revalued Land and Buildings sold/demolished.....	0.14	0.24
Balance as at the end of the year.....	10.91	11.18
(D) General Reserve :		
Balance as at the beginning of the year	1,304.75	1,030.62
Add :		
Transfer from Surplus in Statement of Profit and Loss.....	300.00	275.00
	1,604.75	1,305.62
Less :		
(i) Impact of tax rate change on net debit to General Reserve.....	—	0.87
(ii) Consequent to the Scheme of Arrangement [Note 38(a)(iii)]	207.52	—
	1,397.23	1,304.75
Add :		
Bonus shares issued to ESOP Trust but not allotted to employees [Note 3(J)].....	1.40	1.84
Balance as at the end of the year.....	1,398.63	1,306.59
(E) Debenture Redemption Reserve :		
Balance as at the beginning of the year	42.86	78.57
Add :		
Transfer from Surplus in Statement of Profit and Loss.....	14.28	14.29
	57.14	92.86
Less :		
Transfer to Surplus in Statement of Profit and Loss.....	—	50.00
Balance as at the end of the year	57.14	42.86

	2012	2011
(F) Investment Fluctuation Reserve [Note 38 and 41] :		
Balance as at the beginning of the year	225.79	625.66
Add :		
(i) Provision no longer required written back	0.31	2.73
(ii) Transfer pursuant to Scheme of Arrangement	113.93	—
	340.03	628.39
Less :		
Provision made during the year	123.74	402.60
Balance as at the end of the year.....	216.29	225.79
(G) Hedging Reserve Account [Note 3(K)] :		
Balance as at the beginning of the year	(3.58)	(0.91)
Add :		
Loss on mark to market of hedging instruments designated and effective as hedges of future cash flows.....	(34.38)	(2.67)
Balance as at the end of the year.....	(37.96)	(3.58)
(H) Employee Stock Options Outstanding :		
Balance as at the beginning of the year	243.23	13.49
Add :		
On account of options granted during the year	47.50	234.20
	290.73	247.69
Less :		
(i) Transfer to Securities Premium Account on exercise of options during the year	21.23	3.43
(ii) For options lapsed during the year	11.73	1.03
Balance as at the end of the year.....	257.77	243.23
Less :		
Deferred Employee Compensation Expense	147.07	209.28
Balance as at the end of the year.....	110.70	33.95
(I) Surplus in Statement of Profit and Loss :		
Balance as at the beginning of the year.....	6,208.54	4,588.37
Add :		
(i) Transfer from Debenture Redemption Reserve	—	50.00
(ii) Profit for the year.....	2,878.89	2,662.10
	9,087.43	7,300.47
Less :		
(i) Transfer to Debenture Redemption Reserve	14.28	14.29
(ii) Transfer to General Reserve.....	300.00	275.00
(iii) Proposed Dividend [Rs. 12.50 per share (2011 : Rs. 11.50 per share)].....	767.48	706.08
(iv) Income-tax on Proposed Dividend.....	101.13	96.56
Balance as at the end of the year.....	7,904.54	6,208.54
Total Reserves and Surplus	11,876.57	10,019.75

(J) 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 Reserve and Surplus. Accordingly, the Company has reduced the Share Capital by **Rs. 11.07 crores** (2011 : Rs. 11.51 crores) and Securities Premium Account by **Rs. 78.25 crores** (2011 : Rs. 80.39 crores) for the **2,21,49,114** shares of Rs. 5 each (2011 : 2,30,23,013 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. 1.40 crores** (2011 : Rs. 1.84 crores) for the **27,96,080** bonus shares of Rs. 5 each (2011 : 36,69,979 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 it, is included under Other Current Liabilities and Other Long Term Liabilities.

- (K) Consequent to the announcement issued by The Institute of Chartered Accountants of India dated 29th March, 2008 in respect of forward exchange contracts and currency and interest rate swaps, the Company has applied the Hedge Accounting principles set out in the Accounting Standard (AS) 30 'Financial Instruments : Recognition and Measurement'. Accordingly, such contracts are marked to market and the loss aggregating **Rs. 37.96 crores** (Net of Tax of Rs. 18.24 crores) [2011 : Rs. 3.58 crores (Net of Tax of Rs. 1.71 crores)] arising consequently on contracts that were designated and effective as hedges of future cash flows has been recognised directly in the Hedging Reserve Account.

4. Long Term Borrowings :

	Rupees crores	
	2012	2011
(A) Secured :		
Debentures/Bonds.....	400.01	400.01
	400.01	400.01
(B) Unsecured :		
(i) Term Loans from Banks	1,764.74	982.58
(ii) Fixed Deposits	14.82	65.63
(iii) Other Loans	994.26	863.73
	2,773.82	1,911.94
	3,173.83	2,311.95

(a) Secured Borrowings :

Secured Non Convertible Debentures of Rs. 400.00 crores carrying an interest rate of 11.95% are for a period of seven years and are repayable in three equal yearly installments commencing 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.

(b) Unsecured Borrowings :

Term loans from banks include External Commercial Borrowings of

- (i) Rs. 1,526.25 crores carrying a margin over three month USD Libor and are repayable after five years and one day from the date of respective availment of loan i.e. Rs. 763.13 crores in February, 2016, Rs. 508.75 crores in August, 2016 and Rs. 254.37 crores in September, 2016.
- (ii) Rs. 238.49 crores carrying a margin over six month JPY Libor is for a period of five years and one day. This loan is repayable in three equal annual installments commencing from August, 2012. The installment payable in August, 2012 is included under current maturities of long term debts.

Fixed deposits are repayable after three years from the date of deposit and carry an interest rate of 8.00% and 9.75%.

Other Loans includes deferred sales tax loan which is interest free and repayable in five equal installments after ten years from the year of availment of respective loan.

5. Deferred Tax Liabilities (Net) :

The components of Deferred Tax Liabilities and Assets are as under :

	Rupees crores	
	2012	2011
Deferred Tax Liabilities :		
(i) On fiscal allowances on fixed assets.....	508.09	360.60
(ii) Others.....	219.37	167.39
	727.46	527.99
Deferred Tax Assets :		
(i) On Provision for compensated absences	105.00	97.41
(ii) On Provision for doubtful debts/advances.....	21.75	27.63
(iii) On Provision for employee benefits.....	21.57	12.60
(iv) Loss on mark to market of hedging instruments	18.24	1.71
(v) Others.....	33.77	34.26
	200.33	173.61
Net Deferred Tax Liabilities	527.13	354.38

6. Other Long Term Liabilities :

	Rupees crores	
	2012	2011
Trade Payables.....	38.45	45.81
Others.....	158.65	141.44
	197.10	187.25

Others include dealer deposits, advance from customers and monies adjusted from share capital and reserves & surplus on account of shares held by ESOP Trust pending transfer to the eligible employees.

7. Long Term Provisions :

	Rupees crores	
	2012	2011
Provision for Employee Benefits [Note 31].....	371.91	343.04
Provision for Warranty [Note 32].....	94.96	62.51
Provision others [Note 32].....	15.79	15.83
	482.66	421.38

8. Short Term Borrowings :

	Rupees crores	
	2012	2011
(A) Secured :		
Loans and Advances on cash credit account from Banks.....	0.17	7.22
(B) Unsecured :		
Fixed Deposits	0.22	1.93
	0.39	9.15

(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 :

Fixed deposits are for a period of one year and carry an interest rate of 7.00% and 8.50%.

9. Trade Payables :

	Rupees crores	
	2012	2011
Acceptances	479.58	135.65
Trade Payables - Micro and Small enterprises.....	43.79	22.54
Trade Payables - Other than Micro and Small enterprises.....	4,272.81	3,794.48
	4,796.18	3,952.67

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	
	2012	2011
(a) Dues remaining unpaid as at 31 st March		
Principal	16.88	5.51
Interest on the above.....	1.13	0.12
(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.....	159.54	24.57
Interest paid in terms of Section 16 of the Act.....	0.56	0.04
(c) Amount of interest due and payable for the period of delay on payments made beyond the appointed day during the year.....	2.03	0.19
(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	0.17	0.44
(e) Amount of interest accrued and remaining unpaid as at 31 st March.....	3.33	0.75

10. Other Current Liabilities :

	Rupees crores	
	2012	2011
Current Maturities of Long Term Debt.....	406.54	83.37
Advance from Customers.....	311.90	222.96
Interest accrued but not due on borrowings.....	31.59	20.95
Dividend Payable.....	10.19	8.33
Unclaimed Matured Deposits.....	1.91	0.82
Others.....	438.86	393.02
	1,200.99	729.45

Others mainly includes capital creditors, government dues and taxes 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	
	2012	2011
Provision for Employee Benefits [Note 31]	108.53	91.46
Provision for Warranty [Note 32].....	175.45	148.39
Proposed Dividend	767.48	706.08
Provision for Tax on Proposed Dividend	101.13	96.56
Provision for Taxation	210.02	217.67
	1,362.61	1,260.16

12. Fixed Assets :

(A) Tangible Assets :

Description of Assets	Rupees crores												
	Cost/Professional valuation as at 31 st March, 2011	Additions during the year	Other adjustments during the year	Acquisition through business combination	Deductions and adjustments during the year	Cost/ Professional valuation as at 31 st March, 2012	Accumulated Depreciation upto 31 st March, 2011	Depreciation for 2011-2012	Accumulated Depreciation/ adjustment on Assets acquired through business combination	Deductions and adjustments of Depreciation	Accumulated Depreciation upto 31 st March, 2012	Net Balance as at 31 st March, 2012	Net Balance as at 31 st March, 2011
Land - Freehold.....	48.89	92.61	—	—	7.91	133.59	—	—	—	—	133.59	48.89	—
Land - Leasehold.....	63.34	—	—	—	—	63.34	4.34	0.68	—	—	58.32	59.00	—
Buildings.....	958.97	162.97	24.16	—	3.26	1,142.84	189.22	30.81	—	0.94	923.75	769.75	—
Plant and Equipment	4,258.52	819.89	91.24	352.22	53.69	5,468.18	2,382.30	368.65	117.55	50.62	2,650.30	1,876.22	—
Office Equipment.....	56.71	7.82	—	1.27	0.68	65.12	20.91	4.44	0.49	0.46	39.74	35.80	—
Furniture and Fixtures.....	135.85	5.55	—	1.93	0.70	142.63	58.76	7.91	0.50	0.35	75.81	77.09	—
Aircraft.....	56.82	—	—	—	—	56.82	0.45	3.19	—	—	53.18	56.37	—
Vehicles	147.82	59.04	—	1.16	18.92	189.10	69.37	21.91	0.50	13.27	110.59	78.45	—
	5,726.92	1,147.88	115.40	356.58	85.16	7,261.62	2,725.35	437.59	119.04	65.64	3,216.34	4,045.28	—
	4,791.88	963.52	(0.77)	1.98	29.69	5,726.92	2,408.83	337.35	0.60	21.43	2,725.35	3,001.57	—

(B) Intangible Assets :

Description of Assets	Rupees crores												
	Cost/Professional valuation as at 31 st March, 2011	Additions during the year	Other adjustments during the year	Acquisition through business combination	Deductions and adjustments during the year	Cost/ Professional valuation as at 31 st March, 2012	Accumulated Amortisation upto 31 st March, 2011	Amortisation for 2011-2012	Accumulated Amortisation/ adjustment on Assets acquired through business combination	Deductions and adjustments of Amortisation	Accumulated Amortisation upto 31 st March, 2012	Net Balance as at 31 st March, 2012	Net Balance as at 31 st March, 2011
Technical Knowhow	4.34	—	—	98.07	—	102.41	1.33	17.23	81.72	—	100.28	2.13	3.01
Development Expenditure.....	138.78	221.40	—	1.28	—	361.46	74.48	84.27	1.04	—	159.79	201.67	64.30
Computer Software	101.28	9.63	—	2.41	0.43	112.89	37.25	36.88	2.25	0.43	75.95	36.94	64.03
	244.40	231.03	—	101.76	0.43	576.76	113.06	138.38	85.01	0.43	336.02	240.74	—
	198.25	135.47	—	—	89.32	244.40	125.91	76.47	—	89.32	113.06	131.34	—

Note :

- Other adjustments includes Difference in exchange and interest capitalised.
- Buildings include Rs. * crores (2011 : Rs. * crores) being the value of shares in co-operative housing societies.
- (i) The depreciation charge for the year excludes an amount of Rs. 0.13 crores (2011 : Rs. 0.25 crores), representing depreciation on the increase due to revaluation of Land and Buildings transferred from the Revaluation Reserve.
(ii) The Revaluation Reserve is also adjusted for an amount of Rs. 0.14 crores (2011 : Rs. 0.24 crores) in respect of revalued Land and Buildings sold/demolished during the year.
(iii) The net credit to the Statement of Profit and Loss consequent to the above adjustments to the Revaluation Reserve is Rs. 0.27 crores (2011 : Rs. 0.49 crores).

* denotes amounts less than Rs. 50,000

13 (A) Non Current Investments :

		2012		2011	
		Long term		Long term	
	Face Value Per Unit (Rupees)	Number	Rupees crores	Number	Rupees crores
Investment Property :					
Gross Block.....			16.73		16.73
Less : Accumulated Depreciation			(3.62)		(3.32)
Net Block.....			13.11		13.41
Investments (At Cost, unless otherwise specified) :					
Investments in Equity Instruments (Trade and fully paid-up unless otherwise specified) :					
Unquoted					
(i) In Subsidiary Companies					
Mahindra Engineering and Chemical Products Limited.....	10	2,79,98,462	231.82	53,98,462	5.82
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.	+ US \$ 0.10	14,00,00,000	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	49,12,400	5.08	38,75,990	4.05
Mahindra First Choice Wheels Limited	+ 10	3,47,77,255	47.44	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	81,26,218	59.96
Mahindra Overseas Investment Company (Mauritius) Limited.....	+ US \$ 1	6,84,84,000	314.62	6,32,54,000	290.20
Mahindra Gears & Transmissions Private Limited.....	+ 10	1,15,86,361	55.75	40,30,806	21.75
Mahindra Automobile Distributor Private Limited	10	7,40,000	0.31	27,68,80,768	114.24
Mahindra Navistar Automotives Limited.....	+ 10	40,84,72,100	410.44	25,24,22,300	254.39
Mahindra Vehicle Manufacturers Limited	+ 10	96,22,50,000	962.25	96,22,50,000	962.25
Mahindra Hinoday Industries Limited	+ 10	3,02,54,052	167.95	2,79,40,052	154.30
Mahindra Logistics Limited.....	10	5,76,99,900	57.70	5,76,99,900	57.70
Mahindra Navistar Engines Private Limited.....	10	9,94,50,000	99.45	8,41,50,000	84.15
Mahindra Aerospace Private Limited	+ 10	6,45,91,000	116.15	3,40,04,150	56.38
Mahindra First Choice Services Limited.....	10	4,50,00,000	45.00	3,00,00,000	30.00
Mahindra Gears International Limited.....	+ EURO 1	2,07,00,001	137.82	2,07,00,001	137.82
Mahindra Holdings Limited.....	10	4,75,49,999	47.55	4,75,49,999	47.55
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	47,22,99,975	472.30	11,80,00,000	118.00
Mahindra Automotive Australia Pty. Limited	AU \$ 1	23,75,000	8.77	22,00,000	8.77
Defence Land Systems India Private Limited	+ 10	5,01,72,000	50.17	3,42,62,000	34.27
Mahindra EcoNova Private Limited	10	10,000	0.01	10,000	0.01
Mahindra Reva Electric Vehicles Private Limited	+ 10	1,49,83,667	217.16	1,12,68,471	159.42
			3,648.34		2,789.11
(ii) In Associate Companies					
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
Vayugrid Marketplace Services Private Limited	10	10,00,000	1.00	10,00,000	1.00

		2012		2011			
		Long term		Long term			
	Face Value Per Unit (Rupees)	Number	Rupees crores	Number	Rupees crores		
	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	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	
				3.20		3.20	
(iii)	In Joint Venture Companies						
	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	
	Class 'A' Equity Shares : Wardha Power Company Limited (Trade Investment).....	+	10	19,45,867	1.95	19,45,867	1.95
	Others	@		*		*	
				11.79		11.79	
Quoted							
(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	10	5,82,41,532	150.91	5,82,41,532	150.91	
	Mahindra Forgings Limited	+	10	4,88,25,609	854.15	4,45,26,339	795.25
	Mahindra Ugine Steel Company Limited	+	10	1,64,66,789	49.26	1,64,66,789	49.26
	Mahindra Holidays & Resorts India Limited.....	+	10	6,99,85,642	28.86	6,99,85,642	28.86
	Ssanyong Motor Company Limited.....	+	KRW 5,000	8,54,19,047	1,739.62	8,54,19,047	1,739.62
	EPC Industrie Limited (Transferred from Quoted Associate Companies).....	+	10	65,77,865	43.48	—	—
	Swaraj Automotives Limited (Transferred from Quoted Associate Companies).....	10	17,06,925	18.28	—	—	
				3,161.50		3,040.84	

* denotes amounts less than Rs. 50,000

		2012		2011	
		Long term		Long term	
	Face Value Per Unit (Rupees)	Number	Rupees crores	Number	Rupees crores
(ii)	In Associate Companies				
	Swaraj Engines Limited	10	41,26,417	41,26,417	1.63
	Mahindra Composites Limited	10	13,41,203	13,41,203	2.90
	Swaraj Automotives Limited (Transferred to Quoted Subsidiary Companies)	10	—	10,59,543	12.45
	EPC Industrie Limited (Transferred to Quoted Subsidiary Companies).....	+ 10	—	65,58,065	43.35
			4.53		60.33
(iii)	In Joint Venture Companies				
	Tech Mahindra Limited	10	6,06,76,252	6,06,76,252	644.68
			644.68		644.68
(iv)	In Other Companies (Non-trade and fully paid-up)				
	Jardine Henderson Limited	100	25	25	*
	IDBI Bank Limited	10	2,85,440	2,85,440	2.29
			2.29		2.29
	Investments in Equity Instruments		7,477.97		6,553.88
	Investments in Preference Shares (Trade and fully paid-up unless otherwise specified) :				
	Unquoted				
(i)	In Subsidiary Companies				
	Series 'A' Preference Shares : Bristlecone Limited	US \$ 0.001	70,00,000	70,00,000	31.72
	Series 'B' Preference Shares : Bristlecone Limited	US \$ 0.001	69,20,000	69,20,000	15.13
	Mahindra Gears International Limited	EURO 1	23,00,000	23,00,000	15.31
			62.16		62.16
(ii)	In Associate Companies				
	10.00% Non-Cumulative Redeemable Participating Preference Shares :				
	Mahindra Construction Company Limited	100	5,40,000	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	2,296	0.02
	11.00% Redeemable Preference Shares :				
	Sixth Sense Studios Private Limited	100	1,78,000	1,78,000	1.78
	8.00% Non Cumulative Redeemable Preferred Stock :				
	Prana Holdings Inc. USA		23,00,423	23,00,423	13.83
	0.01% Class 'A' Redeemable Preference Shares :				
	Wardha Power Company Limited (Trade Investment).....	+ 10	24,54,133	24,54,133	2.45
			18.08		18.08
	Investments in Preference Shares.....		85.64		85.64
	Investments in Government/Trust Securities :				
	Unquoted				
(i)	Government Securities				
	6 Years National Savings Certificates	13,000^			*
					*

^ Total Face Value

* denotes amounts less than Rs. 50,000

		2012		2011	
		Long term		Long term	
Face Value Per Unit (Rupees)		Number	Rupees crores	Number	Rupees crores
(ii) Trust Securities					
Sunrise Initiatives Trust			99.04		95.98
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
			1,558.83		1,555.77
Investments in Government/Trust Securities			1,558.83		1,555.77
Investments in Debentures/Bonds (Trade and fully paid-up unless otherwise specified) :					
Unquoted					
(i) In Subsidiary Companies					
7.00% Ssangyong Motor Company Limited Bond	KRW 4,77,02,38,250	20	428.84	20	387.01
			428.84		387.01
(ii) In Associate Companies					
6.00% OCD Vayugrid Marketplace Services Private Limited.....	10	80,00,000	8.00	80,00,000	8.00
			8.00		8.00
(iii) In Other Companies					
0.50% The East India Clinic Limited Bond (Non-trade Investment)	100	13	*	13	*
			*		*
Investments in Debentures/Bonds			436.84		395.01
Other Investments :					
Unquoted					
Share Warrants Convertible into Equity Shares					
(i) In Subsidiary Companies					
Mahindra Forgings Limited	10	—	—	42,99,270	14.72
			—		14.72
Total Non Current Investments (Gross).....			9,572.39		8,618.43
Less : Provision for diminution in value of investments.....			(298.83)		(413.07)
Total Non Current Investments (Net).....			9,273.56		8,205.36
Other Disclosures					
(i) Aggregate amount of quoted investments (Gross).....			3,813.00		3,748.14
Market Value of quoted investments			14,400.45		15,769.93
(ii) Aggregate amount of unquoted investments (Gross).....			5,746.28		4,856.88
Notes :					
@ 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.

* denotes amounts less than Rs. 50,000

13 (B) Current Investments (At Cost, unless otherwise specified) :

	Face Value Per Unit (Rupees)	2012		2011	
		Number	Rupees crores	Number	Rupees crores
Investments in Equity Instruments (Non-trade and fully paid-up) :					
Quoted					
In Other Companies					
Power Trading Corporation of India Limited.....	10	900	*	900	*
Investments in Equity Instruments			*		*
Investments in Government Securities :					
Quoted					
(i) Government of India Securities	1,92,70,000 [^]	—	1.91	—	1.91
			1.91		1.91
Less : Provision for diminution in value of investments.....			(0.07)		(0.03)
Investments in Government Securities			1.84		1.88
[^] Total Face Value					
Investments in Debentures/Bonds (Non-trade and fully paid-up) :					
Quoted					
(i) In Subsidiary Companies					
8.50% NCD Mahindra & Mahindra Financial Services Limited.....	10,00,000	250	25.00	250	25.00
			25.00		25.00
(ii) In Other Companies					
7.00% NCD Power Finance Corporation Limited (2011) Series XXII.....	10,00,000	—	—	18	1.80
6.85% India Infrastructure Finance Company Limited Bond.....	1,00,000	2,085	20.95	2,085	20.95
7.75% Rural Electrification Corporation Limited Bond.....	10,00,000	50	5.00	50	5.00
6.70% Indian Railway Finance Corporation Limited Bond.....	1,00,000	500	5.00	500	5.00
6.00% Indian Railway Finance Corporation Limited Bond.....	1,00,000	1,000	10.00	1,000	10.00
6.30% Indian Railway Finance Corporation Limited Bond.....	1,00,000	1,000	10.00	1,000	10.00
6.05% Indian Railway Finance Corporation Limited Bond.....	1,00,000	500	5.00	500	5.00
6.32% Indian Railway Finance Corporation Limited Bond.....	1,00,000	500	5.00	500	5.00
6.72% Indian Railway Finance Corporation Limited Bond.....	1,00,000	1,000	10.00	1,000	10.00
8.20% National Highway Authority of India Bond	1,000	1,23,619	12.37	—	—
			83.32		72.75
Less : Provision for diminution in value of investments.....			(1.87)		(1.96)
			81.45		70.79
Investments in Debentures/Bonds			106.45		95.79
Investments in Mutual Funds :					
Unquoted					
Axis Mutual Fund - Liquid Fund Institutional Daily Dividend Reinvestment	1,000	1,00,014	10.00	—	—
Baroda Pioneer Mutual Fund - Liquid Fund Institutional Daily Dividend Plan	1,000	99,960	10.00	—	—
Birla Sun Life Mutual Fund - Cash Plus Institutional Premium Daily Dividend Reinvestment	100	11,48,038	11.50	—	—
BNP Paribas Mutual Fund Overnight Institutional Daily Dividend	10	2,19,55,987	21.96	—	—
Canara Robeco Mutual Fund - Liquid Super Institutional Daily Dividend Reinvestment Fund	1,000	99,499	10.01	—	—
Deutsche Mutual Fund - Insta Cash Plus Fund Super Institutional Plan Daily Dividend Reinvestment.....	100	9,97,211	10.00	—	—
DSP BlackRock Mutual Fund - Liquidity Fund Institutional Plan Daily Dividend.....	1,000	—	—	4,97,538	49.77
Franklin Templeton Mutual Fund - India Treasury Management Account Super Institutional Plan Daily Dividend Reinvestment	1,000	—	—	1,11,912	11.20
HDFC Mutual Fund - Cash Management Fund - Savings Plan Daily Dividend Reinvestment.....	10	—	—	2,35,09,276	25.01
IDFC Mutual Fund - Cash Fund Super Institutional Plan C Daily Dividend	10	—	—	2,49,99,157	25.01

* denotes amounts less than Rs. 50,000

	Face Value Per Unit (Rupees)	2012		2011	
		Number	Rupees crores	Number	Rupees crores
JM Financial Mutual Fund - High Liquidity Fund Super Institutional Daily Dividend	10	3,00,79,283	30.13	—	—
JM Financial Mutual Fund - Money Manager Fund Super Plan Daily Dividend.....	10	—	—	50,88,212	5.09
JP Morgan Mutual Fund - India Liquid Fund Super Institutional Daily Dividend Plan Reinvestment	10	99,94,230	10.00	—	—
Kotak Mahindra Mutual Fund - Floater Short Term - Daily Dividend	10	—	—	8,50,63,949	86.05
Kotak Mahindra Mutual Fund - Liquid (Institutional Premium) - Daily Dividend.....	10	1,22,70,339	15.00	1,24,16,925	15.18
L & T Mutual Fund - Liquid Super Institutional Daily Dividend Reinvestment Plan	1,000	98,895	10.01	—	—
Principal Mutual Fund - Cash Management Fund - Dividend Plan Daily	1,000	1,00,038	10.00	—	—
Prudential ICICI Mutual Fund - Liquid Plan Super Institutional Plan Dividend Daily.....	100	47,35,798	47.37	25,00,031	25.01
Religare Mutual Fund - Liquid Fund - Super Institutional Daily Dividend	1,000	99,946	10.00	—	—
SBI Mutual Fund - Premier Liquid Fund Super Institutional Daily Dividend	1,000	2,73,572	27.45	3,95,29,591	39.66
SBI Mutual Fund - Magnum Income Fund FR Saving Plus Bond Plan Daily Dividend	10	99,78,008	10.04	—	—
Tata Mutual Fund - Floater Fund Daily Dividend	10	—	—	8,48,108	0.85
Tata Mutual Fund - Liquid Super High Investment Fund Daily Dividend	1,000	—	—	3,74,232	41.71
Tata Mutual Fund - Liquidity Management Fund Daily Dividend	1,000	2,00,550	20.11	—	—
UTI Mutual Fund - Liquid Cash Plan Institutional Daily Income Option Reinvestment	1,000	1,47,208	15.01	—	—
Investments in Mutual Funds			278.59		324.54
Other Investments :					
Certificate of Deposits					
Unquoted					
State Bank of Hyderabad	1,20,000	—	—	5,000	57.86
Bank of India	1,00,000	—	—	5,000	46.92
IDBI Bank Limited	1,00,000	2,500	24.37	5,000	48.23
Axis Bank Limited	1,00,000	2,500	24.64	2,500	24.08
HDFC Bank Limited	1,00,000	—	—	5,000	48.17
State Bank of Patiala	1,00,000	7,500	71.75	2,500	24.20
Punjab National Bank.....	1,00,000	10,000	95.64	2,500	24.60
Bank of Mysore	1,00,000	7,500	73.03	—	—
Federal Bank	1,00,000	2,500	24.37	2,500	24.00
State Bank of Hyderabad	1,00,000	5,000	47.11	—	—
Indian Overseas Bank	1,00,000	2,500	23.14	—	—
Canara Bank	1,00,000	7,500	72.55	—	—
Oriental Bank of Commerce	1,00,000	5,000	47.99	—	—
Indian Bank	1,00,000	2,500	24.37	—	—
UCO Bank	1,00,000	2,500	24.33	—	—
United Bank of India	1,00,000	2,500	24.33	—	—
Corporation Bank	1,00,000	2,500	24.36	—	—
ICICI Bank	1,00,000	5,000	48.04	—	—
Other Investments.....			650.02		298.06
Total Current Investments.....			1,036.90		720.27
Other Disclosures					
(i) Aggregate amount of quoted investments (Gross)			110.23		99.66
Market Value of quoted investments			108.29		97.67
(ii) Aggregate amount of unquoted investments (Gross).....			928.61		622.60
(iii) Aggregate amount of diminution in value of investments			1.94		1.99

14. Long Term Loans and Advances :

	Rupees crores	
	2012	2011
(A) Capital Advances :		
Secured, considered good	0.53	2.31
Unsecured, considered good	351.80	448.46
Doubtful	1.82	1.08
	354.15	451.85
Less : Provision for doubtful capital advances	1.82	1.08
	352.33	450.77
(B) Security Deposits :		
Unsecured, considered good	35.90	27.59
Doubtful	0.19	0.19
	36.09	27.78
Less : Provision for doubtful security deposits	0.19	0.19
	35.90	27.59
(C) Loans and Advances to Related Parties :		
Unsecured, considered good	11.17	30.39
Doubtful	10.00	10.00
	21.17	40.39
Less : Provision for doubtful loans and advances to related parties	10.00	10.00
	11.17	30.39
(D) Other Loans and Advances :		
Unsecured, considered good	1,077.28	1,359.38
Doubtful	3.43	5.14
	1,080.71	1,364.52
Less : Provision for doubtful other loans and advances	3.43	5.14
	1,077.28	1,359.38
	1,476.68	1,868.13

(a) Long Term Loans and Advances to Related Parties include Share Application Money pending allotment **Rs. Nil** (2011 : Rs. 15.70 crores) to subsidiaries.

(b) Other Loans and Advances includes :

- (i) Amount held in escrow account towards acquisition of shares in a company **Rs. Nil** (2011 : Rs. 23.50 crores).
- (ii) Payment towards income-tax and surtax **Rs. 321.71 crores** (2011 : Rs. 286.75 crores).
- (iii) VAT receivable, other recoverable expenses and advances to employees.

15. Other Non-Current Assets :

	Rupees crores	
	2012	2011
(i) Hedging Instruments.....	2.40	85.93
(ii) Export Benefits Receivable	21.16	22.58
(iii) Others.....	12.89	8.51
	36.45	117.02

16. Inventories :

	Rupees crores	
	2012	2011
(i) Raw Materials and Bought-out Components	746.01	758.07
(ii) Raw Materials and Bought-out Components in Transit	87.27	25.72
(iii) Work-in-Progress	99.20	82.14
(iv) Finished Products produced	917.16	491.84
(v) Stock-in-Trade.....	256.21	167.41
(vi) Stock-in-Trade in Transit.....	77.52	—
(vii) Manufactured Components	108.08	110.21
(viii) Stores and Spares	32.86	29.86
(ix) Tools	34.08	28.96
	2,358.39	1,694.21

17. Trade Receivables :

	Rupees crores	
	2012	2011
(A) Secured, considered good :		
Outstanding for a period exceeding six months from the date they are due for payment.....	8.66	5.44
Others.....	817.42	506.00
	826.08	511.44
(B) Unsecured, considered good :		
Outstanding for a period exceeding six months from the date they are due for payment.....	43.66	44.24
Others.....	1,118.62	704.63
	1,162.28	748.87
(C) Doubtful :		
Outstanding for a period exceeding six months from the date they are due for payment.....	77.27	93.20
	77.27	93.20
(D) Less :		
Provision for doubtful trade receivables.....	77.27	93.20
	1,988.36	1,260.31

18. Cash and Bank Balances :

	Rupees crores	
	2012	2011
(A) Cash and Cash Equivalents :		
Balances with Banks :		
(i) On Current Accounts	352.06	256.17
(ii) Fixed Deposits with original maturity less than 3 months.....	516.03	75.02
	868.09	331.19
Cheques, drafts on hand.....	267.64	179.45
Cash on hand	0.55	0.65
	1,136.28	511.29

	Rupees crores	
	2012	2011
(B) Other Bank Balances :		
Earmarked balances with banks	10.29	8.33
Balances with Banks :		
(i) On Margin Accounts	1.23	3.00
(ii) Fixed Deposits with original maturity greater than 3 months but less than 12 months	35.60	30.00
(iii) Fixed Deposits with original maturity greater than 12 months	5.00	62.00
	41.83	95.00
Franking and Stamps on hand	0.03	0.02
	52.15	103.35
	1,188.43	614.64

19. Short Term Loans and Advances :

	Rupees crores	
	2012	2011
(A) Loans and Advances to Related Parties :		
Unsecured, considered good	301.31	470.91
Doubtful	10.60	10.60
	311.91	481.51
Less : Provision for doubtful loans and advances to related parties	10.60	10.60
	301.31	470.91
(B) Other Loans and Advances :		
Unsecured, considered good	629.68	367.03
Doubtful	32.41	33.12
	662.09	400.15
Less : Provision for doubtful other loans and advances	32.41	33.12
	629.68	367.03
	930.99	837.94

- (a) Loans and Advances to Related Parties includes Fixed/Call deposits with/loans to limited companies **Rs. 283.47 crores** (2011 : Rs. 458.63 crores) including **Rs. 278.88 crores** (2011 : Rs. 454.04 crores) to Subsidiary companies.
- (b) MAT Credit entitlement included in Other Loans and Advances is **Rs. 165.23 crores** (2011 : Rs. Nil).
- (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	
	2012	2011
Government Grant receivable	139.43	109.11
Interest accrued	70.08	67.24
Hedging Instruments.....	29.82	12.58
Other receivables including export benefits.....	230.09	130.76
Assets held for sale	10.01	—
	479.43	319.69
Less :		
Provision for doubtful other current assets	4.36	4.38
	475.07	315.31

21. Revenue from Operations :

	Rupees crores	
	2012	2011
Sale of Products (Refer Note A below)	33,531.33	24,795.02
Sale of Services (Refer Note B below).....	361.69	341.72
Other Operating Revenues :		
(i) Scrap Sales	122.64	92.86
(ii) Government Grant and Incentives (including export benefits)	235.91	237.00
(iii) Profit on Sale of Tangible Assets (Net)	0.88	16.88
(iv) Others.....	102.06	71.54
	461.49	418.28
	34,354.51	25,555.02

(A) Details of Sale of Products :

	Rupees crores	
	2012	2011
Sale of Manufactured Goods :		
(i) Vehicles - Four Wheelers	15,175.78	12,541.49
(ii) Vehicles - Three Wheelers.....	906.15	804.52
(iii) Tractors.....	10,015.83	8,472.21
(iv) Others.....	1,265.51	628.49
	27,363.27	22,446.71
Sale of Traded Goods :		
(i) Vehicles - Four Wheelers	4,373.53	1,030.15
(ii) Tractors and Agricultural Implements	115.35	100.17
(iii) Spares*	1,330.13	1,063.58
(iv) Others.....	349.05	154.41
	6,168.06	2,348.31
	33,531.33	24,795.02

* Sale of goods shown consists of purchased and manufactured spares. The bifurcation of sales into purchased and manufactured spares is not practicable.

(B) Details of Sale of Services :

	Rupees crores	
	2012	2011
(i) Annual Maintenance Contracts.....	235.42	209.74
(ii) Manufacturing Charges	34.90	62.03
(iii) Others.....	91.37	69.95
	361.69	341.72

22. Other Income :

	Rupees crores	
	2012	2011
(a) Interest Income :		
(i) Interest on Government Securities, Debentures and Bonds - Long Term [includes tax deducted at source Rs. 0.02 crores (2011 : Rs. 0.09 crores)].....	29.51	4.55
(ii) Interest on Government Securities, Debentures and Bonds - Current [includes tax deducted at source Rs. Nil (2011 : Rs. 0.02 crores)]	7.23	6.29
(iii) Interest - others (Gross) [includes tax deducted at source Rs. 5.55 crores (2011 : Rs. 7.07 crores)].....	72.45	110.31
	109.19	121.15
(b) Dividends on investments in subsidiaries/JVs.....	157.23	123.91
(c) Dividends on other long term investments.....	4.87	4.08
(d) Dividends on other current investments.....	35.43	52.23
(e) Profit on sale of long term investments (Net)	—	3.32
(f) Profit on sale of current investments (Net)	34.76	24.33
(g) Profit on sale of tangible assets (Net).....	24.07	3.66
(h) Other non-operating income	100.24	101.47
	465.79	434.15

23. Cost of Materials Consumed :

	Rupees crores	
	2012	2011
Opening Stock.....	783.79	494.50
Add : Purchases [including outside processing charges Rs. 457.31 crores (2011 : Rs. 349.56 crores)].....	18,789.22	14,998.23
	19,573.01	15,492.73
Add : Stock taken over as per Scheme of Arrangement.....	64.79	—
Less : Closing Stock.....	833.28	783.79
	18,804.52	14,708.94

(A) Cost of Materials Consumed comprises the following :

	Rupees crores	
	2012	2011
(i) Steel items, paints and other materials.....	853.20	666.81
(ii) Tyres and Tubes.....	1,494.62	997.46
(iii) Components other than Tyres and Tubes (including processing charges).....	15,797.84	12,517.63
(iv) Material handling and transportation charges etc. incurred on the above items not separately allocable.....	658.86	527.04
	18,804.52	14,708.94

- (a) The consumption in value has been ascertained on the basis of opening stock plus purchases less closing stock and includes the adjustment of excesses and shortages as ascertained on physical count and write-off of obsolete and unserviceable raw materials and components.
- (b) The consumption shown in Components other than Tyres and Tubes (including processing charges) is the balancing figure based on total consumption shown in Statement of Profit and Loss.

(B) Value of Imported and Indigenous Raw Materials and Components Consumed[^] :

	Rupees crores	
	2012	2011
(i) Imported.....	656.09	263.68
	3.49%	1.79%
(ii) Indigenous.....	18,148.43	14,445.26
	96.51%	98.21%
	18,804.52	14,708.94
	100.00%	100.00%

[^]Includes items used for other than production, amount not ascertained.

24. Purchases of Stock-in-Trade :

	Rupees crores	
	2012	2011
(i) Vehicles - Four Wheelers.....	4,142.10	1,016.05
(ii) Tractors and Agricultural Implements.....	91.05	92.95
(iii) Spares.....	728.07	517.72
(iv) Others.....	331.36	130.51
	5,292.58	1,757.23

25. Changes in Inventories of Finished Goods, Work-in-Progress, Stock-in-Trade and Manufactured Components :

	Rupees crores	
	2012	2011
Opening Stock :		
(i) Finished Products produced.....	491.84	384.28
(ii) Work-in-Progress.....	82.14	75.03
(iii) Stock-in-Trade.....	167.41	107.10
(iv) Manufactured Components.....	110.21	73.89
	851.60	640.30
Add : Stock taken over as per Scheme of Arrangement :		
(i) Finished Products produced.....	8.67	—
(ii) Work-in-Progress.....	0.57	—
(iii) Stock-in-Trade.....	—	9.07
	9.24	9.07
Less : Closing Stock :		
(i) Finished Products produced.....	917.16	491.84
(ii) Work-in-Progress.....	99.20	82.14
(iii) Stock-in-Trade.....	333.73	167.41
(iv) Manufactured Components.....	108.08	110.21
	1,458.17	851.60
Increase in Stock.....	(597.33)	(202.23)

26. Employee Benefits Expense :

	Rupees crores	
	2012	2011
Salaries, Wages, Bonus etc.....	1,326.46	1,157.16
Contribution to Provident and other funds.....	143.06	134.61
Employee Stock Option Scheme [Note 33].....	97.97	29.37
Welfare	134.29	110.38
	1,701.78	1,431.52

27. Finance Costs :

	Rupees crores	
	2012	2011
Interest Expense	152.99	70.86
Discounting Charges.....	6.32	—
Other Borrowing Costs.....	3.44	1.63
	162.75	72.49

28. Depreciation and Amortisation Expense :

	Rupees crores	
	2012	2011
Depreciation on Tangible Assets	437.46	337.10
Amortisation on Intangible Assets.....	138.38	76.47
Depreciation on Investment Property.....	0.30	0.29
	576.14	413.86

29. Other Expenses :

	Rupees crores	
	2012	2011
Stores consumed.....	126.80	102.54
Tools consumed.....	35.04	36.17
Power and fuel.....	175.78	143.93
Rent including lease rentals	55.95	44.34
Rates and taxes	19.60	17.13
Insurance.....	21.63	17.01
Repairs and Maintenance :		
Buildings	24.51	15.74
Machinery.....	125.81	98.33
Others.....	65.39	47.59
	215.71	161.66
Advertisement.....	252.17	180.78
Service coupon	84.75	84.20
Freight outward.....	480.53	363.83
Sales promotion expenses.....	96.56	115.61
Dealer incentives	358.03	277.47
Miscellaneous expenses	1,010.64	824.76
Excise duty	17.44	(2.74)
Donations and contributions.....	21.81	17.60
Excess of cost over fair value of current investments (Net).....	(0.05)	1.90
Provision for doubtful debts/advances (Net)	(17.61)	(24.85)
	2,954.78	2,361.34

- (a) Repairs and Maintenance to Machinery includes machinery spares consumed **Rs. 42.47 crores** (2011 : Rs. 36.05 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	
	2012	2011
(i) Imported.....	3.01	3.76
	7.09%	10.43%
(ii) Indigenous.....	39.46	32.29
	92.91%	89.57%
	42.47	36.05
	100.00%	100.00%

- (b) Miscellaneous Expenses include :

- (1) Amounts paid/payable to Auditors (Net of service tax where applicable) :

	Rupees crores	
	Statutory Auditors	Cost Auditors
(i) Audit Fees	1.64	0.04
	1.43	0.04
(ii) Taxation Matters	0.11	—
	0.10	—
(iii) Company Law Matters	*	—
	*	—
(iv) Other Services	1.19	*
	0.80	—
(v) Reimbursement of expenses	0.03	*
	*	*
	2.97	0.04
	2.33	0.04

30. Interest capitalised during the year to CWIP **Rs. 2.89 crores** (2011 : Rs. 28.73 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.

* denotes amounts less than Rs. 50,000

Defined benefit plans – as per actuarial valuation on 31st March, 2012

Rupees crores

	Funded Plan		Unfunded Plans			
	Gratuity		Post retirement medical		Post retirement housing allowance	
	2012	2011	2012	2011	2012	2011
I. Expense recognised in the Statement of Profit and Loss for the year ended 31st March						
1. Current service cost	22.75	20.83	1.01	0.62	1.98	1.37
2. Interest cost	27.62	28.34	1.22	0.85	1.47	1.02
3. Expected return on plan assets	(19.46)	(20.66)	—	—	—	—
4. Actuarial (Gain)/Loss	12.71	19.24	(2.35)	3.26	5.97	3.24
5. Past service cost	—	(0.25)	—	—	—	—
6. Total expense included in Employee Benefits Expense	43.62	47.50	(0.12)	4.73	9.42	5.63
7. Actual return on plan assets	28.31	25.17	—	—	—	—
II. Net Asset/(Liability) recognised in the Balance Sheet as at 31st March						
1. Present value of defined benefit obligation as at 31 st March	430.04	383.18	13.59	14.09	24.95	16.18
2. Fair value of plan assets as at 31 st March	326.66	293.80	—	—	—	—
3. Net Asset/(Liability) as at 31 st March	(103.38)	(89.38)	(13.59)	(14.09)	(24.95)	(16.18)
4. Current portion of the above	—	—	(0.46)	(0.39)	(1.00)	(0.44)
5. Non current portion of the above	(103.38)	(89.38)	(13.13)	(13.70)	(23.95)	(15.74)
III. Change in the obligation during the year ended 31st March						
1. Present value of defined benefit obligation at the beginning of the year	383.18	334.20	14.09	9.65	16.18	10.99
2. Addition on account of Scheme of Arrangement	0.23	—	—	—	—	—
3. Current service cost	22.75	20.83	1.01	0.62	1.98	1.37
4. Interest cost	27.62	28.34	1.22	0.85	1.47	1.02
5. Actuarial (Gain)/Loss	21.56	23.75	(2.35)	3.26	5.97	3.24
6. Past service cost	—	(0.25)	—	—	—	—
7. Benefit payments	(25.30)	(23.69)	(0.38)	(0.29)	(0.65)	(0.44)
8. Present value of defined benefit obligation at the end of the year	430.04	383.18	13.59	14.09	24.95	16.18
IV. Change in fair value of assets during the year ended 31st March						
1. Fair value of plan assets at the beginning of the year	293.80	266.10	—	—	—	—
2. Addition on account of Scheme of Arrangement	0.07	—	—	—	—	—
3. Expected return on plan assets	19.46	20.66	—	—	—	—
4. Actuarial Gain/(Loss)	8.85	4.51	—	—	—	—
5. Contributions by employer (including benefit payments recoverable)	29.78	26.22	0.38	0.29	0.65	0.44
6. Benefit payments	(25.30)	(23.69)	(0.38)	(0.29)	(0.65)	(0.44)
7. Fair value of plan assets at the end of the year	326.66	293.80	—	—	—	—
8. Actual return on plan assets	28.31	25.17	—	—	—	—
V. The Major categories of plan assets as percentage of total plan						
Insurer managed funds	100.00%	100.00%	—	—	—	—
VI. Actuarial assumptions						
1. Discount rate	8.30%	8.20%	8.30%	8.20%	8.30%	8.20%
2. Expected rate of return on plan assets	7.50%	7.50%	—	—	—	—
3. Attrition rate	7.00%	5.00%	7.00%	5.00%	—	—
4. Medical premium inflation	—	—	7.00%	7.00%	—	—

VII. Effect of one percentage point change in the assumed medical inflation rate	One percentage point increase in medical inflation rates		One percentage point decrease in medical inflation rates		
	2012	2011	2012	2011	
1. Effect on the aggregate service and interest cost of post employment medical benefits	0.34	0.42	(0.28)	(0.34)	
2. Effect on the accumulated post employment medical benefits obligations	1.89	2.17	(1.59)	(1.80)	
VIII. Experience Adjustments					
	Period Ended				
	2012	2011	2010	2009	2008
	Gratuity				
1. Defined Benefit Obligation	430.04	383.18	334.20	300.61	201.76
2. Fair value of plan assets	326.66	293.80	266.10	206.14	163.58
3. Surplus/(Deficit)	(103.38)	(89.38)	(68.10)	(94.47)	(38.18)
4. Experience adjustment on plan liabilities [(Gain)/Loss]	19.64	16.23	7.93	5.87	4.55
5. Experience adjustment on plan assets [Gain/(Loss)]	8.85	4.43	4.44	—	—
	Post retirement medical				
1. Defined Benefit Obligation	13.59	14.09	9.65	4.84	2.79
2. Plan assets	—	—	—	—	—
3. Surplus/(Deficit)	(13.59)	(14.09)	(9.65)	(4.84)	(2.79)
4. Experience adjustment on plan liabilities [(Gain)/Loss]	(0.16)	(0.36)	5.21	1.24	(0.55)
	Post retirement housing allowance				
1. Defined Benefit Obligation	24.95	16.18	10.99	—	—
2. Plan assets	—	—	—	—	—
3. Surplus/(Deficit)	(24.95)	(16.18)	(10.99)	—	—
4. Experience adjustment on plan liabilities [(Gain)/Loss]	6.28	(1.41)	0.15	—	—

On account of defined contribution plans the Company's contribution to Provident Fund and Superannuation Fund aggregating **Rs. 98.09 crores** (2011 : Rs. 86.19 crores) has been recognised in the Statement of Profit and Loss under the head Employee Benefits Expense.

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.

32. Provisions :

- (a) Provision for warranties 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 3 years.
- (b) The movement in provisions for warranty, contingency and retired assets is as follows :

	Warranty		Contingency		Retired Assets	
	2012	2011	2012	2011	2012	2011
Balance as at 1 st April.....	210.90	179.61	—	3.58	15.83	15.83
Add : Taken over as per Scheme of Arrangement	10.62	—	—	—	—	—
Add : Provision made during the year	178.04	131.20	—	0.51	—	—
Less : Utilisation during the year	129.15	99.91	—	4.09	0.04	—
Balance as at 31 st March	270.41	210.90	—	—	15.79	15.83
Out of the above,						
Classified as Non Current.....	94.96	62.51	—	—	15.79	15.83
Classified as Current	175.45	148.39	—	—	—	—
	270.41	210.90	—	—	15.79	15.83

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 and 1,73,53,034 Ordinary (Equity) Shares of Rs. 5 each in the years ended 31st March, 2002, 31st March, 2010 and 31st March, 2011 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.

In respect of options granted prior to 29th September, 2006, the equity settled options vest one year from the date of the grant and are exercisable on specified dates in 3 tranches within a period of 5 years from the date of vesting. The number of options exercisable in each tranche is between a minimum of 100 and a maximum of 1/3rd of the options vested, except in case of the last date of exercise, where the employee can exercise all the options vested but not exercised till that date.

Options granted on or after 29th September, 2006 but prior to 28th January, 2011 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 after 28th January, 2011 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

	No. of stock options	Weighted average exercise price (Rs.)
Options outstanding on 1 st April, 2011	95,29,664	198.32
Options granted during the year	6,55,334	5.00
Options forfeited/lapsed/reduced during the year	4,90,041	127.68
Options exercised during the year	17,47,798	245.83
Options outstanding on 31 st March, 2012	79,47,159	176.29
Options vested but not exercised on 31 st March, 2012	34,22,433	290.51

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>
25 th April, 2011 - 21 st March, 2012	727.16

Information in respect of options outstanding as at 31st March, 2012

<u>Range of exercise price</u>	<u>Number of options</u>	<u>Weighted average remaining life</u>
Rs. 5.00	34,49,631	2.64 Years
Rs. 250.00	21,94,447	4.77 Years
Rs. 308.00 - Rs. 310.00	4,59,374	1.72 Years
Rs. 381.00	13,58,225	3.11 Years
Rs. 362.00	4,85,482	5.36 Years

The fair value of options granted during the year on 14th December, 2011 is Rs. 633.59 per share.

The fair value has been calculated using the Black Scholes Options Pricing Model and the significant assumptions made in this regard are as follows :

	<u>Grant dated 14th December, 2011</u>
Risk free interest rate	8.34%
Expected life	3.25 Years
Expected volatility	41.96%
Expected dividend yield	1.82%
Exercise Price (Rs.)	5.00
Stock Price (Rs.)	676.05

In respect of Options granted under the Employee Stock Option Plan, in accordance with guidelines issued by SEBI, the accounting value of the options is accounted as deferred employee compensation, which is amortised on a straight line basis over the period between the date of grant of options and eligible dates for conversion into equity shares. Consequently, salaries, wages, bonus etc. includes **Rs. 97.97 crores** (2011 : Rs. 29.37 crores) being the amortisation of deferred employee compensation, after adjusting for reversals on account of options lapsed.

Had the Company adopted fair value method in respect of options granted on or after 1st April, 2005, the employee compensation cost would have been lower by **Rs. 5.51 crores**, Profit after tax higher by **Rs. 5.51 crores** and the basic and diluted earnings per share would have been higher by **Rs. 0.09 & Rs. 0.09** respectively.

34. Contingent Liability & Commitments :

(A) Contingent Liability :

(a) Guarantees given by the Company :

	Rupees crores			
	Amount of guarantees		Outstanding amounts against guarantees	
	2012	2011	2012	2011
For other companies	171.98	367.63	166.83	316.62

(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. 1,464.96 crores** (Net of Tax : Rs. 1,059.91 crores) [2011 : Rs. 1,212.45 crores (Net of Tax : Rs. 874.23 crores)].

- (ii) Other matters (excluding claims where amounts are not ascertainable) : **Rs. 21.36 crores** (Net of Tax : Rs. 15.05 crores) [2011 : Rs. 17.86 crores (Net of Tax : Rs. 13.58 crores)].
- (iii) Claims on capital account : **Rs. Nil** (2011 : Rs. 1.18 crores).
- (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. 319.29 crores** (2011 : Rs. 215.99 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. 70.98 crores** (2011 : Rs. 71.61 crores).
 - Surtax matters : **Rs. 0.13 crores** (2011 : Rs. 0.13 crores).
- (d) Bills discounted not matured **Rs. Nil** (2011 : Rs. 49.97 crores).
- (e) The Customs, Excise and Service Tax Appellate Tribunal (CESTAT) by its order dated 7th December, 2009 has rejected the Company's appeal against the order dated 30th 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. 304.11 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) and Maharashtra Motor Vehicles Rules, 1989 (MMVR) and as such attracted a higher rate of excise duty.

In earlier collateral proceedings on this issue, the CESTAT had by an Order dated 19th 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. While the Department's appeal against the CESTAT Order dated 19th July, 2005 has been admitted, the Supreme Court of India has not stayed the operation of this Order.

The Company has filed an appeal in the Supreme Court against the aforesaid order dated 7th December, 2009 *inter alia*, on the grounds that the MVA and MMVR cannot be referred to for the purpose of determining the excise classification, as has been repeatedly held by various judicial fora, including the Supreme Court and particularly by CESTAT vide its order dated 19th July, 2005 in the Company's own case referred to above.

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.

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 20th 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.

The Company strongly believes, based on legal advice it has received, that the CESTAT order dated 7th December, 2009 which is under appeal in the Supreme Court is not sustainable in law and hence the Company has a very good chance of succeeding in the matter. As such, the Company does not expect any liability on this account. However, in view of the CESTAT order, the Company has reflected the above amount aggregating **Rs. 328.86 crores** (2011 : Rs. 328.86 crores) and the interest of **Rs. 233.13 crores** (2011 : Rs. 204.13 crores) accrued on the same upto 31st March, 2012, as a Contingent Liability in the Accounts and the same is included in the amounts disclosed under Note (b)(i) above.

(B) Commitments :

- (a) Uncalled liability on equity shares partly paid **Rs. 10.50 crores** (2011 : Rs. 10.50 crores).
- (b) The estimated amount of contracts remaining to be executed on capital account and not provided for as at 31st March, 2012 is **Rs. 590.44 crores** (2011 : Rs. 746.29 crores).

35. A demand of Rs. 704.28 crores was raised on the Company in its main assessment for the Assessment Year 2007-08 on the basis of a certain legal position taken by the Additional Commissioner of Income Tax (TDS) – Nashik with regard to deduction of tax at source on procurement of components from various vendors. The Company is in appeal against the demand before the Income Tax Appellate Tribunal, Mumbai (ITAT). The Nashik tax deduction matter was earlier agitated by the Company before the Income Tax Appellate Tribunal, Pune which while deciding the issue in favour of the Company, set aside the matter to the Commissioner of Income Tax (Appeals) at Nashik (CIT(A)) for certain factual examination. The CIT(A) at Nashik has, after examination of the relevant facts, finally disposed off the matter in favour of the Company. The hearing before the ITAT, Mumbai has concluded and the final written order is awaited.

36. 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. 430.34 crores** (2011 : Rs. 376.85 crores) [excluding depreciation and amortisation of **Rs. 137.13 crores** (2011 : Rs. 76.54 crores)].
- (ii) Development expenditure incurred during the year **Rs. 257.47 crores** (2011 : Rs. 127.41 crores).
- (iii) Capitalisation of assets **Rs. 540.29 crores** (2011 : Rs. 323.33 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. 30.49 crores** (2011 : Rs. 12.72 crores) [excluding depreciation and amortisation of **Rs. 6.41 crores** (2011 : Rs. 1.24 crores)].
- (ii) Development expenditure incurred during the year **Rs. 0.04 crores** (2011 : Rs. 44.20 crores).
- (iii) Capitalisation of assets **Rs. 4.12 crores** (2011 : Rs. 3.35 crores).

(c) Research and Development expenditure incurred by the Company since 2004-05 in recognised Research and Development Units is as follows :

	Rupees crores							
	2012	2011	2010	2009	2008	2007	2006	2005
Revenue Expenditure	430.34	376.85	248.25	220.09	191.52	90.31	64.02	30.02
Development Expenditure	257.47	127.41	131.28	128.94	53.97	17.85	5.39	2.26
Capitalisation of Assets	540.29	323.33	41.64	15.64	44.67	26.40	8.15	6.52

37. The net difference in foreign exchange gain credited to the Statement of Profit and Loss is **Rs. 16.31 crores** (2011 : gain of Rs. 26.69 crores).

38. Scheme of Arrangement :

(a) Pursuant to the Scheme of Arrangement (“The Scheme”) between Mahindra Automobile Distributor Private Limited (MADPL), a subsidiary of the Company, and the Company, as sanctioned by Honourable High Court of Bombay vide its order dated 30th March, 2012, the entire assets and liabilities, duties and obligations of the Automotive business of MADPL was transferred to and vested in the Company, from 1st April, 2011 (the appointed date). The scheme became effective on 23rd April, 2011.

The accounting of this arrangement was done as per the scheme approved by Honourable High Court of Bombay and the same has been given effect to in the financial statements as under :

- (i) MADPL reorganised its Share Capital and Securities Premium Account by writing off it’s accumulated losses first against Securities Premium Account and the balance against the Share Capital. Consequent to this reorganisation the Company’s investment in MADPL reduced by 27,61,40,768 shares leading to a reduction in investment value of Rs. 113.93 crores which has been set off by reversing Rs. 113.93 crores from the provision for diminution in value of investments of Rs. 114.24 crores made in an earlier year. The balance Rs. 0.31 crores was transferred back to Investment Fluctuation Reserve.
- (ii) The assets and liabilities of the Automotive business of MADPL were recorded in the books of the Company at their book values.
- (iii) The debit balance in the Profit and Loss account of Automotive business of MADPL of Rs. 207.52 crores was transferred to the General Reserve.
- (iv) In consideration for the above, the Company, in the ratio of one equity share of Rs. 5 each for every 3,162 equity shares of Rs. 10 each originally held in MADPL, issued 5,917 equity shares of Rs. 5 each to the external shareholders of MADPL on 17th May, 2012, (disclosed as Share Capital Suspense Account in the Balance Sheet), and cancelled the shares to be issued to itself and its subsidiary in lieu of its own and the subsidiary’s holding in MADPL.
- (v) The excess of the value of the net liabilities of the Automotive business of MADPL over the face value of the shares allotted amounting to Rs. 1.37 crores was debited to the Capital Reserve.

(b) In 2009 and 2010, as required by Accounting Standard 28 'Impairment of Assets', Mahindra Automobile Distributor Private Limited (MADPL) (formerly known as Mahindra Renault Private Limited) had provided for an impairment of its fixed assets related to its Automotive business aggregating Rs. 317.44 crores. As a consequence, in F2009 the Company in its own books fully provided for its own investment in MADPL of Rs. 154.38 crores by a transfer from its Investment Fluctuation Reserve. In F2011 an amount of Rs. 37.41 crores out of this provision was actually utilised and Rs. 2.73 crores reversed back to Investment Fluctuation Reserve on transfer of a part of the Company's holdings in MADPL to a subsidiary, thus leaving a balance provision of Rs. 114.24 crores as on 31st March, 2011 for the Company's investment in MADPL.

As per the Scheme of Arrangement referred in note (a) above, the Automotive business of MADPL merged with the Company with effect from 1st April, 2011. As the provision on impairment of Rs. 317.44 crores which got transferred from MADPL was no longer required, the Company after providing Rs. 95.24 crores for the depreciation not provided by MADPL for the years 2010 and 2011 and after transferring Rs. 113.93 crores to the Investment Fluctuation Reserve to replenish the charge to it on account of write down of Company's investment in MADPL [Point (a)(i) above] transferred the balance of Rs. 108.27 crores to the Statement of Profit and Loss and the same has been disclosed as an exceptional item.

The result for the year ended 31st March, 2012 also include the result of the Automotive business transferred from MADPL and a tax saving of Rs. 148.53 crores arising from the carried forward unabsorbed past losses and deferred tax positions.

The current year figures are therefore not strictly comparable with that of the previous year.

(c) In the previous year, pursuant to the Scheme of Arrangement (the scheme) as approved by the shareholders of the Company and subsequently sanctioned by the Honourable High Court of Bombay on 25th March, 2011, the assets and liabilities, duties and obligations of the Non fruit business of Mahindra Shubhlabh Services Limited (MSSL) were transferred to and vested in the Company, with effect from 1st January, 2010. The excess of the value of net assets of MSSL over the face value of shares allotted was credited to the Securities Premium Account.

39. Exceptional item of **Rs. 108.27 crores** (2011 : Rs. 117.48 crores) comprise :

(a) Reversal of Impairment loss, taken over as per Scheme of Arrangement **Rs. 108.27 crores** (2011 : Rs. Nil).

(b) Profit on sale of certain long term investments **Rs. Nil** (2011 : Rs. 117.48 crores).

40. **Earnings per Share :**

	2012	2011
Amount used as the numerator – Profit for the year (Rupees crores).....	2,878.89	2,662.10
Effect on earnings of convertible bonds (Gain)/Loss (Rupees crores).....	—	(3.42)
Amount used as the numerator for diluted earnings per share (Rupees crores).....	2,878.89	2,658.68
Weighted average number of equity shares used in computing basic earnings per share.....	58,79,20,003	57,61,03,489
Effect of potential Ordinary (Equity) Shares on conversion of bonds and employee stock options...	2,60,66,097	2,36,71,375
Weighted average number of equity shares used in computing diluted earnings per share.....	61,39,86,100	59,97,74,864
Basic Earnings per share (Rs.) (Face value of Rs. 5 per share).....	48.97	46.21
Diluted Earnings per share (Rs.)	46.89	44.33

41. **Provision for diminution in the value of long term investments and other assets for the year comprises :**

	Rupees crores	
	2012	2011
Provision for diminution in value of certain long term investments and assets related to a product development project.....	123.74	402.60
Less :		
Transfer from Investment Fluctuation Reserve pursuant to the Schemes of Arrangement/ Amalgamation approved by the Hon'ble High Courts.....	123.74	402.60
	—	—

42. Outstanding derivative instruments and unhedged foreign currency exposures as on 31st March, 2012 :

The Company has taken foreign exchange contracts amounting to **US \$ 13.00 crores** (2011 : US \$ 9.90 crores) comprising Forward Contracts **US \$ 11.40 crores** (2011 : US \$ 4.50 crores), Range Forwards – Nil (2011 : US \$ 3.60 crores), Plain Vanilla Put Options **US \$ 0.70 crores** (2011 : Nil) and derivative structures in the form of ‘strips’ – **US \$ 0.90 crores** (2011 : US \$ 1.80 crores).

The foreign currency exposures not hedged by derivative instruments or otherwise as on 31st March, 2012 are – Receivables of **ZAR 5.88 crores, US \$ 3.63 crores, AUD 0.57 crores, GBP 0.37 crores, AED 0.05 crores** and Payables of **JPY 4.42 crores, EUR 0.43 crores, RMB 0.15 crores, SEK 0.04 crores, CHF * crores, SGD * crores** (2011 : KRW 93.31 crores, US \$ 4.12 crores, ZAR 3.50 crores, EUR 0.38 crores, GBP 0.29 crores, AUD 0.26 crores, NZD 0.01 crores, CHF * crores, RMB * crores, Investments of KRW 9,540.48 crores and Payables of JPY 3.80 crores, SEK 0.04 crores, SGD * crores).

The Company has outstanding foreign currency borrowings of **JPY 994.21 crores** and **US \$ 30.00 crores** (2011 : JPY 676.20 crores and US \$ 15.00 crores). The borrowing of **JPY 582.30 crores** (2011 : JPY 676.20 crores) has been fixed to a US \$ liability using a cross currency swap and the borrowing of **JPY 411.91 crores** has been fixed to INR liability using a cross currency swap. During the year, the Company raised ECB amounting to **US \$ 15.00 crores** (2011 : US \$ 15.00 crores). The US \$ interest rate risk has been hedged using an interest rate swap.

During the financial year ended 31st March, 2011, the Company had subscribed to bonds issued by Ssangyong Motor Company Limited amounting to KRW 9,540.48 crores. The Company during the current financial year has hedged the foreign currency risk of the bond (including interest) using suitable forwards.

* denotes amounts less than 50,000 of respective currency.

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	33.	Bristlecone (Malaysia) Sdn.Bhd.
2.	Mahindra Steel Service Centre Limited	34.	Mahindra Automobile Distributor Private Limited
3.	Mahindra First Choice Wheels Limited	35.	Mahindra Navistar Automotives Limited
4.	Mahindra USA Inc.	36.	Mahindra Engineering Services (Europe) Limited
5.	Mahindra Gujarat Tractor Limited	37.	Mahindra Engineering GmbH
6.	Mahindra Shubhlabh Services Limited	38.	Mahindra Lifespace Developers Limited
7.	Mahindra & Mahindra South Africa (Proprietary) Limited	39.	Mahindra Infrastructure Developers Limited
8.	Mahindra Engineering Services Limited	40.	Mahindra World City (Jaipur) Limited
9.	Mahindra Gears & Transmissions Private Limited	41.	Mahindra Integrated Township Limited
10.	Mahindra Overseas Investment Company (Mauritius) Limited	42.	Mahindra Residential Developers Limited
11.	Mahindra Europe S.r.l.	43.	Mahindra World City Developers Limited
12.	Mahindra (China) Tractor Company Limited	44.	Mahindra World City (Maharashtra) Limited
13.	Mahindra-BT Investment Company (Mauritius) Limited	45.	Knowledge Township Limited
14.	Mahindra Intertrade Limited	46.	Mahindra Vehicle Manufacturers Limited
15.	Mahindra MiddleEast Electrical Steel Service Centre (FZC)	47.	Mahindra Logistics Limited
16.	Mahindra Consulting Engineers Limited	48.	Mahindra Forgings Limited
17.	Mahindra Holidays & Resorts India Limited	49.	Mahindra Forgings International Limited
18.	Mahindra Holidays and Resorts USA Inc.	50.	Mahindra Forgings Europe AG
19.	MHR Hotel Management GmbH	51.	Gesensschmiede Schneider GmbH
20.	Mahindra Hotels and Residences India Limited	52.	JECO-Jellinghaus GmbH
21.	Mahindra Holdings Limited	53.	Falkenroth Umformtechnik GmbH
22.	NBS International Limited	54.	Stokes Group Limited
23.	Mahindra UGINE Steel Company Limited	55.	Jensand Limited
24.	Mahindra & Mahindra Financial Services Limited	56.	Stokes Forgings Dudley Limited
25.	Mahindra Insurance Brokers Limited	57.	Stokes Forgings Limited
26.	Mahindra Rural Housing Finance Limited	58.	Mahindra Forgings Global Limited
27.	Bristlecone Limited	59.	Schöneweiss & Co. GmbH
28.	Bristlecone Inc.	60.	Mahindra Hinoday Industries Limited
29.	Bristlecone UK Limited	61.	Mahindra Navistar Engines Private Limited
30.	Bristlecone India Limited	62.	Mahindra Aerospace Private Limited
31.	Bristlecone (Singapore) Pte. Limited	63.	Heritage Bird (M) Sdn.Bhd.
32.	Bristlecone GmbH	64.	Mahindra First Choice Services Limited

Sl. No.	Name of the Company	Sl. No.	Name of the Company
65.	Mahindra Graphic Research Design S.r.l.	92.	Mahindra Reva Electric Vehicles Private Limited
66.	Mahindra Gears International Limited	93.	Bristlecone Consulting Limited
67.	Mahindra Gears Global Limited	94.	Anthurium Developers Limited
68.	Mahindra Gears Cyprus Limited	95.	Watsonia Developers Limited
69.	Metacastello S.p.A.	96.	Gipp Aero Investments Pty. Limited
70.	Mahindra Bebanco Developers Limited	97.	Gippsaero Pty. Limited
71.	Industrial Township (Maharashtra) Limited	98.	GA8 Airvan Pty. Limited
72.	Crest Geartech Private Limited	99.	GA200 Pty. Limited
73.	Engines Engineering S.r.l. (upto 26 th September, 2011)	100.	Airvan Flight Services Pty. Limited
74.	EFF Engineering S.r.l. (upto 26 th September, 2011)	101.	Gipp Aero International Pty. Limited (upto 23 rd March, 2012)
75.	Mahindra Business & Consulting Services Private Limited	102.	Nomad TC Pty. Limited
76.	Mahindra Two Wheelers Limited	103.	Mahindra Emirates Vehicle Armouring FZ-LLC
77.	Mahindra Automotive Australia Pty. Limited	104.	Mahindra BPO Services Private Limited
78.	Mahindra United Football Club Private Limited	105.	Mahindra Aerostructures Private Limited
79.	Defence Land Systems India Private Limited	106.	Ssangyong Motor Company Limited
80.	Mahindra Yueda (Yancheng) Tractor Company Limited	107.	Ssangyong European Parts Center B.V.
81.	Mahindra Electrical Steel Private Limited (formerly known as Mahindra Electrical Steel Limited)	108.	Ssangyong Motor (Shanghai) Company Limited
82.	Raigad Industrial & Business Park Limited	109.	Ssangyong (Yizheng) Auto Parts Manufacturing Company Limited
83.	Retail Initiative Holdings Limited	110.	Mahindra EPC Services Private Limited
84.	Mahindra Retail Private Limited	111.	Bristlecone International AG (w.e.f. 21 st June, 2011)
85.	Mahindra Technologies Services Inc.	112.	EPC Industrie Limited (w.e.f. 8 th September, 2011)
86.	Mahindra Punjab Tractors Private Limited	113.	Mahindra Telecommunications Investment Private Limited (w.e.f. 29 th September, 2011)
87.	Mahindra EcoNova Private Limited	114.	Navyug Special Steel Private Limited (w.e.f. 11 th November, 2011)
88.	Mahindra Conveyor Systems Private Limited	115.	Bell Tower Resorts Private Limited (w.e.f. 21 st December, 2011)
89.	BAH Hotelanlagen AG	116.	Mahindra Racing S.r.l. (w.e.f. 23 rd January, 2012)
90.	Mahindra Aerospace Australia Pty. Limited	117.	Swaraj Automotives Limited (w.e.f. 3 rd February, 2012)
91.	Aerostaff Australia Pty. 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.	Mahindra Composites Limited	4.	Mahindra & Mahindra Contech Limited
2.	Swaraj Automotives Limited (upto 2 nd February, 2012)	5.	Vayugrid Marketplace Services Private Limited
3.	Swaraj Engines Limited		

(ii) Joint Venture :

Sl. No.	Name of the Company
1.	Tech Mahindra Limited
2.	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

(iv) Key Management Personnel :

Vice-Chairman & Managing Director	Mr. Anand Mahindra
Executive Director & Group CFO	Mr. B.N. Doshi

(v) 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 a Subsidiary	Key Management Personnel	Welfare Funds
1.	Purchases :					
	Goods	5,877.09 (2,143.10)	518.94 (413.04)	122.14 (106.25)	— (—)	— (—)
	Fixed Assets	107.94 (12.53)	0.03 (—)	— (—)	— (—)	— (—)
	Services	1,132.23 (807.14)	3.70 (3.83)	4.08 (5.38)	— (—)	— (—)
2.	Sales :					
	Goods	1,545.75 (675.86)	0.91 (1.86)	— (—)	0.07 (—)	— (—)
	Fixed Assets	15.74 (18.99)	— (—)	— (—)	4.52 (—)	— (—)
	Services	80.23 (99.60)	1.11 (0.03)	3.50 (0.06)	— (—)	— (—)
3.	Investments :					
	Purchases/Subscribed	1,008.58 (567.37)	— (—)	— (—)	— (—)	— (—)
	Sales/Redemption/Conversion	— (37.72)	— (—)	— (—)	— (—)	— (—)
4.	Deputation of Personnel :					
	From Parties.....	0.23 (0.71)	0.42 (0.62)	— (—)	— (—)	— (—)
	To Parties	9.93 (7.61)	3.94 (5.00)	0.68 (0.21)	— (—)	— (—)
5.	Managerial Remuneration	— (—)	— (—)	— (—)	6.83 (5.57)	— (—)
6.	Stock Options	— (—)	— (—)	— (—)	# (#)	— (—)
7.	Finance :					
	Inter Corporate Deposits given	1,035.00 (403.37)	— (—)	— (—)	— (—)	— (—)
	Inter Corporate Deposits refunded by Parties	1,232.20 (463.60)	— (—)	— (—)	— (—)	— (—)
	Debenture issued by Parties	— (—)	— (8.00)	— (—)	— (—)	— (—)
	Interest Income	69.95 (45.86)	0.42 (4.57)	— (—)	— (—)	— (—)
	Interest Expense	— (—)	0.01 (—)	— (—)	— (—)	— (—)
	Dividend received	130.73 (103.65)	4.71 (3.99)	26.50 (20.26)	— (—)	— (—)

Refer Annexure I to the Directors' Report.

Rupees crores

Sl. No.	Nature of Transactions	Subsidiaries	Associate Companies	Joint Ventures /Joint Ventures of a Subsidiary	Key Management Personnel	Welfare Funds
	Security Deposits Paid.....	1.01 (—)	— (—)	— (—)	— (—)	— (—)
	Security Deposits Refunded to Parties	— (1.28)	— (—)	— (—)	— (—)	— (—)
	Share Application Money Given/Converted (Net).....	15.70 (15.70)	— (—)	— (—)	— (—)	— (—)
8.	Dividends Distributed.....	— (—)	— (—)	— (—)	1.40 (0.49)	61.77 (51.03)
9.	Guarantees and Collaterals given.....	19.97 (234.47)	— (—)	— (—)	— (—)	— (—)
10.	Other Transactions :					
	Other Income.....	10.36 (11.10)	0.32 (0.32)	0.23 (0.24)	— (—)	59.61 (49.24)
	Other Expenses.....	36.44 (18.57)	0.09 (0.02)	— (—)	— (—)	— (—)
	Reimbursements received from parties.....	128.22 (175.00)	0.84 (0.75)	0.07 (0.78)	— (—)	— (—)
	Reimbursements made to parties.....	69.68 (181.50)	— (0.01)	— (0.10)	— (—)	— (—)
	Advance Given	4.65 (1.80)	— (—)	— (—)	— (—)	— (—)
	Advances Refunded/Converted.....	10.50 (6.50)	— (—)	— (—)	— (—)	5.00 (—)
	Advance Received.....	— (19.00)	— (—)	— (—)	— (—)	— (—)
11.	Outstandings :					
	Payable.....	600.75 (326.30)	8.72 (8.05)	27.68 (9.60)	3.25 (2.78)	— (—)
	Receivable.....	738.51 (345.59)	4.56 (4.18)	2.12 (0.20)	— (—)	17.00 (22.00)
	Debentures/Bonds issued by Parties	453.84 (412.01)	8.00 (8.00)	— (—)	— (—)	— (—)
	Intercorporate Deposits given.....	278.88 (454.04)	4.59 (4.59)	— (—)	— (—)	— (—)
	Guarantees and Collaterals given.....	166.83 (316.62)	— (—)	— (—)	— (—)	— (—)
12.	Share Application Money Outstanding (Net).....	— (15.70)	— (—)	— (—)	— (—)	— (—)
13.	Provision for Doubtful debts/advances	5.99 (5.99)	7.17 (7.17)	— (—)	— (—)	10.00 (10.00)

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 a Subsidiary	Rupees crores
1.	Purchases - Goods	Mahindra Vehicle Manufacturers Limited	4,618.97 (1,153.38)	Swaraj Engines Limited	493.88 (390.89)	Mahindra Sona Limited	122.14 (106.25)
		Mahindra UGINE Steel Company Limited	— (451.82)				
		Mahindra Intertrade Limited	— (218.28)				
2.	Purchases - Services	Mahindra Logistics Limited	948.07 (680.12)	Mahindra & Mahindra Contech Limited	3.69 (3.83)	Tech Mahindra Limited	4.08 (5.38)
3.	Sales - Goods	Mahindra Vehicle Manufacturers Limited	710.09 (75.73)	Swaraj Engines Limited	0.91 (1.86)		
		Mahindra USA Inc.	252.55 (201.47)				
		NBS International Limited	194.03 (108.00)				
		Mahindra Navistar Automotives Limited	— (123.79)				
		Mahindra & Mahindra South Africa (Proprietary) Limited	— (80.84)				
4.	Sales - Services	Mahindra Navistar Automotives Limited	43.89 (41.94)	Swaraj Engines Limited	0.92 (*)	Mahindra Solar One Private Limited	2.11 (—)
		Mahindra Automobile Distributor Private Limited	8.63 (38.08)	Swaraj Automotives Limited	0.18 (—)	Tech Mahindra Limited	1.38 (0.02)
		Mahindra & Mahindra Financial Services Limited	9.35 (—)	Mahindra Composites Limited	— (0.01)	Mahindra Sona Limited	— (0.04)
				Mahindra & Mahindra Contech Limited	— (0.01)		
5.	Investments - Purchases	Mahindra Two Wheelers Limited	354.30 (—)				
		Mahindra Engineering and Chemical Products Limited	226.00 (—)				
		Mahindra Navistar Automotives Limited	156.05 (—)				
		Mahindra Vehicle Manufacturers Limited	— (377.25)				

* denotes amounts less than Rs. 50,000

Sl. No.	Nature of Transactions	Subsidiaries	Rupees crores	Associate Companies	Rupees crores	Joint Ventures/ Joint Ventures of a Subsidiary	Rupees crores
6.	Investments - Sales	Mahindra Holdings Limited	— (2.72)				
7.	Investments - Redemption/ Conversion	Mahindra Holdings Limited	— (25.00)				
		Mahindra Lifespace Developers Limited	— (10.00)				
8.	Advances Given	Mahindra Emirates Vehicle Armouring FZ-LLC	4.50 (—)				
		Mahindra Automotive Australia Pty. Limited	— (1.66)				
9.	Inter Corporate Deposits Given	Mahindra & Mahindra Financial Services Limited	800.00 (200.00)				
		Mahindra Two Wheelers Limited	159.50 (107.00)				
		Mahindra Engineering & Chemical Products Limited	— (72.00)				
10.	Inter Corporate Deposits refunded by parties	Mahindra & Mahindra Financial Services Limited	800.00 (200.00)				
		Mahindra Two Wheelers Limited	266.50 (—)				
		Mahindra Engineering & Chemical Products Limited	156.63 (—)				
		Mahindra Vehicle Manufacturers Limited	— (230.00)				
11.	Guarantees Given	Mahindra Yueda (Yancheng) Tractor Company Limited	19.97 (—)				
		Mahindra Automobile Distributor Private Limited	— (234.47)				

Previous year's figures are in brackets.

44. Joint Venture Disclosure :

(i) Jointly Controlled Entities by the Company :

Name of the Entity	Country of Incorporation	% Holding
(a) Tech Mahindra Limited.....	India	47.59%
(b) Mahindra Sona Limited.....	India	29.77%

(ii) Interests in the Assets, Liabilities, Income and Expenses with respect to Jointly Controlled Entities :

	Rupees crores	
	2012	2011
I. ASSETS		
1. Fixed Assets	415.35	335.38
2. Non Current Investments	1,631.01	1,382.58
3. Deferred Tax Assets.....	47.49	30.73
4. Long Term Loans and Advances	161.80	200.29
5. Current Investments.....	76.38	18.26
6. Inventories.....	8.65	8.96
7. Trade Receivables.....	648.22	513.59
8. Cash and Bank Balances.....	118.95	134.91
9. Short Term Loans and Advances.....	231.98	332.28
II. LIABILITIES		
1. Minority Interest	—	7.66
2. Long Term Borrowings	285.54	308.29
3. Deferred Tax Liabilities	0.63	0.21
4. Other Long Term Liabilities.....	204.80	188.94
5. Long Term Provisions	90.99	71.33
6. Short Term Borrowings.....	250.61	261.63
7. Trade Payables.....	184.25	129.09
8. Other Current Liabilities.....	290.65	270.39
9. Short Term Provisions	77.05	81.78
III. INCOME		
1. Revenue from Operations	2,698.40	2,547.89
2. Other Income.....	48.40	62.69
IV. EXPENSES		
1. Materials consumed and changes in inventories.....	55.33	46.94
2. Manufacturing, Selling expenses, Interest and Finance charges.....	2,275.33	2,062.01
3. Depreciation and Amortisation	77.95	70.15
4. Provision for taxation.....	71.92	66.39
5. Minority Interest	(1.71)	(0.96)
6. Share in Associate	265.08	(47.98)
V. OTHER MATTERS		
1. Contingent Liabilities.....	111.51	108.94
2. Capital Commitments.....	23.43	67.30

45. Value of Imports on C.I.F. basis accounted for during the year :

	Rupees crores	
	2012	2011
(i) Raw Materials.....	2.60	1.66
(ii) Components, Spare Parts etc.....	636.54	368.30
(iii) Capital Goods	150.11	275.12
(iv) Items imported for Resale.....	72.47	24.12
	861.72	669.20

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. 8.73 crores** (2011 : Rs. 8.58 crores).
 - (b) Imports on 'cost' basis **Rs. 729.20 crores** (2011 : Rs. 249.71 crores).

46. Expenditure in Foreign Currencies (Subject to deduction of tax where applicable) :

	Rupees crores	
	2012	2011
(i) Professional and Consultancy fees [including Rs. 23.29 crores (2011 : Rs. 2.73 crores) capitalised].....	80.31	46.40
(ii) Interest and Commitment charges.....	83.21	22.48
(iii) Others.....	103.05	91.85
	266.57	160.73

Notes :

- (i) Fee for use of technology, development expenditure and software expenditure [referred to in Note 1(C)]
 - (a) Written off during the year **Rs. 43.62 crores** (2011 : Rs. 12.89 crores); and
 - (b) amount remitted during the year **Rs. 123.82 crores** (2011 : Rs. 61.25 crores) net of tax deducted at source of **Rs. 8.74 crores** (2011 : Rs. 3.50 crores) are not included in the above figures.

47. 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		
2012 : 1		3,93,59,210	45.26	Year ended 31 st March, 2011
2011 : 1		2,99,36,811	28.44	Year ended 31 st March, 2010

48. Earnings in foreign exchange :

	Rupees crores	
	2012	2011
(i) Export of goods on F.O.B. basis	1,766.95	1,052.06
(ii) Interest	14.37	9.72
(iii) Others (freight etc.).....	76.30	38.12
	1,857.62	1,099.90

Notes :

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.

49. Previous year's figures have been regrouped/restated wherever necessary.

Signatures to Notes 1 to 49

Deepak S. Parekh Nadir B. Godrej M. M. Murugappan A. K. Nanda Narayanan Vaghul A. S. Ganguly R. K. Kulkarni Anupam Puri	}	Directors	Keshub Mahindra Anand G. Mahindra Bharat Doshi Narayan Shankar	Chairman Vice-Chairman & Managing Director Executive Director & Group CFO Company Secretary
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Mumbai, 30th May, 2012

Statement pursuant to Section 212 of the Companies Act, 1956, relating to Subsidiary Companies

Name of the Subsidiary Companies	Number of Shares in the Subsidiary Company held by Mahindra & Mahindra Limited at the financial year ending date		The net aggregate of profits/(losses) of the Subsidiary Companies so far as they concern the members of Mahindra & Mahindra Limited			
			For Current Financial Year		For Previous Financial Years	
	Equity	Extent of holding	Dealt with in the accounts of Mahindra & Mahindra Limited for the year ended 31 st March, 2012	Not dealt with in the accounts of Mahindra & Mahindra Limited for the year ended 31 st March, 2012	Dealt with in the accounts of Mahindra & Mahindra Limited for the year ended 31 st March, 2012	Not dealt with in the accounts of Mahindra & Mahindra Limited for the year ended 31 st March, 2012
			Nos.	%	Rupees crores	Rupees crores
Mahindra Engineering and Chemical Products Limited	2,79,98,462	100.00%	—	68.46	—	70.44
* Retail Initiative Holdings Limited.....	—	100.00%	—	(*)	—	(0.03)
♣ Mahindra Retail Private Limited.....	—	93.46%	—	(77.52)	—	(79.33)
* Mahindra Conveyor Systems Private Limited.....	—	91.50%	—	4.07	—	7.04
Mahindra Intertrade Limited	2,71,00,006	100.00%	—	70.54	12.45	193.10
@ Mahindra MiddleEast Electrical Steel Service Centre (FZC).....	—	90.00%	—	6.53	—	22.52
@ Mahindra Steel Service Centre Limited	—	61.00%	—	3.43	—	12.79
@ Mahindra Electrical Steel Private Limited (formerly known as Mahindra Electrical Steel Limited)	—	100.00%	—	(0.49)	—	(0.14)
Mahindra Consulting Engineers Limited	11,51,000	54.16%	—	1.13	0.32	1.95
Mahindra Holidays & Resorts India Limited	6,99,85,642	#82.69%	—	86.53	28.00	257.34
+ MHR Hotel Management GmbH.....	—	#62.02%	—	0.05	—	0.09
+ Mahindra Holidays and Resorts USA Inc.	—	#82.69%	—	(0.06)	—	0.28
+ Mahindra Hotels and Residences India Limited.....	—	#82.69%	—	(0.07)	—	(0.02)
+ Heritage Bird (M) Sdn.Bhd.	—	#82.69%	—	(0.14)	—	(0.37)
+ BAH Hotelanlagen AG.....	—	#81.81%	—	(0.07)	—	(0.13)
+ Bell Tower Resorts Private Limited	—	#82.69%	—	(1.68)	—	—
NBS International Limited	50,490	100.00%	—	1.20	—	0.80
Mahindra Ugine Steel Company Limited	1,64,66,789	50.69%	—	18.70	—	81.83
¥ Navyug Special Steel Private Limited.....	—	50.69%	—	(*)	—	—
Mahindra Holdings Limited	4,75,49,999	100.00%	—	8.55	—	7.76
◎ Mahindra United Football Club Private Limited.....	—	100.00%	—	(0.06)	—	0.18
◎ Mahindra Punjab Tractors Private Limited	—	100.00%	—	(*)	—	(*)
◎ Mahindra EPC Services Private Limited	—	100.00%	—	0.53	—	(0.22)
◎ Mahindra BPO Services Private Limited	—	100.00%	—	0.57	—	—
◎ Mahindra Telecommunications Investment Private Limited	—	100.00%	—	0.02	—	—
Mahindra Lifespace Developers Limited	2,08,46,126	51.05%	—	61.34	10.42	127.69
⊕ Mahindra Infrastructure Developers Limited.....	—	51.05%	—	(0.29)	—	0.41
⊕ Mahindra World City Developers Limited	—	42.18%	—	4.37	—	26.87
⊕ Mahindra World City (Jaipur) Limited	—	37.78%	—	3.29	—	4.15
⊕ Mahindra Integrated Township Limited.....	—	48.40%	—	(1.45)	—	(5.01)
⊗ Mahindra Residential Developers Limited	—	24.68%	—	2.69	—	(0.62)

* denotes amounts less than Rs. 50,000

Statement pursuant to Section 212 of the Companies Act, 1956, relating to Subsidiary Companies

Name of the Subsidiary Companies	Number of Shares in the Subsidiary Company held by Mahindra & Mahindra Limited at the financial year ending date		The net aggregate of profits/(losses) of the Subsidiary Companies so far as they concern the members of Mahindra & Mahindra Limited			
			For Current Financial Year		For Previous Financial Years	
			Dealt with in the accounts of Mahindra & Mahindra Limited for the year ended 31 st March, 2012	Not dealt with in the accounts of Mahindra & Mahindra Limited for the year ended 31 st March, 2012	Dealt with in the accounts of Mahindra & Mahindra Limited for the year ended 31 st March, 2012	Not dealt with in the accounts of Mahindra & Mahindra Limited for the year ended 31 st March, 2012
	Equity	Extent of holding				
	Nos.	%	Rupees crores	Rupees crores	Rupees crores	Rupees crores
✧ Mahindra World City (Maharashtra) Limited	—	51.05%	—	(0.01)	—	(0.57)
✧ Knowledge Township Limited	—	51.05%	—	(0.01)	—	(0.21)
✧ Mahindra Bebanco Developers Limited.....	—	35.73%	—	(0.66)	—	(0.14)
✧ Raigad Industrial & Business Park Limited.....	—	51.05%	—	(0.01)	—	(0.04)
✧ Industrial Township (Maharashtra) Limited	—	51.05%	—	(0.01)	—	(0.05)
✧ Anthurium Developers Limited.....	—	51.05%	—	(*)	—	(0.01)
✧ Watsonia Developers Limited	—	51.05%	—	(*)	—	(0.01)
Mahindra & Mahindra Financial Services Limited	5,82,41,532	#56.00%	—	347.27	58.24	671.14
◆ Mahindra Insurance Brokers Limited	—	#56.00%	—	7.56	—	23.88
◆ Mahindra Rural Housing Finance Limited	—	#49.00%	—	5.84	—	4.73
◆ Mahindra Business & Consulting Services Private Limited	—	#56.00%	—	0.04	—	0.37
Bristlecone Limited	42,22,250	79.60%	—	(6.51)	—	(21.66)
⊙ Bristlecone Inc.	—	79.60%	—	7.50	—	(44.70)
⊙ Bristlecone India Limited	—	79.60%	—	7.78	—	13.71
● Bristlecone (Singapore) Pte. Limited	—	79.60%	—	(0.23)	—	(3.86)
● Bristlecone GmbH	—	79.60%	—	1.10	—	0.70
⊙ Bristlecone UK Limited	—	79.60%	—	1.55	—	(13.39)
⊙ Bristlecone (Malaysia) Sdn.Bhd.	—	79.60%	—	0.24	—	0.62
⊙ Bristlecone Consulting Limited	—	79.60%	—	0.21	—	(0.02)
⊙ Bristlecone International AG	—	79.60%	—	0.19	—	—
Mahindra First Choice Wheels Limited	3,47,77,255	#52.15%	—	(5.99)	—	(41.60)
Mahindra USA Inc.	14,00,00,000	100.00%	—	8.78	—	(46.37)
Mahindra Gujarat Tractor Limited	16,83,218	60.00%	—	3.36	—	(12.72)
Mahindra Shubhlabh Services Limited	49,12,400	100.00%	—	0.62	—	(6.61)
Mahindra & Mahindra South Africa (Proprietary) Limited.....	5,20,00,000	100.00%	—	18.50	3.29	(5.60)
Mahindra Overseas Investment Company (Mauritius) Limited.....	6,84,84,000	100.00%	—	(76.70)	—	6.09
✧ Mahindra (China) Tractor Company Limited	—	88.55%	—	(9.05)	—	(80.26)
✧ Mahindra Racing S.r.l.....	—	100.00%	—	(0.01)	—	—
✧ Mahindra-BT Investment Company (Mauritius) Limited	—	57.00%	—	(0.20)	—	50.17
✧ Mahindra Europe S.r.l.	—	80.00%	—	(2.93)	—	2.90
✧ Mahindra Graphic Research Design S.r.l.	—	100.00%	—	0.64	—	(11.85)

* denotes amounts less than Rs. 50,000

Statement pursuant to Section 212 of the Companies Act, 1956, relating to Subsidiary Companies

Name of the Subsidiary Companies	Number of Shares in the Subsidiary Company held by Mahindra & Mahindra Limited at the financial year ending date		The net aggregate of profits/(losses) of the Subsidiary Companies so far as they concern the members of Mahindra & Mahindra Limited			
	Equity	Extent of holding	For Current Financial Year		For Previous Financial Years	
			Dealt with in the accounts of Mahindra & Mahindra Limited for the year ended 31 st March, 2012	Not dealt with in the accounts of Mahindra & Mahindra Limited for the year ended 31 st March, 2012	Dealt with in the accounts of Mahindra & Mahindra Limited for the year ended 31 st March, 2012	Not dealt with in the accounts of Mahindra & Mahindra Limited for the year ended 31 st March, 2012
			Rupees crores	Rupees crores	Rupees crores	Rupees crores
Nos.	%					
✘ Mahindra Yueda (Yancheng) Tractor Company Limited	—	51.00%	—	1.98	—	(6.02)
✘ Mahindra Emirates Vehicle Armouring FZ-LLC	—	51.00%	—	*	—	(1.08)
Mahindra Gears & Transmissions Private Limited	1,15,86,361	76.67%	—	2.88	0.20	1.86
Mahindra Engineering Services Limited	81,26,218	#88.67%	16.59	6.75	1.22	71.15
++ Mahindra Engineering Services (Europe) Limited	—	#88.67%	—	1.47	—	6.63
++ Mahindra Engineering GmbH	—	#88.67%	—	(0.75)	—	(3.57)
++ Mahindra Technologies Services Inc.	—	#88.67%	—	(0.19)	—	(0.40)
Mahindra Forgings Limited	4,88,25,609	52.97%	—	3.59	—	(77.76)
£ Stokes Group Limited	—	52.93%	—	3.21	—	(47.81)
Φ Stokes Forgings Dudley Limited	—	52.93%	—	—	—	0.62
Φ Jensand Limited	—	52.93%	—	—	—	(0.27)
Φ Stokes Forgings Limited	—	52.93%	—	—	—	(4.14)
£ Mahindra Forgings Global Limited	—	52.97%	—	(0.07)	—	(2.01)
£ Mahindra Forgings International Limited	—	52.97%	—	(0.54)	—	(23.03)
## Mahindra Forgings Europe AG	—	52.97%	—	(12.23)	—	6.93
● Gesenkschmiede Schneider GmbH	—	52.97%	—	26.45	—	(6.44)
● JECO-Jellinghaus GmbH	—	52.97%	—	(1.62)	—	(1.38)
● Falkenroth Umformtechnik GmbH	—	52.97%	—	0.88	—	(6.90)
● Schöneweiss & Co. GmbH	—	52.97%	—	(3.30)	—	(10.12)
Mahindra Automobile Distributor Private Limited	7,40,000	95.00%	—	13.32	—	—
Mahindra Navistar Automotives Limited	40,84,72,100	51.00%	—	(158.08)	—	(125.00)
Mahindra Hinoday Industries Limited	3,02,54,052	64.96%	—	(7.03)	—	(42.48)
Mahindra Vehicle Manufacturers Limited	96,22,50,000	100.00%	—	121.77	—	(1.90)
Mahindra Logistics Limited	5,76,99,900	100.00%	—	10.81	—	(7.00)
Mahindra Navistar Engines Private Limited	9,94,50,000	51.00%	—	(33.03)	—	(36.57)
Mahindra Aerospace Private Limited	6,45,91,000	66.67%	—	(0.24)	—	(3.22)
▲ Mahindra Aerospace Australia Pty. Limited	—	66.67%	—	(0.05)	—	(0.05)
α Aerostaff Australia Pty. Limited	—	66.67%	—	(4.41)	—	(2.64)
α Gipp Aero Investments Pty. Limited	—	50.07%	—	(0.03)	—	(0.04)
Σ Gippsaero Pty. Limited	—	50.07%	—	(9.91)	—	(2.95)
Σ GA8 Airvan Pty. Limited	—	50.07%	—	—	—	—
Σ GA200 Pty. Limited	—	50.07%	—	—	—	—
Σ Airvan Flight Services Pty. Limited	—	50.07%	—	—	—	—
Σ Nomad TC Pty. Limited	—	50.07%	—	—	—	—

* denotes amounts less than Rs. 50,000

Statement pursuant to Section 212 of the Companies Act, 1956, relating to Subsidiary Companies

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			For Current Financial Year		For Previous Financial Years	
	Equity	Extent of holding	Dealt with in the accounts of Mahindra & Mahindra Limited for the year ended 31 st March, 2012	Not dealt with in the accounts of Mahindra & Mahindra Limited for the year ended 31 st March, 2012	Dealt with in the accounts of Mahindra & Mahindra Limited for the year ended 31 st March, 2012	Not dealt with in the accounts of Mahindra & Mahindra Limited for the year ended 31 st March, 2012
			Rupees crores	Rupees crores	Rupees crores	Rupees crores
	Nos.	%				
▲ Mahindra Aerostructures Private Limited.....	—	66.67%	—	(3.75)	—	(1.27)
Mahindra First Choice Services Limited	4,50,00,000	100.00%	—	(15.05)	—	(22.62)
Mahindra Gears International Limited	2,07,00,001	100.00%	—	(0.11)	—	(0.31)
★ Mahindra Gears Global Limited	—	53.34%	—	(0.07)	—	(0.68)
⌘ Mahindra Gears Cyprus Limited.....	—	53.34%	—	0.49	—	(0.51)
⌘ Metalcastello S.p.A.	—	51.00%	—	(23.46)	—	(41.63)
■ Crest Geartech Private Limited.....	—	51.00%	—	(0.26)	—	0.65
Mahindra Automotive Australia Pty. Limited	23,75,000	100.00%	—	0.91	—	(8.56)
Mahindra Two Wheelers Limited	47,22,99,975	88.53%	—	(211.00)	—	(230.90)
Defence Land Systems India Private Limited	5,01,72,000	74.00%	—	(17.57)	—	(0.53)
Mahindra EcoNova Private Limited	10,000	100.00%	—	(*)	—	(*)
Mahindra Reva Electric Vehicles Private Limited	1,49,83,667	64.26%	—	(17.15)	—	(14.04)
Ssangyong Motor Company Limited	8,54,19,047	70.04%	—	(502.49)	—	—
◎◎Ssangyong European Parts Center B.V.	—	70.04%	—	1.48	—	—
◎◎Ssangyong Motor (Shanghai) Company Limited	—	70.04%	—	3.34	—	—
◎◎Ssangyong (Yizheng) Auto Parts Manufacturing Company Limited	—	70.04%	—	0.44	—	—
EPC Industrie Limited	65,77,865	38.10%	—	1.80	—	—
Swaraj Automotives Limited	17,06,925	71.19%	—	0.24	—	—

* denotes amounts less than Rs. 50,000

after considering shares issued to its ESOP Trust but not allotted to its employees.

- ★ a subsidiary of Mahindra Engineering and Chemical Products Limited
- ♣ a subsidiary of Retail Initiative Holdings Limited
- @ a subsidiary of Mahindra Intertrade Limited
- + a subsidiary of Mahindra Holidays & Resorts India Limited
- ¥ a subsidiary of Mahindra Ugine Steel Company Limited
- ◎ a subsidiary of Mahindra Holdings Limited
- ⊕ a subsidiary of Mahindra Lifespace Developers Limited
- ⌘ a subsidiary of Mahindra Integrated Township Limited
- ◆ a subsidiary of Mahindra & Mahindra Financial Services Limited
- ⊙ a subsidiary of Bristlecone Limited
- a subsidiary of Bristlecone India Limited

Statement pursuant to Section 212 of the Companies Act, 1956, relating to Subsidiary Companies

- ✕ a subsidiary of Mahindra Overseas Investment Company (Mauritius) Limited
- ++ a subsidiary of Mahindra Engineering Services Limited
- £ a subsidiary of Mahindra Forgings Limited
- Φ a subsidiary of Stokes Group Limited
- ## a subsidiary of Mahindra Forgings International Limited
- a subsidiary of Mahindra Forgings Europe AG
- ▲ 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 Mahindra Gears International Limited
- ✂ a subsidiary of Mahindra Gears Global Limited
- a subsidiary of Metalcastello S.p.A.
- ©© a subsidiary of Ssangyong Motor Company Limited

Note :

The financial year of all subsidiaries ended on 31st March, 2012, except for Mahindra Yueda (Yancheng) Tractor Company Limited, Ssangyong Motor Company Limited, Ssangyong European Parts Center B.V., Ssangyong Motor (Shanghai) Company Limited and Ssangyong (Yizheng) Auto Parts Manufacturing Company Limited whose financial years are 1st January, 2011 to 31st December, 2011.

Deepak S. Parekh
Nadir B. Godrej
M. M. Murugappan
A. K. Nanda
Narayanan Vaghul
A. S. Ganguly
R. K. Kulkarni
Anupam Puri

} Directors

Keshub Mahindra Chairman
Anand G. Mahindra Vice-Chairman & Managing Director
Bharat Doshi Executive Director & Group CFO
Narayan Shankar Company Secretary

Mumbai, 30th May, 2012



**CONSOLIDATED
ACCOUNTS**

Auditors' Report to the Board of Directors of Mahindra & Mahindra Limited

1. We have audited the attached Consolidated Balance Sheet of Mahindra & Mahindra Limited ("the Company"), its subsidiaries and jointly controlled entities (the Company, its subsidiaries and jointly controlled entities constitute "the Group") as at 31st March, 2012, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement of the Group for the year ended on that date, both annexed thereto. The Consolidated Financial Statements include investments in associates accounted on the equity method in accordance with Accounting Standard 23 (Accounting for Investments in Associates in Consolidated Financial Statements) and the jointly controlled entities accounted in accordance with Accounting Standard 27 (Financial Reporting of Interests in Joint Ventures) as notified under the Companies (Accounting Standards) Rules, 2006. These financial statements are the responsibility of the Company's Management and have been prepared on the basis of the separate financial statements and other financial information regarding components. Our responsibility is to express an opinion on these Consolidated Financial Statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and the disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by the Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We did not audit the financial statements of certain subsidiaries and joint ventures, whose financial statements reflect total assets (net) of Rs. 25,665.05 crores as at 31st March, 2012, total revenues of Rs. 9,414.96 crores and net cash outflows amounting to Rs. 191.38 crores for the year ended on that date as considered in the Consolidated Financial Statements. These financial statements have been audited by other auditors whose reports have been furnished to us and our opinion in so far as it relates to the amounts included in respect of these subsidiaries and joint ventures is based solely on the reports of the other auditors.
4. We report that the Consolidated Financial Statements have been prepared by the Company in accordance with the requirements of Accounting Standard 21 (Consolidated Financial Statements), Accounting Standard 23 (Accounting for Investment in Associates in Consolidated Financial Statements) and Accounting Standard 27 (Financial Reporting of Interests in Joint Ventures) as notified under the Companies (Accounting Standards) Rules, 2006.
5. As stated in Note 36, the auditors of Tech Mahindra Limited Group, (TML) a joint venture, based on the audit report on the accounts of its associate Satyam Computer Services Limited (SCSL) for the year ended 31st March, 2012, have issued a qualified opinion on the Consolidated Financial Statements of TML for the year ended 31st March, 2012 on certain matters, expressing their inability to comment whether adjustments would be necessary in the financial Statements of TML as a result of a number of items, in the SCSL accounts, including ongoing investigations and legal proceedings by various regulators and investigating agencies in respect of financial irregularities in SCSL relating to prior years; Net debit amounts aggregating Rs. 1,139.40 crores booked to 'Unexplained Differences Suspense Account (Net)' and fully provided for in prior years on the grounds of prudence in its accounts by SCSL; Alleged advances of Rs. 1,230.40 crores relating to prior years as claimed by various companies which is presented separately in the Balance Sheet of SCSL under 'Amount Pending Investigation Suspense Account (Net)'; Certain lawsuits filed by certain investors in the United States of America and the United Kingdom and adequacy or otherwise of the provision for taxation pertaining to prior years.
In view of the above, we are unable to comment on the consequential impact, if any, of the same on the Company's Post acquisition Share of Profit/(Loss) of Associates, Share of Investments and Reserves and Surplus of Joint Ventures, in the Consolidated Financial Statements of the Group.
6. Subject to the matter referred to in paragraph 5 above, based on our audit and on consideration of the separate audit reports on individual financial statements of the Company, its aforesaid subsidiaries, joint ventures and associates and to the best of our information and according to the explanations given to us, in our opinion, the Consolidated Financial Statements give a true and fair view in conformity with the accounting principles generally accepted in India :
 - (i) in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at 31st March, 2012;
 - (ii) in the case of the Consolidated Statement of Profit and Loss, of the profit of the Group for the year ended on that date; and
 - (iii) in the case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

For Deloitte Haskins & Sells
Chartered Accountants
(Registration No. 117364W)

B. P. Shroff
(Partner)

Mumbai, 30th May, 2012

Membership Number: 34382

Consolidated Balance Sheet as at 31st March, 2012

Rupees crores

	Note	2012	2011
I. EQUITY AND LIABILITIES			
SHAREHOLDERS' FUNDS :			
(a) Share Capital	4	294.52	293.62
(b) Share Capital Suspense Account		*	0.02
(c) Reserves and Surplus	5	16,475.69	13,990.44
		16,770.21	14,284.08
		4,525.16	4,336.64
MINORITY INTEREST			
NON-CURRENT LIABILITIES :			
(a) Long Term Borrowings.....	6	16,039.86	12,052.37
(b) Deferred Tax Liabilities (Net).....	7	722.62	468.39
(c) Other Long Term Liabilities.....	8	1,554.22	1,420.63
(d) Long Term Provisions	9	2,348.46	1,864.29
		20,665.16	15,805.68
CURRENT LIABILITIES :			
(a) Short Term Borrowings.....	10	2,889.63	2,061.94
(b) Trade Payables.....	11	10,043.48	6,921.72
(c) Other Current Liabilities.....	12	7,321.68	5,824.54
(d) Short Term Provisions.....	13	1,653.86	1,433.28
		21,908.65	16,241.48
		63,869.18	50,667.88
Total.....			
II. ASSETS			
NON CURRENT ASSETS :			
(a) Fixed Assets :			
Tangible assets.....	14A	16,444.71	14,099.24
Intangible assets	14B	2,859.23	2,771.87
Capital Work-in-Progress.....	14C	1,131.25	1,111.94
Intangible Assets Under Development	14D	357.04	296.34
		20,792.23	18,279.39
Less : Provision for impairment.....		2,099.85	2,163.26
		18,692.38	16,116.13
(b) Non Current Investments	15A	3,426.64	3,167.56
(c) Deferred Tax Assets (Net).....	7	338.16	331.31
(d) Long Term Loans and Advances.....	16	11,882.50	9,212.45
(e) Other Non Current Assets.....	17	465.04	655.00
(f) Foreign Currency Monetary Item Translation Difference Account...		53.82	—
		34,858.54	29,482.45
CURRENT ASSETS :			
(a) Current Investments.....	15B	1,920.57	1,546.41
(b) Inventories	18	7,157.67	5,449.15
(c) Trade Receivables.....	19	5,346.32	4,210.14
(d) Cash and Bank Balances.....	20	3,479.49	2,220.57
(e) Short Term Loans and Advances.....	21	9,940.30	6,985.26
(f) Other Current Assets	22	1,153.71	773.90
(g) Foreign Currency Monetary Item Translation Difference Account...		12.58	—
		29,010.64	21,185.43
		63,869.18	50,667.88
Total.....			

See accompanying notes to the Financial Statements

In terms of our report attached

For Deloitte Haskins & Sells
Chartered Accountants

B. P. Shroff
Partner

Deepak S. Parekh
Nadir B. Godrej
M. M. Murugappan
A. K. Nanda
Narayanan Vaghul
A. S. Ganguly
R. K. Kulkarni
Anupam Puri

Directors

Keshub Mahindra

Anand G. Mahindra

Bharat Doshi

Narayan Shankar

Chairman

Vice-Chairman & Managing Director

Executive Director & Group CFO

Company Secretary

Mumbai, 30th May, 2012

Mumbai, 30th May, 2012

Consolidated Statement of Profit and Loss for the year ended 31st March, 2012

Rupees crores

	Note	2012	2011
Revenue from Operations (Gross)	23	63,030.48	39,547.56
Less : Excise Duty		3,612.85	2,683.78
Revenue from Operations (Net)		59,417.63	36,863.78
Other Income.....	24	327.32	316.84
Total Revenue		59,744.95	37,180.62
EXPENSES :			
Cost of Materials Consumed	25	35,190.22	19,184.69
Purchases of Stock-in-Trade.....		1,452.71	1,265.92
Changes in Inventories of Finished Goods, Work-in-Progress, Stock-in-Trade and Manufactured Components	26	(1,159.27)	(452.77)
Employee Benefits Expense.....	27	6,590.87	4,222.27
Finance Costs	28	1,799.57	1,135.43
Depreciation and Amortisation Expense.....		1,801.67	972.40
Other Expenses	29	10,123.60	6,667.30
		55,799.37	32,995.24
Less : Cost of Manufactured/Purchased Products Capitalised		177.18	125.46
Total Expenses		55,622.19	32,869.78
Profit Before Exceptional Items and Tax.....		4,122.76	4,310.84
Add : Exceptional Items	37	60.76	204.03
Profit Before Tax.....		4,183.52	4,514.87
(Add)/Less : Tax Expense			
Current Tax.....		1,340.70	1,265.90
Less : MAT Credit Entitlement.....		(201.95)	(22.10)
Net Current Tax		1,138.75	1,243.80
Deferred Tax (Net).....		268.81	73.28
		1,407.56	1,317.08
Profit for the period before share of Profit/(Loss) of Associates and Minority Interest.....		2,775.96	3,197.79
Add/(Less) : Share of Profit/(Loss) of Associates for the year			
- From Ordinary Activities		261.75	124.51
- Exceptional Item		22.21	(131.83)
Add/(Less) : Share of Profit/(Loss) of Associates - Earlier period items			
- From Ordinary Activities		—	45.62
- Exceptional Item		—	(61.33)
Profit before Minority Interest		3,059.92	3,174.76
Minority Share in (Profit)/Loss		66.74	(95.03)
Net Profit		3,126.66	3,079.73
Earnings per equity share	38		
(Face value Rs. 5/- per share) (Rupees)			
Basic		53.18	53.46
Diluted.....		50.92	51.29
See accompanying notes to the Financial Statements			

In terms of our report attached

 For Deloitte Haskins & Sells
Chartered Accountants

 B. P. Shroff
Partner

Deepak S. Parekh Nadir B. Godrej M. M. Murugappan A. K. Nanda Narayanan Vaghul A. S. Ganguly R. K. Kulkarni Anupam Puri	}	Directors
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Keshub Mahindra

Anand G. Mahindra

Bharat Doshi

Narayan Shankar

Chairman

Vice-Chairman & Managing Director

Executive Director & Group CFO

Company Secretary

 Mumbai, 30th May, 2012

 Mumbai, 30th May, 2012

Consolidated Cash Flow Statement for the year ended 31st March, 2012

Rupees Crores

	2012	2011
A. CASH FLOW FROM OPERATING ACTIVITIES :		
Profit before exceptional items and taxation.....	4,122.76	4,310.84
Adjustments for :		
Depreciation, Amortisation and Impairment.....	1,803.23	973.19
Unrealised Loss/(Profit) on Exchange (Net)	53.28	(38.52)
Investment and Interest Income [Excluding Rs. 0.47 crores (2011 : Rs. 2.18 crores) in respect of financial enterprises consolidated]	(168.30)	(184.10)
Interest, Commitment and Finance Charges [Excluding Rs. 1,132.29 crores (2011 : Rs. 660.77 crores) in respect of financial enterprises consolidated]	667.28	465.72
Amortisation of Employee Stock Options Scheme	137.42	36.28
Profit on sale of investments (Net)	(58.42)	(35.89)
Profit on fixed assets sold/scrapped/written off (Net)	(12.23)	(8.22)
Provision for diminution in value of long term investments (Net)	—	6.56
Excess of cost over fair value of current investments (Net)	(0.05)	1.89
	<u>2,422.21</u>	<u>1,216.91</u>
Operating Profit before Working Capital changes	<u>6,544.97</u>	<u>5,527.75</u>
Changes in :		
Trade and other receivables	(1,664.89)	(1,749.62)
Loans against Assets *	(5,426.83)	(3,751.45)
Inventories	(1,771.69)	(947.74)
Trade and other payables.....	4,004.87	1,701.81
	<u>(4,858.54)</u>	<u>(4,747.00)</u>
Cash generated from operations.....	<u>1,686.43</u>	<u>780.75</u>
Income Taxes paid (Net of refunds)	<u>(1,625.12)</u>	<u>(1,357.76)</u>
NET CASH FROM/(USED IN) OPERATING ACTIVITIES	<u>61.31</u>	<u>(577.01)</u>
* In respect of financial enterprises consolidated		
B. CASH FLOW FROM INVESTING ACTIVITIES :		
Purchase of fixed assets	(3,337.02)	(2,652.63)
Sale of fixed assets	261.62	361.34
Purchase of investments.....	(25,093.69)	(27,412.78)
Sale of investments.....	24,779.64	27,580.44
Interest received	103.22	121.29
Dividends received	28.77	15.29
Inter corporate deposits (Net)	(39.02)	84.49
Purchase consideration paid on acquisition of holding interest in Subsidiaries	(76.56)	(677.19)
Sale Proceeds/Subsription (Net) received on divesture of Interest in subsidiaries/ Disposal of Subsidiaries	292.22	720.41
Exceptional Items :		
Sales Proceeds on sale of Long Term Investments.....	—	112.72
NET CASH USED IN INVESTING ACTIVITIES	<u>(3,080.82)</u>	<u>(1,746.62)</u>

Consolidated Cash Flow Statement (Contd.)

	Rupees Crores	
	2012	2011
C. CASH FLOW FROM FINANCING ACTIVITIES :		
Proceeds from Issue of Share Capital	—	8.68
Proceeds from borrowings	45,854.80	39,200.23
Repayments of borrowings	(40,047.03)	(36,533.53)
Dividends paid	(900.27)	(739.90)
Interest, Commitment and Finance charges paid	(651.88)	(498.43)
NET CASH FROM FINANCING ACTIVITIES	4,255.62	1,437.05
NET INCREASE/(DECREASE) IN CASH AND BANK BALANCES	1,236.11	(886.58)
CASH AND BANK BALANCES :		
Opening Balance	2,219.18	2,747.36
Cash and Bank Balance Acquired on Acquisition of Subsidiaries	25.01	358.41
Cash and Bank Balance on Disposal of Subsidiaries	(0.01)	(0.01)
Closing Balance	3,480.29	2,219.18

In terms of our report attached

For Deloitte Haskins & Sells
Chartered Accountants

Deepak S. Parekh
Nadir B. Godrej
M. M. Murugappan
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} Directors

B. P. Shroff
Partner

Keshub Mahindra
Anand G. Mahindra
Bharat Doshi
Narayan Shankar

Chairman
Vice-Chairman & Managing Director
Executive Director & Group CFO
Company Secretary

Mumbai, 30th May, 2012

Mumbai, 30th May, 2012

Notes to the Consolidated Cash Flow Statement for the year ended 31st March, 2012

	Rupees crores	
	2012	2011
1. Cash and Cash Equivalents	3,133.62	1,784.99
Other Bank Balances [includes Earmarked balances with banks Rs. 18.20 crores [2011 : Rs. 16.56 crores]]	345.87	435.58
	3,479.49	2,220.57
Unrealised Gain on foreign currency Cash and Cash Equivalents	0.80	(1.39)
Cash and Bank Balances	3,480.29	2,219.18

2. The following non cash transaction does not form part of Cash Flow :

Arising out of the scheme of arrangement, the Automotive business of Mahindra Automotive Distributor Private Limited (MADPL) was transferred and merged with the Company.

3. "Previous year's figures' have been regrouped/reclassified wherever necessary, including the deduction of a non cash item of Rs. 1,844.88 crores, being the provision for impairment of the fixed assets of Ssangyong Motor Company Limited, from 'Purchase of Fixed Assets' instead of 'Changes in Trade and other payables'."

Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2012

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 or Capital Reserve.
- (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 subsidiary.
- (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 31st March, 2012.

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 31-03-2012	as at 31-03-2011	as at 31-03-2012	as at 31-03-2011
Indian Subsidiaries					
1. Mahindra First Choice Wheels Limited*	India	54.83%	54.83%	—	—
2. Mahindra Lifespace Developers Limited	India	51.05%	51.05%	—	—
3. Mahindra Consulting Engineers Limited	India	54.16%	54.16%	—	—
4. Bristlecone India Limited	India	79.60%	79.94%	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	83.47%	83.71%	—	—
8. Mahindra Infrastructure Developers Limited	India	51.05%	51.05%	100.00%	100.00%
9. Mahindra Intertrade Limited	India	100.00%	100.00%	—	—
10. Mahindra & Mahindra Financial Services Limited*	India	56.72%	56.85%	—	—
11. Mahindra Steel Service Centre Limited	India	61.00%	61.00%	—	—
12. Mahindra Shubhlabh Services Limited	India	100.00%	83.05%	—	—
13. NBS International Limited	India	100.00%	100.00%	—	—
14. Mahindra Insurance Brokers Limited*	India	56.72%	56.85%	100.00%	100.00%
15. Mahindra Engineering Services Limited*	India	99.93%	97.79%	—	—
16. Mahindra World City Developers Limited	India	42.18%	42.18%	82.62%	82.62%
17. Mahindra Gears & Transmissions Private Limited	India	76.67%	53.34%	—	—
18. Mahindra Navistar Automotives Limited	India	51.00%	51.00%	—	—
19. Mahindra World City (Maharashtra) Limited	India	51.05%	51.05%	100.00%	100.00%
20. Mahindra Automobile Distributor Private Limited	India	95.00%	100.00%	—	—
21. Mahindra Ugine Steel Company Limited	India	50.69%	50.69%	—	—

Name of the Subsidiary Company	Country of Incorporation	Proportion of ownership interest		Proportion of voting power where different	
		as at 31-03-2012	as at 31-03-2011	as at 31-03-2012	as at 31-03-2011
22. Mahindra World City (Jaipur) Limited	India	37.78%	37.78%	74.00%	74.00%
23. Mahindra Integrated Township Limited	India	48.40%	48.42%	99.28%	99.34%
24. Mahindra Vehicle Manufacturers Limited	India	100.00%	100.00%	—	—
25. Mahindra Hinoday Industries Limited	India	64.96%	64.95%	—	—
26. Mahindra Forgings Limited	India	52.97%	50.67%	—	—
27. Mahindra Hotels and Residences India Limited*	India	83.47%	83.71%	100.00%	100.00%
28. Knowledge Township Limited	India	51.05%	51.05%	100.00%	100.00%
29. Mahindra Holdings Limited	India	100.00%	100.00%	—	—
30. Mahindra Logistics Limited	India	100.00%	100.00%	—	—
31. Mahindra Rural Housing Finance Limited*	India	49.63%	49.74%	87.50%	87.50%
32. Mahindra Residential Developers Limited	India	24.68%	24.69%	51.00%	51.00%
33. Mahindra Aerospace Private Limited	India	66.67%	66.67%	—	—
34. Mahindra First Choice Services Limited	India	100.00%	100.00%	—	—
35. Mahindra Navistar Engines Private Limited	India	51.00%	51.00%	—	—
36. Mahindra Bebanco Developers Limited	India	35.73%	35.73%	70.00%	70.00%
37. Industrial Township (Maharashtra) Limited	India	51.05%	51.05%	100.00%	100.00%
38. Crest Geartech Private Limited	India	51.00%	51.00%	100.00%	100.00%
39. Mahindra Business & Consulting Services Private Limited*	India	56.72%	56.85%	100.00%	100.00%
40. Mahindra Two Wheelers Limited	India	88.53%	80.00%	—	—
41. Defence Land Systems India Private Limited	India	74.00%	74.00%	—	—
42. Mahindra United Football Club Private Limited	India	100.00%	100.00%	—	—
43. Retail Initiative Holdings Limited	India	100.00%	100.00%	—	—
44. Mahindra Retail Private Limited	India	93.46%	89.51%	—	—
45. Mahindra Electrical Steel Private Limited (formerly known as Mahindra Electrical Steel Limited)	India	100.00%	100.00%	—	—
46. Raigad Industrial & Business Park Limited	India	51.05%	51.05%	100.00%	100.00%
47. Mahindra Conveyor Systems Private Limited	India	91.50%	91.50%	—	—
48. Mahindra Punjab Tractors Private Limited	India	100.00%	100.00%	—	—
49. Mahindra EcoNova Private Limited	India	100.00%	100.00%	—	—
50. Mahindra Reva Electric Vehicles Private Limited	India	64.26%	56.33%	—	—
51. Anthurium Developers Limited	India	51.05%	51.05%	100.00%	100.00%
52. Watsonia Developers Limited	India	51.05%	51.05%	100.00%	100.00%
53. Mahindra BPO Services Private Limited	India	100.00%	100.00%	—	—
54. Mahindra Aerostructures Private Limited	India	66.67%	66.67%	100.00%	100.00%
55. Mahindra EPC Services Private Limited	India	100.00%	100.00%	—	—
56. Mahindra Telecommunications Investment Private Limited (w.e.f. 29 th September, 2011)	India	100.00%	—	—	—
57. Navyug Special Steel Private Limited (w.e.f. 11 th November, 2011)	India	50.69%	—	100.00%	—

Name of the Subsidiary Company	Country of Incorporation	Proportion of ownership interest		Proportion of voting power where different	
		as at 31-03-2012	as at 31-03-2011	as at 31-03-2012	as at 31-03-2011
58. Bell Tower Resorts Private Limited(w.e.f. 21 st December, 2011)*	India	83.47%	—	100.00%	—
59. Swaraj Automotives Limited (w.e.f. 3 rd February, 2012)	India	71.19%	—	—	—
60. EPC Industrie Limited (w.e.f. 8 th September, 2011)	India	38.10%	—	—	—
Foreign Subsidiaries					
61. Mahindra Automotive Australia Pty. Limited	Australia	100.00%	92.63%	—	—
62. Mahindra Aerospace Australia Pty. Limited	Australia	66.67%	66.67%	100.00%	100.00%
63. Aerostaff Australia Pty. Limited	Australia	66.67%	66.67%	100.00%	100.00%
64. Gipp Aero Investments Pty. Limited	Australia	50.07%	50.07%	75.10%	75.10%
65. Gippsaero Pty. Limited	Australia	50.07%	50.07%	100.00%	100.00%
66. GA8 Airvan Pty. Limited	Australia	50.07%	50.07%	100.00%	100.00%
67. GA200 Pty. Limited	Australia	50.07%	50.07%	100.00%	100.00%
68. Airvan Flight Services Pty. Limited	Australia	50.07%	50.07%	100.00%	100.00%
69. Gipp Aero International Pty. Limited (upto 23 rd March, 2012)	Australia	—	50.07%	—	100.00%
70. Nomad TC Pty. Limited	Australia	50.07%	50.07%	100.00%	100.00%
71. BAH Hotelanlagen AG*	Austria	82.58%	82.81%	98.93%	98.93%
72. Bristlecone Consulting Limited	Canada	79.60%	79.94%	100.00%	100.00%
73. Bristlecone Limited	Cayman Islands	79.60%	79.94%	—	—
74. Mahindra (China) Tractor Company Limited	China	88.55%	85.90%	—	—
75. Mahindra Yueda (Yancheng) Tractor Company Limited	China	51.00%	51.00%	—	—
76. Ssangyong Motor (Shanghai) Company Limited	China	70.04%	70.04%	100.00%	100.00%
77. Ssangyong (Yizheng) Auto Parts Manufacturing Company Limited	China	70.04%	70.04%	100.00%	100.00%
78. Mahindra Gears Cyprus Limited	Cyprus	53.34%	53.34%	100.00%	100.00%
79. Bristlecone GmbH	Germany	79.60%	79.94%	100.00%	100.00%
80. Mahindra Engineering GmbH*	Germany	99.93%	97.79%	100.00%	100.00%
81. Mahindra Forgings Europe AG	Germany	52.97%	50.67%	100.00%	100.00%
82. Gesenkschmiede Schneider GmbH	Germany	52.97%	50.67%	100.00%	100.00%
83. JECO-Jellinghaus GmbH	Germany	52.97%	50.67%	100.00%	100.00%
84. Falkenroth Umformtechnik GmbH	Germany	52.97%	50.67%	100.00%	100.00%
85. Schöneweiss & Co. GmbH	Germany	52.97%	50.67%	100.00%	100.00%
86. MHR Hotel Management GmbH*	Germany	62.60%	62.78%	75.00%	75.00%
87. Mahindra Europe S.r.l.	Italy	80.00%	80.00%	—	—
88. Mahindra Graphic Research Design S.r.l.	Italy	100.00%	100.00%	—	—
89. Metalcastello S.p.A.	Italy	51.00%	51.00%	95.61%	95.61%
90. Engines Engineering S.r.l.* (upto 26 th September, 2011)	Italy	—	97.79%	—	100.00%
91. EFF Engineering S.r.l.* (upto 26 th September, 2011)	Italy	—	49.88%	—	51.00%
92. Mahindra Racing S.r.l. (w.e.f. 23 rd January, 2012)	Italy	100.00%	—	—	—
93. Ssangyong Motor Company Limited	South Korea	70.04%	70.04%	—	—
94. Mahindra Overseas Investment Company (Mauritius) Limited	Mauritius	100.00%	100.00%	—	—

Name of the Subsidiary Company	Country of Incorporation	Proportion of ownership interest		Proportion of voting power where different	
		as at 31-03-2012	as at 31-03-2011	as at 31-03-2012	as at 31-03-2011
95. Mahindra-BT Investment Company (Mauritius) Limited	Mauritius	57.00%	57.00%	—	—
96. Mahindra Forgings International Limited	Mauritius	52.97%	50.67%	100.00%	100.00%
97. Mahindra Forgings Global Limited	Mauritius	52.97%	50.67%	100.00%	100.00%
98. Mahindra Gears International Limited	Mauritius	100.00%	100.00%	—	—
99. Mahindra Gears Global Limited	Mauritius	53.34%	53.34%	—	—
100. Bristlecone (Malaysia) Sdn. Bhd.	Malaysia	79.60%	79.94%	100.00%	100.00%
101. Heritage Bird (M) Sdn. Bhd.*	Malaysia	83.47%	83.71%	100.00%	100.00%
102. Ssangyong European Parts Center B.V.	Netherlands	70.04%	70.04%	100.00%	100.00%
103. Bristlecone (Singapore) Pte. Limited	Singapore	79.60%	79.94%	100.00%	100.00%
104. Mahindra & Mahindra South Africa (Proprietary) Limited	South Africa	100.00%	100.00%	—	—
105. Bristlecone International AG (w.e.f. 21 st June, 2011)	Switzerland	79.60%	—	100.00%	—
106. Mahindra Middleeast Electrical Steel Service Centre (FZC)	UAE	90.00%	90.00%	—	—
107. Mahindra Emirates Vehicle Armouring FZ-LLC	UAE	51.00%	51.00%	—	—
108. Bristlecone UK Limited	U.K.	79.60%	79.94%	100.00%	100.00%
109. Stokes Group Limited	U.K.	52.93%	50.63%	99.92%	99.92%
110. Stokes Forgings Dudley Limited	U.K.	52.93%	50.63%	100.00%	100.00%
111. Jensand Limited	U.K.	52.93%	50.63%	100.00%	100.00%
112. Stokes Forgings Limited	U.K.	52.93%	50.63%	100.00%	100.00%
113. Mahindra Engineering Services (Europe) Limited*	U.K.	99.93%	97.79%	100.00%	100.00%
114. Mahindra USA Inc.	U.S.A.	100.00%	100.00%	—	—
115. Bristlecone Inc.	U.S.A.	79.60%	79.94%	100.00%	100.00%
116. Mahindra Holidays and Resorts USA Inc.*	U.S.A.	83.47%	83.71%	100.00%	100.00%
117. Mahindra Technologies Services Inc.*	U.S.A.	99.93%	97.79%	100.00%	100.00%

* excluding shares issued to ESOP Trust 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.

(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 31-03-2012	Percentage of ownership interest as at 31-03-2011
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. Tech Mahindra Limited	India	47.62%	48.20%
5. Mahindra Solar One Private Limited #	India	26.00%	26.00%
6. Mahindra Finance USA LLC @	U.S.A.	49.00%	49.00%

** 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.

The financial statements of the Joint Ventures are drawn up to 31st March, 2012.

(c) Investments in Associates :

The Group's Associates are :

Name of the Entity	Country of Incorporation	Percentage of ownership interest as at 31-03-2012	Percentage of ownership interest as at 31-03-2011
1. Mahindra Construction Company Limited	India	43.83%	43.83%
2. Officemartindia.com Limited	India	50.00%	50.00%
3. Rathna Bhoomi Enterprises Private Limited	India	25.53%	25.53%
4. Kota Farm Services Limited	India	45.00%	45.00%
5. Mriyalguda Farm Solution Limited	India	45.00%	45.00%
6. Mega One Stop Farm Services Limited	India	45.00%	45.00%
7. Mahindra Composites Limited	India	35.37%	35.44%
8. Swaraj Automotives Limited (upto 2 nd February, 2012)	India	—	44.19%
9. Swaraj Engines Limited	India	33.22%	33.22%
10. Mahindra & Mahindra Contech Limited	India	35.16%	35.16%
11. Vayugrid Marketplace Services Private Limited	India	21.83%	21.83%
12. EPC Industrie Limited (upto 7 th September, 2011)	India	—	38.00%
13. PSL Media & Communications Limited	India	36.12%	36.12%

2. Significant Accounting Policies :**(A) Basis of Accounting :**

The financial statements are prepared in accordance with the generally accepted accounting principles in India and comply with the Accounting Standards notified under sub-section (3C) of Section 211 of the Companies Act, 1956 and the relevant provisions thereof.

(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 31st 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 tangible assets is calculated on Straight Line Method over its useful life estimated by management or on the basis of depreciation rates prescribed under respective local laws.

(iii) Depreciation charge for each year is after deducting the amount representing the depreciation on the increase due to revaluation of Land and Buildings, transferred from the Revaluation Reserve.

(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) Timeshare Weeks :
Intangible assets representing 'timeshare weeks' are 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 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 :
All 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 tangible assets are added to or subtracted from the cost of such depreciable tangible 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.
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 :
- Sales of products and services are recognised when the products are shipped or services rendered. Income from long term contracts and sale of property (concerning property development activity) is, accounted for on percentage of completion basis. [Refer paragraph (J) below]
 - Dividends from investments are recognised in the Statement of Profit and Loss when the right to receive payment is established.

(J) Long Term Contracts and Property Development Activity :

Income on long term contracts and property development activity is accounted on the percentage of completion basis which necessarily involves technical estimates of the percentage of completion of each contract/activity and costs to completion of the contract/activity, on the basis of which profits/losses are accounted. Such estimates, made by the management and certified to the auditors, have been relied upon by them, as these are of a technical nature.

Project management fees receivable on fixed period contracts are accounted over the tenure of the contract/agreement. Where the management fee is linked to the input costs, revenue is recognised as a proportion of the work completed based on progress claim submitted. Where the management fees are linked to the revenue generation from the project, revenue is recognised on the percentage of completion basis.

(K) Income from loan, income from subvention/service/document charges :

Income from loan transactions is accounted for by applying the interest rate implicit in such contracts. Subvention received from dealers/manufacturers on retail cases is booked over the period of the contract. However, service charges and documentation charges are booked at the commencement of the contract.

(L) 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.

(M) Timeshare Business :

The activity of selling Timeshare 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 recognised as income on admission of member. Entitlement fee, which entitles the Timeshare member for the Timeshare facilities over the membership usage period, is recognised as income equally over the usage period.

(N) Employee Benefits :

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 Company is liable for the contribution and any shortfall in interest between the amount of interest realised by the investment and the interest payable to members at the rate declared by the Government of India.

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.

(O) 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 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.

(P) 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.

(Q) 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.

(R) 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.

(S) 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.

(T) Income from Securitisation and Assignment :

Securitised assets are derecognised as the contractual rights therein are transferred to the special purpose vehicle or buyers as the case may be. On derecognition, the difference between book value of the securitised asset and consideration received as reduced by the estimated provision for loss/expense and incidental expenses related to the transaction is recognised as gain or loss arising on securitisation.

In case of assignment of receivables, the assets are derecognised as all the rights, titles, future receivables and interest thereof are assigned to the purchaser. On derecognising, the difference between book value of the receivables assigned and consideration received as reduced by the estimated provision for loss/expense and incidental expenses related to the transaction is recognised as gain or loss arising on assignment.

3. Certain changes in Group Structure : During the year ended 31st March, 2012, the following changes in Group structure have taken place and the same have been appropriately dealt with in the Consolidated Financial Statements.

- (i) **Swaraj Automotives Limited (SAL) :** During the year, the Company made a voluntary open offer for 27% of the paid up share capital of its Associate Company SAL. The Offer was launched at a price of Rs. 90 per fully paid up equity share and was for an offer size of Rs. 5,82,64,380. The offer was fully tendered thereby increasing the stake of the Company in SAL from 44.19% to 71.19% thereby making SAL a subsidiary of the Company.
- (ii) **EPC Industrie Limited (EPC) :** During the year, the Company as required under SEBI (SAST) Regulations, 1997 made an open offer to acquire further 20% of the paid up capital of EPC at an open offer price of Rs. 67.55 per share. The Company received shares to the extent of 0.11% of the share capital of EPC through the offer raising the current shareholding in EPC to 38.10%. EPC is now controlled by the Company and is thus a subsidiary of the Company.
- (iii) **Mahindra Automobile Distributor Private Limited (MADPL) :** In accordance with the scheme of arrangement sanctioned by the Honourable High Court of Bombay vide its order dated 30th March, 2012, the Automotive business of MADPL (a subsidiary of the Company) was transferred and merged with the Company with effect from 1st April, 2011, the appointed date.
- (iv) **Mahindra Gears and Transmissions Private Limited (MGTPPL) :** During the year, the Company subscribed to the rights offer by MGTPPL thereby increasing its stake in the subsidiary from 53.34% to 76.67%.

4. Share Capital :

	Rupees crores	
	2012	2011
Authorised :		
1,20,00,00,000 Ordinary (Equity) Shares of Rs. 5 each	600.00	600.00
25,00,000 Unclassified Shares of Rs.100 each.....	25.00	25.00
	625.00	625.00
Issued and Subscribed :		
61,39,74,839 (2011 : 61,39,40,109) Ordinary (Equity) Shares of Rs.5 each fully paid up.....	306.99	306.97
Less :		
2,49,45,194 (2011 : 2,66,92,992) Ordinary (Equity) Shares of Rs.5 each fully paid up issued to ESOP Trust but not allotted to employees.....	12.47	13.35
Adjusted : Issued and Subscribed Share Capital	294.52	293.62

(A) Reconciliation of number of Ordinary (Equity) Shares and amount outstanding :

	2012		2011	
	No. of shares	Rupees crores	No. of shares	Rupees crores
Issued and Subscribed :				
Balance as at the beginning of the year	61,39,40,109	306.97	57,84,34,478	289.21
Add :				
Shares issued under Scheme of Arrangement with Mahindra Shubhlabh Services Limited	34,730	0.02	—	—
Shares issued to ESOP trust	—	—	1,73,53,034	8.68
Shares issued pursuant to conversion of Zero Coupon Convertible Bonds	—	—	1,81,52,597	9.08
Balance as at the end of the year	61,39,74,839	306.99	61,39,40,109	306.97
Less :				
Shares issued to ESOP trust but not allotted to Employees ..	2,49,45,194	12.47	2,66,92,992	13.35
Adjusted : Issued and Subscribed Share Capital	58,90,29,645	294.52	58,72,47,117	293.62

(B) The equity shares of the Company have rights and restrictions as prescribed under law, in particular the Companies Act, 1956.

(C) Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company :

Name of the Shareholder	2012		2011	
	No. of shares	% shareholding	No. of shares	% shareholding
(i) Life Insurance Corporation of India	8,47,14,974	13.80	8,86,41,107	14.44
(ii) M&M Benefit Trust.....	5,18,35,214	8.44	5,18,35,214	8.44
(iii) The Bank of New York Mellon (for GDR holders).....	3,42,93,405	5.59	3,64,89,443	5.94

(D) Issued and Subscribed Share Capital includes an aggregate of 6,61,93,634 (2011 : 6,61,58,904) 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 31st March, 2012.

5. Reserves and Surplus :

	Rupees crores	
	2012	2011
(A) Capital Reserve :		
Balance as at the beginning of the year	23.54	23.54
Add :		
Capital Grant during the year	3.83	—
Balance as at the end of the year	<u>27.37</u>	<u>23.54</u>
(B) Capital Reserve on Consolidation :		
Balance as at the beginning of the year	1,276.20	139.32
Add :		
On acquisition/increase in stake in subsidiaries during the year	14.62	1,137.07
Less :		
On sale of subsidiaries during the year	0.42	0.19
Balance as at the end of the year	<u>1,290.40</u>	<u>1,276.20</u>
(C) Securities Premium Account :		
Balance as at the beginning of the year	2,312.41	1,323.86
Add :		
(i) On account of exercise of employee stock options	21.23	3.43
(ii) Premium on conversion of Zero Coupon Convertible Bonds	—	827.80
(iii) Reversal/Reduction of provision for premium on conversion/redemption of Zero Coupon Convertible Bonds	—	158.45
	<u>2,333.64</u>	<u>2,313.54</u>
Less :		
Applied, in accordance with Section 78 of the Companies Act, 1956, towards :		
(i) Writing-off of share and bond/debenture issue expenses	0.10	1.13
	<u>2,333.54</u>	<u>2,312.41</u>
Less :		
Premium on shares issued to ESOP Trust but not allotted to employees [Note 5(N)]	78.25	80.39
Balance as at the end of the year	<u>2,255.29</u>	<u>2,232.02</u>
(D) Revaluation Reserve :		
Balance as at the beginning of the year	11.18	11.67
Add : On acquisition of new subsidiary	3.59	—
	<u>14.77</u>	<u>11.67</u>
Less :		
(i) Adjusted against depreciation for the year	0.28	0.25
(ii) Adjusted in respect of revalued Land and Buildings sold/demolished	0.14	0.24
Balance as at the end of the year	<u>14.35</u>	<u>11.18</u>

	2012	2011
(E) General Reserve :		
Balance as at the beginning of the year	1,927.37	1,361.51
Add :		
(i) Transfer from Surplus in Statement of Profit and Loss.....	412.66	371.97
(ii) Transfer from Investment Fluctuation Reserve	—	202.60
	2,340.03	1,936.08
Less :		
(i) Transfer to Investment Fluctuation Reserve.....	—	2.73
(ii) Transfer to Capital Redemption Reserve	—	5.11
(iii) Impact of tax rate change on net debit to General Reserve.....	—	0.87
	2,340.03	1,927.37
Add :		
Bonus shares issued to ESOP trust but not allotted to employees [Note 5(N)]	1.40	1.84
Balance as at the end of the year.....	2,341.43	1,929.21
(F) Debenture Redemption Reserve :		
Balance as at the beginning of the year	161.97	163.85
Add :		
Transfer from Surplus in Statement of Profit and Loss (Net).....	82.47	—
	244.44	163.85
Less :		
Transfer to Surplus in Statement of Profit and Loss (Net).....	—	1.88
Balance as at the end of the year	244.44	161.97
(G) Investment Fluctuation Reserve :		
Balance as at the beginning of the year	217.49	617.36
Add :		
Provision no longer required written back	114.24	2.73
	331.73	620.09
Less :		
Provision made during the year.....	123.74	402.60
Balance as at the end of the year.....	207.99	217.49
(H) Capital Redemption Reserve :		
Balance as at the beginning of the year	90.32	85.21
Add :		
Transfer from General Reserve	—	5.11
Balance as at the end of the year	90.32	90.32
(I) Special Reserve (As per Section 45 IC of the RBI Act) :		
Balance as at the beginning of the year	227.53	172.91
Add :		
Transfer from Statement of Profit and Loss.....	73.85	54.62
Balance as at the end of the year	301.38	227.53

	Rupees crores	
	2012	2011
(J) Hedging Reserve Account : [Note 5(O)]		
Balance as at the beginning of the year	9.27	80.02
Less :		
Loss on mark to market of hedging instruments designated and effective as hedges of future cash flows.....	255.69	70.75
Balance as at the end of the year.....	<u>(246.42)</u>	<u>9.27</u>
(K) Foreign Exchange Fluctuation Reserve :		
Balance as at the beginning of the year.....	(88.56)	(68.73)
Add :		
On currency translation during the year (Net).....	398.29	—
	<u>309.73</u>	<u>(68.73)</u>
Less :		
On currency translation during the year (Net).....	—	19.83
Balance as at the end of the year.....	<u>309.73</u>	<u>(88.56)</u>
(L) Employee Stock Options Outstanding :		
Balance as at the beginning of the year	243.23	13.49
Add :		
On account of options granted during the year	47.50	234.20
	<u>290.73</u>	<u>247.69</u>
Less :		
(i) Transfer to Securities Premium Account on exercise of options during the year.....	21.23	3.43
(ii) For options lapsed during the year.....	11.73	1.03
Balance as at the end of the year.....	<u>257.77</u>	<u>243.23</u>
Less :		
Deferred Employee Compensation Expense	147.07	209.28
Balance as at the end of the year.....	<u>110.70</u>	<u>33.95</u>
(M) Surplus in Statement of Profit and Loss :		
Balance as at the beginning of the year.....	7,866.32	6,036.06
Add :		
(i) Transfer from Debenture Redemption Reserve (Net)	—	1.88
(ii) Profit for the year.....	3,126.66	3,079.73
	<u>3,126.66</u>	<u>3,081.61</u>
Less :		
(i) Transfer to Debenture Redemption Reserve (Net).....	82.47	—
(ii) Transfer to General Reserve.....	412.66	371.97
(iii) Transfer to Special Reserve	73.85	54.62
(iv) Income-tax on Dividend.....	26.68	22.12
(v) Proposed Dividend [Rs. 12.50 per share (2011 : Rs. 11.50 per share)].....	767.48	706.08
(vi) Income-tax on Proposed Dividend.....	101.13	96.56
Balance as at the end of the year.....	<u>9,528.71</u>	<u>7,866.32</u>
Total Reserves and Surplus *	<u>16,475.69</u>	<u>13,990.44</u>

* [including Group Share in Joint Ventures Rs. 1,907.58 crores (2011 : Rs. 1,586.95 crores)]

(N) 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.11.07 crores** (2011 : Rs. 11.51 crores) and Securities Premium Account by **Rs.78.25 crores** (2011 : Rs. 80.39 crores) for the **2,21,49,114** shares of Rs. 5 each (2011 : 2,30,23,013 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. 1.40 crores** (2011 : Rs. 1.84 crores) for the **27,96,080** bonus shares of Rs. 5 each (2011 : 36,69,979 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 it, is included under Other Current Liabilities and Other Long Term Liabilities.

(O) Consequent to the announcement issued by The Institute of Chartered Accountants of India dated 29th March, 2008 in respect of forward exchange contracts and currency and interest rate swaps, the Company has applied the Hedge Accounting principles set out in the Accounting Standard (AS) 30 'Financial Instruments : Recognition and Measurement'. Accordingly, such contracts are marked to market and the loss aggregating **Rs. 246.42 crores** (2011 : Gain of Rs. 9.27 crores) arising consequently on contracts that were designated and effective as hedges of future cash flows has been recognised directly in the Hedging Reserve Account.

6. Long Term Borrowings :

	Rupees crores	
	2 0 1 2	2 0 1 1
(A) Secured :		
(i) Debentures/Bonds.....	3,674.71	1,168.86
(ii) Term Loan from Banks.....	6,952.86	7,113.49
(iii) Term Loan from Other Parties.....	386.04	357.92
(iv) Other Loans.....	1.24	2.66
	11,014.85	8,642.93
Group Share in Joint Ventures.....	592.09	289.20
	11,606.94	8,932.13
(B) Unsecured :		
(i) Debentures/Bonds.....	510.10	441.00
(ii) Term Loan from Banks.....	1,805.78	1,022.66
(iii) Term Loan from Other Parties.....	18.62	—
(iv) Fixed Deposits.....	1,078.96	724.17
(v) Other Loans.....	1,019.46	913.08
	4,432.92	3,100.91
Group Share in Joint Ventures.....	—	19.33
	4,432.92	3,120.24
	16,039.86	12,052.37

Secured borrowings are secured by a *pari-passu* charge on immovable properties of the entities both present and future, subject to certain exclusions and are also secured by *pari-passu* charge on the movable properties of the entities including movable machinery, machinery spares, tools and accessories, both present and future, subject to certain exclusions.

7. Deferred Tax Liabilities (Net) :

The components of Deferred Tax Liabilities and Assets are as under :

	Rupees crores	
	2012	2011
Deferred Tax Liabilities :		
(i) On fiscal allowances on fixed assets	689.09	644.90
(ii) Others	301.69	302.51
	990.78	947.41
Group Share in Joint Ventures	1.08	0.67
	991.86	948.08
Deferred Tax Assets :		
(i) On Provision for compensated absences	118.65	109.88
(ii) On Provision for doubtful debts/advances	227.05	237.05
(iii) On Unabsorbed depreciation carried forward #	23.15	228.61
(iv) Others	190.47	204.18
	559.32	779.72
Group Share in Joint Ventures	48.08	31.28
	607.40	811.00
	384.46	137.08
Deferred Tax Liabilities (Net)	722.62	468.39
Deferred Tax Assets (Net)	338.16	331.31
	384.46	137.08

(considered, as there are compensatory timing differences the reversal of which, will result in sufficient future taxable income against which this can be realised)

8. Other Long Term Liabilities :

	Rupees crores	
	2012	2011
(i) Trade Payables	49.62	56.37
(ii) Income Received in Advance	1,067.92	984.02
(iii) Interest accrued but not due on borrowings.....	39.64	25.77
(iv) Others	181.44	164.27
	1,338.62	1,230.43
Group Share in Joint Ventures	215.60	190.20
	1,554.22	1,420.63

Others include dealer deposits, advance from customers 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	
	2012	2011
(i) Provision for Employee Benefits [Note 32].....	1,561.27	1,252.90
(ii) Provision for Estimated Loss/Expenses on Assignment.....	197.54	233.09
(iii) Provision for Warranty [Note 31].....	445.23	263.84
(iv) Provision for Standard assets [Note 31]	25.03	16.83
(v) Provision others	25.80	24.38
	2,254.87	1,791.04
Group Share in Joint Ventures	93.59	73.25
	2,348.46	1,864.29

10. Short Term Borrowings :

	Rupees crores	
	2012	2011
(A) Secured :		
(i) Loans repayable on demand from banks and cash credit accounts from banks.....	1,936.65	1,346.65
(ii) Other loans and advances.....	120.77	127.44
	2,057.42	1,474.09
Group Share in Joint Ventures	17.71	0.21
	2,075.13	1,474.30
(B) Unsecured :		
(i) Loans repayable on demand from banks	128.58	91.82
(ii) Fixed Deposits	14.08	52.08
(iii) Other loans and advances.....	425.98	182.16
	568.64	326.06
Group Share in Joint Ventures	245.86	261.58
	814.50	587.64
	2,889.63	2,061.94

Loans and Advances from Banks are secured by a first charge on the whole of the Current Assets namely inventories, certain book debts, outstanding monies, receivables, claims, etc. both present and future.

11. Trade Payables :

	Rupees crores	
	2012	2011
(i) Acceptances	1,828.55	494.74
(ii) Total Payables - micro and small enterprises	94.16	41.04
(iii) Total Payables - other than micro and small enterprises	7,866.97	6,262.48
	9,789.68	6,798.26
Group Share in Joint Ventures	253.80	123.46
	10,043.48	6,921.72

12. Other Current Liabilities :

	Rupees crores	
	2012	2011
(i) Current maturities of long term debt	4,222.85	2,933.16
(ii) Interest accrued but not due on borrowings.....	204.08	179.48
(iii) Interest accrued and due on borrowings	9.87	0.97
(iv) Income received in advance.....	98.61	68.35
(v) Dividend Payable.....	10.19	8.33
(vi) Unclaimed matured deposits and interest accrued thereon	1.94	0.83
(vii) Other payables.....	2,449.62	2,301.09
	6,997.16	5,492.21
Group Share in Joint Ventures	324.52	332.33
	7,321.68	5,824.54

Other payables mainly include advance from customers, government dues and taxes payable, capital creditors and salary deductions payable.

13. Short Term Provisions :

	Rupees crores	
	2012	2011
(i) Provision for Employee Benefits [Note 32]	227.66	218.73
(ii) Proposed Dividend	767.48	706.08
(iii) Provision for Tax on Proposed Dividend	101.13	96.56
(iv) Provision for Warranty [Note 31].....	428.92	328.88
(v) Provision for Estimated Loss/Expenses on Assignment	31.93	21.17
(vi) Provision for Standard assets [Note 31]	20.58	15.38
(vii) Provision for losses to Project Completion	10.23	10.23
(viii) Others.....	46.69	24.93
	1,634.62	1,421.96
Group Share in Joint Ventures	19.24	11.32
	1,653.86	1,433.28

14. Fixed Assets :

Description of Assets	Rupees crores												
	Cost/ Professional valuation as at 31 st March, 2011	Additions during the year	Other adjustments during the year	Deductions and adjustments during the year	Cost/ Professional valuation as at 31 st March, 2012	Depreciation/ Amortisation to 31 st March, 2011	Depreciation /Amortisation for 2011-2012 year	Deductions and adjustments of Depreciation/ Amortisation	Depreciation/ Amortisation to 31 st March, 2012	Net Balance before Impairment as at 31 st March, 2012	Impairment as at 31 st March, 2012	Net Balance after Impairment as at 31 st March, 2012	Net Balance after Impairment as at 31 st March, 2011
A : Tangible Assets													
Land-Freehold	2,095.29	20.99	260.89	13.79	2,363.38	—	—	—	—	2,363.38	—	2,363.38	2,095.29
Land-Leasehold	503.60	35.56	11.51	3.59	547.08	22.58	8.54	(0.39)	31.51	515.57	—	515.57	481.02
Buildings-Freehold	5,162.67	552.53	384.97	136.72	5,963.45	1,353.51	139.23	(30.19)	1,522.93	4,440.52	857.43	3,583.09	3,055.95
Buildings-Leasehold	44.24	13.28	0.79	5.35	52.96	13.46	7.19	2.30	18.35	34.61	—	34.61	29.95
Plant and Equipment-Freehold	16,643.13	1,992.24	1,290.52	373.41	19,552.48	9,895.58	1,094.32	(589.62)	11,579.52	7,972.96	1,206.10	6,766.86	5,429.48
Plant and Equipment-Leasehold	79.96	3.37	5.26	0.01	88.58	49.69	5.67	(3.70)	59.06	29.52	—	29.52	30.27
Office Equipment	138.78	51.78	1.25	2.10	189.71	53.98	18.40	(3.94)	76.32	113.39	—	113.39	84.68
Furniture and Fixtures	767.24	305.08	49.13	101.09	1,020.36	456.07	87.09	(83.96)	627.12	393.24	28.25	364.99	284.72
Aircraft	56.82	—	—	—	56.82	0.45	3.19	—	3.64	53.18	—	53.18	56.37
Vehicles-Freehold	295.80	98.53	8.38	41.36	361.35	148.18	40.91	24.80	164.29	197.06	8.01	189.05	140.58
Vehicles-Leasehold	1.34	—	—	—	1.34	0.15	—	0.01	0.14	1.20	—	1.20	1.19
Sub Total	25,788.87	3,073.36	2,012.70	677.42	30,197.51	11,993.65	1,404.54	(684.69)	14,082.88	16,114.63	2,099.79	14,014.84	11,689.50
Group Share in Joint Ventures	627.46	104.95	0.39	34.27	698.53	325.59	72.63	29.77	368.45	330.08	—	330.08	301.87
Sub Total A	26,416.33	3,178.31	2,013.09	711.69	30,896.04	12,319.24	1,477.17	(654.92)	14,451.33	16,444.71	2,099.79	14,344.92	11,991.37
B : Intangible Assets													
Technical Knowhow	173.21	0.96	—	—	174.17	65.76	29.95	(39.23)	134.94	39.23	—	39.23	51.88
Development Expenditure	1,095.86	251.42	101.23	(12.25)	1,460.76	526.66	266.76	(56.71)	850.13	610.63	—	610.63	568.45
Computer Software	239.08	36.59	5.95	1.47	280.15	142.28	60.26	(3.73)	206.27	73.88	—	73.88	96.07
Websites	4.11	—	—	—	4.11	3.61	0.17	—	3.78	0.33	—	0.33	0.50
Non-Compete Fees	3.73	—	—	—	3.73	1.04	0.40	—	1.44	2.29	—	2.29	2.69
Time Share weeks	0.62	—	—	—	0.62	0.56	0.06	—	0.62	—	—	—	0.06
Trademarks	22.35	9.67	2.09	—	34.11	12.38	2.57	(7.63)	22.58	11.53	0.06	11.47	9.97
Other Intangible	58.68	7.19	3.59	12.48	56.98	27.60	6.21	7.19	26.62	30.36	—	30.36	30.60
Goodwill on consolidation	1,954.80	155.16	—	23.94	2,086.02	—	—	—	—	2,086.02	—	2,086.02	1,954.80
Sub Total	3,552.44	460.99	112.86	25.64	4,100.65	779.89	366.38	(100.11)	1,246.38	2,854.27	0.06	2,854.21	2,715.02
Group Share in Joint Ventures	3.86	9.52	—	2.13	11.25	2.38	5.50	1.59	6.29	4.96	—	4.96	1.46
Sub Total B	3,556.30	470.51	112.86	27.77	4,111.90	782.27	371.88	(98.52)	1,252.67	2,859.23	0.06	2,859.17	2,716.48

Rupees crores

Description of Assets	Cost/ Professional valuation as at 31 st March, 2011	Additions during the year	Other adjustments during the year	Deductions and adjustments during the year	Cost/ Professional valuation as at 31 st March, 2012	Depreciation/ Amortisation to 31 st March, 2011	Depreciation /Amortisation for 2011-2012	Deductions and adjustments of Depreciation/ Amortisation	Depreciation/ Amortisation to 31 st March, 2012	Net Balance before impairment as at 31 st March, 2012	Impairment as at 31 st March, 2012	Net Balance after impairment as at 31 st March, 2011
C : Capital Work-in-Progress										1,031.40	—	1,031.40
Group Share in Joint Ventures										99.85	—	99.85
Sub Total C										1,131.25	—	1,131.25
D : Intangible Assets under Development.....										356.35	—	356.35
Group Share in Joint Ventures										0.69	—	0.69
Sub Total D										357.04	—	357.04
Grand Total (A+B+C+D)	29,972.63	3,648.82	2,125.95	739.46	35,007.94	13,101.51	1,849.05	(753.44)	15,704.00	20,792.23	2,099.85	18,692.38
	13,931.49	16,478.52	118.90	556.28	29,972.63	5,330.99	7,877.93	107.41	13,101.51	18,279.39	2,163.26	16,116.13

(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. 0.28 crores** (2011 : Rs. 0.25 crores), representing depreciation on the increase due to revaluation of Land and Buildings transferred from Revaluation Reserve.
- (ii) An amount of **Rs. 0.05 crores** (2011 : Rs. 0.58 crores), representing depreciation on asset used for development work. This expenditure is transferred to development expenditure and is appropriately amortised.
- (iii) An amount of **Rs. Nil** (2011 : Rs. 0.16 crores), representing depreciation capitalised and included in Capital Work-in-Progress.

(c) The revaluation reserve is adjusted for an amount of **Rs. 0.14 crores** (2011 : Rs. 0.24 crores) in respect of revalued Land and Building sold/demolished during the year.

(d) Addition to tangible and intangible assets and depreciation/amortisation for the year include the following assets and accumulated depreciation/amortisation taken over on acquisition of subsidiaries :

Description of Assets	Cost	Accumulated Depreciation/ Amortisation
Land	5.33	-
Land-Leasehold	3.94	0.57
Buildings	43.76	7.82
Buildings-Leasehold	0.23	0.19
Plant and Equipment	57.51	31.55
Furniture and Fittings	7.98	3.72
Vehicles	1.52	0.88
Office Equipment	1.53	0.91
Computer Software	1.98	1.41
Total	123.78	47.05

Rupees crores

15. (A) Non Current Investments (At Cost, unless otherwise specified)

Rupees crores

	2012	2011
	Long Term	Long Term
Investments in Equity Instruments : (Non trade and fully paid-up)		
Unquoted :		
(i) In Other Companies	50.08	47.33
	50.08	47.33
Quoted :		
(i) In Other Companies	2.39	5.88
	2.39	5.88
Investments in Equity Instruments : (Trade and fully paid-up)		
Unquoted :		
(i) In Associate Companies	1.58	1.36
(ii) In Other Companies	12.03	12.03
	13.61	13.39
Quoted :		
(i) In Associate Companies	51.07	98.67
Investment in Equity Instruments	117.15	165.27
Investment in Preference Shares : (Non-trade and fully paid-up)		
Unquoted :		
(i) In Other Companies	37.15	35.23
Investment in Preference Shares : (Trade and fully paid-up)		
Unquoted :		
(i) In Associate Companies	5.64	5.64
(ii) In Other Companies	15.17	15.17
	20.81	20.81
Investment in Preference Shares	57.96	56.04
Investment in Government/Trust Securities :		
Unquoted :		
(i) Government Securities.....	0.01	0.01
(ii) Trust Securities	1,558.84	1,555.78
	1,558.85	1,555.79
Quoted :		
(i) Government Securities.....	147.26	93.60
Investment in Government/Trust Securities	1,706.11	1,649.39
Investment in Debentures/Bonds : (Trade and fully paid-up)		
Unquoted :		
(i) In Associate Companies	8.00	8.00
Other Investments :		
Unquoted	2.60	2.25
	1,891.82	1,880.95
Group Share in Joint Ventures	1,637.82	1,389.61
	3,529.64	3,270.56
Less : Provision for diminution in value of Long Term Investments.....	103.00	103.00
	3,426.64	3,167.56
Other Disclosures :		
(i) Aggregate amount of quoted Investments (Gross)	200.72	198.15
Market Value of quoted Investments	321.06	395.99
(ii) Aggregate amount of unquoted Investments	3,225.92	2,969.41

15. (B) Current Investments (At Cost, unless otherwise specified)

	Rupees crores	
	2012	2011
	Current	Current
Investment in Government/Trust Securities (Quoted) :	1.91	1.91
Investment in Debentures/Bonds (Quoted) :	83.31	72.75
Other Investments (Unquoted) :		
(i) Units	821.47	625.83
(ii) Certificate of Deposits	939.39	829.64
	1,760.86	1,455.47
Group Share in Joint Ventures	1,846.08	1,530.13
	76.43	18.27
	1,922.51	1,548.40
Less : Excess of Cost over fair value of Current Investments (Net)	1.94	1.99
	1,920.57	1,546.41
Other Disclosures :		
(i) Aggregate amount of quoted Investments (Gross)	85.22	74.66
Market Value of quoted Investments	83.50	73.26
(ii) Aggregate amount of unquoted Investments	1,835.35	1,471.75

16. Long Term Loans and Advances :

	Rupees crores	
	2012	2011
(A) Capital Advances :		
Secured, considered good	0.63	2.98
Unsecured, considered good	507.30	628.01
Doubtful	1.95	1.08
	509.88	632.07
Less : Provision for doubtful Capital Advances	1.95	1.08
	507.93	630.99
(B) Security Deposits :		
Secured, considered good	0.21	1.09
Unsecured, considered good	226.63	183.07
Doubtful	2.36	0.58
	229.20	184.74
Less : Provision for doubtful Security Deposits	2.36	0.58
	226.84	184.16
(C) Loans and Advances to Related Parties :		
Unsecured, considered good	7.00	12.00
Doubtful	10.00	10.00
	17.00	22.00
Less : Provision for doubtful Loans and Advances to Related Parties	10.00	10.00
	7.00	12.00
(D) Loans and Advances against Assets/Finance Receivables :		
Secured, considered good	9,362.28	6,280.19
Unsecured, considered good	51.14	20.15
Doubtful	181.35	201.50
	9,594.77	6,501.84
Less : Provision for doubtful Assets/Finance Receivables	179.74	195.24
	9,415.03	6,306.60

Rupees crores

	2012	2011
(E) Other Loans and Advances :		
Secured, considered good	6.00	0.20
Unsecured, considered good	1,596.02	1,935.70
Doubtful	11.47	13.03
	1,613.49	1,948.93
Less : Provision for doubtful Other Loans and Advances	11.47	13.03
	1,602.02	1,935.90
	11,758.82	9,069.65
Group Share in Joint Ventures	123.68	142.80
	11,882.50	9,212.45

Other Loans and Advances includes VAT receivable, payment towards income-tax & surtax, other recoverable expenses and advances to employees.

17. Other Non-Current Assets :

Rupees crores

	2012	2011
(A) Long Term Trade Receivables :		
Unsecured, considered good	363.36	445.14
Doubtful	0.46	0.68
	363.82	445.82
Less : Provision for doubtful Long Term Trade Receivables	0.46	0.64
	363.36	445.18
(B) Others	54.17	118.02
	417.53	563.20
Group Share in Joint Ventures	47.51	91.80
	465.04	655.00

18. Inventories :

Rupees crores

	2012	2011
(i) Raw Materials and Bought-out Components	2,322.76	1,880.27
(ii) Raw Materials and Bought-out Components in Transit	391.07	333.18
(iii) Contracts and Work-in-Progress	1,127.02	1,015.87
(iv) Work-in-Progress - Property Development Activity and Long term Contracts	593.89	568.18
(v) Manufactured Component	115.58	118.14
(vi) Finished Products produced	1,953.57	1,098.18
(vii) Stock-in-Trade	379.18	280.58
(viii) Stock-in-Trade in Transit	91.80	2.38
(ix) Stores and spares	114.55	95.95
(x) Loose Tools	55.41	43.96
(xi) Food, Beverages, Smokes and Operating Supplies	4.20	3.47
	7,149.03	5,440.16
Group Share in Joint Ventures	8.64	8.99
	7,157.67	5,449.15

19. Trade Receivables :

	Rupees crores	
	2012	2011
(A) Secured, considered good :		
Outstanding for a period exceeding six months from the date they are due for payment	9.10	10.28
Others	996.52	572.32
	1,005.62	582.60
(B) Unsecured, considered good :		
Outstanding for a period exceeding six months from the date they are due for payment	297.09	261.28
Others	3,395.53	2,838.49
	3,692.62	3,099.77
(C) Doubtful :		
Outstanding for a period exceeding six months from the date they are due for payment	117.39	134.96
Others	14.13	24.44
	131.52	159.40
Less : Provision for doubtful Trade Receivables	130.26	157.36
	130.26	157.36
	4,699.50	3,684.41
Group Share in Joint Ventures	646.82	525.73
	5,346.32	4,210.14

20. Cash and Bank Balances :

	Rupees crores	
	2012	2011
(A) Cash and Cash Equivalents :		
Balances with Banks :		
(i) On Current Accounts	1,021.01	1,100.17
(ii) Fixed Deposits with original maturity less than 3 months	1,679.75	331.78
	2,700.76	1,431.95
Cheques, drafts on hand	300.82	199.99
Cash on hand	11.46	14.70
	3,013.04	1,646.64
(B) Other Bank Balances :		
Earmarked balances with banks	18.20	16.56
Balances with Banks :		
(i) On Margin Accounts	68.75	66.99
(ii) Fixed Deposits with original maturity greater than 3 months, but less than 12 months	209.00	218.75
(iii) Fixed Deposits with original maturity greater than 12 months	23.94	109.92
	301.69	395.66
Franking and Stamps on hand	0.03	0.02
	319.92	412.24
	3,332.96	2,058.88
Group Share in Joint Ventures	146.53	161.69
	3,479.49	2,220.57

21. Short Term Loans and Advances :

	Rupees crores	
	2012	2011
(A) Loans and Advances to Related Parties :		
Secured, considered good	2.81	—
Unsecured, considered good	4.72	0.72
Doubtful	6.42	5.08
	13.95	5.80
Less : Provision for doubtful Loans and Advances to Related Parties	6.42	5.08
	7.53	0.72
(B) Loans and Advances against Assets/Finance Receivables :		
Secured, considered good	7,003.48	4,930.61
Unsecured, considered good	730.31	532.24
Doubtful	363.94	344.25
	8,097.73	5,807.10
Less : Provision for doubtful Loans and Advances against Assets/Finance Receivables	141.77	169.54
	7,955.96	5,637.56
(C) Other Loans and Advances :		
Secured, considered good	44.66	59.56
Unsecured, considered good	1,477.67	1,183.13
Doubtful	51.73	39.63
	1,574.06	1,282.32
Less : Provision for doubtful other Loans and Advances	51.73	39.63
	1,522.33	1,242.69
	9,485.82	6,880.97
Group Share in Joint Ventures	454.48	104.29
	9,940.30	6,985.26

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	
	2012	2011
(i) Assets held for sale	150.28	149.37
(ii) Others	1,008.32	571.63
	1,158.60	721.00
Less :		
(i) Provision for impairment	136.88	136.88
(ii) Provision for doubtful other current assets	28.90	15.50
	992.82	568.62
Group Share in Joint Ventures	160.89	205.28
	1,153.71	773.90

23. Revenue from Operations :

	Rupees crores	
	2012	2011
Sale of Products	53,997.53	32,210.71
Sale of Services.....	1,652.59	1,471.49
Other Operating Revenues :		
(i) Income from long term contracts	545.21	494.04
(ii) Hire purchase, lease and rental income	146.40	104.37
(iii) Scrap Sales	441.17	289.34
(iv) Interest income of Finance companies	2,824.64	2,021.10
(v) Profit on sale of tangible assets (Net).....	2.89	4.07
(vi) Government Grant and Incentives.....	288.61	281.24
(vii) Others.....	403.04	223.28
	4,651.96	3,417.44
	60,302.08	37,099.64
Group Share in Joint Ventures	2,728.40	2,447.92
	63,030.48	39,547.56

24. Other Income :

	Rupees crores	
	2012	2011
Interest Income :		
(i) Interest on Government Securities, Debentures and Bonds	5.52	8.22
(ii) Interest-others	98.58	93.25
	104.10	101.47
Dividends on other long term Investments	0.25	0.30
Dividends on other current Investments.....	63.03	68.16
Profit/(Loss) on sale of long term Investments (Net)	14.33	6.44
Profit/(Loss) on sale of current Investments (Net)	43.98	29.42
Profit on sale of tangible assets (Net).....	9.41	3.66
Other non operating Income.....	86.25	101.82
	321.35	311.27
Group Share in Joint Ventures	5.97	5.57
	327.32	316.84

25. Cost of Materials Consumed :

	Rupees crores	
	2012	2011
Opening Stock.....	2,213.45	1,112.05
Add : Purchases	35,627.85	19,627.12
	37,841.30	20,739.17
Add : Stock taken over on Acquisition.....	9.63	613.96
	37,850.93	21,353.13
Less : Closing Stock.....	2,713.83	2,213.45
	35,137.10	19,139.68
Group Share in Joint Ventures	53.12	45.01
	35,190.22	19,184.69

26. Changes in Inventories of Finished Goods, Work-in-Progress, Stock-in-Trade and Manufactured Components :

	Rupees crores	
	2012	2011
Opening Stock :		
(i) Stock-in-Trade.....	282.96	191.35
(ii) Manufactured Components.....	118.14	78.83
(iii) Contracts and Work-in-Progress	1,015.87	804.78
(iv) Finished Products Produced	1,098.18	668.78
	2,515.15	1,743.74
Add : Stock on Acquisition/(Disposal)		
(i) Manufactured Components.....	—	7.93
(ii) Contracts and Work-in-Progress	(17.78)	115.87
(iii) Finished Products Produced	11.11	195.77
	(6.67)	319.57
Less : Closing Stock		
(i) Stock-in-Trade.....	470.98	282.96
(ii) Manufactured Components.....	115.58	118.14
(iii) Contracts and Work-in-Progress	1,127.02	1,015.87
(iv) Finished Products Produced	1,953.57	1,098.18
	3,667.15	2,515.15
	(1,158.67)	(451.84)
Group Share in Joint Ventures	(0.60)	(0.93)
Increase in Stock.....	(1,159.27)	(452.77)

27. Employee Benefits Expense :

	Rupees crores	
	2012	2011
Salaries, Wages, Bonus, etc.....	4,132.30	2,610.65
Contribution to Provident and other funds.....	453.07	206.63
Employee Stock Compensation Expense	117.81	31.68
Welfare	502.00	249.43
	5,205.18	3,098.39
Group Share in Joint Ventures	1,385.69	1,123.88
	6,590.87	4,222.27

28. Finance Costs :

	Rupees crores	
	2012	2011
Interest Expense	1,697.86	1,050.13
Finance charges	49.68	34.44
	1,747.54	1,084.57
Group Share in Joint Ventures	52.03	50.86
	1,799.57	1,135.43

29. Other Expenses :

	Rupees crores	
	2012	2011
Stores consumed.....	359.90	269.99
Tools consumed.....	77.09	76.05
Power and Fuel.....	865.82	601.80
Rent including lease rentals	293.39	169.61
Rates and Taxes	180.22	70.61
Insurance.....	67.29	48.82
Repairs and Maintenance :		
(a) Buildings.....	55.44	47.31
(b) Machinery.....	297.27	199.72
(c) Others	136.06	85.94
	488.77	332.97
Advertisement.....	398.80	322.40
Commission on sales/contracts (Net)	428.39	209.53
Freight outward.....	1,642.19	1,151.43
Sales Promotion Expenses	602.23	303.42
Dealer incentives	505.00	289.31
Travelling and Conveyance Expenses.....	290.48	254.37
Cost of Projects, Property etc.....	359.71	340.49
Subcontracting, Hire and Service Charges.....	752.72	355.82
Provision for doubtful trade and other receivables, loans and advances.....	(27.23)	(43.32)
Donations and contributions.....	27.69	24.28
Miscellaneous expenses	1,988.29	1110.84
Net Increase of cost over fair value of current investments.....	(0.05)	1.89
	9,300.70	5,890.31
Group Share in Joint Ventures	822.90	776.99
	10,123.60	6,667.30

30. During the year, Mahindra & Mahindra Financial Services Limited has without recourse assigned loan receivables of **Rs. 56,559** (2011 : 36,618) contracts amounting to **Rs. 1,487.41 crores** (2011 : Rs. 1,227.64 crores) (including future interest receivable) for a consideration of **Rs. 1,487.41 crores** (2011 : Rs. 1,089.31 crores) and de-recognised the assets from the books. The income booked in respect of assignment of receivables includes certain amount towards cost of future servicing of the assigned pool and an appropriate amount has been provided towards expenditure for future services. On assignment of receivables, income recognised upfront for the current period is **Rs. Nil** (2011 : Rs. 151.52 crores) against which a provision for estimated losses/expenses of **Rs. Nil** (2011 : Rs. 98.30 crores) is made. During the year, all the assignment transactions are on "at par" basis as against "premium structure" transactions during the previous year. During the year, the provision in respect of assignment transactions amounting to **Rs. 24.79 crores** (2011 : Rs. 36.48 crores) considered no longer necessary has been written back.
31. (a) Provision for warranty **Rs. 874.15 crores** (2011 : Rs. 592.72 crores) 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 for retired assets **Rs. 15.79 crores** (2011 : Rs. 15.83 crores) is in respect of diminution in value of certain assets substantially retired from active use.
- (c) Provision on standard assets **Rs. 45.61 crores** (2011 : Rs. 32.21 crores) in accordance with the Notification No. DNBS.222/CGM (US)-2011 dated 17th January, 2011 issued by the Reserve Bank of India.

The movement in above provisions is as follows :

Rupees crores

	Warranty		Retired Assets		Standard Assets	
	2012	2011	2012	2011	2012	2011
Balance as at 1 st April.....	592.72	214.72	15.83	15.83	32.21	—
Add :						
On Acquisition during the year	—	343.45	—	—	—	—
Provision made during the year.....	383.07	156.73	—	—	13.40	32.21
	975.79	714.90	15.83	15.83	45.61	32.21
Less :						
Utilisation during the year	158.10	122.18	0.04	—	—	—
	817.69	592.72	15.79	15.83	45.61	32.21
Add :						
Adjustments due to Exchange Difference.....	56.46	—	—	—	—	—
Balance as at 31 st March	874.15	592.72	15.79	15.83	45.61	32.21
Out of the above,						
Classified as Current	428.92	328.88	15.79	15.83	20.58	15.38
Classified as Non-Current	445.23	263.84	—	—	25.03	16.83
Total.....	874.15	592.72	15.79	15.83	45.61	32.21

32. Employee Defined Benefits :

Defined Benefit Plans - as per Actuarial valuation on 31st March, 2012

Rupees crores

	Funded Plan		Unfunded Plans					
	Gratuity		Gratuity		Post Retirement Medical Benefits		Post Retirement Housing Allowance	
	2012	2011	2012	2011	2012	2011	2012	2011
A. Expense recognised in the Statement of Profit and Loss for the year ended 31st March								
1. Current Service Cost	34.58	28.64	110.35	12.03	1.02	0.63	1.98	1.37
2. Interest Cost	32.54	31.94	39.30	3.79	1.24	0.86	1.47	1.02
3. Expected return on Plan Assets	(23.54)	(24.09)	—	—	—	—	—	—
4. Actuarial (Gains)/Losses	11.82	19.57	76.65	(2.41)	(2.35)	3.36	5.97	3.24
5. Past Service Cost	0.22	0.41	—	0.20	—	—	—	—
6. Settlement Cost	0.18	—	(0.01)	—	—	—	—	—
7. Effect of the limit in Para 59(b) of the revised AS 15	0.04	0.11	—	—	—	—	—	—
8. Total expense recognised in Employee Benefits Expense	55.84	56.58	226.29	13.61	(0.09)	4.85	9.42	5.63
B. Net Asset/(Liability) recognised in the Balance Sheet as at 31st March								
1. Present Value of Defined Benefit Obligation as at 31 st March	500.09	435.87	1,024.92	781.33	13.87	14.36	24.95	16.18
2. Fair value of Plan Assets as at 31 st March	383.57	338.13	—	—	—	—	—	—
3. Amount not recognised as an asset	0.10	0.11	—	—	—	—	—	—
4. Trust Fund Receivable	—	—	15.10	14.51	—	—	—	—
5. Net Asset/(Liability) as at 31 st March	(116.62)	(97.85)	(1,009.82)	(766.82)	(13.87)	(14.36)	(24.95)	(16.18)

Rupees crores

	Funded Plan		Unfunded Plans					
	Gratuity		Gratuity		Post Retirement Medical Benefits		Post Retirement Housing Allowance	
	2012	2011	2012	2011	2012	2011	2012	2011
C. Change in the obligations during the year ended 31st March								
1. Present Value of Defined Benefit Obligation at the beginning of the year	435.87	378.12	781.33	46.30	14.36	9.82	16.18	10.99
2. Adjustment to the opening balance/exchange rate variation	2.35	0.11	102.36	4.31	—	—	—	—
3. Obligations arising on account of acquisitions during the year	4.62	1.57	0.03	721.82	—	—	—	—
4. Current Service Cost	34.58	28.64	110.35	12.03	1.02	0.63	1.98	1.37
5. Interest Cost	32.54	31.94	39.30	3.79	1.24	0.86	1.47	1.02
6. Actuarial (Gains)/Losses	20.26	23.32	76.65	(2.41)	(2.35)	3.36	5.97	3.24
7. Benefits paid	(30.35)	(28.24)	(85.10)	(4.71)	(0.40)	(0.31)	(0.65)	(0.44)
8. Past Service Cost	0.22	0.41	—	0.20	—	—	—	—
9. Present Value of Defined Benefit Obligation at the end of the year	500.09	435.87	1,024.92	781.33	13.87	14.36	24.95	16.18
D. Change in the fair value of Plan Assets during the year ended 31st March								
1. Fair value of Plan Assets at the beginning of the year	338.13	305.04	—	—	—	—	—	—
2. Adjustment to the opening balance/exchange rate variation	—	(0.07)	—	—	—	—	—	—
3. Fair value of Plan Assets arising on account of acquisitions during the year	2.84	0.79	—	—	—	—	—	—
4. Expected return on Plan Assets	23.54	24.09	—	—	—	—	—	—
5. Actuarial Gains/(Losses)	8.44	3.75	—	—	—	—	—	—
6. Contributions by employer	40.46	31.91	—	—	0.40	0.31	0.65	0.44
7. Actual Benefits paid	(29.84)	(27.38)	—	—	(0.40)	(0.31)	(0.65)	(0.44)
8. Fair value of Plan Assets at the end of the year	383.57	338.13	—	—	—	—	—	—
9. Actual return on Plan Assets	28.64	25.36	—	—	—	—	—	—
E. Major category of Plan Assets as a percentage of total plan								
Insurer Managed Funds	100.00%	98.55%	—	—	—	—	—	—
Others	—	1.45%	—	—	—	—	—	—
F. Actuarial Assumptions								
1. Discount Rate (Basis - prevailing market yields of govt securities)	8.00% - 8.75%	7.50% - 8.50%	4.02% - 8.70%	4.70% - 8.50%	7.90% - 8.30%	7.90% - 8.20%	8.30%	8.20%
2. Expected rate of return on Plan Assets	7.50% - 9.50%	7.50% - 9.30%	—	—	—	—	—	—
3. Attrition rate	1.00% - 20.00%	1.00% - 15.00%	1.00% - 25.00%	2.00% - 20.00%	6.00% - 14.00%	5.00% - 14.00%	—	—
4. Medical Premium inflation	—	—	—	—	7.00%	5.30% - 7.00%	—	—

	One percentage point increase in medical inflation rate	One percentage point decrease in medical inflation rate
G. Effect of one percentage point change in the assumed medical inflation rate		
Current Year		
Effect on the aggregate service and interest cost of Post Employment Medical benefits	34.41	(28.35)
Effect on the accumulated Post Employment Medical benefit obligations	191.72	(161.36)
Previous Year		
Effect on the aggregate service and interest cost of Post Employment Medical benefits	0.42	(0.34)
Effect on the accumulated Post Employment Medical benefit obligations	2.19	(1.82)

H. Experience Adjustments	Period ended				
	2012	2011	2010	2009	2008
Gratuity (Funded)					
Defined Benefit obligation	500.09	435.87	378.12	341.72	278.71
Plan Assets	383.57	338.13	305.04	239.13	217.95
(Deficit)/Surplus	(116.52)	(97.74)	(73.08)	(102.59)	(60.76)
Experience adjustments on Plan Liabilities	20.90	0.41	13.40	34.34	(3.36)
Experience adjustments on Plan Assets	8.97	(0.41)	4.92	0.02	—
Gratuity (Unfunded)					
Defined Benefit obligation	1,024.92	781.33	46.30	95.95	52.75
Plan Assets	—	—	—	—	—
(Deficit)/Surplus	(1,024.92)	(781.33)	(46.30)	(95.95)	(52.75)
Experience adjustments on Plan Liabilities	4.10	(2.36)	0.26	0.02	—
Post Retirement Medical Benefits (Unfunded)					
Defined Benefit obligation	13.87	14.36	9.88	5.00	2.95
Plan Assets	—	—	—	—	—
(Deficit)/Surplus	(13.87)	(14.36)	(9.88)	(5.00)	(2.95)
Experience adjustments on Plan Liabilities	0.16	(0.36)	5.21	1.24	(0.49)
Post Retirement Housing Allowance (Unfunded)					
Defined Benefit obligation	24.95	16.18	10.99	—	—
Plan Assets	—	—	—	—	—
(Deficit)/Surplus	(24.95)	(16.18)	(10.99)	—	—
Experience adjustments on Plan Liabilities	6.28	(1.41)	0.15	—	—

Unfunded Pension Liability in respect of certain foreign subsidiaries is as below :

Rupees crores

	2012	2011
A. Expense recognised in the Statement of Profit and Loss for the year ended 31st March		
1. Current Service Cost	1.36	1.28
2. Interest Cost	6.11	6.12
3. Expected return on plan assets	—	—
4. Actuarial (Gains)/Losses	0.11	(3.76)
5. Past Service cost	—	—
6. Settlement cost	—	—
7. Payments on account of employee transferred	—	—
8. Effect of the limit in Para 59(b) of the revised AS 15	—	—
9. Total expense recognised in Employee Benefits Expense	7.58	3.64
B. Net asset/(liability) recognised in the Balance Sheet as at 31st March		
1. Present Value of Defined Benefit obligation as at 31 st March	124.80	117.08
2. Fair value of plan assets as at 31 st March	—	—
3. Net asset/(liability) as at 31 st March	(124.80)	(117.08)
C. Change in the obligations during the year ended 31st March		
1. Present Value of Defined Benefit obligation at the beginning of the year	117.08	116.16
2. Adjustment on account of exchange rate variations	9.35	5.01
3. Current Service Cost	1.36	1.28
4. Interest Cost	6.11	6.12
5. Actuarial (Gains)/Losses	0.11	(3.76)
6. Liabilities settled on sale of business	—	—
7. Benefits paid	(9.21)	(7.73)
8. Past Service Cost	—	—
9. Present Value of Defined Benefit obligation at the end of the year	124.80	117.08

33. A demand of **Rs. 704.28 crores** was raised on the Company in its main assessment for the Assessment Year 2007-08 on the basis of a certain legal position taken by the Additional Commissioner of Income Tax (TDS) – Nashik with regard to deduction of tax at source on procurement of components from various vendors. The Company is in appeal against the demand before the Income Tax Appellate Tribunal, Mumbai (ITAT). The Nashik tax deduction matter was earlier agitated by the Company before the Income Tax Appellate Tribunal, Pune which while deciding the issue in favour of the Company, set aside the matter to the Commissioner of Income Tax (Appeals) at Nashik (CIT(A)) for certain factual examination. The CIT(A) at Nashik has, after examination of the relevant facts, finally disposed off the matter in favour of the Company. The hearing before the ITAT, Mumbai has concluded and the final written order is awaited.

34. Contingent Liability and Commitments :

(A) Contingent Liability

- (i) Guarantees given by the Company :

	Rupees crores	
	2012	2011
For other companies	13.65	3.76
For others	—	0.41

Group share in Joint Ventures : **Rs. 52.02 crores** (2011 : Rs. 54.86 crores).

- (ii) Claims against the Company not acknowledged as debts comprise :

- (a) Excise Duty, Sales Tax and Service Tax claims disputed by the Company relating to issues of applicability and classification aggregating **Rs. 1,524.93 crores** (Net of Tax : Rs. 1,111.40 crores) [2011 : Rs. 1,283.21 crores (Net of Tax : Rs. 931.82 crores)].
- (b) Other matters (excluding claims where amounts are not ascertainable) : **Rs. 254.73 crores** (Net of Tax : Rs. 210.78 crores) [2011 : Rs. 122.28 crores (Net of Tax : Rs. 86.73 crores)].
- (c) Claims on capital account : **Rs. Nil** (2011 : Rs. 1.18 crores).
- (d) Group Share in Joint Ventures : **Rs. 9.55 crores** (2011 : Rs. 5.97 crores).

- (iii) Taxation matters :

- (a) 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. 701.84 crores** (2011 : Rs. 536.18 crores).
 - Group Share in Joint Ventures : **Rs. 46.73 crores** (2011 : Rs. 43.90 crores).
- (b) 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. 70.98 crores** (2011 : Rs. 71.71 crores).
 - Surtax matters : **Rs. 0.13 crores** (2011 : Rs. 0.13 crores).

- (iv) Bills discounted not matured **Rs. 30.15 crores** (2011 : Rs. 107.72 crores).

- (v) Corporate undertaking on assignment by Mahindra & Mahindra Financial Services Limited **Rs. 862.74 crores** (2011 : Rs. 732.53 crores).

- (vi) Construction Work-in-Progress, Project Advances and interest accrued thereon include **Rs. 71.46 crores** (2011 : Rs. 71.46 crores) on account of a project, where commencement of construction has been delayed on account of a dispute between the land-owner and the Company. The dispute has been referred to arbitration.

- (vii) The Customs, Excise and Service Tax Appellate Tribunal (CESTAT) by its order dated 7th December, 2009 has rejected the Company's appeal against the order dated 30th 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. 304.11 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) and Maharashtra Motor Vehicles Rules, 1989 (MMVR) and as such attracted a higher rate of excise duty.

In earlier collateral proceedings on this issue, the CESTAT had by an Order dated 19th 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. While the Department's appeal against the CESTAT Order dated 19th July, 2005 has been admitted, the Supreme Court of India has not stayed the operation of this Order.

The Company has filed an appeal in the Supreme Court against the aforesaid order dated 7th December, 2009 inter alia, on the grounds that the MVA and MMVR cannot be referred to for the purpose of determining the excise classification, as has been repeatedly held by various judicial fora, including the Supreme Court and particularly by CESTAT vide its order dated 19th July, 2005 in the Company's own case referred to above.

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.

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 20th 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.

The Company strongly believes, based on legal advice it has received, that the CESTAT order dated 7th December, 2009 which is under appeal in the Supreme Court is not sustainable in law and hence the Company has a very good chance of succeeding in the matter. As such, the Company does not expect any liability on this account. However, in view of the CESTAT order, the Company has reflected the above amount aggregating **Rs.328.86 crores** (2011 : Rs. 328.86 crores) and the interest of **Rs. 233.13 crores** (2011 : Rs. 204.13 crores) accrued on the same upto 31st March, 2012, as a Contingent Liability in the Accounts and the same is included in the amounts disclosed under Note (ii)(a) above.

(B) Commitments

- (i) The estimated amount of contracts remaining to be executed on capital account and not provided for as at 31st March, 2012 is **Rs. 1,222.47 crores** (2011 : Rs. 1,313.23 crores).

Group Share in Joint Ventures : **Rs. 23.42 crores** (2011 : Rs. 67.36 crores).

- (ii) The estimated amount of contracts remaining to be executed on commitments other than capital account commitments and not provided for as at 31st March, 2012 is **Rs. 630.14 crores** (2011 : Rs. 425.11 crores).

35. Research and Development Expenditure debited to the Statement of Profit and Loss, including certain expenditure based on allocations made aggregate **Rs. 487.42 crores** (2011 : Rs. 398.59 crores).

Group Share in Joint Ventures : **Rs. 0.16 crores** (2011 : Rs. 0.10 crores).

36. Matters pertaining to Satyam Computers Services Limited :

Tech Mahindra Limited (TML), a Joint Venture of the Company, through its Subsidiary Venturbay Consultants Private Limited (VCPL), acquired a 42.70% stake in Satyam Computers Services Limited (SCSL) during the Financial Year 2009-10. As a result of this investment, SCSL became an associate of TML as per Accounting Standard 23 "Accounting for Investments in Associates in Consolidated Financial Statements". As on 31st March, 2012 the stake of TML in SCSL was 42.64%.

In its consolidated accounts, TML has accounted for its share of Profit (Net) in SCSL for the year ended 31st March, 2012 as its share of Profit/(Loss) of Associate. Since TML is a Joint Venture of the Company, the results of SCSL as recorded by TML, proportionate to Company's holding in TML, have carried through into the Consolidated Accounts of the Company against the same line.

The auditors of TML have drawn attention to certain matters and issued a qualified opinion on the consolidated accounts of TML for the year ended 31st March, 2012, expressing their inability to comment whether adjustments would be necessary in the financial statements of TML as a result of qualifications on the following matters in the auditor's report on the consolidated accounts of SCSL for the year ended 31st March, 2012 :

- ongoing investigations/legal proceedings by various regulatory authorities in respect of financial irregularities in SCSL,
- net debit amounts aggregating Rs.1,139.40 crores booked to 'Unexplained Differences Suspense Account (Net)' and fully provided for on the grounds of prudence in a previous year in its accounts by SCSL,
- inability to determine whether any adjustments/disclosure will be required in the consolidated accounts of TML in respect of the alleged advances made by certain parties to SCSL amounting to Rs. 1,230.40 crores (Net) (presented separately under "Amounts Pending Investigation Suspense Account (Net)" in the financial statements of SCSL),
- consequential impact in relation to certain lawsuits filed against SCSL by certain investors in the United States of America and United Kingdom, the outcome of which is not determinable at this stage,
- inability to comment on the adequacy or otherwise of the provision for taxation pertaining to prior years in the accounts of SCSL.

The impact of the above qualifications on the Company's share of Profit/(Loss) of Associates, share of Investments and Reserves and Surplus in Joint Ventures in the Consolidated Financial Statements of the Company is not ascertainable.

37. Exceptional items of Rs. 60.76 crores (credit) [2011 : Rs. 204.03 crores (credit)], comprise :

	2012	2011
(i) Profit/(Loss) on divesture of Long Term Investments (Net).....	(15.19)	218.83
(ii) Reversal of impairment of assets/(Impairment of assets).....	108.27	(10.04)
(iii) Others.....	(32.32)	(4.76)
	60.76	204.03

Figures in brackets signify charge to Statement of Profit and Loss.

38. Earnings per Share :

	2012	2011
Amount used as the numerator – profit for the year (Rupees crores).....	3,126.66	3,079.73
Effect on earnings of convertible bonds (Gain)/Loss (Rupees crores).....	-	(3.42)
Amount used as the numerator for diluted earnings per share (Rupees crores).....	3,126.66	3,076.31
Weighted average number of equity shares used in computing basic earnings per share.....	58,79,20,003	57,61,03,489
Effect of potential Ordinary (Equity) Shares on conversion of bonds and employee stock options ...	2,60,66,097	2,36,71,375
Weighted average number of equity shares used in computing diluted earnings per share.....	61,39,86,100	59,97,74,864
Basic Earnings per share (Rs.) (Face value of Rs. 5 per share).....	53.18	53.46
Diluted Earnings per share (Rs.)	50.92	51.29

39. Related Party Disclosures :

(a) Names of related parties where transactions have taken place during the year :

(i) Associates :

Sl. No.	Name of the Company	Sl. No.	Name of the Company
1.	Mahindra Composites Limited	4.	Mahindra & Mahindra Contech Limited
2.	Swaraj Automotives Limited (Upto 2 nd February, 2012)	5.	Vayugrid Marketplace Services Private Limited
3.	Swaraj Engines Limited		

(ii) Joint Ventures :

Sl. No.	Name of the Company	Sl. No.	Name of the Company
1.	Tech Mahindra Limited	3.	Mahindra Water Utilities Limited
2.	Mahindra Sona Limited	4.	Mahindra Solar One Private Limited

(iii) Key Management Personnel :

Vice-Chairman & Managing Director	Mr. Anand Mahindra
Executive Director & Group CFO	Mr. B.N. Doshi

(iv) 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 :

Rupees crores

Sl. No.	Nature of Transactions	Associate Companies	Joint Ventures #	Key Management Personnel	Welfare Funds
1.	Purchases :				
	Goods	518.96 (413.09)	146.51 (116.19)	— (—)	— (—)
	Fixed Assets	0.03 (0.10)	0.01 (0.17)	— (—)	— (—)
	Services	3.70 (3.83)	6.74 (5.41)	— (—)	— (—)
2.	Sales :				
	Goods	8.77 (8.46)	69.13 (1.10)	0.07 (0.02)	— (—)
	Fixed Assets	— (—)	— (—)	4.52 (—)	— (—)
	Services	1.44 (0.03)	9.69 (2.94)	— (—)	0.03 (0.03)
3.	Investments :				
	Purchases/Subscribed	— (—)	6.57 (4.03)	— (—)	— (—)
4.	Deputation of personnel :				
	From Parties.....	1.12 (1.17)	— (—)	— (—)	— (—)
	To Parties	3.94 (5.00)	0.68 (0.21)	— (—)	— (—)
5.	Finance :				
	Inter Corporate deposits given.....	— (—)	3.00 (—)	— (—)	— (—)
	Interest Income	0.48 (4.57)	0.09 (—)	— (—)	— (—)
	Interest Expense	0.01 (—)	— (—)	— (—)	— (—)
	Debentures issued by Parties.....	— (8.00)	— (—)	— (—)	— (—)
	Dividend received	4.76 (3.99)	26.50 (20.26)	— (—)	— (—)
	Dividend distributed	— (—)	— (—)	1.40 (0.49)	61.77 (51.03)
6.	Other Transactions :				
	Other Income.....	0.57 (0.32)	0.23 (0.24)	— (—)	59.61 (49.24)
	Other Expenses	0.09 (0.02)	0.02 (0.02)	— (—)	— (—)
	Reimbursements received from parties.....	0.84 (0.75)	0.09 (0.78)	— (—)	— (—)
	Reimbursements made to parties.....	— (0.01)	— (0.10)	— (—)	— (—)
7.	Outstandings :				
	Payable.....	8.80 (8.15)	41.12 (16.63)	3.25 (2.78)	— (—)
	Receivable.....	5.58 (5.48)	8.89 (2.43)	— (—)	17.00 (22.00)
	Debentures issued by Parties.....	8.00 (8.00)	— (—)	— (—)	— (—)

Rupees crores

Sl. No.	Nature of Transactions	Associate Companies	Joint Ventures #	Key Management Personnel	Welfare Funds
	Intercorporate Deposits Given	7.09 (4.59)	3.00 (—)	— (—)	— (—)
	Guarantees and Collaterals given.....	— (—)	9.00 (9.00)	— (—)	— (—)
8.	Provision for Doubtful debts/advances	11.66 (11.66)	— (—)	— (—)	10.00 (10.00)
9.	Managerial Remuneration	— (—)	— (—)	6.83 (5.57)	— (—)
10.	Share Application Money (Net)	— (—)	17.13 (—)	— (—)	— (—)
11.	Advances Refunded	— (—)	— (—)	— (—)	5.00 (—)
12.	Stock Options	— (—)	— (—)	◆ (◆)	— (—)

◆ Refer Annexure I to the Directors' Report.

Previous year's figures are in brackets

Transactions with Joint Ventures have been reported at full value

Significant related party transactions are as under :

Rupees crores

Sl No.	Nature of Transactions	Associate Companies	Amount	Joint Ventures #	Amount
1.	Purchases - Goods.....	Swaraj Engines Limited	493.88 (390.89)	Mahindra Sona Limited	146.51 (116.18)
2.	Purchases - Fixed Assets.....	Mahindra Composites Limited	0.03 (0.10)	Tech Mahindra Limited	— (0.17)
				Mahindra Sona Limited	0.01 (—)
3.	Purchases - Services	Mahindra & Mahindra Contech Limited	3.69 (3.83)	Tech Mahindra Limited	6.74 (5.38)
4.	Sales - Goods.....	Swaraj Engines Limited	8.77 (8.46)	Mahindra Sona Limited	— (1.10)
				Mahindra Solar One Private Limited	62.68 (—)
5.	Sales - Services	Swaraj Engines Limited	1.24 (—)	Mahindra Water Utilities Limited	— (0.36)
		Swaraj Automotives Limited	0.18 (—)	Tech Mahindra Limited	6.12 (2.54)
				Mahindra Solar One Private Limited	3.54 (—)
6.	Purchase - Investments.....			Mahindra Solar One Private Limited	6.57 (4.03)

Rupees crores

Sl No.	Nature of Transactions	Associate Companies	Amount	Joint Ventures #	Amount
7.	Deputation of Personnel from related parties.....	Mahindra & Mahindra Contech Limited	0.63 (0.56)		
		Swaraj Engines Limited	0.49 (0.62)		
8.	Deputation of Personnel to related parties.....	Mahindra Composites Limited	0.52 (—)	Mahindra Solar One Private Limited	0.68 (0.21)
		Swaraj Automotives Limited	0.57 (0.80)		
		Swaraj Engines Limited	2.85 (3.76)		
9.	Inter Corporate Deposits given			Mahindra Solar One Private Limited	3.00 (—)
10.	Interest Income	Swaraj Automotives Limited	— (4.30)	Mahindra Solar One Private Limited	0.09 (—)
		Vayugrid Marketplace Services Private Limited	0.42 (—)		
		Mahindra Composites Limited	0.06 (—)		
11.	Interest Expense	Swaraj Engines Limited	0.01 (—)		
12.	Dividend Received	Swaraj Automotives Limited	— (0.42)	Tech Mahindra Limited	24.27 (18.82)
		Swaraj Engines Limited	4.13 (3.30)		
13.	Other Income.....	Mahindra Construction Company Limited	0.25 (—)	Tech Mahindra Limited	0.21 (0.22)
		Mahindra Composites Limited	0.32 (0.32)		
14.	Other Expenses	Mahindra Composites Limited	— (0.02)	Tech Mahindra Limited	0.02 (0.02)
		Swaraj Engines Limited	0.09 (—)		
15.	Reimbursement received from parties.....	Mahindra Composites Limited	0.84 (0.75)	Mahindra Sona Limited	0.09 (—)
				Tech Mahindra Limited	— (0.72)
16.	Reimbursement made to parties.....			Tech Mahindra Limited	— (0.10)
17.	Debentures issued by related parties	Vayugrid Marketplace Services Private Limited	— (8.00)		

Previous year's figures are in brackets

Transactions with Joint Ventures have been reported at full value

40. Investment in Associates :

	No. of Equity shares held	% of Holding	Cost of Investments (Equity Shares)	Goodwill/ (Capital reserve)	Share in accumulated Profit/(Loss) /Reserves	Carrying Cost
	(Nos.)					Rupees crores
Unquoted :						
Mahindra Construction Company Limited	9,00,000	43.83%	0.97	—	(0.97)	—
	9,00,000	43.83%	0.97	—	(0.97)	—
Officemartindia.com Limited.....	74,99,97	50.00%	0.22	—	(0.22)	—
	74,99,97	50.00%	0.22	—	(0.22)	—
Rathna Bhoomi Enterprises Private Limited	500	25.53%	*	—	*	—
	500	25.53%	*	—	*	—
Kota Farm Services Limited	2,73,420	45.00%	0.27	—	(0.27)	—
	2,73,420	45.00%	0.27	—	(0.27)	—
Mriyalguda Farm Solution Limited	3,37,500	45.00%	0.34	—	(0.34)	—
	3,37,500	45.00%	0.34	—	(0.34)	—
Mega One Stop Farm Services Limited	3,51,000	45.00%	0.35	0.03	(0.35)	—
	3,51,000	45.00%	0.35	0.03	(0.35)	—
Mahindra & Mahindra Contech Limited.....	70,000	35.16%	0.07	—	1.51	1.58
	70,000	35.16%	0.07	—	1.29	1.36
Vayugrid Marketplace Services Private Limited	10,00,000	21.83%	1.00	0.45	(1.00)	—
	10,00,000	21.83%	1.00	0.45	(1.00)	—
PSL Media & Communications Limited	39,498	36.12%	0.01	—	(0.01)	—
	39,498	36.12%	0.01	—	(0.01)	—
					Total.....	1.58
						1.36
Quoted :						
Mahindra Composites Limited	15,61,203	35.37%	4.00	0.83	2.56	6.56
	15,61,203	35.44%	4.00	0.83	3.20	7.20
Swaraj Engines Limited	41,26,417	33.22%	1.63	(10.33)	42.88	44.51
	41,26,417	33.22%	1.63	(10.33)	29.45	31.08
Swaraj Automotives Limited (upto 2 nd February, 2012)	—	—	—	—	—	—
	10,59,543	44.19%	12.45	6.98	4.59	17.04
EPC Industrie Limited (upto 7 th September, 2011)	—	—	—	—	—	—
	65,58,065	38.00%	43.35	11.19	—	43.35
					Total	51.07
						98.67
					Total	52.65
						100.03

* denotes amount less than Rs. 50,000/-.

41. Segment Information

Segment Report for the year ended 31st March, 2012

Primary Segment Disclosure - Business Segment

	Rupees crores										
	Automotive	Farm Equipment	IT Services	Financial Services and Processing	Infrastructure	Hospitality	Systech	Others	Eliminations	Consolidated	Total
REVENUE											
Gross External Revenue	35,811.43	13,367.59	2,873.79	2,884.38	705.76	609.66	4,560.80	1,322.29	—	63,038.50	
Less: Excise Duty on Sales	17,168.42	10,916.58	2,580.52	2,055.96	610.01	530.62	3,665.03	1,282.04	—	39,551.49	
	3,135.16	101.40	—	—	—	—	232.51	66.58	—	3,612.85	
	2,277.47	87.85	—	—	—	—	192.90	69.35	—	2,683.77	
Net External Sales	32,676.27	13,266.19	2,873.79	2,884.38	705.76	609.66	4,328.29	1,255.71	—	59,425.65	
Inter Segment Revenue	14,890.95	10,828.73	2,580.52	2,055.96	610.01	530.62	3,472.13	1,212.69	—	36,867.72	
	173.67	24.80	33.47	22.28	13.20	34.54	918.72	1,210.63	(3,091.34)	—	
	5.73	3.37	37.94	14.69	12.36	5.07	705.84	779.16	(2,061.06)	—	
Total Revenue	32,849.94	13,290.99	2,907.26	2,906.66	718.96	644.20	5,247.01	2,466.34	(3,091.34)	59,425.65	
	14,896.68	10,832.10	2,618.46	2,070.65	622.37	535.69	4,177.97	1,991.85	(2,061.06)	36,867.72	
RESULT											
Segment Result before exceptional items	1,156.81	1,924.54	424.54	953.48	198.00	131.94	225.68	(257.63)	(131.52)	4,748.68	
	1,641.18	1,690.67	445.91	745.01	173.06	139.27	93.31	(184.69)	10.61	4,839.71	
Add/(Less) : Exceptional Items allocated to Segments	108.27	—	(32.32)	—	—	—	—	(4.38)	—	71.57	
	(3.78)	—	—	—	—	—	(8.97)	—	—	(12.75)	
Segment Result after exceptional items	1,265.08	1,924.54	392.22	953.48	198.00	131.94	225.68	(262.01)	(131.52)	4,820.25	
	1,637.40	1,690.67	445.91	745.01	173.06	139.27	84.34	(184.69)	10.61	4,826.96	
Unallocable Corporate Expenses (net of Income)	—	—	—	—	—	—	—	—	—	139.83	
	—	—	—	—	—	—	—	—	—	195.23	
Operating Profit										4,680.42	
Less: Interest Expense not allocable to segments	—	—	—	—	—	—	—	—	—	4,631.73	
Add: Interest Income not allocable to segments	—	—	—	—	—	—	—	—	—	594.56	
	—	—	—	—	—	—	—	—	—	437.49	
Add/(Less) : Exceptional Items unallocable to segment	—	—	—	—	—	—	—	—	—	108.47	
	—	—	—	—	—	—	—	—	—	103.85	
Profit before tax										(10.81)	
(Add)/Less: Income Taxes - Current Tax	—	—	—	—	—	—	—	—	—	216.78	
	—	—	—	—	—	—	—	—	—	(10.81)	
- MAT Credit Entitlement	—	—	—	—	—	—	—	—	—	4,183.52	
- Deferred Tax	—	—	—	—	—	—	—	—	—	4,514.87	
Balance of Profit for the year before Share of Profit of Associates										1,340.70	
Add/(Less) : Share of Profit/(Loss) of Associates for the year	—	—	—	—	—	—	—	—	—	1,265.90	
- From Ordinary Activities	—	—	—	—	—	—	—	—	—	(201.95)	
- Exceptional Item	—	—	—	—	—	—	—	—	—	(22.10)	
Add/(Less) : Share of Profit/(Loss) of Associates-Earlier period items	—	—	—	—	—	—	—	—	—	268.81	
- From Ordinary Activities	—	—	—	—	—	—	—	—	—	73.28	
- Exceptional Item	—	—	—	—	—	—	—	—	—	2,775.96	
Profit for the year before Minority Interest										3,197.79	
	—	—	—	—	—	—	—	—	—	261.75	
	—	—	—	—	—	—	—	—	—	124.51	
	—	—	—	—	—	—	—	—	—	22.21	
	—	—	—	—	—	—	—	—	—	(131.83)	
	—	—	—	—	—	—	—	—	—	—	
	—	—	—	—	—	—	—	—	—	45.62	
	—	—	—	—	—	—	—	—	—	—	
	—	—	—	—	—	—	—	—	—	(61.33)	
	—	—	—	—	—	—	—	—	—	3,059.92	
	—	—	—	—	—	—	—	—	—	3,174.76	

Segment Information (Contd.):

	Automotive	Farm Equipment	IT Services	Financial Services and Processing	Steel Trading	Infrastructure	Hospitality	Systech	Others	Eliminations	Consolidated Total
OTHER INFORMATION											
Segment Assets	19,653.24	5,808.50	1,676.29	18,370.04	602.68	2,049.56	1,706.97	3,365.71	673.49	—	53,906.48
Unallocable Corporate Assets	16,121.95	4,000.39	1,656.99	12,503.04	502.64	1,826.26	1,613.45	3,032.79	555.30	—	41,812.81
Total Assets	9,134.29	2,580.13	856.73	15,838.48	251.06	231.96	1,306.12	1,220.63	333.56	—	31,752.96
Segment Liabilities	5,891.27	2,390.95	673.54	10,718.43	249.48	229.58	1,164.25	1,056.50	326.43	—	22,700.43
Unallocable Corporate Liabilities											10,820.85
Total Liabilities	1,910.59	454.95	164.44	42.56	62.07	17.84	90.27	520.98	179.43	—	42,573.81
Capital Expenditure	1,367.28	217.95	373.37	51.71	26.00	28.67	107.25	287.52	129.31	—	32,047.16
Depreciation and Amortisation Expense	1,165.31	130.92	80.24	20.29	11.98	9.42	23.35	236.60	70.85	—	10,820.85
	400.07	123.41	68.75	16.15	11.01	8.20	22.22	232.38	47.65	—	9,346.73
											63,869.18
											50,667.88
											31,752.96
											22,700.43
											10,820.85
											9,346.73
											42,573.81
											32,047.16

Rupees crores

Segment Information (Contd.) :
Secondary Segment Disclosure-Geographical Segment

	Rupees crores		
	Domestic	Overseas	Total
Revenue From External Customers	44,215.50	18,823.00	63,038.50
	36,227.82	3,323.67	39,551.49
Segment Assets	41,339.98	12,566.50	53,906.48
	32,615.60	9,197.21	41,812.81
Capital Expenditure	2,392.71	1,050.42	3,443.13
	2,473.56	115.50	2,589.06

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 sales of automobiles, spare parts and related services.

Farm Equipment Segment comprises of sales of tractors, spare parts and related services.

IT Services comprises of services rendered for IT and Telecom.

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	
	2012	2011
Sales	54,052.20	32,259.07
Income from Services rendered	4,266.53	3,808.72
Income from long term contracts	551.29	500.17
Hire purchase and lease income	153.73	104.37
Interest income of Finance Companies.....	2,830.49	2,021.10
Other allocable income *	1,184.26	858.06
Total	63,038.50	39,551.49

	Rupees crores	
	2012	2011
*Other allocable income includes :		
Scrap Sales	441.83	289.80
Commission.....	12.83	12.92
Dividend	1.04	1.07
Others.....	728.56	554.27
Total	1,184.26	858.06

42. Previous year's figures have been regrouped/restated wherever necessary.

Details of Subsidiary Companies

Rupees Crores

Name of the Subsidiary	Capital (including Preference Capital)	Reserves & Surplus	Total Assets	Total Liabilities	Details of investments (excluding investments in subsidiaries)	Gross Turnover	Profit before Tax	Provision for Tax	Profit after Tax	Proposed Dividend and Tax thereon
Aerostaff Australia Pty. Limited #	1.86	(12.40)	8.39	8.39	-	17.97	(7.00)	-	(7.00)	-
Airvan Flight Services Pty. Limited #	*	-	*	*	-	-	-	-	-	-
Anthurium Developers Limited	0.05	(0.01)	0.04	0.04	-	-	*	-	*	-
BAH Hotelanlagen AG #	0.48	25.86	37.79	37.79	-	16.35	(0.07)	0.02	(0.09)	-
Bell Tower Resorts Private Limited	19.94	(34.97)	53.31	53.31	-	3.75	(2.04)	-	(2.04)	-
Bristlecone (Malaysia) Sdn. Bhd. #	0.17	1.36	2.63	2.63	-	3.06	0.43	0.12	0.31	-
Bristlecone Consulting Limited #	*	0.24	2.28	2.28	-	1.86	0.35	0.08	0.27	-
Bristlecone GmbH #	0.34	3.94	10.39	10.39	-	23.47	1.72	0.30	1.42	-
Bristlecone Inc. #	124.79	(104.99)	77.47	77.47	-	166.70	10.75	0.67	10.08	-
Bristlecone India Limited	19.05	26.36	89.60	89.60	0.01	119.82	9.55	(0.22)	9.77	-
Bristlecone International AG #	0.57	0.24	8.49	8.49	-	9.79	0.27	0.03	0.24	-
Bristlecone Limited #	84.82	(40.29)	169.04	169.04	-	0.03	(8.75)	-	(8.75)	-
Bristlecone Singapore Pte. Limited #	6.80	(6.58)	2.55	2.55	-	2.71	(0.23)	0.07	(0.30)	-
Bristlecone UK Limited #	19.19	(15.53)	6.35	6.35	-	11.77	2.08	*	2.08	-
Crest Gearteck Private Limited	0.60	2.13	4.74	4.74	-	13.92	(0.51)	*	(0.51)	-
Defence Land Systems India Private Limited	67.80	(22.45)	72.36	72.36	-	36.32	(23.49)	0.26	(23.75)	-
EPC Industrie Limited	17.27	42.59	115.29	115.29	0.01	80.30	5.07	0.35	4.72	-
Falkenroth Umformtechnik GmbH #	7.00	9.04	106.34	106.34	-	273.53	2.11	0.10	2.01	-
GA200 Pty. Limited #	*	-	*	*	-	-	-	-	-	-
GAB Airvan Pty. Limited #	*	-	*	*	-	-	-	-	-	-
Gesenskschmiede Schneider GmbH #	83.75	50.10	383.72	383.72	0.25	825.66	51.20	0.80	50.40	-
Gipp Aero Investments Pty. Limited #	37.26	72.13	109.55	109.55	-	-	(0.06)	-	(0.06)	-
Gippaero Pty. Limited #	*	54.13	116.33	116.33	-	85.88	(20.94)	-	(20.94)	-
Heritage Bird (M) Sdn. Bhd. #	0.51	(0.72)	8.68	8.68	-	1.37	(0.19)	-	(0.19)	-
Industrial Township (Maharashtra) Limited	5.00	(0.12)	14.46	14.46	-	*	(0.01)	-	(0.01)	-
Jeco-Jellinghaus GmbH #	35.01	8.47	99.82	99.82	0.03	251.68	(2.59)	0.18	(2.77)	-
Jensand Limited #	0.49	-	0.49	0.49	-	-	-	-	-	-
Knowledge Township Limited	21.00	(0.42)	41.77	41.77	-	*	(0.02)	-	(0.02)	-
Mahindra & Mahindra Financial Services Limited	102.69	2,848.32	18,231.41	18,231.41	436.63	2,794.59	925.26	305.14	620.12	167.76
Mahindra & Mahindra South Africa (Proprietary) Limited #	34.48	12.93	126.46	126.46	-	280.78	25.90	7.67	18.23	-
Mahindra (China) Tractor Company Limited #	154.47	(136.37)	114.71	114.71	-	110.73	(11.09)	-	(11.09)	-
Mahindra Aerospace Australia Pty. Limited #	118.95	(0.15)	127.53	127.53	-	0.01	(0.06)	-	(0.06)	-
Mahindra Aerospace Private Limited	96.89	77.18	177.18	177.18	10.93	4.79	(0.29)	0.06	(0.35)	-
Mahindra Aerostructures Private Limited	26.01	(7.53)	29.62	29.62	2.50	0.02	(5.63)	-	(5.63)	-
Mahindra Automobile Distributor Private Limited	1.00	15.38	74.38	74.38	-	83.70	20.95	6.93	14.02	-
Mahindra Automotive Australia Pty. Limited #	10.42	(10.20)	36.34	36.34	-	59.48	0.98	-	0.98	-
Mahindra Bebanco Developers Limited	0.05	(2.23)	52.97	52.97	0.28	-	(2.92)	(1.07)	(1.84)	-
Mahindra BPO Services Private Limited	1.50	0.39	5.81	5.81	1.04	6.86	0.83	0.26	0.57	0.17
Mahindra Business & Consulting Services Private Limited	0.01	0.75	22.64	22.64	-	100.61	0.07	*	0.07	-
Mahindra Consulting Engineers Limited	2.13	6.78	12.50	12.50	-	14.80	3.13	1.05	2.09	1.24

* denotes amounts less than Rs. 50,000.

The financial statements of the Foreign Subsidiaries have been converted into Indian Rupees at the 31st March, 2012 exchange rate.

Details of Subsidiary Companies

Rupees Crores										
Name of the Subsidiary	Capital (including Preference Capital)	Reserves & Surplus	Total Assets	Total Liabilities	Details of investments (excluding investments in subsidiaries)	Gross Turnover	Profit before Tax	Provision for Tax	Profit after Tax	Proposed Dividend and Tax thereon
Mahindra Conveyor Systems Private Limited	31.38	19.57	74.68	74.68	3.47	60.15	7.12	2.68	4.44	-
Mahindra EcoNova Private Limited	0.01	(0.01)	0.01	0.01	-	-	*	-	*	-
Mahindra Electrical Steel Limited	0.05	(0.63)	9.23	9.23	-	0.04	(0.49)	-	(0.49)	-
Mahindra Emirates Vehicle Armouring FZ-LLC #	9.82	(2.41)	12.94	12.94	-	23.62	0.01	-	0.01	-
Mahindra Engineering and Chemical Products Limited	28.00	303.03	346.44	346.44	2.79	3.68	88.31	19.85	68.46	-
Mahindra Engineering GmbH #	0.40	(5.37)	0.34	0.34	-	*	(0.87)	-	(0.87)	-
Mahindra Engineering Services (Europe) Limited #	0.53	9.99	13.21	13.21	-	11.77	2.39	0.63	1.77	-
Mahindra Engineering Services Limited	8.31	102.15	141.05	141.05	18.41	180.83	47.69	18.33	29.36	3.75
Mahindra EPC Services Private Limited	8.80	0.31	20.42	20.42	0.01	97.87	0.72	0.19	0.53	-
Mahindra Europe S.r.l. #	6.83	0.02	28.24	28.24	-	45.39	(3.56)	0.16	(3.72)	-
Mahindra First Choice Services Limited	45.00	(37.68)	13.48	13.48	-	17.34	(15.05)	-	(15.05)	-
Mahindra First Choice Wheels Limited	63.43	(38.77)	46.26	46.26	2.20	118.45	(11.49)	-	(11.49)	-
Mahindra Forgings Europe AG #	95.55	(22.18)	546.17	546.17	-	28.21	(21.68)	2.04	(23.72)	-
Mahindra Forgings Global Limited #	231.03	0.82	231.89	231.89	-	-	(0.13)	-	(0.13)	-
Mahindra Forgings International Limited #	595.22	(56.97)	747.39	747.39	-	0.56	(6.65)	-	(6.65)	-
Mahindra Forgings Limited	92.17	761.67	1,009.13	1,009.13	2.00	478.91	6.78	-	6.78	-
Mahindra Gears & Transmissions Private Limited	15.11	49.93	129.70	129.70	-	143.33	5.25	1.50	3.75	1.27
Mahindra Gears Cyprus Limited #	0.06	*	*	*	-	0.96	0.95	-	0.95	-
Mahindra Gears Global Limited #	264.13	(1.51)	330.14	330.14	-	0.66	(0.13)	-	(0.13)	-
Mahindra Gears International Limited #	141.28	(0.43)	194.65	194.65	-	0.53	(0.11)	-	(0.11)	-
Mahindra Graphic Research Design S.r.l. #	6.55	3.29	20.09	20.09	-	27.06	1.54	0.87	0.67	-
Mahindra Gujarat Tractor Limited	20.30	(30.14)	45.98	45.98	-	119.82	5.60	-	5.60	-
Mahindra Hinoday Industries Limited	46.58	110.71	446.75	446.75	4.00	535.56	(6.45)	4.37	(10.82)	-
Mahindra Holdings Limited	47.55	16.31	63.87	63.87	12.52	9.68	9.64	1.11	8.55	-
Mahindra Holidays and Resorts USA Inc. #	0.01	0.79	0.83	0.83	-	-	(0.10)	(0.02)	(0.08)	-
Mahindra Holidays & Resorts India Limited	83.85	485.00	1,974.74	1,974.74	126.19	636.59	145.52	40.88	104.64	39.35
Mahindra Hotels and Residences India Limited	0.05	(0.11)	0.05	0.05	-	-	(0.09)	-	(0.09)	-
Mahindra Infrastructure Developers Limited	18.00	0.42	20.46	20.46	15.00	0.11	(0.56)	0.01	(0.57)	-
Mahindra Insurance Brokers Limited	2.50	52.65	64.92	64.92	-	46.55	20.14	6.63	13.51	4.36
Mahindra Integrated Township Limited	50.37	(13.36)	105.45	105.45	-	29.11	(3.00)	-	(3.00)	-
Mahindra Intertrade Limited	16.60	244.23	492.68	492.68	25.13	1,412.00	108.55	38.01	70.54	20.26
Mahindra Lifespace Developers Limited	40.84	1,079.32	1,495.96	1,495.96	130.70	521.13	167.55	47.39	120.16	28.48
Mahindra Logistics Limited	57.70	3.81	201.16	201.16	0.01	1,388.66	16.29	5.49	10.81	-
Mahindra Middleeast Electrical Steel Service Centre (FZC) #	2.81	24.98	44.44	44.44	-	102.86	7.79	-	7.79	-
Mahindra Navistar Automotives Limited	800.93	(505.54)	923.17	923.17	39.98	1,295.86	(309.96)	-	(309.96)	-
Mahindra Navistar Engines Private Limited	195.00	(136.47)	272.34	272.34	-	126.68	(64.76)	-	(64.76)	-
Mahindra Overseas Investment Company (Mauritius) Limited #	350.09	(74.96)	420.38	420.38	35.06	5.95	(82.02)	-	(82.02)	-
Mahindra Punjab Tractors Private Limited	0.01	(0.01)	0.01	0.01	-	-	*	-	*	-
Mahindra Racing S.r.l. #	0.14	(0.01)	1.76	1.76	-	3.07	0.02	0.03	(0.01)	-

* denotes amounts less than Rs. 50,000.

The financial statements of the Foreign Subsidiaries have been converted into Indian Rupees at the 31st March, 2012 exchange rate.

Details of Subsidiary Companies

Rupees Crores										
Name of the Subsidiary	Capital (including Preference Capital)	Reserves & Surplus	Total Assets	Total Liabilities	Details of investments (excluding investments in subsidiaries)	Gross Turnover	Profit before Tax	Provision for Tax	Profit after Tax	Proposed Dividend and Tax thereon
Mahindra Residential Developers Limited	0.26	59.22	83.63	83.63	-	55.01	13.61	2.72	10.89	3.49
Mahindra Retail Private Limited	308.26	(235.13)	136.34	136.34	-	110.68	(82.95)	-	(82.95)	-
Mahindra Reva Electric Vehicles Private Limited	23.32	48.94	144.69	144.69	8.08	29.97	(26.69)	-	(26.69)	-
Mahindra Rural Housing Finance Limited	45.71	15.95	553.95	553.95	-	85.74	16.13	4.22	11.91	3.72
Mahindra Shubhlabh Services Limited	6.11	(7.33)	31.48	31.48	-	43.21	1.13	0.51	0.62	-
Mahindra Steel Service Centre Limited	13.95	53.30	187.11	187.11	-	105.59	8.24	2.62	5.62	-
Mahindra Technologies Services Inc. #	0.26	(0.77)	8.78	8.78	-	21.98	(0.27)	(0.04)	(0.23)	-
Mahindra Telecommunications Investment Private Limited	0.47	2.47	2.94	2.94	2.60	0.07	0.02	-	0.02	-
Mahindra Two Wheelers Limited	533.50	(526.97)	380.64	380.64	-	492.19	(238.34)	-	(238.34)	-
Mahindra UGINE Steel Company Limited	32.48	1.69	877.74	877.74	14.08	1,681.11	52.72	15.83	36.89	-
Mahindra United Football Club Private Limited	0.01	0.12	0.20	0.20	-	0.01	*	0.06	(0.06)	-
Mahindra USA Inc. #	71.57	(39.27)	512.58	512.58	-	942.06	4.48	(4.91)	9.39	-
Mahindra Vehicle Manufacturers Limited	962.25	119.87	3,538.47	3,538.47	138.94	5,152.40	183.49	61.72	121.77	-
Mahindra World City (Jaipur) Limited	200.00	16.89	623.61	623.61	27.68	91.20	12.99	4.28	8.71	-
Mahindra World City (Maharashtra) Limited	1.17	(1.13)	0.05	0.05	-	*	(0.01)	-	(0.01)	-
Mahindra World City Developers Limited	85.00	42.30	412.75	412.75	-	60.42	15.39	5.03	10.36	5.69
Mahindra Yueda (Yancheng) Tractor Company Limited #	344.29	(1.69)	803.30	803.30	-	669.61	5.27	1.39	3.88	-
Mahindra-BT Investment Company (Mauritius) Limited #	60.73	58.50	119.27	119.27	-	0.03	(0.69)	-	(0.69)	-
Metalcastello S.p.A. #	136.50	13.73	764.32	764.32	-	489.23	(47.66)	(2.13)	(45.53)	-
MHR Hotel Management GmbH #	0.24	0.16	0.42	0.42	-	0.53	0.09	0.02	0.07	-
Navyug Special Steel Private Limited	0.01	(0.01)	0.01	0.01	-	-	(0.01)	-	(0.01)	-
NBS International Limited	0.05	1.99	37.54	37.54	-	189.07	1.77	0.57	1.20	-
Nomad TC Pty. Limited #	0.06	(0.06)	-	-	-	-	-	-	-	-
Raigad Industrial and Business Park Limited	0.05	(0.09)	0.02	0.02	-	-	(0.01)	-	(0.01)	-
Retail Initiative Holdings Limited	0.05	(0.97)	288.19	288.19	0.08	-	*	-	*	-
Schöneweiss & Co. GmbH #	25.08	98.33	400.62	400.62	-	630.46	(3.54)	2.38	(5.92)	-
Ssangyong (Yizheng) Auto Parts Manufacturing Company Limited #	9.41	1.27	10.78	10.78	-	18.92	0.81	0.18	0.63	-
Ssangyong European Parts Center B.V. #	4.78	(26.16)	45.69	45.69	-	70.16	1.68	(0.44)	2.12	-
Ssangyong Motor (Shanghai) Company Limited #	6.05	5.45	13.63	13.63	-	19.01	6.63	1.86	4.77	-
Ssangyong Motor Company Limited #	2,774.63	1,122.19	8,436.18	8,436.18	2.55	12,256.10	(717.45)	-	(717.45)	-
Stokes Forgings Dudley Limited #	*	-	*	*	-	-	-	-	-	-
Stokes Forgings Limited #	0.49	(0.49)	-	-	-	-	-	-	-	-
Stokes Group Limited #	12.64	(30.97)	75.04	75.04	-	177.09	6.47	-	6.47	-
Swaraj Automotives Limited	2.40	19.14	43.80	43.80	-	15.19	0.58	0.24	0.34	0.84
Watsonia Developers Limited	0.05	(0.01)	0.04	0.04	-	-	*	-	*	-

* denotes amounts less than Rs. 50,000.

The financial statements of the Foreign Subsidiaries have been converted into Indian Rupees at the 31st March, 2012 exchange rate.

Mahindra Research Valley



CSR



Ambulance donation



Green chain: Mahindra Hariya



Surgery in progress aboard the Lifeline Express



A career counselling session for students



li in action



Blood donation



A dental camp in progress



Joyful Nanhi Kalis



For future generations



Mahindra Hariyali - adding to Mother Earth's green cover



Children participate in a Mahindra Hariyali programme



Local villagers involved with the Mahindra Hariyali project at Araku



Nanhi Kalis at school




A Mahindra Pride School graduate begins his hospitality career



Sapling plantation in progress



Awards & Accolades

1. Mr. Keshub Mahindra was felicitated by the Federation of Automobile Dealers Association (FADA) with a Lifetime Contribution Award.
 2. Mr. Anand Mahindra was honoured with the prestigious AIMA – JRD Tata Corporate Leadership Award.
 3. Mr. Anand Mahindra received the Business Leader of the Year Award at the Asian Awards 2011 held in London.
 4. Mr. Anand Mahindra featured in Fortune US's inaugural global ranking of Asia's 25 Most Powerful People in Business.
 5. Dr. Pawan Goenka was Autocar Professional's 'Man of the Year 2011'.
 6. Mr. Uday Phadke was honoured with the Business Today – YES Bank Best CFO Award and the CNBC 'Best Performing CFO' award.
 7. Mr. V S Parthasarathy was honoured with the prestigious InformationWeek 'Global CIO' award.
 8. Mr. Rajeev Dubey received the Tarun Sheth Award for Innovative HR Leadership.
 9. Ms. Roma Balwani received the Leading Woman in PR and Communication award at the Women Leaders in India Awards.
 10. Mahindra & Mahindra Ltd. featured on Forbes Asia's prestigious Fab 50 List for the fourth consecutive year. The Fab 50 is a list of the 50 best publicly traded companies in the Asia-Pacific region.
 11. The Mahindra Group received 23 awards at the Public Relations Council of India (PRCI) Corporate Collateral Awards 2012, including the coveted Overall Champions trophy.
 12. K.C. Mahindra Education Trust's Nanhi Kali project won the GOLD award in the wallpaper category at the ABCI (Association of Business Communicators of India) awards.
 13. Mahindra & Mahindra Ltd. won the prestigious FE-EVI Green Business Leadership Award 2011-12 in the Automobiles category, under the Energy Intensive Industries Cluster.
 14. Mahindra & Mahindra Ltd. secured first place in Standard and Poor's Environmental, Social and Governance (ESG) India Equity Index.
 15. Mahindra & Mahindra Ltd.'s automotive plant at Nashik received the CII National Award for 'Excellence in Energy Management' 2011, while its automotive plant at Kandivali received the CII National Award for an Energy Efficient Unit.
 16. Mahindra & Mahindra Ltd.'s automotive plant at Zaheerabad won first prize in the National Energy Conservation Competition 2011.
 17. Mahindra & Mahindra Ltd.'s Automotive Sector was adjudged 'Asia's Most Preferred Brand (Automobile)' in the Branding and Marketing category at the Asian Leadership Awards.
 18. Mahindra & Mahindra Ltd.'s Farm Division received the national level 'Golden Peacock Award for Sustainability 2011' and the National Award for Excellence in Employee Relations from the Employers' Federation of India, at the EFI National HRM Summit.
 19. Mahindra & Mahindra Ltd.'s Automotive and Farm Equipment Sectors won the Golden Peacock National Training Award 2011 at the 22nd World Congress on Total Quality.
 20. Mahindra Powerol received the 'Outstanding Genset Brand' award at the EPC World Awards 2011 for products and services provided for the development of the Indian Infrastructure and Construction sector.
- 



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MAHINDRA & MAHINDRA LIMITED

Registered Office : Gateway Building, Apollo Bunder, Mumbai - 400 001.
website : www.mahindra.com ● email : investors@mahindra.com

ATTENDANCE SLIP

PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL. Joint Shareholders desiring to attend the Meeting may obtain additional Attendance Slips on request. Such request should reach the Company or its Registrar & Transfer Agents, **Sharepro Services (India) Private Limited at 13AB, Samhita Warehousing Complex, 2nd Floor, Sakinaka Telephone Exchange Lane, Off Andheri Kurla Road, Sakinaka, Andheri (East), Mumbai - 400 072** on or before 23rd July, 2012.

I hereby record my presence at the SIXTY-SIXTH ANNUAL GENERAL MEETING of the Company being held at Birla Matushri Sabhagar, 19, Sir Vithaldas Thackersey Marg (New Marine Lines), Mumbai - 400 020 on 8th August, 2012 at 3.30 p.m.

Name(s) of the Shareholder(s)/Proxy (IN BLOCK LETTERS)

Signature(s) of the Shareholder(s) or Proxy

NOTE: You are requested to bring your copy of the Annual Report to the Meeting.



Rise.

MAHINDRA & MAHINDRA LIMITED

Registered Office : Gateway Building, Apollo Bunder, Mumbai - 400 001.
website : www.mahindra.com ● email : investors@mahindra.com

PROXY FORM

I/We _____

of _____ being a member/

members of MAHINDRA & MAHINDRA LIMITED hereby appoint _____ of

_____ or failing him _____ of

_____ as my/our

Proxy to vote for me/us and on my/our behalf at the Sixty-Sixth Annual General Meeting of the Company to be held on 8th August, 2012 and at any adjournment thereof.

As witness my/our hand(s) this _____ day of _____ 2012.

Signed by the said _____

Affix a
15 Ps.
Revenue
Stamp

NOTE: The proxy form must be returned so as to reach the Registered Office of the Company not less than 48 hours before the time for holding the aforesaid Meeting.