

REF:NS:SEC:
19th August, 2016

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

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

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

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

Sub: Mahindra & Mahindra Limited - Annual Report - 2016

Dear Sirs,

Pursuant to Regulation 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find attached soft copy of the Annual Report of Mahindra & Mahindra Limited being disseminated to the Stock Exchanges, inter alia, including the following:

1. Annual Report and Accounts containing, inter alia, the Audited Financial Statement and Audited Consolidated Financial Statement of the Company for the Financial Year ended 31st March, 2016.
2. Notice of the 70th Annual General Meeting of the Company held on 10th August, 2016.
3. Attendance Slip and Proxy Form.

Yours faithfully,
For MAHINDRA & MAHINDRA LIMITED



 NARAYAN SHANKAR
COMPANY SECRETARY

Encl: as above

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THE SEVENTIETH ANNUAL GENERAL MEETING OF MAHINDRA & MAHINDRA LIMITED will be held on Wednesday, the 10th day of August, 2016 at 3.00 p.m. at Birla Matushri Sabhagar, 19, Sir Vithaldas Thackersey Marg (New Marine Lines), Mumbai - 400 020 to transact the following businesses:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statement (including Audited Consolidated Financial Statement) of the Company for the Financial Year ended 31st March, 2016 and the Reports of the Board of Directors and Auditors thereon.
2. To declare a dividend on Ordinary (Equity) Shares.
3. To appoint a Director in place of Mr. S. B. Mainak (DIN:02531129), who retires by rotation and, being eligible, offers himself for re-appointment.
4. **To consider and, if thought fit, to pass the following as an Ordinary Resolution:**

“RESOLVED that pursuant to section 139 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder and pursuant to the recommendation of the Audit Committee and the Board of Directors and pursuant to the approval of the Members at the Sixty-Eighth Annual General Meeting, the Company hereby ratifies the appointment of Messrs Deloitte Haskins & Sells, Chartered Accountants (ICAI Firm Registration Number 117364W) as Auditors of the Company to hold office until the conclusion of the Seventy-First Annual General Meeting of the Company to be held in the year 2017, 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

5. **To consider and, if thought fit, to pass the following as an Ordinary Resolution:**

“RESOLVED that pursuant to the provisions of section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or amendment(s) thereto or re-enactment(s) thereof, for the time being in force) and pursuant to the recommendation of the Audit Committee, the remuneration payable to Messrs D. C. Dave & Co., Cost Accountants having Firm Registration Number 000611, appointed by the Board of Directors of the Company as Cost Auditors to conduct the audit of the cost records of the Company for the Financial Year ending 31st March, 2017, amounting to Rs. 7,50,000 (Rupees Seven Lakhs Fifty Thousand only) (excluding all taxes and reimbursement of out of pocket expenses) be ratified and confirmed.

FURTHER RESOLVED that approval of the Company be accorded to the Board of Directors of the Company (including any Committee thereof) to do all such acts, deeds, matters and things and to take all such steps as may be required in this connection including seeking all necessary approvals to give effect to this Resolution and to settle any questions, difficulties or doubts that may arise in this regard.”

6. **To consider and, if thought fit, to pass the following as a Special Resolution:**

“RESOLVED that pursuant to the provisions of sections 42 and 71 of the Companies Act, 2013 (the Act) read with the Companies (Prospectus and Allotment of Securities) Rules, 2014 and all other applicable provisions of the Act and the Rules framed thereunder, as may be applicable, and other applicable Guidelines and Regulations issued by the Securities and Exchange Board of India (SEBI) or any other law for the time being in force (including any statutory modification(s) or amendment(s) thereto or re-enactment(s) thereof for the time being in force) and in terms of the Articles of Association of the Company, approval of the Members of the Company be accorded to authorise the Board of Directors of the Company (hereinafter referred to as “the Board” which term shall be deemed to include any Committee thereof) to borrow from time to time, by way of securities including but not limited to secured/unsecured redeemable Non-Convertible Debentures (NCDs) and/or Commercial Paper (CP) to be issued under Private Placement basis, in Domestic and/or International market, in one or more series/tranches aggregating upto an amount not exceeding Rs. 5,000 crores (Rupees Five Thousand Crores only), issuable/redeemable at discount/par/premium, under one or more shelf disclosure documents, during the period of 1 (one) year from the date of this Annual General Meeting, on such terms and conditions as the Board may, from time to time, determine and consider proper and most beneficial to the Company including as to when the said NCDs and/or CP be issued, the consideration for the issue, utilisation of the issue proceeds and all matters connected with or incidental thereto; provided that the said borrowing shall be within the overall borrowing limits of the Company.

FURTHER RESOLVED that approval of the Company be accorded to the Board of Directors of the Company (including any Committee thereof) to do all such acts, deeds, matters and things and to take all such steps as may be required in this connection including seeking all necessary approvals to give effect to this Resolution and to settle any questions, difficulties or doubts that may arise in this regard.”

7. **To consider and, if thought fit, to pass the following as a Special Resolution:**

“RESOLVED that in supersession of the Resolution passed by the Shareholders at the 63rd Annual General Meeting of the Company held on 30th July, 2009, and pursuant to provisions of section 94 of the Companies Act, 2013 (the Act) and the Rules made thereunder, and the Registrar of Companies having been given in advance a copy of this proposed Special Resolution, the consent of the Members be accorded to the Board of Directors of the Company for keeping the Register of Members together with the Index of Members, Register of Debenture Holders and other security holders, if any, together with the Index of Debenture Holders and other security holders, if any, under section 88 of the Act, and copies of the Annual Returns under section 92 of the Act at the office premises of the Company’s new Registrar & Share Transfer Agents viz. Karvy Computershare Private Limited (R&T Agents) at 24 B, Rajabhadur Mansion, Ground Floor, Ambalal Doshi Marg, Mumbai, Maharashtra 400023 and/or at such places within Mumbai where the R&T Agents may have their office from time to time and/or at the Registered Office of the Company at Gateway Building, Apollo Bunder,

Mumbai – 400 001 and/or at the Company’s Corporate Office at Mahindra Towers, Dr. G. M. Bhosale Marg, P. K. Kurne Chowk, Worli, Mumbai – 400 018.

FURTHER RESOLVED that approval of the Company be accorded to the Board of Directors of the Company (including any Committee thereof) to do all such acts, deeds, matters and things and to take all such steps as may be required in this connection including seeking all necessary approvals to give effect to this Resolution and to settle any questions, difficulties or doubts that may arise in this regard.”

Notes:

- A. The Explanatory Statement as required under section 102 of the Companies Act, 2013 is annexed hereto. Further, additional information with respect to Item Nos. 3 and 4 is also 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. A person can act as a proxy on behalf of Members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A Member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other Member. Proxies submitted on behalf of limited companies, societies, etc., must be supported by an appropriate resolution/authority as applicable. The Proxy-holder shall prove his identity at the time of attending the Meeting.
- E. The Company’s Registrar and Transfer Agents for its Share Registry Work (Physical and Electronic) are Karvy Computershare Private Limited (Karvy) having its office at Karvy Selenium Tower B, Plot number 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad, Telangana – 500032.
- F. The Register of Members and Transfer Books of the Company will be closed from Saturday, 23rd July, 2016 to Wednesday, 10th August, 2016 (both days inclusive).
- G. The dividend, if declared at the Annual General Meeting, would be paid/dispached after 10th August, 2016 to those persons or their mandates:
 - (a) whose names appear as Beneficial Owners as at the end of the business hours on Friday, 22nd July, 2016 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 form; 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 Friday, 22nd July, 2016.
- H. Under the Companies Act, 1956 dividends that are unclaimed/unpaid for a period of seven years are required

to be transferred to the Investor Education and Protection Fund (IEPF) administered by the Central Government. An amount of Rs. 86,39,413 being unclaimed/unpaid dividend of the Company for the financial year ended 31st March, 2008 was transferred in September, 2015 to IEPF.

Last date of transferring unclaimed and unpaid dividends declared by the Company for the financial year 2008-09 and thereafter to IEPF is as under:

| Financial Year ended | Date of declaration of dividend | Last date for claiming unpaid/unclaimed dividend |
|------------------------------|---------------------------------|--|
| 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 |
| 31 st March, 2012 | 8 th August, 2012 | 6 th September, 2019 |
| 31 st March, 2013 | 13 th August, 2013 | 11 th September, 2020 |
| 31 st March, 2014 | 8 th August, 2014 | 7 th September, 2021 |
| 31 st March, 2015 | 7 th August, 2015 | 8 th September, 2022 |

Members who have not encashed the dividend warrants so far in respect of the aforesaid periods, are requested to make their claim to Karvy 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. Pursuant to the provisions of Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on 7th August, 2015 (date of last Annual General Meeting) on the website of the Company (www.mahindra.com), as also on the website of the Ministry of Corporate Affairs.

- I. Members can avail of the facility of nomination in respect of shares held by them in physical form pursuant to the provisions of section 72 of the Companies Act, 2013. Members desiring to avail of this facility may send their nomination in the prescribed Form No. SH-13 duly filled in to Karvy at the above mentioned address. Members holding shares in electronic form may contact their respective Depository Participants for availing this facility.
- J. The Securities and Exchange Board of India has made it mandatory for all companies to use the bank account details furnished by the Depositories and the bank account details maintained by the Registrar and Transfer Agents 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.

K. 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). 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 to the Registrar and Transfer Agents. This will enable the Company to incorporate this information on the dividend warrants and thus prevent fraudulent encashment.

L. Pursuant to sections 101 and 136 of the Companies Act, 2013 read with the Rules framed thereunder, the Notice calling the Annual General Meeting along with the Annual Report 2015-16 would be sent by electronic mode to those Members whose e-mail addresses are registered with the Depository or the Company's Registrar and Transfer Agents, unless the Members have requested for a physical copy of the same. For Members who have not registered their e-mail addresses, physical copies would be sent by the permitted mode.

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 Karvy (in case of Shares held in physical form).

M. Members are requested to:

- (a) intimate to the Company's Registrar and Transfer Agents, Karvy, changes, if any, in their registered addresses at an early date, in case of Shares held in physical form;
- (b) 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;
- (c) quote their folio numbers/Client ID/DP ID in all correspondence; and
- (d) Consolidate their holdings into one folio in case they hold Shares under multiple folios in the identical order of names.

N. Members are requested to bring their copy of the Annual Report to the Annual General Meeting.

O. Members/Proxies/Representatives are requested to bring the Attendance Slip enclosed in the Annual Report for attending the Meeting.

P. Mr. Sachin Bhagwat, Practicing Company Secretary (Membership No. ACS10189) has been appointed as the Scrutiniser to scrutinise the e-voting process in a fair and transparent manner.

Q. PROCEDURE FOR REMOTE E-VOTING

I. In compliance with the provisions of section 108 of the Companies Act, 2013, read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended and the provisions of Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Members are provided with the facility to cast

their vote electronically, through the e-voting services provided by Karvy on all resolutions set forth in this Notice, through remote e-voting.

II. Members are requested to note that the Company is providing facility for remote e-voting and the business may be transacted through electronic voting system. It is hereby clarified that it is not mandatory for a Member to vote using the remote e-voting facility and the Member can exercise his vote at the AGM. A Member may avail of the facility at his discretion, as per the instructions provided herein:

Instructions:

- A. In case a Member receives an email from Karvy [for Members whose email IDs are registered with the Company/Depository Participant(s)] which includes details of E-Voting Event Number (EVEN), USER ID and password:
 - (i) Launch internet browser by typing the URL: <https://evoting.karvy.com>.
 - (ii) Enter the login credentials (i.e. User ID and password). In case of physical folio, User ID will be EVEN (E-Voting Event Number) followed by folio number. In case of Demat account, User ID will be your DP ID and Client ID. However, if you are already registered with Karvy for e-voting, you can use your existing User ID and password for casting your vote.
 - (iii) After entering these details appropriately, click on "LOGIN".
 - (iv) You will now reach password change Menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A- Z), one lower case (a-z), one numeric value (0-9) and a special character (@,#,\$, etc.,). The system will prompt you to change your password and update your contact details like mobile number, email ID etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.
 - (v) You need to login again with the new credentials.
 - (vi) On successful login, the system will prompt you to select the "EVENT" i.e. Mahindra & Mahindra Limited.
 - (vii) On the voting page, enter the number of shares (which represents the number of votes) as on the Cut-off Date under "FOR/AGAINST" or alternatively, you may partially enter any number in "FOR" and partially "AGAINST" but the total number in "FOR/AGAINST" taken together shall not exceed your total shareholding as on the cut-off date. You

may also choose the option ABSTAIN. If the Member does not indicate either "FOR" or "AGAINST" it will be treated as "ABSTAIN" and the shares held will not be counted under either head.

- (viii) Members holding multiple folios/demat accounts shall choose the voting process separately for each folio/demat accounts.
- (ix) Voting has to be done for each item of the notice separately. In case you do not desire to cast your vote on any specific item, it will be treated as abstained.
- (x) You may then cast your vote by selecting an appropriate option and click on "Submit".
- (xi) A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once you have voted on the resolution(s), you will not be allowed to modify your vote.
- (xii) Corporate/Institutional Members (i.e. other than Individuals, HUF, NRI etc.) are required to send scanned certified true copy (PDF Format) of the Board Resolution/ Authority Letter etc., together with attested specimen signature(s) of the duly authorised representative(s), to the Scrutinizer at email id sbhagwatcs@yahoo.co.in with a copy marked to evoting@karvy.com. The scanned image of the above mentioned documents should be in the naming format "**Corporate Name_EVEN**".

- B. In case of Members receiving physical copy of Notice [for Members whose email IDs are not registered with the Company/Depository Participant(s)]:
 - (i) E-Voting Event Number (EVEN), User ID and Password is provided in the Attendance Slip.
 - (ii) Please follow all steps from Sl. No. (i) to (xii) above to cast your vote by electronic means.

III OTHER INSTRUCTIONS :

- a. In case of any query and/or grievance, in respect of voting by electronic means, Members may refer to the Help & Frequently Asked Questions (FAQs) and E-voting user manual available at the download Section of <https://evoting.karvy.com> (Karvy Website) or contact investors@mahindra.com, or at evoting@karvy.com or phone No. 040 – 6716 1500 or call Karvy's toll free No. 1800-3454-001 for any further clarifications.
- b. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- c. The remote e-voting period commences on Friday, 5th August, 2016 (9:00 a.m. IST) and ends on Tuesday, 9th August, 2016 (05:00 p.m. IST). During this period, Members of the Company, holding shares either in physical form or in

dematerialized form, as on the cut-off date of 3rd August, 2016, may cast their votes electronically. A person who is not a Member as on the cut-off date should treat this Notice for information purposes only. The remote e-voting module shall be disabled for voting thereafter. Once the vote on a resolution(s) is cast by the Member, the Member shall not be allowed to change it subsequently.

- d. The voting rights of Members shall be in proportion to their share in the paid-up equity share capital of the Company as on Wednesday, 3rd August, 2016, being the cut-off date. Members are eligible to cast vote only if they are holding shares as on that date.
- e. In case a person has become a Member of the Company after dispatch of AGM Notice but on or before the cut-off date for E-voting i.e., Wednesday, 3rd August, 2016, he/she may obtain the User ID and Password in the manner as mentioned below:
 - i. If the mobile number of the member is registered against Folio No./ DP ID Client ID, the member may send SMS: MYEPWD <space> E-Voting EVEN Number+Folio No. or DP ID Client ID to +91 9212993399
Example for NSDL:
MYEPWD <SPACE> IN12345612345678
Example for CDSL:
MYEPWD <SPACE> 1402345612345678
Example for Physical:
MYEPWD <SPACE> XXXX1234567890
 - ii. If e-mail address or mobile number of the member is registered against Folio No. / DP ID Client ID, then on the home page of <https://evoting.karvy.com>, the member may click "Forgot Password" and enter Folio No. or DP ID Client ID and PAN to generate a password.
 - iii. Member may call Karvy's toll free number 1800-3454-001.
 - iv. Member may send an e-mail request to evoting@karvy.com. However, Karvy shall endeavour to send User ID and Password to those new Members whose e-mail IDs are available.

- IV. **Voting at AGM:** The Members, who have not cast their vote through remote e-voting can exercise their voting rights at the AGM. The Company will make necessary arrangements in this regard at the AGM Venue. The facility for voting through electronic voting system ('Insta Poll') shall be made available at the Meeting. Members who have already cast their votes by Remote e-voting are eligible to attend the Meeting; however these Members are not entitled to cast their vote again in the Meeting.

A Member can opt for only single mode of voting i.e. through Remote e-voting or voting at the AGM.

V. PROCEDURE AND INSTRUCTIONS FOR WEB CHECK-IN / ATTENDANCE REGISTRATION:

Members are requested to tender their attendance slips at the registration counters at the venue of the AGM and seek registration before entering the meeting hall. Alternatively, to facilitate hassle free and quick registration/entry at the venue of the AGM, the Company has provided a Web-Check in facility through Karvy's website. Web Check-in on the Karvy's website enables the Members to register attendance online in advance and generate Attendance Slip without going through the registration formalities at the registration counters.

Procedure of Web Check-in is as under:

- a. Log on to <https://karisma.karvy.com> and click on "Web Check-in for General Meetings (AGM/EGM/CCM)".
- b. Select the name of the company: Mahindra and Mahindra Limited.
- c. Pass through the security credentials viz., DP ID/Client ID/Folio no. entry, PAN No & "CAPTCHA" as directed by the system and click on the submission button.
- d. The system will validate the credentials. Then click on the "Generate my attendance slip" button that appears on the screen.
- e. The attendance slip in PDF format will appear on the screen. Select the "PRINT" option for direct printing or download and save for the printing.
- f. A separate counter will be available for the online registered Members at the AGM Venue for faster and hassle free entry and to avoid standing in the queue.
- g. After registration, a copy will be returned to the Member.
- h. The Web Check-in (Online Registration facility) is available for AGM during remote e-voting Period only i.e., 5th August, 2016 (9.00 A.M. IST) to 9th August, 2016 (5.00 P.M. IST).

The Members are requested to carry their valid photo identity along with the above attendance slip for verification purpose.

- VI. The results shall be declared not later than forty-eight hours from conclusion of the meeting. The results declared along with the Scrutiniser's Report will be placed on the website of the Company at www.mahindra.com and the website of Karvy: <https://evoting.karvy.com> immediately after the result is declared by the Chairman and will simultaneously be forwarded to BSE Limited and National Stock Exchange of India Limited, where Equity Shares of the Company are listed.
- VII. The route map of the venue of the Meeting is given in the Notice. The prominent landmark for the venue is that it is 'next to Bombay Hospital'.

By Order of the Board

NARAYAN SHANKAR
Company Secretary

Registered Office:

Gateway Building, Apollo Bunder,
Mumbai - 400 001.
CIN : L65990MH1945PLC004558
e-mail : investors@mahindra.com
Website : www.mahindra.com
Tel. : +91 22 22895500
Fax : +91 22 22875485

30th May, 2016

Additional Information with respect to Item Nos. 3 and 4

ITEM NO. 3:

Mr. S. B. Mainak, (DIN: 02531129), Non-Independent Director, Nominee of Life Insurance Corporation of India (LIC) on the Board of the Company is liable to retire by rotation and being eligible, has offered himself for re-appointment.

Mr. Mainak has completed 60 years of age. A qualified Chartered Accountant, Mr. Mainak joined LIC as a Direct Recruit Officer in 1983 and retired as its Managing Director with effect from 1st March, 2016. During his long tenure at LIC, Mr. Mainak acquired wide range of experience in several functions spanning Investments, Finance & Accounts and Marketing and held various positions including Senior/Branch Manager, Divisional Manager of Pension & Group Superannuation and in various capacities in the Investment Department.

Mr. Mainak also had a stint in academics as Professor (Life Insurance) and Head of Finance Department in National Insurance Academy (NIA), Pune, where he was instrumental in creating new teaching programmes in Finance & Accounts, investment, GAAP accounting and Insurance Investment and Financial Reporting Standards. Mr. Mainak was Deputy President of the Insurance Institute of India and Member of the Governing Board of NIA. He was earlier appointed by the Government of India on the Board of Satyam Computer Services Limited as an Independent Director for restructuring the company.

In 2009, he was conferred the 'NDTV Profit Business Leadership Award', 'CNN-IBN Indian of the Year Award' and 'Dataquest IT Person of the Year Award'.

Mr. Mainak is the Non-Executive Chairman of Credit Analysis and Research Limited and on the Board of ITC Limited (a listed Company), representing LIC. He is also a Member of CSR & Sustainability Committee of ITC Limited.

Mr. S. B. Mainak was appointed as the Additional Director of the Company with effect from 13th November, 2013, and as a Director liable to retire by rotation, at the Sixty-Eight Annual General Meeting held on 8th August 2014.

During the year 1st April, 2015 to 31st March, 2016, 6 (six) Board Meetings of the Company were held, out of which Mr. S. B. Mainak had attended 4 (four) meetings and could not attend other two meetings, due to other urgent professional commitments.

The terms and conditions of re-appointment and remuneration of Mr. S. B. Mainak would be governed by the terms and conditions approved by the Members of the Company for Non-Executive Directors of the Company at the Annual General Meeting held on 7th August, 2015. In addition, he would be entitled to sitting fees for attending the Meetings of the Board of Directors or Committees thereof. The commission and sitting fees paid to LIC on behalf of Mr. S. B. Mainak during the Financial Year 2015-16 is Rs. 18 lakhs and Rs. 4 lakhs respectively.

Mr. S. B. Mainak does not hold any shares in the Company. None of the Directors and Key Managerial Personnel of the Company are inter-se related to each other.

ITEM NO. 4:

At the Annual General Meeting (AGM) held on 8th August, 2014, Members had approved appointment of Messrs Deloitte Haskins & Sells, Chartered Accountants (ICAI Firm Registration Number 117364W) as Auditors of the Company to hold office until the conclusion of the Seventy-First AGM of the Company to be held in the year 2017, subject to ratification of the appointment by the Members at every AGM held thereafter. The appointment of the Auditors was approved at the above mentioned AGM in pursuance of the second proviso of section 139(2), which grants a three-year transition period for appointment of a new Audit firm in place of an existing Audit firm which has completed two term of 5 consecutive years each. Further, at the last AGM held on 7th August, 2015, Members had ratified appointment of auditors, as aforesaid.

In terms of the requirement of first proviso of Section 139(1), Members are requested to ratify the appointment of Auditors to hold office until the conclusion of the Seventy-First AGM of the Company to be held in the year 2017. The Company is actively engaged in the process of identifying its new Auditors.

Explanatory Statement in respect of the Special Business pursuant to section 102 of the Companies Act, 2013

ITEM NO. 5:

The Board of Directors, at its Meeting held on 30th May, 2016, upon the recommendation of the Audit Committee, approved the appointment of Messrs D. C. Dave & Co., Cost Accountants, having Firm Registration Number 000611, as Cost Auditors of the Company for conducting the audit of the cost records of the Company, for the Financial Year ending 31st March, 2017 at a remuneration of Rs. 7,50,000 (Rupees Seven Lakhs Fifty Thousand only) (excluding all taxes and reimbursement of out of pocket expenses).

Pursuant to section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, Members of a company are required to ratify the remuneration to be paid to the cost auditors of that company.

Accordingly, consent of the Members is sought for passing an Ordinary Resolution as set out at Item No. 5 of the Notice for ratification of the remuneration payable to the Cost Auditors for conducting the audit of the cost records of the Company for the Financial Year ending 31st March, 2017.

None of the Directors, Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in the aforesaid Resolution except to the extent of their shareholding, if any, in the Company.

The Board commends the Ordinary Resolution set out at Item No. 5 of the Notice for approval of the Members.

ITEM NO. 6:

In terms of section 42 of the Companies Act, 2013 read with Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 (the Rules), a Company shall not make Private Placement of its Securities unless the proposed offer of Securities or invitation to subscribe to Securities has been previously approved by the Members of the Company by a Special Resolution. In case of an offer or invitation for offer of Non-Convertible Debentures, the Company can pass a Special Resolution once a year for all the offers or invitations to be made for such Debentures during the year.

In order to augment resources for, *inter alia*, the ongoing capital expenditure, long term working capital/short term working capital and for general corporate purposes, the Company may offer or invite subscription for securities including but not limited to secured/unsecured redeemable Non-Convertible Debentures and/or Commercial Paper, in one or more series/tranches on private placement basis, in Domestic and/or International market, issuable/redeemable at discount/par/premium.

The Company seeks to pass an enabling resolution to borrow funds from time to time by offer of securities, including but

not limited to, Non-Convertible Debentures and/or Commercial Paper for an amount not exceeding Rs. 5,000 crores (Rupees Five Thousand Crores only), at a discount or at par or at a premium and at such interest as may be appropriate considering the prevailing money market conditions at the time of the borrowing but not exceeding 10% p.a.

The details of the Paid-up Capital and Free Reserves, Outstanding Borrowings and approvals sought, are as under:

(Rs. in crores)

| Particulars | As at 31 st March, 2015 | As at 31 st March, 2016 |
|---|---------------------------------------|---------------------------------------|
| Paid-up Capital and Free Reserves | 16,776 | 19,199 |
| Outstanding Borrowings | 3,729 | 2,917 |
| Approvals sought for offer of securities including but not limited to Non-Convertible Debentures and/or Commercial Paper at the Annual General Meetings | 5000* | 5000** |

* Approval sought at the last Annual General Meeting held on 7th August, 2015, has a validity of one year and under which, the Company has till date not issued any securities

** Approval sought at the ensuing Annual General Meeting

The approval sought for offer of securities including but not limited to Non-Convertible Debentures and/or Commercial Paper, is within the overall borrowing limits of the Company in terms of section 180 of the Companies Act, 2013.

The Articles of Association of the Company is available for inspection of the Members in physical or in electronic form at the Registered Office of the Company between 10.00 a.m. to 12.00 noon, on all working days (except Saturdays, Sundays and Public Holidays), up to the date of the Annual General Meeting (AGM) and copies thereof shall also be made available for inspection in physical or electronic form at the Corporate Office of the Company situated at Mahindra Towers, 5th Floor, Dr. G. M. Bhosale Marg, Worli, Mumbai - 400 018 as well as during the AGM at the venue thereof.

Accordingly, consent of the Members is sought for passing a Special Resolution as set out at Item No. 6 of the Notice.

None of the Directors, Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in the Resolution set out at Item No. 6 of the Notice, except to the extent of their shareholding, if any, in the Company.

The Board commends the Special Resolution set out at Item No. 6 of the Notice for approval by the Members.

ITEM NO. 7:

The Company had appointed M/s. Sharepro Services (India) Private Limited (hereinafter referred to as Sharepro) as its Registrar and Transfer Agent (hereinafter referred to as R&T) in the year 2003.

The Securities and Exchange Board of India (SEBI) had vide its Ex-Parte Ad Interim Order No. WTM/RKA/MIRSD2/41/2016 dated 22nd March, 2016 inter alia advised clients of Sharepro to carry out/switchover their activities related to registrar to an issue and share transfer agent, either in-house or through another registrar to an issue and share transfer agent registered with SEBI.

Accordingly, the Company, has approved the appointment of Karvy Computershare Private Limited (Karvy) having its Office at Karvy Selenium Tower B, Plot Number 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad, Telangana – 500032, as the new R&T of the Company in place of Sharepro with effect from 13th June, 2016.

Section 94 of the Companies Act, 2013 (the Act) provides that for keeping the Register of Members together with Index of Members, Register of Debenture Holders and other security holders, if any, together with Index of Debenture Holders and other security holders, if any, and copies of the Annual Return at a place in India other than the registered office of the Company in which more than one-tenth of the total number of members entered in the Register of Members reside, approval of Members by way of Special Resolution is required.

It is proposed that the Register of Members together with the Index of Members, the Register of Debenture Holders and other security holders, if any, together with the Index of Debenture Holders and other security holders, if any, under section 88 of the Act, and copies of the Annual Return under section 92 of the Act be kept at the Office premises of the Company's new R&T viz. Karvy at 24 B, Rajabhadur Mansion, Ground Floor, Ambalal

Doshi Marg, Mumbai, Maharashtra 400023 and/or at such places within Mumbai where Karvy may have their office from time to time and/or at the Registered Office of the Company at Gateway Building, Apollo Bunder, Mumbai–400001 and/or at the Company's Corporate Office at Mahindra Towers, Dr. G. M. Bhosale Marg, P. K. Kurne Chowk, Worli, Mumbai–400 018.

Accordingly, consent of the Members is sought for passing a Special Resolution as set out at Item No. 7 of the Notice.

None of the Directors, Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in the Resolution set out at Item No. 7 of the Notice, except to the extent of their shareholding, if any, in the Company.

The Board commends the Special Resolution set out at Item No. 7 of the Notice for approval by the Members.

By Order of the Board

NARAYAN SHANKAR
Company Secretary

Registered Office:

Gateway Building, Apollo Bunder,
Mumbai - 400001.
CIN : L65990MH1945PLC004558
e-mail : investors@mahindra.com
Website : www.mahindra.com
Tel. : +91 22 22895500
Fax : +91 22 22875485

30th May, 2016

Route Map to the venue of the AGM





Mahindra
Rise.

Manthan
(the churn)

Find Inside

Company Overview

- 02** Chairman Emeritus and Board of Directors
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Forward Looking Statements

In this Annual Report, we have disclosed forward looking information to enable investors to comprehend our prospects and take informed investment decisions. This report and other statements - written and oral - that we periodically make, contain forward looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipate', 'estimate', 'expects', 'projects', 'intends', 'plans', 'believes', and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward looking statements will be realised, although we believe we have been prudent in assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Readers should bear this in mind. We undertake no obligation to publicly update any forward looking statements, whether as a result of new information, future events or otherwise.



**Volatility, Uncertainty,
Complexity and Ambiguity is creating
tremendous churn in our world, akin to
the mythological Manthan in the ocean.**

**This churning caused turmoil, unleashing
unprecedented changes. As the
turmoil subsides, new possibilities and
positivities emerge.**

**At Mahindra, we are convinced
that in this VUCA world, as the
churn abates and turmoil gives
way to transformation, the nectar
of long-term sustainable growth
can be achieved.**

At Mahindra, we continue to

Rise.

from the Churn

Chairman Emeritus and Board of Directors



Left to Right Standing:

Vikram Singh Mehta, Independent Director

R. K. Kulkarni, Independent Director

S. B. Mainak, Nominee Director

M. M. Murugappan, Independent Director

Dr. Pawan Goenka, Executive Director & Group President
(Auto & Farm Sector)

Nadir B. Godrej, Independent Director

Anand Mahindra, Chairman & Managing Director

Anupam Puri, Independent Director

Left to Right Sitting:

Deepak S. Parekh, Independent Director

Keshub Mahindra, Chairman Emeritus

Dr. Vishakha N. Desai, Independent Director

Group Executive Board



Left to Right Standing:

Ulhas Yargop, Group President (IT Sector) & Group CTO

Pravin Shah, President & Chief Executive (Automotive)

Rajesh Jejurikar, President & Chief Executive (Farm Equipment & Two Wheeler)

Zhooben Bhiwandiwala, Managing Partner - Mahindra Partners & President (Group Legal)

Ruzbeh Irani, President (Group Communications & Ethics) & Chief Brand Officer

L. Ravichandran, President & Chief Operating Officer (Tech Mahindra Limited)

S. Ramkrishna, President (Group Public Affairs)

Ramesh Iyer, Managing Director (Mahindra & Mahindra Financial Services Limited) & President (Financial Services Sector)

Rajeev Dubey, Group President (HR & Corporate Services) & CEO (After-Market Sector)

C.P. Gurnani, Managing Director & CEO - Tech Mahindra Limited

Kavinder Singh, Managing Director (Mahindra Holidays and Resorts India Limited) & President (Leisure and Hospitality Sector)

Johng-Sik Choi, President & CEO - Ssangyong Motor Company

Left to Right Sitting:

Dr. Anish Shah, Group President (Strategy)

V S Parthasarathy, Group CFO, Group CIO & President (Group Finance and M&A)

Anand Mahindra, Chairman - Mahindra Group and Managing Director, Mahindra & Mahindra Limited

Rajan Wadhera, President & Chief Executive (Truck & Power Train), Head - Mahindra Research Valley (MRV)

Ashok Sharma, President (Agri and Africa & SAARC Operations), MD & CEO, MASL

Anita Arjundas, Managing Director & CEO (Mahindra Lifespace Developers Limited) & President (Real Estate Sector)

Dr. Pawan Goenka, Executive Director - Mahindra & Mahindra & Group President (Auto and Farm Sector)

S. P. Shukla, Group President & CEO (Aerospace & Defence Sector)

S. Durgashankar, President (Group M&A, Corporate Accounts & Group Secretarial)

The Mahindra Group is like a banyan tree. Starting with the original trunk of M&M, the Group's first business, the tree, over the years, grew both horizontally and vertically with new aerial roots taking shape in the form of new businesses. These new businesses planted themselves into the ground to become new trunks that would sustain newer branches and in future these could eventually be as strong as the original.



Mahindra Group

Mahindra & Mahindra is a part of the US\$ 17.8 billion global Mahindra Group headquartered in Mumbai, India, with a presence in over 100 countries and employing over 2,00,000 people. The Group's operations span 20 key industries across 10 sectors.

The Mahindra Group focuses on enabling people to Rise through solutions that power mobility, drive rural prosperity, enhance urban lifestyles and increase business efficiency.

Seven decades in the making, our history and growth closely follows that of modern India. It is a story of strong and consistent growth, of how an Indian Company is rising to become a multi-national Company.

Mahindra @ a Glance



We are Leaders

We are India's largest tractor Company as well as India's largest Utility Vehicle manufacturer. Several of our businesses enjoy leadership positions in the industries where they are present. We remain committed to investing in technology, growing our global presence and maintaining our leadership position.

Farm

India's largest tractor Company

Auto

India's #1 Utility Vehicles maker

Financial Services

Largest NBFC in rural and semi-urban India

Information Technology

Among Top 5 IT service providers from India

Pre-owned Cars

India's largest multi-brand, pre-owned car Company

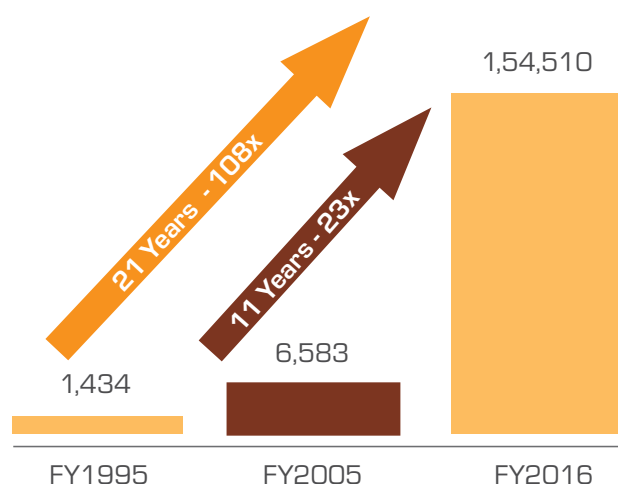
Hospitality

India's #1 vacation ownership Company

Proven Value Creation

The Mahindra Group has consistently created value for all stakeholders. The total Market Capitalisation of the Group has increased by 108 times in the last 21 years and by 23 times in the last 11 years.

Group Market Capitalisation (₹ Cr)



Prices as on 31st March
US\$ = ₹ 66.35

| Market Cap (31 st March 2016) | ₹ Cr |
|--|-----------------------|
| Mahindra & Mahindra | 75,196 |
| Tech Mahindra | 45,966 |
| Mahindra Financial Services | 13,881 |
| Ssangyong | 6,564 |
| Mahindra Holidays | 3,432 |
| Mahindra Lifespaces | 1,729 |
| Swaraj Engines | 1,064 |
| Mahindra CIE | 6,343 |
| EPC Industrié | 335 |
| Total | 1,54,510 |
| | (US\$ 23.3 bn) |

Rise For Good

At Mahindra, we see an incredible opportunity to drive positive change in the lives of all our stakeholders. By making every aspect of our business sustainable, we re-affirm our commitment to a better world. From our employees to the communities which we are a part of, we want to conduct our business consciously and responsibly. In everything we do, we ensure that we Rise For Good.

Sustainability

Our core values are aligned with sustainable growth that is in harmony with the environment and society. We have built a green revenue portfolio of over US\$ 393 million and have proactively been addressing issues pertaining to Sustainability. We are a water positive group. Mahindra is also the first Indian Company to sign up to EP 100 – a new initiative to double energy productivity by 2030 which is developed and administered by The Climate Group. We will continue to invest in technologies that increase energy efficiency and enhance our use of renewable energy. We also focus on increasing recycling, reducing waste and restricting the use of hazardous substances in our manufacturing activities.

Communities

We believe that people have the strength to change their surroundings if they are empowered and given access to tools they need to become change agents in their communities. Currently, our initiatives focus on tapping into this potential with key focus on education and an emphasis on cultural outreach.

People

In more than 100 countries around the world, we foster an environment of innovation and self-belief that empowers our employees to chase their passions. Through a variety of initiatives, we are enabling 'Mahindraites' to have fulfilling careers and contribute to society by volunteering both their time and resources.

Governance

Ethics and good governance are essential for success in a competitive economy. They are the foundation on which we have built our federation of global companies. In fact, we have always been a pioneer in this area, setting benchmarks and implementing systems and processes well before they become legally mandated.

Rise for Good is
a call to action to
do good.



Mahindra & Mahindra

Overview – Automotive and Farm Sectors

Automotive

Towards becoming a globally admired automotive brand

In 1947, we introduced the Utility Vehicle (UV) to India. Since then, we have expanded our automotive portfolio to become a full range player – from two wheelers to passenger vehicles to heavy commercial vehicles and Electric Vehicles (EV). Our vehicles are known for their tough, rugged and reliable DNA and cater to a wide spectrum of customer needs, from enhancing lifestyle to generating livelihood. Today, our indigenously designed and developed products offer features and technologies that are fuel-efficient and accessible across our wide range of offerings, be it UVs, PIK-UPs, Heavy Commercial Vehicles and EVs. We continue to push the boundaries of ingenuity and frugality to create a distinct 'Customer Value Proposition' while developing mobility solutions for India and the overseas markets.

Tractor and Farm Mechanisation

Towards driving farm prosperity

We have been India's leading tractor maker for over thirty years, with over 40% market share. Today, our tractors and farm mechanisation solutions help enhance farm productivity in over 25 countries across the globe. Our growing presence in North America through our subsidiary Mahindra USA (MUSA) is helping us build 'Made in India' and 'Mahindra' brand in overseas markets.

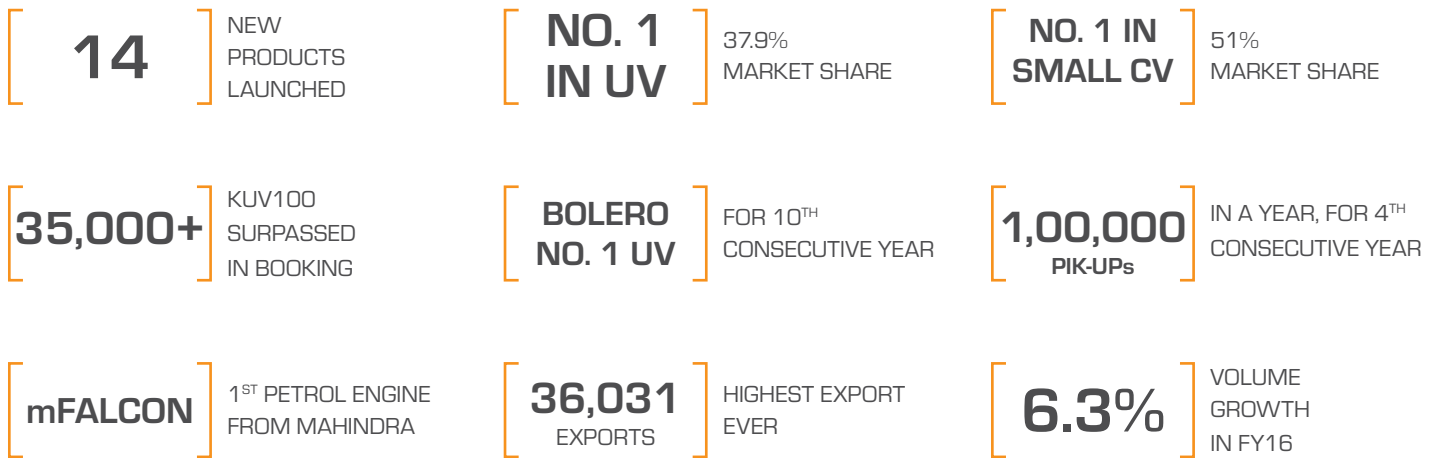
For strengthening our global footprint and introducing modern technologies of farm mechanisation in India, we have entered into strategic partnerships with Mitsubishi Agricultural Machinery (Japan) and Sampo Rosenlew (Finland). With the introduction of new products, we will have a significant presence in the rice value chain and combine harvesters.



Highlights for FY16

For the year under review, we continued to maintain our leadership in the UV segment, Small Commercial Vehicle segment and the Tractor industry, while strengthening our global presence.

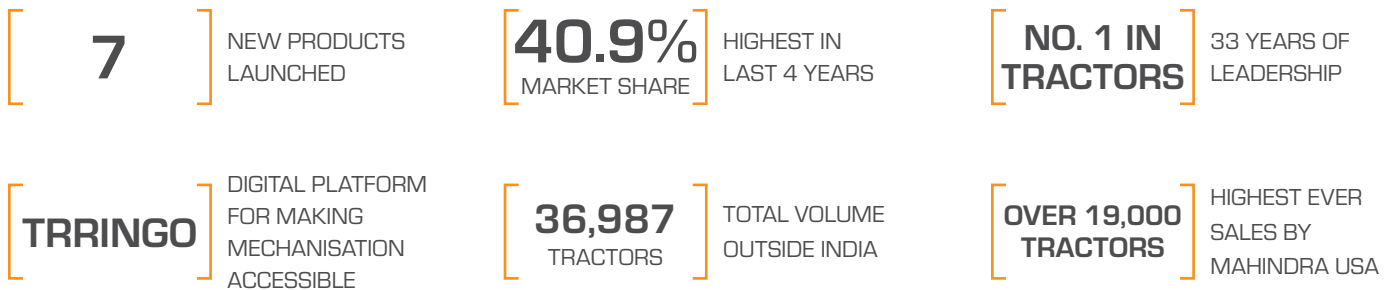
Automotive Business



NO. 1 IN SSI 2015

JD POWER ASIA PACIFIC 2015 INDIA SALES SATISFACTION INDEX (SSI) STUDYSM

Tractor and Farm Mechanisation Business

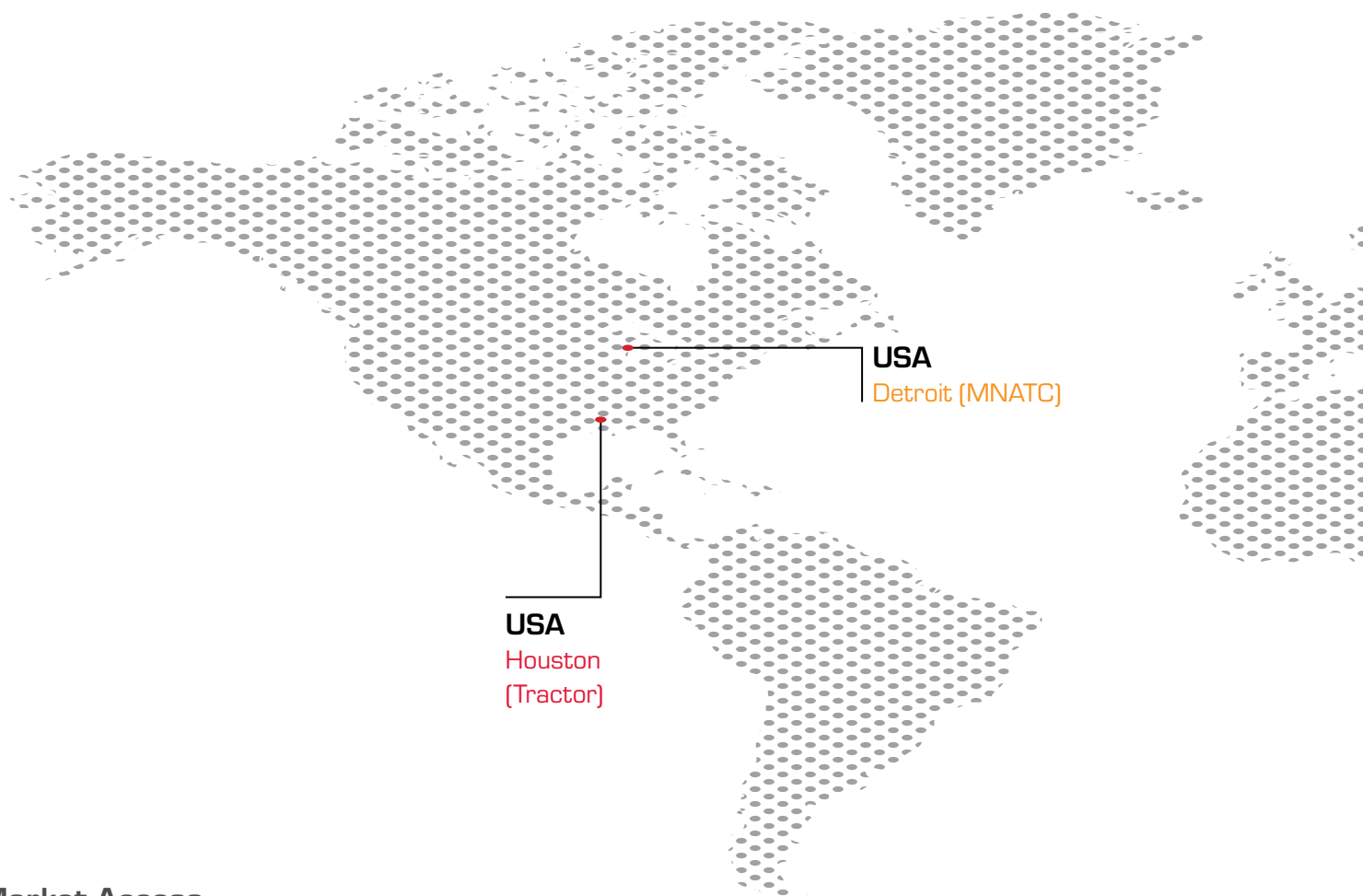


2 STRATEGIC PARTNERSHIPS

STRENGTHENING GLOBAL PRESENCE AND PRODUCT PORTFOLIO THROUGH STRATEGIC PARTNERSHIPS WITH MITSUBISHI AGRICULTURAL MACHINERY (JAPAN) AND SAMPO ROSENLEW (FINLAND)

Global Reach

■ Product Development Centres
 ■ Strategic Partnerships
 ■ Manufacturing Plants



Market Access

Farm

North America
USA and Canada

Middle East & Africa

Algeria, Angola, Botswana, Congo, Egypt, Ethiopia, Gambia, Ghana, Guinea, Iran, Iraq, Ivory Coast, Kenya, Madagascar, Malawi, Mali, Morocco, Mozambique, Namibia, Nigeria, Rwanda, Senegal, South Africa, Sudan, Tanzania, Chad, Tunisia, Uganda and Zambia

APAC

Australia, Bangladesh, Bhutan, East Timor, India, Malaysia, Nepal, New Zealand, Papua New Guinea, South Korea, Singapore, Sri Lanka, Thailand and Vietnam

South America

Brazil, Chile, Columbia, Ecuador, Nicaragua, Paraguay and Peru

Automotive

APAC

Australia, Bangladesh, Bhutan, East Timor, India, Malaysia, Nepal, New Zealand, Papua New Guinea, South Korea, Singapore, Sri Lanka, Thailand and Vietnam

Middle East & Africa

Algeria, Angola, Botswana, Congo, Egypt, Ethiopia, Gambia, Ghana, Guinea, Iran, Iraq, Ivory Coast, Kenya, Madagascar, Malawi, Mali, Morocco, Mozambique, Namibia, Nigeria, Rwanda, Senegal, South Africa, Sudan, Tanzania, Chad, Tunisia, Uganda and Zambia

Europe

Belgium, Finland, France, Germany, Hungary, Iceland, Ireland, Italy, The Netherlands, Norway, Romania, Spain, Sweden, Switzerland and the UK

South America

Brazil, Cayman Islands, Costa Rica, Chile, Columbia, Dominican Republic, Ecuador, Nicaragua, Paraguay and Peru

Finland

Sampo
Rosenlew

Italy

MGRD
Pininfarina

China

MYYTCL (Tractor)

Japan

MAM

Korea

SYMC

India

Chennai (MRV)
Pune (CV)
Bengaluru (EV)

Australia

Brisbane
(Tractor)

Product Development Centres

- 6. Nashik (Tool & Die Shop)
- 8. Mumbai (Design Studio)
- 9. Chakan - Pune (Truck R&D)
- 12. MRV Chennai (R&D Centre)

Manufacturing Plants

Tractors

- 2. Rudrapur
- 3. Mohali
- 4. Jaipur
- 5. Nagpur
- 8. Mumbai
- 10. Zaheerabad

Vehicles

- 1. Haridwar
- 6. Nashik
- 9. Chakan (Pune)
- 8. Mumbai
- 10. Zaheerabad

Electric Vehicles

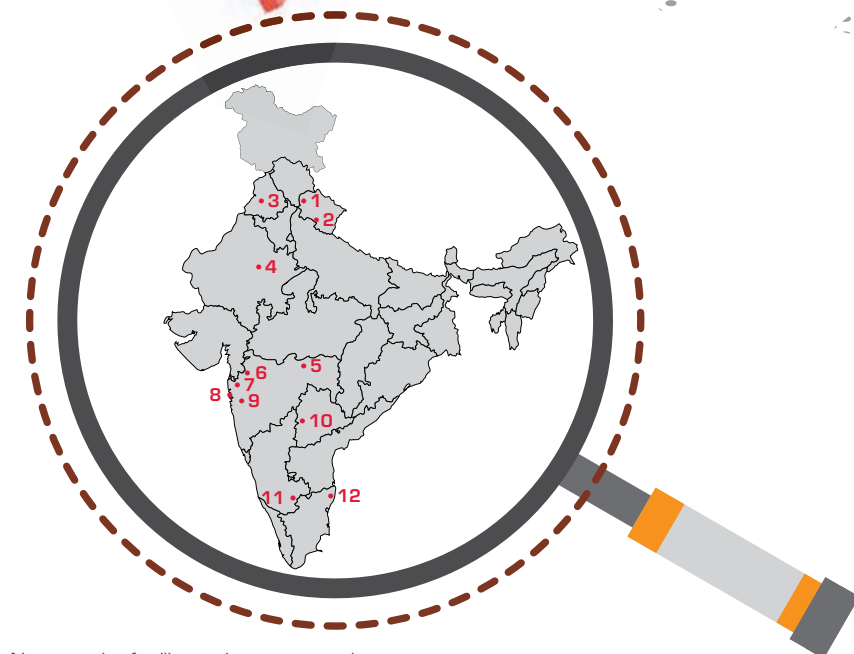
- 11. Bengaluru

Engine

- 7. Igatpuri

Trucks

- 9. Chakan (Pune)



Not to scale - for illustrative purpose only

Technology Driven Innovation

We believe Innovation will be one of the main drivers of our efforts at emerging among the Top 50 Most Admired brands in the world by 2021.

Innovation is deeply embedded in our DNA and is fueled by growing investments in technology, encouraging a culture of empowerment for employees to think differently and develop innovative new ideas, products and solutions for our customers.

5 S Innovation Framework



Our state-of-the-art R&D facility, the Mahindra Research Valley (MRV) in Chennai, validates our commitment towards technology driven innovation. This modern facility has been the birthplace of world-class automotive products like XUV500, TUV300, KUV100 and the technology-packed Arjun NOVO & Mahindra YUV0 tractors. MRV helps deliver a competitive edge through synergies in technology development, indigenous design, shortened product development cycles and enhanced people capabilities.

We, at Mahindra, aim to provide accessible technology to our customers and our recent launches of KUV100, TUV300, Blazo trucks and Mahindra YUV0 tractors are testaments to that fact.

1. In KUV100, we have provided safety features like ABS and EBD at an entry level price point. Dual airbags are optional from the base variant and ISOFIX mounts for a child seat on the rear seat. The KUV100 also offers first-in-class option of Power/ECO Mode and Micro-Hybrid Technology in the diesel variant. Other features include Driver Information System, Steering-mounted audio & phone controls and electrically adjustable ORVMs.
2. Our new range of Mahindra Blazo trucks feature 'Fuel Smart' technology that significantly enhance fuel efficiency. Its Multimode

technology offers three drive modes - Turbo, Heavy and Light, based on load and road conditions, thus optimising fuel efficiency.

3. The technology-packed Mahindra YUV0 delivers more coverage, faster operations and better quality of work. The YUV0 range offers many best-in-class and category first features like 12F+3R gears, 1500 kg lift capacity, precision hydraulics and high engine power (best-in-class max torque). Designed for over 30 different farming applications, the YUV0 supports farmers with land preparation to harvesting as well as post-harvesting operations.
4. With the recently launched TRRINGO digital platform, we have entered into the farm equipment rental services, using new age technology and digitisation. Through TRRINGO, our endeavour is to make tractors and implements more accessible to the small and marginal farmers.
5. Mahindra became one of the first large corporate groups in the country to initiate a digital mobility platform with the launch of SmartShift - a technology-enabled, intra-city load exchange platform. SmartShift acts as an exchange platform for cargo owners and transporters.

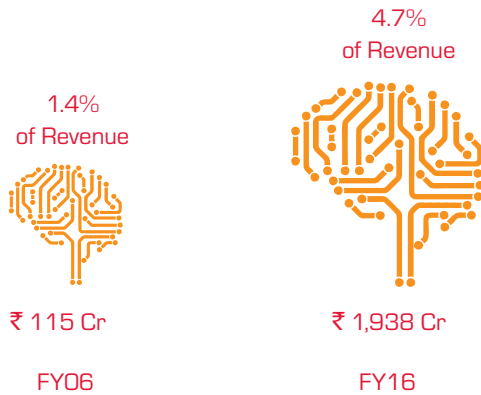
Our investment in technology and product development has grown from ₹ 115 cr in FY06 to ₹ 1,938 cr in FY16. We filed 173 patents in FY16, compared to 156 in the previous year. Our efforts towards technology development and generating IPR have been recently recognised with three prestigious National Awards on World Intellectual Property Day under the categories of 'Best Commercialisation of Patents', 'WIPO (World Intellectual Property Organisation) Users Trophy' and 'Top Organisation for Trademarks'.

Going forward, we will continue to enhance our technology and product development capability by leveraging the neural network

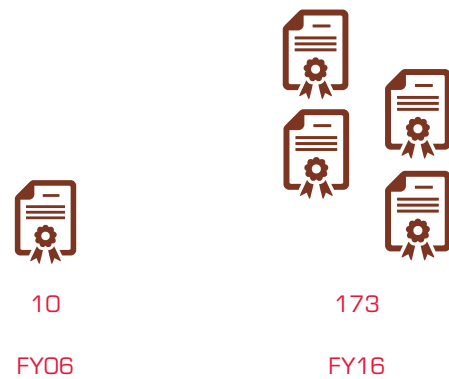
with MRV in Chennai and our partners across the globe. Mahindra North American Technical Centre (MNATC) is helping us leverage the mature automotive development ecosystem in USA. Synergies with SYMC in Korea and our proposed investment in Pininfarina will further help enhance our design and development capabilities.

In the Agri machinery space, we will enhance our global presence and product portfolio, through our strategic partnerships with Mitsubishi Agri Machinery (MAM), Japan and Sampo Rosenlew Oy, Finland. These partnerships will enhance our presence across the rice value chain and the global combine harvester business.

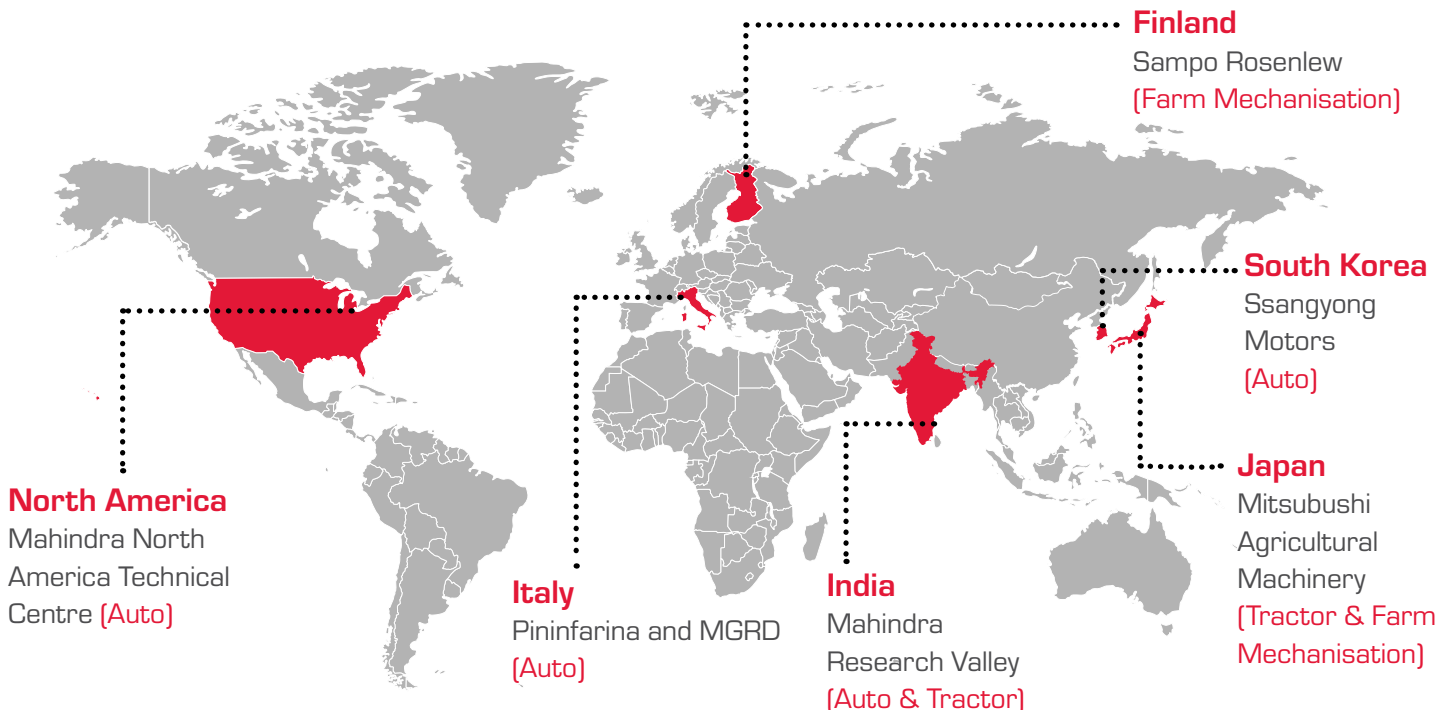
Investment in Technology & Product Development



Patent Application



Strengthening indigenous technology and product development leveraging global innovation footprint



Not to scale - for illustrative purpose only

New Launches

Automotive



■ New Age XUV500 and XUV500 AT



■ KUV100



■ TUV300



■ Supro Maxitruck



■ Supro Van



■ Blazo Truck

Tractors



■ Mahindra YUV0



■ Arjun Novo 4WD



■ 555 PP

Key Accolades of FY16

- Mr. Keshub Mahindra, Chairman Emeritus of the Company was honoured with the Lifetime Achievement Award from ASSOCHAM (The Associated Chambers of Commerce and Industry of India), in recognition of his stellar contribution to the Indian industry over the past five decades.
- Mahindra Group Chairman, Mr. Anand Mahindra featured among Top 30 Global CEOs in the prestigious Barron's 2016 List. Mr. Mahindra was one of four international leaders to join the list in 2016.
- The Company received the AON Hewitt Award for Top 10 Global Companies for Leaders. The study evaluates and recognises what it takes to execute best-in-class leadership and talent management around the world.
- The Company bagged the 'Technology Innovation of the Year' award at IATIA 2015 for its smartphone based Mahindra Blue Sense App which provides functionalities like E-Call, Green Drive, Navigation, Connectivity and Telematics solutions at no additional cost.
- The Company was awarded the coveted Golden Peacock Award for Excellence in Corporate Governance by the Institute of Directors as well as the National Award for Excellence in Corporate Governance by the Institute of Company Secretaries of India.
- The Company was awarded the third prize in the category of 'Top 3 Institutions for R&D in Renewable Energy' by the Ministry of Non-conventional and Renewable Energy (MNRE), Govt. of India.



Thar CRDe



NuvoSport



Jeeto



Imperio



49 T Tractor Trailer



Excelo School Bus



415 DI



245 Orchard



Swaraj 960



Swaraj 717

Presented by Hon. Minister of Renewable Energy Mr. Piyush Goyal, M&M is the only private Company to receive this R&D award.

- Manufacturer of the Year by CNBC Overdrive Awards 2016 and ET India Manufacturing Excellence Award 2015 by Frost and Sullivan.
- The Company won the Business Today 'Best Companies to Work For' award in 2016 in the Engineering & Automotive category, as well as the Top 25 Great place to work by the Great Places to Work Institute, in partnership with Economic Times.
- The Company was ranked among the top two in 'Best at Investor Relations' category among Indian companies, according to the

latest survey conducted by Finance Asia magazine among top global fund managers and analysts.

- The Company was ranked No. 1 in the study conducted by Economic Times for 'The Best Companies for CSR'.
- The K. C. Mahindra Education Trust was chosen as the winner of the TOI Social Impact Award 2015 in the 'Corporate-Education' category for Project Nanhi Kali.

Corporate Information

COMMITTEES OF THE BOARD

Audit Committee

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

Stakeholders Relationship Committee

Mr. R. K. Kulkarni – Chairman
Mr. Anand G. Mahindra
Dr. Pawan Goenka
Dr. Vishakha N. Desai

Governance, Nomination and Remuneration Committee

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

Corporate Social Responsibility Committee

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

Strategic Investment Committee

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

Loans & Investment Committee

Mr. Anand G. Mahindra – Chairman
Dr. Pawan Goenka
Mr. R. K. Kulkarni
Mr. Vikram Singh Mehta

Research & Development Committee

Mr. M. M. Murugappan – Chairman
Mr. Anand G. Mahindra
Dr. Pawan Goenka
Mr. Nadir B. Godrej

Risk Management Committee

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

CHAIRMAN EMERITUS

Mr. Keshub Mahindra

BOARD OF DIRECTORS

Mr. Anand G. Mahindra
Chairman & Managing Director

Dr. Pawan Goenka
Executive Director

Mr. Deepak S. Parekh

Mr. Nadir B. Godrej

Mr. M. M. Murugappan

Mr. R. K. Kulkarni

Mr. Anupam Puri

Dr. Vishakha N. Desai

Mr. Vikram Singh Mehta

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

Mr. Narayan Shankar
Company Secretary

BANKERS

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

AUDITORS


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

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



Board's Report

Board's Report

Dear Shareholders

Your Directors present their Report together with the audited financial statements of your Company for the year ended 31st March, 2016.

A. FINANCIAL AND OPERATIONAL HIGHLIGHTS

(Rs. in crores)

| | 2016 | 2015 |
|--|--------|--------|
| Gross Income | 44,461 | 41,481 |
| Less: Excise Duty on Sales | 2,722 | 2,188 |
| Net Income | 41,739 | 39,293 |
| Profit before Depreciation, Finance Costs, Exceptional items and Taxation | 5,425 | 5,022 |
| Less: Depreciation/Amortisation | 1,109 | 975 |
| Profit before Finance Costs, Exceptional items and Taxation | 4,316 | 4,047 |
| Less: Finance Costs | 155 | 214 |
| Profit before Exceptional items and Taxation | 4,161 | 3,833 |
| Add: Exceptional items | 69 | 336 |
| Profit before Taxation | 4,230 | 4,169 |
| Less: Provision for Tax – Current Tax (including MAT credit entitlement) | 806 | 743 |
| Less: Provision for Tax – Deferred Tax (Net) | 257 | 105 |
| Profit for the year | 3,167 | 3,321 |
| Balance of profit for earlier years | 14,750 | 12,325 |
| Less: Transfer to Debenture Redemption Reserve | 3 | 17 |
| Add: Transfer from Debenture Redemption Reserve | 100 | — |
| Profits available for appropriation | 18,014 | 15,629 |
| Add: Reversal of income tax on dividend paid for 2013-14 | — | 3 |
| Less: Proposed Dividends | 745 | 745 |
| Income-tax on Proposed Dividend | 96 | 102 |
| Depreciation as per transitional provision as specified in Schedule II of the Companies Act, 2013 For 2014-15 [Net of Tax of Rs. 18.24 crores] | — | 35 |
| Income-tax on Dividend Paid for 2014-15 | * | — |
| Balance carried forward | 17,173 | 14,750 |

* denotes amounts less than Rs. 50 lakhs

The fact that India's economic recovery remained on course throughout the Financial Year 2015-16, despite an extremely weak and volatile global operational environment, is impressive and bears testimony to the policy repair that has been wrought since the near crisis experienced in May 2013. Aided by subdued oil and metal prices and supported by positive policy actions, the country's key macroeconomic indicators – inflation, fiscal deficits and current account balances – have witnessed a remarkable turnaround and consolidated further through the year. The string of financial storms that hit global markets in 2015, engendered by uncertainty surrounding US monetary policy actions, rising risks of a hard-landing in China and the unfolding economic and geopolitical crises in Europe and the Middle East, resulted in portfolio flows to India, and other emerging markets, turning negative this fiscal. However, consolidating macros, coupled with a steady improvement in policy and regulatory environment, led to a 28% increase in foreign direct investment flows to the country, providing it with a much needed buffer. Thus, even as portfolio flows reversed, the surge in FDI inflows allowed the central bank to grow international reserves by close to \$20 billion by year end, strengthening the economy's ability to absorb future external shocks without de-stabilizing.

Growth momentum, however, remained disappointingly modest and patchy through most of the year. With external demand remaining sluggish, rural incomes battered by four consecutively weak cropping seasons and domestic private investments constrained by excess capacities and rising balance sheet stress, urban consumption and public capital expenditures were virtually the only sources of demand that picked up pace this fiscal. Economic activity, as a consequence, remained far feebler through 2015-16 than was anticipated at the start of the year.

However, even amidst this scenario, your Company recorded an increase of 6.23% in net income at Rs. 41,739 crores in the year under review as against Rs. 39,293 crores in the previous year.

The Profit for the year before Depreciation, Finance Costs, Exceptional items and Taxation recorded an increase of 8.02% at Rs. 5,425 crores as against Rs. 5,022 crores in the previous

year. Profit after tax declined by 4.64% at Rs. 3,167 crores as against Rs. 3,321 crores in the previous year.

Your Company continues with its rigorous cost restructuring exercises and efficiency improvements which have resulted in significant savings through continued focus on cost controls and process efficiencies thereby enabling the Company to maintain profitable growth in the current economic scenario.

No material changes and commitments have occurred after the closure of the Financial Year 2015-16 till the date of this Report, which would affect the financial position of your Company.

Performance Review

Automotive Division:

Your Company's Automotive Sector recorded total sales of 4,94,096 vehicles (4,37,911 four-wheelers and 56,185 three-wheelers) as against a total of 4,64,850 vehicles (4,05,446 four wheelers and 59,404 three-wheelers) in the previous year, registering a growth of 6.3% in vehicle sales.

On the domestic sales front, your Company sold a total of 4,58,065 vehicles as compared to 4,34,654 vehicles in the previous year registering a growth of 5.4%.

In the Passenger Vehicle segment, your Company sold 2,36,307 vehicles [including 2,22,324 Utility Vehicles (UVs), 10,588 Vans and 3,395 Cars] which is a growth of 5.5% over the previous year's volume of 2,23,968 vehicles [including 2,06,837 UVs, 13,947 Vans and 3,184 Cars].

In the commercial vehicle segment, your Company sold 1,66,783 vehicles [including 27,834 vehicles < 2T GVW, 1,26,819 vehicles between 2-3.5T GVW, 6,425 LCVs in the LCV > 3.5T segment and 5,705 HCVs (Heavy Commercial Vehicles)] registering a growth of 8.4% over the previous year's volume of 1,53,922 commercial vehicles [including 15,255 vehicles < 2T GVW, 1,29,755 vehicles between 2-3.5T GVW, 5,413 LCVs in the LCV > 3.5T segment and 3,499 HCVs].

In the three-wheeler segment, your Company sold 54,975 three-wheelers registering a decline of 3.2% over the previous year's volume of 56,764 three-wheelers.

A key highlight for the year under review was the launch of fourteen new products by your Company. These product launches were across product categories and have helped strengthen your Company's presence across industry segments.

For the year under review, the Indian automotive industry (except 2W) grew 7.1% and all segments of the industry

(except LCV < 2T and 3W Goods) posted growth. This growth is much more broad-based as compared to the patchy growth in the Financial Year 2014-15, where many segments continued to be in the negative after the low of Financial Year 2013-14. In Financial Year 2015-16, the Passenger vehicle segment reported a growth of 7.2% which was largely driven by new launches - both in Car and UV segments. The commercial vehicle segment grew 11.5% after three consecutive years of decline. Within the commercial vehicles, the < 3.5T GVW segment continued to face difficult times due to slowdown in Agri incomes and finance availability.

Your Company's UV sales volume grew by 7.5%, and your Company continued leadership of the domestic UV market by posting a market share of 37.9%. During this year, Bolero retained the title of India's largest selling SUV for the 10th consecutive year, and the XUV500 continued to be the customer's choice in the premium UV segment with over 36,000 sales in the year.

The highlight for the year under review was the launch of two all new UVs, the TUV300 and KUV100 in the compact UV segment. Launched in September, 2015, the TUV300 is inspired by the design of a battle tank that lends it a tough, bold and stylish, 'true-blue SUV' character. Despite the tough appearance of a true blue SUV on the outside, the TUV300 is stylish and extremely comfortable on the inside and comes loaded with a host of technology and safety features. The KUV100 which was launched in January, 2016, is designed to appeal to the cool and trendy, with its Aggressive Design with Imposing SUV Stance. Powered by the all new mFALCON family of petrol and diesel engines, the KUV100 marks Mahindra's entry into the petrol space. Driven by the new launches, the UV volume growth for your Company in the second half of the Financial Year 2015-16 was 19.7% as against decline of 5.5% in the first half of the Financial Year 2015-16.

In the LCV < 2T segment, your Company launched the all new small commercial vehicle Jeeto. Jeeto is the first ever product in its category with a modular range of eight mini-trucks to cater to the varied needs of the sub 1 tonne load segment customers. On back of success of Jeeto, your Company's market share for this segment stood at 23.9% as against 11.6% in the previous year.

In the PIK-UP segment of commercial vehicles (LCV 2 to 3.5T), your Company maintained its leadership position with a market share of 69.1%. In January, 2016, your Company launched Imperio, the premium, aspirational PIK-UP.

In February, 2016, your Company launched Blazo series heavy commercial trucks with Fuelsmart technology. The Blazo series of trucks are backed by a guarantee of superior mileage and a 48 hours service guarantee.

During the year under review, your Company posted the highest ever export volume of 36,031 vehicles as against previous year export of 30,196 vehicles, a growth of 19.3%. Your Company continued to grow its presence in the neighbouring markets of Sri Lanka, Nepal, Bangladesh and Bhutan, where volumes grew by 29%. With continued efforts of building brand in key markets like South Africa and Chile, your Company reported a volume growth of 5% and 20% respectively.

Spare parts sales for the year stood at Rs. 1,772.8 crores (including Exports of Rs. 111.5 crores) as compared to Rs. 1,569.5 crores (including Exports of Rs. 104.0 crores) in the previous year, registering a growth of 12.9%.

Farm Division:

Your Company's Farm Division (including Swaraj Division) recorded sales of 2,14,173 tractors as against 2,34,766 tractors sold in the previous year, recording a decline of 8.8%.

In the Financial Year 2015-16, the Indian tractor industry declined by 10.4%. The domestic tractor industry recorded sales of 4,93,497 tractors as compared to 5,50,963 tractors in the previous year. This was the second consecutive year of steep decline, with the Financial Year 2014-15 decline being 13.1%. As a result of decline in these two consecutive years, the industry volume for Financial Year 2015-16 was 22.1% below the all-time high of Financial Year 2013-14. The key reason behind this decline is, two successive years of deficient monsoon, which have impacted the crop production and rural sentiment at large.

Your Company's sales in the domestic market stood at 2,02,628 tractors as compared to 2,21,020 tractors in the previous year, recording a decline of 8.3%. Your Company continues to be the market leader with a 40.9% market share with a gain of 0.9%. With a vision to offer class leading tractors to the Indian farmer, your Company in the first week of April, 2016 launched Mahindra YUVO, a new age, superior technology, range of tractors in the 30-45 HP category. The advanced technology of the YUVO range helps serve the diverse needs of farmers – from land preparation to harvesting as well as post-harvesting requirements, helps them do more, faster and better.

During the year under review, your Company exported 11,545 tractors which is a decline of 16.0% over the previous year. While the exports grew to the neighbouring countries, the slowdown in the African market due to the oil crisis, impacted the overall export volumes.

Beyond tractors, your Company has presence in crop care solutions and distribution of seeds. The focus of this business is to provide quality inputs and help improve farm productivity. In Financial Year 2015-16 this business saw a growth of 13.3% in terms of revenue.

In the power generation space, under the Mahindra Powerol Brand, your Company continues to be amongst the leaders in the industry. Your Company earned a revenue of Rs. 1,109.9 crores in the current financial year as against Rs. 955.5 crores in the previous year, recording a growth of 16.4%. Along with the revenue growth, your Company has improved its presence in the retail segment and made good progress in the 'Energy Management Solutions' space.

Spare parts sales for the year stood at Rs. 540.3 crores (including Exports of Rs. 34.8 crores) as compared to Rs. 526.3 crores (including Exports of Rs. 48.8 crores) in the previous year, registering growth of 2.7%.

Current Year's review

During the period 1st April, 2016 to 29th May, 2016, 60,027 vehicles were produced as against 65,086 vehicles and 57,668 vehicles were despatched as against 59,956 vehicles during the corresponding period in the last year. During the same period 44,730 tractors were produced and 44,778 tractors dispatched as against 38,382 tractors produced and 38,175 tractors dispatched during the corresponding period in the previous year.

Recent data indicators suggest that the country is likely to experience a stronger, more broad-based economic recovery in Financial Year 2016-17. For one, infrastructural activity, particularly in the power and road sectors, registered a smart pick up in the last quarter of Financial Year 2015-16 indicating that the Government's focused policy efforts in this space are finally beginning to bear fruit. Rising bitumen production, cement dispatches and freight rates attest to the same. Second, growth in domestic sales of motor cycles and tractors have now turned positive suggesting that the rural economy may now be stabilizing, albeit at a low level. With a robust monsoon season predicted for 2016, rural demand will, in all likelihood, pick up pace in the coming quarters. Finally, with

both infrastructural activity and consumption demand gaining strength, Balance Sheet stresses in the Corporate Sector are likely to wane, setting the stage for a revival in domestic private sector investments by year end.

Thus, even as we remain alert to the downside risks emanating from a challenging global environment and domestic banking distress including Brexit, the Company's outlook on the economy is upbeat and it stands ready to harness the business opportunities that stronger growth will present.

Finance

The world is in a churn and uncertainty and subdued global economic activity were the key themes for Financial Year 2015-16. US economy showed signs of steady recovery with improvement seen in consumer spending and labour market, which led to the US Federal Reserve to announce an interest rate hike of 0.25% in December, 2015, the first rate hike in nine years. The US Federal Reserve was also caught in the churn as the slow growth rate across geographies has led to it stalling any further rate hikes. Other major advanced economies such as the Eurozone and Japan struggled to revive growth and continued with their quantitative easing. As a first, both Eurozone and Japan resorted to the unorthodox measure of adopting negative interest rate policy in order to kick-start consumption and pull their respective economies out of deflation. As advanced economies struggled, even the emerging economies were hit by the fall in energy and other commodity prices. Slowdown of growth in China (the slowest pace in 25 years) and resultant measures taken by the Chinese authorities, fueled volatility in financial markets across the world. In addition, both in case of Brazil and Russia, their economic outlook has deteriorated more rapidly than expected. In case of Africa, the region still has a lot of potential for economic expansion in the medium to long run, mainly due to its demographic dividend but several political and institutional constraints offer significant uncertainty. Amidst all the churn across the globe, India was one of the few bright spots in the world, which benefitted from lower energy prices. The latest World Economic Outlook by IMF projects the world economy to grow at an increasingly fragile pace due to global asset market volatility, loss of growth momentum in the advanced economies and continuing headwinds for emerging market economies.

Financial Year 2015-16 was full of surprises for the currency markets. The sudden currency devaluation by China, talks

about Grexit, prospects of interest rate hikes by US Fed and falling oil prices kept the currency markets volatile. Indian Rupee displayed relative outperformance as compared to other emerging market currencies. While the global slowdown continued to weigh on exports, which declined 16% and were at a 5-year low, the Government's commitment towards fiscal prudence and progressive economic policies, led to surge of Foreign Direct investment ("FDI"). FDI in Financial Year 2015-16 touched a record high of USD 56 billion. The Reserve Bank of India ("RBI") through various measures augmented its forex reserves to counter any volatility in outflows amidst slowing growth in China and prospects that the Federal Reserve will consider raising US interest rates.

With the CPI inflation firmly in control, RBI reduced repo rate by cumulative of 75 bps in the first half of the financial year. RBI continued to nudge Banks to ensure that effective transmission of rate cut in the system takes place. Both the Government and RBI took several measures such as reduction in small savings rates, refinements in the liquidity management framework and the introduction of the marginal cost of funds based lending rate to improve transmission and magnify the effects of the current policy rate cut in the economy.

Your Company continued to focus on managing cash efficiently and ensured that it had adequate liquidity and back up lines of credit. During the course of the year, your Company availed Export finance amounting to Rs. 315 crores under the interest equalisation Scheme of Government of India. During the year, your Company repaid Rs. 1,298.41 crores of borrowings from internal accruals. The Company's Bankers continue to rate your Company as a prime customer and extend facilities/services at prime rates. Your Company follows a prudent financial policy and aims not to exceed an optimum financial gearing at any time. The Company's total Debt to Equity Ratio was 0.13 as at 31st March, 2016.

Your Company has been rated by CRISIL Limited ("CRISIL"), ICRA Limited ("ICRA"), India Ratings and Research Private Limited ("India Ratings") and Credit Analysis & Research Limited ("CARE") for its Banking facilities under Basel II norms. All have re-affirmed the highest credit rating for your Company's Short Term facilities. For Long Term facilities and Non-Convertible Debenture ("NCD") programme, CRISIL and ICRA have re-affirmed their credit ratings of CRISIL AAA/ Stable and [ICRA]AAA (stable) respectively. Further, CARE has also re-affirmed the ratings of the Company's long-term Bank facilities at CARE AAA. India Ratings and Research

(Ind-Ra, a Fitch Group Company) has also re-affirmed Long-Term Issuer Rating of 'IND AAA' with a Stable outlook to your Company.

With the above rating affirmations, your Company continues to enjoy the highest level of rating from all major rating agencies at the same time.

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

During the year, your Company obtained International Credit Rating from Moody's Investor Service ("Moody's") and Standard & Poor ("S&P"). Both the agencies assigned investment grade credit rating to the Company viz., Baa3 by Moody's and BBB- by S&P with a stable outlook. The rating reflects your Company's diversified business profile, leading market position in India, long track record of successful operations, strong corporate governance practices, financial flexibility and conservative financial policies.

With this your Company is now amongst a very few select Indian Corporates who enjoy investment grade rating. It may be relevant to note that India's sovereign rating also stands at Baa3 and BBB- by Moody's and S&P respectively.

Investor Relations (IR)

Your Company continuously strives for excellence in its Investor Relations ("IR") engagement with International and domestic investors through structured conference-calls and periodic investor/analyst interactions like individual Meetings, Tele-presence Meetings, participation in investor conferences, quarterly earnings calls and annual analyst meet with the Chairman & Managing Director, Executive Director and Business Heads. Your Company interacted with around 635 Indian and overseas investors and analysts (excluding quarterly earnings calls and specific event related calls) during the year.

Your Company always believes in leading from the front with emerging best practices in IR and building a relationship of mutual understanding with investor/analysts. In order to engage with investors beyond financial numbers, your Company also organises annual conference call with investors/

analysts on key Environment, Social and Corporate Governance (ESG) initiatives of the Company.

Your Company's IR function was voted as one of the top 2 companies under the category 'Best at Investor Relations in India' for the year in the 16th Annual survey conducted by FinanceAsia magazine, Hong Kong. FinanceAsia is a magazine founded in 1996 to cover investment banking, capital markets and strategic corporate finance in Asia Pacific and is owned by Haymarket Media, a publishing house based in UK.

Your Company ensures that critical information about the Company is available to all the investors by uploading all such information at the Company's website. Your Company has created a 'Group Investor Relations Council' to share best practices across all the listed group companies and learn from each other.

Dividend

Your Directors are pleased to recommend a dividend of Rs. 12 per Ordinary (Equity) Share of the face value of Rs. 5 each, payable to those Shareholders whose names appear in the Register of Members as on the Book Closure Date. The equity dividend outgo for the Financial Year 2015-16, inclusive of tax on distributed profits (after reducing the tax on distributed profits of Rs. 55.36 crores on the dividends receivable from the subsidiaries during the current Financial Year) would absorb a sum of Rs. 841.68 crores [as against Rs. 846.95 crores comprising the dividend of Rs. 12 per Ordinary (Equity) Share of the face value of Rs. 5 each and tax thereon paid for the previous year]. Further, the Board of your Company decided not to transfer any amount to the General Reserve for the year under review.

B. CONSOLIDATED FINANCIAL STATEMENTS

The Consolidated Financial Statements of the Company and its subsidiaries, prepared in accordance with the Companies Act, 2013 and applicable Accounting Standards along with all relevant documents and the Auditors' Report 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.

The Financial Statements as stated above are also available on the website of the Company and can be accessed at the Web-link: <http://www.mahindra.com/resources/investor-reports/FY16/Annual Reports/Links-AnnualReport.zip>

Subsidiary, Joint Venture and Associate Companies

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

Tech Mahindra Limited (TML), the Company's Flagship Company in the IT Sector, has reported a consolidated revenue of Rs. 26,494 crores in the current year as compared to Rs. 22,621 crores in the previous year, an increase of 17%. Its consolidated profit after tax is Rs. 3,118 crores as compared to Rs. 2,628 crores in the previous year, an increase of 19%.

The Group's finance company, Mahindra & Mahindra Financial Services Limited (Mahindra Finance), reported a total consolidated income of Rs. 6,554 crores during the current year as compared to Rs. 6,021 crores in the previous year, a growth of 9%. The consolidated profit after tax for the year is Rs. 772 crores as compared to Rs. 913 crores in the previous year.

Mahindra Lifespace Developers Limited (MLDL), the Group's subsidiary in the business of real estate and infrastructure registered a consolidated operating income of Rs. 826 crores as compared to Rs. 1,086 crores in the previous year. The consolidated profit after tax for the year is Rs. 93 crores as compared to Rs. 266 crores in the previous year.

Mahindra Holidays & Resorts India Limited, the Group's subsidiary in the business of timeshare registered a consolidated operating income of Rs. 1,599 crores as compared to Rs. 812 crores in the previous year, an increase of 97%. The consolidated profit after tax for the year is Rs. 99 crores as compared to Rs. 81 crores in the previous year, an increase of 22%.

Ssyangyong Motor Company (SYMC), the Korean subsidiary of the Company has reported consolidated revenues of Rs. 19,647 crores in the current fiscal year as compared to Rs. 18,466 crores in the previous year, a growth of 6%. The consolidated loss after tax for the year is Rs. 177 crores as compared to Rs. 715 crores in the previous year.

The consolidated group profit after tax after minority interest before exceptional items for the year is Rs. 3,206 crores as against Rs. 2,863 crores in the previous year – a growth of 12%. The consolidated profit after tax after minority interests and exceptional items for the year is Rs. 3,211 crores as against Rs. 3,137 crores in the previous year.

During the year under review, Divine Solren Private Limited, Neo Solren Private Limited, Mahindra Water Utilities Limited,

Holiday Club Resorts Oy, Holiday Club Sweden Ab Åre, Ownership Services Ab, Holiday Club Canarias Investments S.L., Holiday Club Canarias Sales & Marketing S.L., Holiday Club Canarias Resort Management S.L., Saariselkä Resort Oy, Kiinteistö Oy Jalomella, Kiinteistö Oy Outapalas, Kiinteistö Oy Ulkuvuoma, Holiday Club Rus LLC, Suomen Vapaa-aikakiinteistöt Oy LKV, Kiinteistö Oy Himos Gardens, Himos Hillside Golf Oy, Kiinteistö Oy Himoksen Tähti 2, Sallan Tunturipalvelut Oy, Kiinteistö Oy Tunturinrivi, Kiinteistö Oy Pisterinniementie 2, Holiday Club Katinkullan Villas Oy, Kiinteistö Oy Vanha Ykköstii, Kiinteistö Oy Katinkullan Villas Parkki, Kiinteistö Oy Katinnurkka, Kiinteistö Oy Katinpalsta, Kiinteistö Oy Tenetinlahti, Kiinteistö Oy Mällönsniemi, Holiday Club Golf Saimaa Oy, Kiinteistö Oy Rauhan Ranta 1, Kiinteistö Oy Rauhan Ranta 2, Kiinteistö Oy Rauhan Ranta 6, Kiinteistö Oy Rauhan Parkki, Saimaan Palvelukiinteistöt Oy, Kiinteistö Oy Paviljongin Pysäköinti, Kiinteistö Oy Tiurunniemi, Kiinteistö Oy Rauhan Liikekiinteistöt 1, Saimaa Action Park Oy, Supermarket Capri Oy, Kiinteistö Oy Kylpylätorni 1, Kiinteistö Oy Lappeenrannan Saimaan Kreivi, Kiinteistö Oy Spa Lofts 2, Kiinteistö Oy Spa Lofts 3, Kiinteistö Oy Kulennoinen, Kiinteistö Oy Kuusamon Pulkajärvi 1, Kongressi- ja Kylpylähotelli Caribia Oy, Caribia Service Oy, Oü Holiday Club Tallinn, Kiinteistö Oy Hakan Perusyhtiö 79, HCR Management Oy, Finland, Marvel Solren Private Limited, Astra Solren Private Limited, Orizonte Business Solutions Limited, Airvan10 Pty Ltd., Holiday Club Sport and Spa AB (formerly known as Visionsbolaget 10088 AB), Gateway Housing Company Limited, Mahindra International UK Ltd., SY Auto Capital Co., Ltd., MachinePulse Tech Private Limited, Are Semesterby A, Are Semesterby B, Are Semesterby C, Are Semesterby D, Are Villas 1 Ab, Are Villas 2 Ab and Saimaa Gardens Arena Oy became subsidiaries of your Company.

Subsequent to the year end, Trringo.com Limited and Mahindra West Africa Limited became subsidiaries of your Company.

During the year under review, Mahindra Business & Consulting Services Private Limited, Kiinteistö Oy Lappeenrannan Saimaan Kreivi, Saariselkä Resort Oy, Himos Hillside Golf Oy, Kiinteistö Oy Pisterinniementie 2, Holiday Club Katinkullan Villas Oy, Kiinteistö Oy Katinpalsta, Saimaan Palvelukiinteistöt Oy, Kiinteistö Oy Paviljongin Pysäköinti, Kiinteistö Oy Hakan Perusyhtiö 79, Kiinteistö Oy Rauhan Ranta 6, Kiinteistö Oy Rauhan Parkki, Oü Holiday Club Tallinn, Swaraj Automotives Limited, Divine Heritage Hotels Private Limited, Competent Hotels Private Limited, Holiday on Hills Resorts Private Limited, Kiinteistö Oy

Jalomella, Kiinteistö Oy Outapalas, Kiinteistö Oy Ulkuvuoma, Kiinteistö Oy Kulennoinen, Kongressi- ja Kylpylähotelli Caribia Oy, Saimaa Action Park Oy, Holiday Club Golf Saimaa Oy, Sallan Tunturipalvelut Oy and Kiinteistö Oy Katinkullan Villas Parkki ceased to be subsidiaries of your Company.

During the year under review, Mriyalguda Farm Solution Limited has changed its name to Mahindra eMarket Limited, Mahindra EPC Services Private Limited has changed its name to Mahindra Susten Private Limited, Mahindra Offgrid Services Private Limited has changed its name to Mahindra Renewables Private Limited, Mega One Stop Farm Services Limited has changed its name to Orizonte Business Solutions Limited, Mahindra Shubhlabh Services Limited has changed its name to Mahindra Agri Solutions Limited, Mahindra Punjab Tractors Private Limited has changed its name to Auto Digitech Private Limited and Mahindra Racing s.r.l. has changed its name to Mahindra Racing S.P.A.

During the year under review, Mahindra Heavy Engines Private Limited, Mahindra Reva Electric Vehicles Private Limited and Mahindra Namaste Private Limited were converted into Public Limited companies and accordingly, their names were changed to Mahindra Heavy Engines Limited, Mahindra Reva Electric Vehicles Limited and Mahindra Namaste Limited respectively.

During the year under review, Mitsubishi Mahindra Agricultural Machinery Co. Ltd., became a Joint Venture of your Company.

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

The Policy for determining material subsidiaries as approved by the Board is uploaded on the Company's website and can be accessed at the Web-link: <http://www.mahindra.com/resources/investor-reports/FY16/Annual Reports/Links-AnnualReport.zip>

C. JOINT VENTURES, ACQUISITIONS AND OTHER MATTERS

Consolidation of Agri Business under Mahindra Agri Solutions Limited (MASL)

The Agri Business of your Company had reached a critical mass. In order to enable the organization to focus on the Agri business, your Company entered into a Business Transfer Agreement to transfer its Agri business to Mahindra Agri

Solutions Limited ("MASL", earlier known as Mahindra Shubhlabh Services Limited) for an aggregate cash consideration of Rs. 260.06 crores. MASL became a wholly owned subsidiary of the Company during the year under review. MASL would provide an opportunity to fully leverage the potential that this business offers and thus function as an end to end provider in the Agri value chain. Post this consolidation, MASL would house the businesses viz. Crop Care, Seeds, Pulses, Dairy, Edible Oil, Seed Potato (held through a joint venture company named Mahindra HZPC Private Limited), Fruits (in MASL and through a joint venture company named Mahindra Univeg Private Limited). The micro irrigation business, EPC Industrié Limited, shall continue to remain a direct subsidiary of the Company.

Acquisition of 35% stake in Sampo Rosenlew Oy, Finland

In line with the vision of the Farm Equipment Sector to become a global full line player in the agriculture machinery space and to deliver "Farm Tech Prosperity", your Company signed a definitive agreement on 31st March, 2016, for acquiring a 35% stake in Sampo Rosenlew Oy ("Sampo") for a consideration not exceeding Euro 18 million, subject to customary adjustments, on closing. The transaction is expected to close on or before 30th September, 2016. Sampo's main products are combine harvesters and forest harvesters with combine harvesters accounting for nearly 70% of its net sales. For the year ended September, 2015, Sampo had a stand-alone revenue of Euro 93 million. It is also a joint venture partner in a combine harvester company in Algeria which had revenues of Euro 45 million for the year ended December, 2015. Sampo has built significant business in its core markets of Europe, Eurasian countries and North Africa. Together with its existing strategy in the core markets, Sampo will also develop a new range of combine harvesters for developing markets and for specialty crops. Your Company and Sampo will jointly focus on the combine harvester business in Asia, Africa and Eurasian Economic Union countries.

Sale of your Company's 71.19% stake in Swaraj Automotives Limited (SAL)

With an endeavour to divest its non-core investments, during the financial year under review, your Company sold of its entire holding of 17,06,925 shares in Swaraj Automotives Limited to b4S Solutions Private Limited at a per share price of Rs. 145.5 per share i.e. for an overall consideration of Rs. 24.8 crores.

Acquisition of controlling stake in Pininfarina S.p.A

On 14th December, 2015, your Company and Tech Mahindra Limited, an associate of your Company has signed an agreement to acquire a controlling stake in Pininfarina S.p.A ("Pininfarina"), a leading Italian automotive design and engineering services company which provides services to global automotive manufacturers such as Fiat, BMW, PSA and others apart from your Company.

As per the agreement, your Company and Tech Mahindra would purchase 76.06% of Pininfarina shares from Pincar S.r.L. for a consideration of Euro 25.3 million at a price of Euro 1.1 per share. This investment would be made by PF Holdings B.V., a Joint Venture Company ("JVCo"), held 60% by Tech Mahindra and 40% by your Company.

Subsequent to the aforesaid acquisition, the JVCo would launch an open offer to acquire the balance 23.94% of Pininfarina's stake held by public shareholders at Euro 1.1 per share.

D. INTERNAL FINANCIAL CONTROLS

The Corporate Governance Policies guide the conduct of affairs of your Company and clearly delineates the roles, responsibilities and authorities at each level of its governance structure and key functionaries involved in governance. The Code of Conduct for Senior Management and Employees of your Company ("the Code of Conduct") commits Management to financial and accounting policies, systems and processes. The Corporate Governance Policies and the Code of Conduct stand widely communicated across your Company at all times.

Your Company's Financial Statements are prepared on the basis of the Significant Accounting Policies that are carefully selected by Management and approved by the Audit Committee and the Board. These Accounting policies are reviewed and updated from time to time.

Your Company uses SAP ERP Systems as a business enabler and also to maintain its Books of Account. The transactional controls built into the SAP ERP systems ensure appropriate segregation of duties, appropriate level of approval mechanisms and maintenance of supporting records. The Information Management Policy reinforces the control environment. The systems, Standard Operating Procedures and controls are reviewed by Management. These systems and

controls are audited by Internal Audit and their findings and recommendations are reviewed by the Audit Committee which ensures the implementation.

Your Company has in place adequate internal financial controls with reference to the Financial Statements commensurate with the size, scale and complexity of its operations. Such controls have been assessed during the year under review taking into consideration the essential components of internal controls stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by The Institute of Chartered Accountants of India. Based on the results of such assessments carried out by Management, no reportable material weakness or significant deficiencies in the design or operation of internal financial controls was observed. Nonetheless your Company recognizes that any internal control framework, no matter how well designed, has inherent limitations and accordingly, regular audits and review processes ensure that such systems are reinforced on an ongoing basis.

Indian Accounting Standards (IND AS) – IFRS Converged Standard

Your Company would adopt Indian Accounting Standards ("Ind AS") for the accounting periods beginning on 1st April, 2016 pursuant to Ministry of Corporate Affairs Notification dated 16th February, 2015 notifying the Companies (Indian Accounting Standard) Rules, 2015.

E. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

F. CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

All Related Party Transactions entered during the year were in the Ordinary Course of Business and on Arms Length basis. During the year under review, your Company had entered into Material Related Party Transactions, i.e. transactions exceeding ten percent of the annual consolidated turnover as per the last audited financial statements, with Mahindra Vehicle Manufacturers Limited, a wholly owned subsidiary of your Company. These transactions too were in the Ordinary Course of Business of your Company and were at Arms Length Basis,

details of which, as required to be provided under section 134(3)(h) of the Companies Act, 2013 are disclosed in Form AOC-2 as Annexure I and forms part of this Annual Report.

The policy on Related Party Transactions as approved by the Board is uploaded on the Company's website and can be accessed at the Web-link: <http://www.mahindra.com/resources/investor-reports/FY16/Annual Reports/Links-AnnualReport.zip>

G. AUDITORS

Statutory Auditors and Auditors' Report

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

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

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

The Auditors' Report is unmodified i.e. it does not contain any qualification, reservation or adverse remark.

Secretarial Auditor

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

The Company has annexed to this Board Report as Annexure II, a Secretarial Audit Report given by the Secretarial Auditor.

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

Cost Auditors

The Board had appointed Messrs N. I. Mehta & Co., Cost Accountants (Firm Registration Number 000023), as Cost Auditor for conducting the audit of cost records of the Company for the Financial Year 2015-16.

The Board of Directors on the recommendation of the Audit Committee, appointed Messrs D. C. Dave & Co., Cost Accountants (Firm Registration Number 000611), as the Cost Auditors of the Company for the Financial Year 2016-17 under section 148 of the Companies Act, 2013. Messrs D. C. Dave & Co. have confirmed that their appointment is within the limits of section 141(3)(g) of the Companies Act, 2013 and have also certified that they are free from any disqualifications specified under section 141(3) and proviso to section 148(3) read with section 141(4) of the Companies Act, 2013.

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

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

Reporting of Frauds by Auditors

During the year under review, the Statutory Auditors, Cost Auditors and Secretarial Auditor have not reported any instances of frauds committed in the Company by its Officers or Employees to the Audit Committee under section 143(12) of the Companies Act, 2013, details of which needs to be mentioned in this Report.

H. PARTICULARS OF LOANS, GUARANTEES, INVESTMENTS AND SECURITIES

Particulars of the loans given, investment made or guarantee given or security provided and the purpose for which the loan or guarantee or security is proposed to be utilised by the recipient of the loan or guarantee or security are provided in Note Nos. 42, 13A and 13B to the Financial Statements.

I. PUBLIC DEPOSITS AND LOANS/ADVANCES

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

Out of the previously accepted total of 2,417 deposits of Rs. 2,233.37 lakhs from the public and shareholders as at 31st March, 2016, 185 deposits amounting to Rs. 96.55 lakhs, had matured and had not been claimed as at the end of the Financial Year. Since then, 67 of these deposits of the value of Rs. 47.81 lakhs have been claimed.

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

The particulars of loans/advances, etc., required to be disclosed in the Annual Accounts of the Company pursuant to Para A of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are furnished separately.

J. EMPLOYEES

Key Managerial Personnel (KMP)

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

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

There has been no change in the KMPs during the year under review.

Employees' Stock Option Scheme

During the year under review, on the recommendation of the Governance, Nomination and Remuneration Committee of your Company, the Trustees of Mahindra & Mahindra Employees' Stock Option Trust have granted Stock Options to employees

under the Mahindra & Mahindra Limited Employees Stock Option Scheme 2010. No Stock Options have been granted to employees under the Mahindra & Mahindra Limited Employees Stock Option Scheme 2000.

The Company has in force the following Schemes which get covered under the provisions of SEBI (Share Based Employee Benefits) Regulations, 2014 ("SBEB Regulations"):

1. Mahindra & Mahindra Limited Employees Stock Option Scheme – 2000 (2000 Scheme)
2. Mahindra & Mahindra Limited Employees Stock Option Scheme – 2010 (2010 Scheme)
3. M&M Employees Welfare Fund No. 1
4. M&M Employees Welfare Fund No. 2
5. M&M Employees Welfare Fund No. 3

There are no material changes made to the above Schemes and these Schemes are in compliance with the SBEB Regulations. Your Company's Auditors, Messrs Deloitte Haskins & Sells, have certified that the Company's above-mentioned Schemes have been implemented in accordance with the SBEB Regulations, and the Resolutions passed by the Members for the 2000 Scheme and the 2010 Scheme.

Information as required under the SBEB Regulations read with SEBI Circular CIR/CFD/POLICY CELL/2/2015 dated 16th June, 2015 have been uploaded on the Company's website and can be accessed at the Web-link: [http://www.mahindra.com/resources/investorreports/FY16/Annual Reports/Links-AnnualReport.zip](http://www.mahindra.com/resources/investorreports/FY16/Annual%20Reports/Links-AnnualReport.zip)

Particulars of Employees and related disclosures

The Company had 484 employees who were in receipt of remuneration of not less than Rs. 60,00,000 during the year ended 31st March, 2016 or not less than Rs. 5,00,000 per month during any part of the year.

Disclosures with respect to the remuneration of Directors, KMPs and employees as required under section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given in Annexure III to this Report.

Details of employee remuneration as required under provisions of section 197(12) of the Companies Act, 2013 read with Rule 5(2) & 5(3) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are available at the Registered Office of the Company during working hours,

21 days before the Annual General Meeting and shall be made available to any Shareholder on request. Such details are also available on your Company's website and can be accessed at the Web-link: <http://www.mahindra.com/resources/investor-reports/FY16/Annual Reports/Links-AnnualReport.zip>

Industrial Relations

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

The Company's focus continues towards propagating proactive and employee centric practices. The Transformational Work Culture initiative which aims to create an engaged workforce and an innovative, productive and competitive shop-floor ecosystem, continues to grow in strength. The Transformational Work Culture Committee (TWCC) continually engages with long-term strategic initiatives which range from anticipated Labour Law reforms to 'Swachh Bharat Abhiyaan'. Some examples of the programs put in place are Rise for Associates, Industrial Relations Skills for Frontline Officers, Cultural Diagnostics Projects, e-Compliance and Code of Conduct for Associates.

In order to develop skills and foster togetherness at the workplace, multiple training and engagement programs were rolled out. These training programs covered a wide range of topics, including Positive Attitude, Stress Management, Creativity, Team Effectiveness, Safety and Environment, Quality Tools, Total Productive Maintenance, Dexterity, skill building programs and Technical Training. The Mahindra Skill Excellence Initiative is a holistic approach to enhance the skill and capabilities of shop-floor employees and the participation from associates across manufacturing facilities has increased from 1,800 of last year to 2,300 this year. The initiative brought laurels to the Company and the Nation by registering 7th rank at World Skill Competition held at Brazil last year.

During the year under review your Company's shop floor associates generated about 17.5 ideas per person towards resolving quality concerns, reducing cost, ensuring safety and improving productivity, resulting into whopping cost saving of Rs. 26 crores cumulative for 2 years.

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

Proactive and employee-centric shop floor practices, a focus on transparent communication of business goals, an effective concern resolution mechanism, and the firm belief that employees are the most valuable assets of the Company, are the cornerstone of the Company's employee relations approach. An 'open door policy' and constant dialogue to create win-win situations, have helped the Company to build trust and harmony. The Industrial Relations scenario continued to be largely positive across all the Mahindra Automotive and Tractor Manufacturing locations. Bonus settlements were reached amicably at all locations. All this resulted in zero production loss in the Financial Year 2015-16 and helped create a peaceful, healthy and collaborative work environment.

Safety, Occupational Health and Environment

The Safety & Occupational Health of its employees is embedded as part of the organisational core values of the Company. The Safety, Occupational Health & Environmental Policy (SH&E Policy), inter alia, covers and ensures safety of public, employees, plant and equipment, ensures compliance on a monthly basis by developing e-compliance systems and imparts training through e-learning modules on Safety, Sustainability & Prevention of Sexual Harassment to all its employees.

Your Company has a well-established SH&E Policy in line with the National Safety, Occupational Health & Environmental Policy. The Company Policy has been further drilled down, through the Policy for Automotive and Farm Sectors, followed by the respective Plant Policy. Each Plant has displayed and communicated the SH&E Policy to all its stakeholders. Objectives and targets derived from the new amended SH&E Policy are supported by focussed management programs, safety i4, safety Kaizens and mistake proofing projects. Your Company demonstrates a strong leadership commitment towards Safety, Occupational Health and Environment and as a part of the same, multiple measures and actions are implemented with the thorough competency training programs i.e. Working on height, Gas cutting and welding, Forklift driving in line to reduce operational risk by implementing adequate precautionary measures. Safety Observation Tours, Plant Officers observations, safety ideas through i4, focused safety Kaizens and mistake proofing projects i.e. Poka Yoke's were undertaken during the year under review.

At each Plant location, annual events are organised and commemorated like Road Safety Week, National Safety Day/Week and Fire Service Day, Safety Audits/Inspections, etc.

Safety Culture building is demonstrated in your Company through Safety Crusade, Levers of Excellence and Waste to Wealth programs in the Manufacturing domain. Safety, Occupational Health awareness training with benchmarks on overall Safety and Occupational Health performance are conducted. All stakeholders are covered as per the training calendar through e-learning modules. Statutory safety Risk audits of its facilities are periodically carried out by absorbing all new amended legal requirements. Internally developed e-module for Health recording on regular internal and external medical and occupational check-up of your Company's employees, associates and health-friendly sustainable activities are promoted as part of this Policy.

Your Company's Plants continued their commitment to improve the wellbeing of its employees and contract workmen by establishing Health and Wellness Goals by organising physical fitness activities like Yoga, Zumba, Occupational Health Examination Camps, Blood Donation Camps, medical check-ups, consultation and counselling. Further, World Health Day, World Heart Day, World Kidney Day and World Diabetes Day are celebrated including Health Audits/Inspection along with Way 2 Wellness sessions covering topics i.e. "Healthy Heart", Diabetes, etc.

Various path breaking projects have been implemented by your Company like renewable energy management programs in the areas of Air Pollution Management, Water and Waste Water Management, Solid Waste Management and new techniques to grow Go Green Developments have been undertaken.

World Environment Day, World Earth Day, World Water Day and Energy Conservation Week and Water Conservation Week are also observed on an annual basis. Through stakeholders' engagement and employees' involvement, your Company demonstrates its road map with benchmarks and revised targets on the fundamentals of triple bottom line i.e. Planet, People and Profit.

Certifications/Recertifications

All Plants of the Automotive Division have been recertified with standard for ISO 14001: 2004 & OHSAS 18001: 2007. Your Company's commitment to environment stems from the Mahindra Group's abiding concern for engagement with various stakeholders and Society at large. Sustainability Reporting System of adopting GRI, G3 to G4 Guidelines framework for your Company's Safety, Health & Environmental initiatives, monthly reviewed objectives and targets in operations review,

helps in continually improving emissions, ambient air quality, reducing water pollution, recycling water consumption and minimising waste from its processes. Its nature of operations have a low environmental impact due to the implementation of the 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 and support by conducting suppliers risk assessment have also progressed.

Implementation of Safety, Occupational Health & Environment Management System Standard (SHEMS) has been re-enforced by way of a re-certification process towards the Company's commitment of Safety, Occupational Health and Environment to the highest levels. OHSAS 18001: 2007 & EMS ISO 14001: 2004 is the existing best practice. The SHEMS aims to eliminate or minimise risk and environmental impact as well as impact on employees and other stakeholders who may be exposed to Occupational health and Safety risks and environmental impact associated with its activities. Though Sustainable development is percolated across the Division as well as in Sectors through horizontal deployment by sharing of industries internal as well as external best practices, Senior Management is also involved in sharing and investigation of internal as well as external injuries by a forum called Safety@ Plant. Senior Management also monitors Plant Safety performance through weekly theme based safety reviews, monthly reviews of Sector Safety performance and quarterly reviews of President's balance score card in the field of Safety, Occupational Health & Environment by achieving targets and improving year on year performance.

K. BOARD & COMMITTEES

Directors

As mentioned in the previous Annual Report, Mr. Bharat Doshi desired to relinquish his position as a Director, and accordingly ceased to be a Director of your Company with effect from the conclusion of the 69th Annual General Meeting held on 7th August, 2015.

Mr. S. B. Mainak retires by rotation and, being eligible, offers himself for re-appointment at the 70th Annual General Meeting of the Company scheduled to be held on 10th August, 2016.

The Company has received declarations from all the Independent Directors of the Company confirming that they meet the criteria of independence as prescribed both under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Pursuant to the provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has carried out an annual evaluation of its own performance and that of its Committees as well as performance of the Directors individually. Feedback was sought by way of a structured questionnaire covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance and the evaluation was carried out based on responses received from the Directors.

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

The details of programs for familiarisation of the Independent Directors with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company, number of programs and number of hours spent by each Independent Director in terms of the requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are available on the Company's website and can be accessed at the Web-link: <http://www.mahindra.com/resources/investor-reports/FY16/AnnualReports/Links-AnnualReport.zip>

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

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

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

Directors' Responsibility Statement

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

- (a) in the preparation of the annual accounts for the Financial Year ended 31st March, 2016, the applicable accounting standards have been followed;
- (b) they had in consultation with Statutory Auditors, selected accounting policies and applied them consistently, and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2016 and of the profit of the Company for the year ended on that date;
- (c) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and irregularities;
- (d) they have prepared the annual accounts on a going concern basis;
- (e) they have laid down adequate Internal Financial Controls to be followed by the Company and such Internal Financial Controls were operating effectively during the Financial Year ended 31st March, 2016;
- (f) they had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively throughout the Financial Year ended 31st March, 2016.

Board Meetings and Annual General Meeting

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

During the year 1st April, 2015 to 31st March, 2016, six Board Meetings were held on: 29th May, 2015, 7th August, 2015, 6th November, 2015, 21st December, 2015, 12th February, 2016 and 29th March, 2016. The 69th Annual General Meeting (AGM) of the Company was held on 7th August, 2015.

Meetings of Independent Directors

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

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

Five Meetings of Independent Directors were held during the year and these meetings were well attended.

Audit Committee

The Committee comprises of four 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 are Independent Directors and possess strong accounting and financial management knowledge. The Company Secretary of the Company is the Secretary of the Committee.

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

L. GOVERNANCE

Corporate Governance

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

Requirements) Regulations, 2015 forms part of the Annual Report.

During the year under review, your Company has been conferred the coveted Golden Peacock Award for Excellence in Corporate Governance by the Institute of Directors (IOD) and the National Award for Excellence in Corporate Governance by the Institute of Company Secretaries of India. Both these Awards validate your Company's 'Best-in-class' corporate governance practices and reflect on its transparent and ethical dealings with stakeholders across the entire value chain.

Vigil Mechanism

The Vigil Mechanism as envisaged in the Companies Act, 2013, the Rules prescribed thereunder and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is implemented through the Company's Whistle Blower Policy to enable the Directors, employees and all stakeholders of the Company to report genuine concerns, to provide for adequate safeguards against victimisation of persons who use such mechanism and make provision for direct access to the Chairman of the Audit Committee.

Whistle Blower Policy of your Company (revised in December, 2015) is available on the Company's website and can be accessed at the Web-link: <http://www.mahindra.com/resources/investor-reports/FY16/Annual Reports/Links-AnnualReport.zip>

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

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

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

During the year under review, 4 complaints with allegations of sexual harassment were filed, all of which were disposed-off as per the provisions of The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

Business Responsibility Report

The 'Business Responsibility Report' (BRR) of your Company for the year 2015-16 forms part of this Annual Report as required under Regulation 34(2)(f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

Risk Management

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

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

Your Company has developed and implemented a Risk Management Policy which is approved by the Board. The Risk Management Policy, inter alia, includes identification therein of elements of risk, including those which in the opinion of the Board may threaten the existence of the Company. Risk management process has been established across the Company and is designed to identify, assess and frame a response to threats that affect the achievement of its objectives. Further, it is embedded across all the major functions and revolves around the goals and objectives of the organisation.

M. CORPORATE SOCIAL RESPONSIBILITY AND RELATED MATTERS

Corporate Social Responsibility (CSR)

Your Company's Corporate Social Responsibility (CSR) efforts in the last financial year have been concentrated on initiatives which contribute to nation building, and have in fact been identified as priorities in the national agenda. As per the Company's CSR Policy, it continues to focus its CSR efforts within the constituencies of girls, youth and farmers by innovatively supporting them through programs designed in the domains of education, health and environment, while harnessing the power of technology.

Your Company has an ongoing vibrant CSR program, of which some of the notable ongoing investments in education are Project Nanhi Kali, which supports the education of underprivileged girls, Mahindra Pride Schools, which provide livelihood training to youth from socially and economically disadvantaged communities, and a variety of scholarship programs, which range from providing opportunities to youth from low income group families to undergo diploma courses at vocational education institutes, to allowing meritorious students to pursue their post graduate studies at reputed universities overseas. Your Company has also helped set up a premier Engineering institution 'Mahindra École Centrale' (MEC) in Hyderabad, in partnership with Ecole Centrale, Paris and the Jawaharlal Nehru Technological University, Hyderabad. In the area of public health, your Company sponsored Lifeline Express trains, through which medical care and treatment was provided to communities who do not have access to any medical facilities. Your Company also contributes to the environment by adding green cover through planting of over a million trees every year through Project Hariyali. Further, your Company has helped support small and marginal farmers by training them in effective farming practices including soil health, crop planning, creating model farms with bio-dynamic farming practices, thereby increasing crop productivity, through the Wardha Family Farming Project, Krishi Mitra and Integrated Watershed Development Project. Your Company supported the Prime Minister's Swachh Bharat Swachh Vidyalaya program by constructing 4,340 toilets primarily for girls in Government Schools in Financial Year 2014-15, which the Company is maintaining for a period of 12 months, and in addition, built another 1,170 toilets in Financial Year 2015-16. Your Company is also building 8 blocks of public toilets in Delhi through a Confederation of Indian

Industries initiative. In addition, your Company has a strong community of employees who volunteer through the ESOPs (Employee Social Options) platform.

CSR Policy

The Corporate Social Responsibility Committee had formulated and recommended to the Board, a Corporate Social Responsibility Policy ("CSR Policy") which was subsequently adopted by it and is being implemented by the Company. The CSR Policy including a brief overview of the projects or programs proposed to be undertaken can be accessed at the Company's website through the Web-link: <http://www.mahindra.com/resources/investor-reports/FY16/AnnualReports/Links-AnnualReport.zip>

CSR Committee

The CSR Committee comprises of Dr. Vishakha N. Desai (Chairperson), Mr. Anand G. Mahindra, Mr. R. K. Kulkarni, Dr. Pawan Goenka and Mr. Vikram Singh Mehta. The Committee, inter alia, monitors the CSR activities.

During the year under review, your Company spent Rs. 85.90 crores on CSR activities. The amount equal to 2% of the average net profit for the past three financial years required to be spent on CSR activities was Rs. 84.95 crores. The detailed Annual Report on the CSR activities undertaken by your Company in Financial Year 2016, is annexed herewith marked as Annexure V.

Sustainability Initiatives

During the year under review, the 8th Sustainability Report for the year 2014-15 was released and like earlier seven years this Report was also externally assured by KPMG with GRI checked application level A+.

Your Company retained the focus on the Environmental, Social and Governance (ESG) parameters, on its journey towards "Sustainability" in the year under review by consolidating the initiatives of the previous years and initiating fresh ones. The Enterprise Risks framework was reviewed to include climate change risks to the business. The bio-diversity assessments have been initiated to further the actions on the India Business and Bio-diversity Initiative (IBBI).

Mr. Anand Mahindra, Chairman and Managing Director of your Company was invited on the Global Leadership Panel on Carbon Pricing convened by World Bank Group President Jim Yong Kim and IMF Managing Director Christine Lagarde.

This panel comprising of five heads of state and five CEOs, ("global ambassadors" for Carbon pricing and climate action) will assemble virtually to catalyze action towards putting an effective price on Carbon at the national and local level, and in businesses.

Your Company is the first Indian Company to sign the new initiative called EP 100 to increase energy productivity which is developed and administered by The Climate Group. EP 100 is a global campaign to encourage the world's most influential businesses to commit to doubling their energy productivity – which means getting more economic output from each unit of energy input.

During the year under review, your Company signed Memorandum of Understanding with Institute of Sustainable Communities to create a Training Centre on Environment, Health and Safety for suppliers to the Company and also to other Original Equipment Manufacturers (OEMs).

The Sustainability performance for your Company for the Financial Year 2015-16 will be elaborated in detail in the GRI Report which is under preparation and will be ready for release shortly.

Your Company was recognized for its consistent performance on the ESG dimensions during the year under review, by way of:

- Receiving Sustainable Plus Platinum Label for Financial Year 2015 from CII-CESD;
- Receiving 'Excellence in Sustainable Supply Chain Award 2015' in the CII-ITC Sustainability Awards;
- Ranking first in CSR in 'The Best Companies for CSR' study conducted by The Economic Times (Futurescape and IIM Udaipur);
- Receiving 'Golden Peacock Award for Risk Management' from the Institute of Directors;
- Retaining the status of getting listed on the Dow Jones Sustainability Index – 2015 under the 'Emerging Market Index' for the consecutive third year with improvement in percentile scores;
- Retaining its position in the top 10 in the India 200 Carbon Disclosure Leadership Index 2015;
- The Mahindra Group Sustainability Report was shortlisted amongst the finalists of Asia Sustainability Reporting Awards by CSR Works.

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

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

N. SECRETARIAL

Share Capital

The issued, subscribed and paid-up Share Capital of the Company stood at Rs. 310.55 crores as at 31st March, 2016 comprising of 62,10,92,384 Ordinary (Equity) Shares of Rs. 5 each fully paid-up. There was no change in Share Capital during the year under review.

Extract of Annual Return

Pursuant to section 134(3)(a) and section 92(3) of the Companies Act, 2013 read with Rule 12(1) of the Companies (Management and Administration) Rules, 2014, an extract of the Annual Return as on 31st March, 2016 in Form No. MGT-9 is attached herewith as Annexure VII and forms part of this Report.

Amendment to the Articles of Association of the Company

At the Sixty-Ninth Annual General Meeting held on 7th August, 2015, based on the approval of the Members, the Company adopted new Articles of Association which had been streamlined and aligned with the Companies Act, 2013 and Rules made thereunder.

Appointment of M/s. Karvy Computershare Private Limited ("Karvy") as the Registrar & Share Transfer Agent of your Company

The Securities and Exchange Board of India ("SEBI") had vide its Ex-Parte Ad Interim Order No. WTM/RKA/MIRSD2/41/2016 dated 22nd March, 2016, inter alia, advised clients of Sharepro Services (India) Private Limited ("Sharepro") to carry out/ switchover their activities related to registrar to an issue and share transfer agent, either in-house or through another registrar to an issue and share transfer agent registered with SEBI.

In view of the above, the Board of Directors of your Company at its Meeting held on 30th May, 2016, decided to appoint Messrs Karvy Computershare Private Limited, as the Registrar & Share Transfer Agents with effect from 13th June, 2016. Accordingly, a Resolution seeking your consent for keeping the Register and Index of Members and Returns at the office of Messrs Karvy Computershare Private Limited is included in the Notice convening the Annual General Meeting.

Your Company is committed to protecting the interests of its Shareholders and has taken necessary steps as per the provisions of law for the same.

GENERAL

The Chairman & Managing Director of the Company did not receive any remuneration or commission from any of the subsidiary of your Company. The Whole Time Director of the Company did not receive any commission from any of its subsidiaries and has not exercised ESOPs of subsidiaries of the Company during the year, which were granted in the earlier year(s).

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

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

For and on behalf of the Board

ANAND G. MAHINDRA
Chairman & Managing Director

Mumbai, 30th May, 2016

ANNEXURE I

Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto

1. Details of contracts or arrangements or transactions not at arms length basis—

There were no contracts or arrangements or transactions entered into during the year ended 31st March, 2016, which were not at arms length basis.

2. Details of material contracts or arrangement or transactions at arms length basis—

The details of material contracts or arrangements or transactions at arms length basis for the year ended 31st March, 2016 are as follows:

| Sr. No | Name(s) of the related party & Nature of relationship | Nature of transactions | Transactions Value (Rs. in Crores) | Duration of transactions | Salient terms of transactions | Date of approval by the board | Amount paid in advance (Rs. in Crores) |
|--------------|---|------------------------------|------------------------------------|--------------------------|---|--|--|
| 1. | Mahindra Vehicle Manufacturers Limited (MVML) (Wholly owned subsidiary of the Company) | Discounting charges received | 0.94 | April 2015 – March 2016 | The related party transactions (RPTs) entered during the year were in the ordinary course of business and on arms length basis. | Since these RPTs are in the ordinary course of business and are at arms length basis, approval of the board is not applicable. However, necessary approvals were granted by the Audit committee from time to time. | Nil |
| | | Purchase of Fixed Assets | 0.14 | | | | |
| | | Purchase of Goods | 8,974.51 | | | | |
| | | Purchase of Services | 271.44 | | | | |
| | | Sale of Goods | 810.66 | | | | |
| | | Sale of Services | 12.81 | | | | |
| | | Loan given | 1,200.00 | | | | |
| | | Interest Income | 23.63 | | | | |
| | | Investment in equity shares | 2,200.00 | | | | |
| | | Dividend received | 55.52 | | | | |
| | | Sale of Fixed Assets | 0.04 | | | | |
| | | Reimbursement Received | 11.19 | | | | |
| | | Security Deposits Paid | 0.02 | | | | |
| | | Sale of Investments | 3,677.51 | | | | |
| TOTAL | 17,238.41 | | | | | | |

For and on behalf of the Board

ANAND G. MAHINDRA
Chairman & Managing Director

Mumbai, 30th May, 2016

ANNEXURE II**SECRETARIAL AUDIT REPORT**For the Financial Year ended 31st March, 2016

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

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

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

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2016, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2016 according to the provisions of:

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

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):

- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 and Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (Not applicable to the Company during the Audit period);
- (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Not applicable to the Company during the Audit period); and
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (Not applicable to the Company during the Audit period).

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

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

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

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

- (i) Secretarial Standards issued by the Institute of Company Secretaries of India;
- (ii) Listing Agreements entered into by the Company with BSE Ltd. and the National Stock Exchange of India Ltd. and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

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

I further report that:

- (a) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with provisions of the Act.
- (b) Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- (c) As per the minutes of the meetings duly recorded and signed by the Chairman, the decisions of the Board were unanimous and no dissenting views have been recorded.

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

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

Place: Pune
Date: 12th May, 2016

Sachin Bhagwat
ACS: 10189
CP: 6029

ANNEXURE III

DETAILS OF REMUNERATION

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

The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the Financial Year 2015-16, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the Financial Year 2015-16 and the comparison of remuneration of each Key Managerial Personnel (KMP) against the performance of the Company are as under:

| Sr. No. | Name of Director/KMP | Designation | Remuneration of Director/KMP for the Financial Year 2015-16 (Rs. in crores) (Excluding perquisite value of ESOPs exercised) | Remuneration of Director/KMP for the Financial Year 2015-16 (Rs. in crores) (Including perquisite value of ESOPs exercised) | % increase in Remuneration in the Financial Year 2015-16 (Excluding perquisite value of ESOPs exercised) | % increase in Remuneration in the Financial Year 2015-16 (Including perquisite value of ESOPs exercised) | Ratio of Remuneration of each Director to median remuneration (Including perquisite value of ESOPs exercised) of employees for the Financial Year | Comparison of the Remuneration of the KMP against the performance of the Company (Excluding perquisite value of ESOPs exercised) | Comparison of the Remuneration of the KMP against the performance of the Company (Including perquisite value of ESOPs exercised) |
|---------|-------------------------------------|---|---|---|--|--|---|--|--|
| 1. | Mr. Anand G. Mahindra | Chairman & Managing Director | 6.59 | 6.59 | 10.20% | 10.20% | 93.48 | Remuneration increased by 10.20% whereas profit before tax increased by 1.46% | Remuneration increased by 10.20% whereas profit before tax increased by 1.46% |
| 2. | Dr. Pawan Goenka | Executive Director & Group President (Auto and Farm Sector) | 6.38 | 11.60 | 6.69% | 11.75% | 164.54 | Remuneration increased by 6.69% whereas profit before tax increased by 1.46% | Remuneration increased by 11.75% whereas profit before tax increased by 1.46% |
| 3. | Mr. Deepak S. Parekh [#] | Independent Director | 0.37 | 0.37 | 10.94% | 10.94% | 5.18 | | |
| 4. | Mr. Nadir B. Godrej [#] | Independent Director | 0.36 | 0.36 | 9.76% | 9.76% | 5.11 | | |
| 5. | Mr. M. M. Murugappan [#] | Independent Director | 0.38 | 0.38 | 9.97% | 9.97% | 5.32 | | |
| 6. | Mr. Bharat Doshi [@] | Non-Executive Director | 0.27 | 1.96 | (89.09)% | (21.95)% | 27.80 | | |
| 7. | Mr. R. K. Kulkarni [#] | Independent Director | 0.41* | 0.41 | 16.03% | 16.03% | 5.87 | | |
| 8. | Mr. Anupam Puri [#] | Independent Director | 0.26 | 0.26 | 6.12% | 6.12% | 3.69 | | |
| 9. | Mr. S. B. Mainak (Nominee of LIC) | Nominee Director | 0.22** | 0.22 | 0% | 0% | 3.12 | | |
| 10. | Dr. Vishakha N. Desai [#] | Independent Director | 0.29 | 0.29 | 10.36% | 10.36% | 4.16 | | |
| 11. | Mr. Vikram Singh Mehta [#] | Independent Director | 0.34 | 0.34 | 10.93% | 10.93% | 4.75 | | |
| 12. | Mr. V S Parthasarathy | Group CFO, Group CIO & President (Group Finance and M&A) | 2.94 | 2.94 | 16.67% | (27.41)% | — | Remuneration increased by 16.67% whereas profit before tax increased by 1.46% | Remuneration decreased by 27.41% whereas profit before tax increased by 1.46% |
| 13. | Mr. Narayan Shankar | Company Secretary | 1.03 | 1.03 | 7.29% | (52.53)% | — | Remuneration increased by 7.29% whereas profit before tax increased by 1.46% | Remuneration decreased by 52.53% whereas profit before tax increased by 1.46% |

[#] The remuneration of Independent Directors covers sitting fee and commission.

[@] Ceased to be a Director with effect from 7th August, 2015.

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

** Paid/Payable to LIC.

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

The median remuneration of employees of the Company during the Financial Year was Rs. 7.05 lakhs and ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the Financial Year is provided in the above table.

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

In the Financial Year, there was an increase of 7% in the median remuneration of employees.

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

There were 20,122 permanent employees on the rolls of the Company as on 31st March, 2016.

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

The average remuneration increased by 8.87% in 2015-16 whereas the Profit before Tax increased by 1.46% in 2015-16.

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

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

The total remuneration of Key Managerial Personnel decreased by 1.86% from Rs. 22.58 crores in 2014-15 to Rs. 22.16 crores in 2015-16 whereas the Profit before Tax increased by 1.46 % to Rs. 4,229.90 crores in 2015-16 (Rs. 4,168.89 crores in 2014-15).

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

The market capitalisation as on 31st March, 2016 was Rs. 75,195.65 crores (Rs. 73,732.98 crores as on 31st March, 2015). The price earnings ratio of the Company was 22.61 as at 31st March, 2016 and was 21.14 as at 31st March, 2015.

The Initial Public offer was made by the Company in the year 1955 and the issue was for 2,16,382 Ordinary Shares of Rs. 10 each, at par. The shares of the Company were first listed on the BSE Limited in the year 1956. The closing share price of the Company at BSE Limited on 31st March, 2016 was Rs. 1,209.65 per equity share of face value of Rs. 5 each indicating a Compounded Annual Growth Rate of 14.16%. This is after giving effect to the subdivision of face value of shares from Rs. 10 to Rs. 5 and benefit on account of shares issued by way of Bonus but excluding the dividend accrued.

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

Average percentage increase made in the salaries of employees other than the managerial personnel in the last Financial Year i.e. 2015-16 was 10.34% whereas the increase in the managerial remuneration for the Financial Year 2015-16 was 7.02%.

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

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

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

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

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

Not applicable.

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

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

ANNEXURE IV-A

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

DEFINITIONS

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

"Board" means Board of Directors of the Company.

"Company" means Mahindra & Mahindra Limited.

"Committee(s)" means Committees of the Board for the time being in force.

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

"HR" means the Human Resource Department of the Company.

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

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

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

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

I. APPOINTMENT OF DIRECTORS

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

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

REMOVAL OF DIRECTORS

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

SENIOR MANAGEMENT PERSONNEL

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

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

II. SUCCESSION PLANNING:

Purpose:

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

Board:

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

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

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

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

Senior Management Personnel:

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

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

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

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

Policy Statement

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

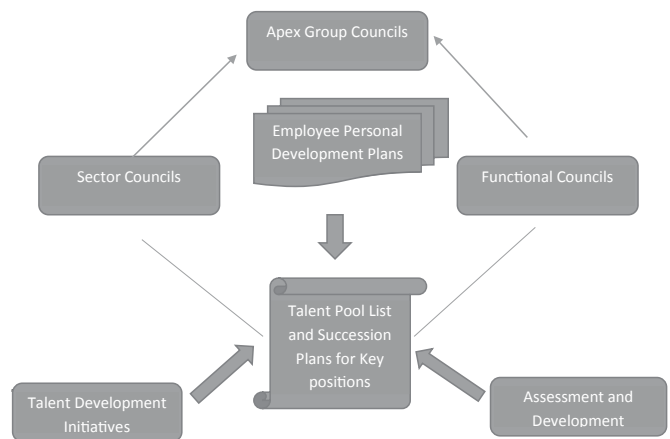
- 1) Given the strategic business plans, do we have the skills and competencies required to implement them? If not, how do we create them – by developing them internally or through lateral induction from outside?
- 2) For critical positions, what is the succession pipeline?
- 3) What are the individual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

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

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

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

The Talent Management process can be represented pictorially as under:



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

For and on behalf of the Board

ANAND G. MAHINDRA

Chairman & Managing Director

Mumbai, 30th May, 2016

ANNEXURE IV-B

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

Purpose

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

Policy Statement

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

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

NON-EXECUTIVE INCLUDING INDEPENDENT DIRECTORS:

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

Executive Directors:

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

Key Managerial Personnel (KMPs)

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

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

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

Employees

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

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

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

- Performance
- Potential
- Criticality
- Longevity in grade

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

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

For and on behalf of the Board

ANAND G. MAHINDRA

Chairman & Managing Director

Mumbai, 30th May, 2016

ANNEXURE V

CORPORATE SOCIAL RESPONSIBILITY

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (“CSR”) ACTIVITIES FOR THE FINANCIAL YEAR 2015-16

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

Since its inception your Company has been a socially responsible corporate making investments in the community which go beyond any mandatory legal and statutory requirements. In line with the Core purpose, the CSR vision of your Company is “to focus our efforts within the constituencies of girls, youth and farmers by innovatively supporting them through programs designed in the domains of education, health and environment, while harnessing the power of technology. By investing our CSR efforts in these critical constituencies who contribute to nation building and the economy, we will enable our stakeholders and communities to RISE.” In accordance with the Companies Act, 2013, your Company has committed 2% (Profit before Tax) annually towards CSR initiatives.

During the year, your Company has spent Rs. 85.90 crores on CSR activities.

The amount equal to 2% of the average net profit for the past three Financial Years is Rs. 84.95 crores.

Web link to the CSR Policy, including overview of projects or programs proposed to be undertaken – <http://www.mahindra.com/resources/investor-reports/FY16/AnnualReports/Links-AnnualReport.zip>

2. The Composition of the CSR Committee:

| | | |
|------------------------|---|-------------|
| Dr. Vishakha N. Desai | - | Chairperson |
| Mr. Anand G. Mahindra | - | Member |
| Mr. R. K. Kulkarni | - | Member |
| Dr. Pawan Goenka | - | Member |
| Mr. Vikram Singh Mehta | - | Member |
3. Average net profit of the company for last three Financial Years: Rs. 4,247.45 crores.
4. Prescribed CSR Expenditure (two per cent. of the amount as in item 3 above): Rs. 84.95 crores.
5. Details of CSR spent during the Financial Year:
 - (a) Total amount to be spent for the Financial Year: Rs. 84.95 crores.
 - (b) Amount unspent, if any: NA

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

| Sr. No. | CSR Project or activity identified | Sector in which the project is covered (As in Schedule VII) | Projects or programs 1) Local areas or other 2) Specify the state and district where projects or programs was undertaken | Amount Outlay (Budget) Project or program wise (In Rs. crores) | Amount spent on the project or programs 1) Direct expenditure on projects or programs 2) Overheads (In Rs. crores) | Cumulative Expenditure upto the reporting period (In Rs. crores) | Amount spent: directly or through implementing agency |
|---------|---|---|---|--|--|--|---|
| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
| 1. | NANHI KALI – Provides educational support (material & academic) to underprivileged girls in India through an after school support program. In Financial Year 2016, the project supported the education of 1,20,466 girls. Of these 14,918 girls were supported by your Company, while the Mahindra Group as a whole supported 53,049 girls. The balance girls are supported by other corporates and individuals. | Promoting Education | Others: Across 10 states including: Maharashtra, Chhattisgarh, Andhra Pradesh, Tamil Nadu, Delhi, Rajasthan, Karnataka, Haryana, Madhya Pradesh and Telangana | 5.69 | 5.69 | 5.69 | Through implementing agency – K. C. Mahindra Education Trust & Naandi Foundation |

| Sr. No. | CSR Project or activity identified | Sector in which the project is covered (As in Schedule VII) | Projects or programs 1) Local areas or other 2) Specify the state and district where projects or programs was undertaken | Amount Outlay (Budget) Project or program wise (In Rs. crores) | Amount spent on the project or programs 1) Direct expenditure on projects or programs 2) Overheads (In Rs. crores) | Cumulative Expenditure upto the reporting period (In Rs. crores) | Amount spent: directly or through implementing agency |
|---------|--|---|---|--|--|--|--|
| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
| 2. | MAHINDRA SCHOLARSHIPS FOR UWC STUDENTS – Scholarships to enable deserving students to study at Mahindra United World College of India. | Promoting Education | Others: Pune - Maharashtra | 6.19 | 6.19 | 6.19 | Through implementing agency – Mahindra United World College of India |
| 3. | RESEARCH PROJECTS OF THE INDIAN COUNCIL ON GLOBAL RELATIONS – Public policy research and knowledge generation on pressing national issues. | Promoting Education | Others: Mumbai - Maharashtra | 2.00 | 2.00 | 2.00 | Through Implementing agency – Indian Council on Global Relations |
| 4. | MAHINDRA WORLD SCHOOL EDUCATION TRUST – Construction of an additional building to accommodate one more section for Grade KG-12 which will benefit the community. | Promoting Education | Local: Chennai - Tamil Nadu | 2.00 | 2.00 | 2.00 | Through implementing agency – Mahindra World School Education Trust, Chennai |
| 5. | PROMOTION OF EDUCATION – BUILDING A CONDUCIVE LEARNING ENVIRONMENT IN URBAN SLUMS AND RURAL INDIA BY ENCOURAGING GRADE SPECIFIC LEARNING AND CREATING 'RESPONSIBLE CITIZENS' –Providing for e-learning, infrastructure, books and stationary, uniforms, shoes, promotion of civic education, development of a RLC Center, road safety awareness rallies, driver training and installation of road safety sign boards. Impact: benefitting 11,25,739 people. | Promoting Education | Local: Mumbai, Pune, Igatpuri, Nashik, Nagpur - Maharashtra, Zaheerabad - Telangana, Chennai - Tamil Nadu, Bengaluru - Karnataka, Rudrapur, Haridwar - Uttarakhand, Chandigarh, Pithampur - Madhya Pradesh Others: Rajasthan, Uttar Pradesh, Jharkhand | 1.87 | 1.87 | 1.87 | Through implementing agency – Science, Technology, Engineering and Math Education, Children's Movement for Civic Awareness, Myrada, Center for Human Empowerment through Education Related Services and ESOPs |
| 6. | MAHINDRA SAARTHI ABHIYAAN – Scholarship program for truck drivers girl children, who have scored above average marks in 10 th grade thereby encouraging them to take up higher education. Impact: Scholarships to 1,300 girls. | Promoting Education | Local: Mumbai - Maharashtra | 1.54 | 1.54 | 1.54 | Direct Implementation |

| Sr. No. | CSR Project or activity identified | Sector in which the project is covered (As in Schedule VII) | Projects or programs 1) Local areas or other 2) Specify the state and district where projects or programs was undertaken | Amount Outlay (Budget) Project or program wise (In Rs. crores) | Amount spent on the project or programs 1) Direct expenditure on projects or programs 2) Overheads (In Rs. crores) | Cumulative Expenditure upto the reporting period (In Rs. crores) | Amount spent: directly or through implementing agency |
|---------|---|---|--|--|--|--|--|
| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
| 7. | BAJA – PROJECT BASED LEARNING OF AUTO ENGINEERING CONCEPTS – Undergraduate engineering students are provided with a platform in the form of a project that allows hands on experience in all aspects of automobile engineering and interaction with the corporate world. Impact: Benefitting 12,500 students. | Promoting Education | Local: Indore - Madhya Pradesh | 1.08 | 1.08 | 1.08 | Through implementing agency – Society of Automotive Engineers India |
| 8. | RISE FOR SAFE ROADS – CREATING ZERO FATALITY CORRIDOR MUMBAI – PUNE EXPRESSWAY (MPE) OVER A PERIOD OF 5 YEARS – First of its kind project creating a ZERO fatality corridor on the Mumbai – Pune Expressway (MPE) in partnership with various government agencies and training long haul truck drivers for safe driving. Impact: 1,200 drivers trained. MOU signed with MSRDC. | Promoting Education | Others: Mumbai, Pune - Maharashtra | 0.92 | 0.92 | 0.92 | Through implementing agency – Save Life Foundation |
| 9. | J C MAHINDRA MEMORIAL SCHOOL – Supporting a school providing quality education to the 798 students from low income group families in Khopoli. | Promoting Education | Local: Khopoli - Maharashtra | 0.66 | 0.66 | 0.66 | Through implementing agency – J C Mahindra Memorial School |
| 10. | ENACTUS – PROMOTION OF SOCIAL ENTREPRENEURSHIP AMONG PROFESSIONAL STUDENTS – Through this initiative your Company was able to reach out to students and promote social entrepreneurship resulting in the building of successful social business models. Furthermore, the students were able to interact with business leaders and develop entrepreneurial skills. Impact: Benefitting 1,153 students. | Promoting Education | Others: PAN India | 0.45 | 0.45 | 0.45 | Through implementing agency – Students in Free Enterprise |

| Sr. No. | CSR Project or activity identified | Sector in which the project is covered (As in Schedule VII) | Projects or programs 1) Local areas or other 2) Specify the state and district where projects or programs was undertaken | Amount Outlay (Budget) Project or program wise (In Rs. crores) | Amount spent on the project or programs 1) Direct expenditure on projects or programs 2) Overheads (In Rs. crores) | Cumulative Expenditure upto the reporting period (In Rs. crores) | Amount spent: directly or through implementing agency |
|---------|---|--|--|--|--|--|--|
| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
| 11. | A WORLD IN MOTION (AWIM) – PROJECT BASED LEARNING OF MECHANICAL CONCEPTS – Class V students are provided with a platform that allows hands on experience in all aspects of mechanical concepts for building vehicles for road and water. Impact: Benefitting 54,449 students and teachers. | Promoting Education | Local: Jaipur - Rajasthan, Mumbai, Nashik - Maharashtra, Rudrapur, Haridwar - Uttarakhand, Chennai - Tamil Nadu, Chandigarh | 0.45 | 0.45 | 0.45 | Through implementing agency – Society of Automotive Engineers India |
| 12. | MUMBAI PUBLIC SCHOOLS – PROMOTION OF EDUCATION – Supporting 28 English medium MCGM schools from KG to 7 th Grade. Impact: Benefitting 15,586 students. | Promoting Education | Others: Mumbai - Maharashtra | 0.28 | 0.28 | 0.28 | Through implementing agency – Naandi Foundation |
| 13. | SEVA MANDIR TRUST – Quality education provided to 825 underprivileged children in the age group of 6-14 years, through 23 Shiksha Kendras. | Promoting Education | Others: Districts of Udaipur and Rajsamand in Rajasthan. | 0.27 | 0.27 | 0.27 | Through implementing agency – Seva Mandir |
| 14. | DONATION TO THE CORPUS OF THE K C MAHINDRA EDUCATION TRUST – for supporting schools and providing scholarships. | Promoting Education | Others: Mumbai - Maharashtra | 1.62 | 1.62 | 1.62 | Direct Implementation |
| 15. | MAHINDRA UNIVERSITY –Providing infrastructural support to Mahindra Educational Institutions (MEI) specifically towards construction of a hostel and lab facilities for civil and mechanical engineering colleges at Hyderabad. | Promoting Education | Others: Hyderabad - Andhra Pradesh | 15.00 | 15.00 | 15.00 | Through implementing agency – Mahindra Educational Institutions |
| 16. | HUNNAR – SKILL DEVELOPMENT FOR YOUTH INCREASING THEIR SCOPE FOR EMPLOYABILITY – Skill training in auto sales and service. Impact: 26,248 students trained. | Promoting employment enhancement vocation skills and livelihood enhancement projects | Others: Jhajjar - Haryana, Bulandshahr, Sitapur - Uttar Pradesh, Ajmer, Bharatpur, Jaipur - Rajasthan, Mumbai, Pune, Nashik, Nagpur - Maharashtra, Coimbatore - Tamil Nadu, Bhubaneshwar - Orissa, Betul, Harda - Madhya Pradesh | 4.68 | 4.68 | 4.68 | Through implementing agency – Lend a Hand India, Kherwadi Social Welfare Association, Thakur Education Trust, Dr. Amte Foundation, Centurion University |

| Sr. No. | CSR Project or activity identified | Sector in which the project is covered (As in Schedule VII) | Projects or programs 1) Local areas or other 2) Specify the state and district where projects or programs was undertaken | Amount Outlay (Budget) Project or program wise (In Rs. crores) | Amount spent on the project or programs 1) Direct expenditure on projects or programs 2) Overheads (In Rs. crores) | Cumulative Expenditure upto the reporting period (In Rs. crores) | Amount spent: directly or through implementing agency |
|---------|--|---|---|--|--|--|--|
| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
| 17. | MAHINDRA PRIDE SCHOOL (MPSs) – A livelihood training school for youth from socially and economically disadvantaged backgrounds. In Financial Year 2016, the Mahindra Group supported 5 MPSs in Pune, Chennai, Patna, Chandigarh and Srinagar through which 3,135 students were trained. From inception till date over 15,000 students have been trained and 100% have been placed. Your Company supported the schools in Srinagar and Chandigarh which respectively skilled 523 and 602 students in Financial Year 2016. | Promoting employment enhancement vocation skills and livelihood enhancement projects | Others: Chandigarh and Srinagar | 2.50 | 2.50 | 2.50 | Through implementing agency – K. C. Mahindra Education Trust and Naandi Foundation |
| 18. | MAHINDRA NAMASTE / PRIDE SCHOOL SCHOLARSHIP – Scholarships which enable socially and economically disadvantaged youth to undergo livelihood training at Mahindra Namaste Private Limited. | Promoting employment enhancement vocation skills and livelihood enhancement projects | Others: Bengaluru - Karnataka | 1.44 | 1.44 | 1.44 | Through implementing agency – Naandi Foundation |
| 19. | SWACHH BHARAT SWACHH VIDYALAYA PROGRAM – A) Supporting CII, Delhi to construct 8 public toilet blocks in Delhi as part of the Swachh Bharat program. B) Cleanliness Drives, construction and maintenance of toilets were taken up to create 'open defecation free areas'. Impact: 1,170 Toilets were constructed. 54,213 people benefitted in schools and the villages. | Promoting preventive healthcare and sanitation | Others: Delhi Local: Mumbai, Pune, Igatpuri, Nashik, Nagpur - Maharashtra, Zaheerabad - Telangana, Chennai - Tamil Nadu, Bengaluru - Karnataka, Rudrapur, Haridwar - Uttarakhand, Chandigarh, Lucknow - Uttar Pradesh, Noida - Delhi, Patna - Bihar, Bhubaneshwar - Orissa | 5.09 | 5.09 | 5.09 | A) Through implementing agency – Mahindra Foundation B) Direct Implementation |

| Sr. No. | CSR Project or activity identified | Sector in which the project is covered (As in Schedule VII) | Projects or programs 1) Local areas or other 2) Specify the state and district where projects or programs was undertaken | Amount Outlay (Budget) Project or program wise (In Rs. crores) | Amount spent on the project or programs 1) Direct expenditure on projects or programs 2) Overheads (In Rs. crores) | Cumulative Expenditure upto the reporting period (In Rs. crores) | Amount spent: directly or through implementing agency |
|---------|---|---|--|--|--|--|--|
| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
| 20. | MULTI DISCIPLINARY MEDICAL AND HEALTHCARE SERVICES FOR DISADVANTAGED SECTIONS OF SOCIETY – The program covers medical camps, mobile dispensaries, holistic HIV/AIDS programs, health and wellness for traffic personnel, provision of healthy meals, cancer screening camps, health awareness camps, ear camps, TB care and medical check-ups and eye testing for truck drivers, driving test program, 24 hour ambulance for road accident victims. Impact: Benefitting 1,76,721 people. | Promoting Preventive Healthcare | Local: Mumbai, Pune, Igatpuri, Nashik, Nagpur - Maharashtra, Zaheerabad - Telangana, Chennai - Tamil Nadu, Bengaluru - Karnataka, Rudrapur, Haridwar - Uttarakhand, Chandigarh, Lucknow - Uttar Pradesh, Noida - Delhi, Patna - Bihar, Bhubaneshwar - Orissa | 3.26 | 3.26 | 3.26 | Through implementing agency – Sevamob, Life Education and Developmental Support, Cancer Patients Aid Association, Kripa Foundation, BSA Training Academy, Nashik Accident Medical Emergency Foundation, etc. |
| 21. | LIFELINE EXPRESS – Hospital on wheels catering to medical needs of rural people who don't have access to quality medical facilities. Diagnostic, medical and surgical treatment for preventive and curative interventions e.g. cataract, cleft lip palate & deafness correction. Impact: Benefitting 15,642 people | Promoting Preventive Healthcare | Others: Bharatpur - Rajasthan and Ghazipur - Uttar Pradesh | 1.36 | 1.36 | 1.36 | Through implementing agency – Impact India Foundation |
| 22. | HEALTH CARE PROJECTS: A) PALCARE – Supporting the setup of a palliative care program for people with chronic illnesses such as cancer, Alzheimer's, kidney failure, lung conditions and stroke. B) KARO TRUST – providing financial and psychological support to patients suffering from critical and life threatening illnesses. | Promoting preventive healthcare | Others: Mumbai - Maharashtra | 1.25 | 1.25 | 1.25 | Through Implementing agency – Mahindra Foundation in partnership with the Jimmy S Bilimoria Foundation and KARO Trust |

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|---------|---|---|--|--|--|--|---|
| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
| 23. | <p>DISASTER RELIEF:</p> <p>A) DAMU NAGAR FIRE TRAGEDY – Providing immediate fire emergency services including water lines to fire brigade. Also included distribution of drinking water and meals for 3 days along with distribution of basic household amenities to families and books and stationary for school children affected by the fire.</p> <p>Impact: Benefitting 1,065 households.</p> <p>B) TAMIL NADU FLOOD RELIEF – Distribution of food, blankets, rations and utensils to 7,340 people.</p> | Promoting preventive healthcare | Local: Mumbai - Maharashtra and Chennai - Tamil Nadu | 0.94 | 0.94 | 0.94 | Direct Implementation – Employee Social Options Platform (ESOPs) |
| 24. | <p>JEEVANDAAN – BLOOD DONATION INCLUDING LIFE SUPPORT FOR THALASSEMIA PATIENT – An ESOPs driven initiative that is held regularly across locations/plants. This includes a robust Thalassaemia Program to provide an uninterrupted blood supply for Thalassaemia patients.</p> <p>Impact: 14,889 units of blood collected.</p> | Promoting Preventive Healthcare | Local: Mumbai, Pune, Igatpuri, Nashik, Nagpur - Maharashtra, Zaheerabad - Telangana, Chennai - Tamil Nadu, Bengaluru - Karnataka, Rudrapur, Haridwar - Uttarakhand, Chandigarh, Lucknow - Uttar Pradesh, Noida - Delhi, Patna - Bihar, Bhubaneshwar - Orissa | 0.61 | 0.61 | 0.61 | Direct Implementation – Employee Social Options Platform (ESOPs) Through implementing agency – Think Foundation |
| 25. | <p>NAVDRUSHTI – EYE CARE AND VISION CORRECTIONS – Awareness drives, eye testing, distribution of spectacles and cataract surgeries for the deprived sections of society.</p> <p>Impact: Benefitting 21,530 people.</p> | Promoting Preventive Healthcare | Local: Zaheerabad - Telangana, Jaipur - Rajasthan, Haridwar - Uttarakhand, Mumbai, Nashik, Sangli - Maharashtra, Pithampur - Madhya Pradesh | 0.55 | 0.55 | 0.55 | Through implementing agency – Vision Spring, Ganga Mata Eye Hospital, Netra Jyoti Foundation and Tulsi Eye Hospital, Swajan Social Development and Health Education |
| 26. | <p>HEALTHCARE FOR THE DIFFERENTLY ABLED – Providing mobility aids, nutritional support, conducting health camps and supporting livelihood development of persons with disability.</p> <p>Impact: Benefitting 490 people.</p> | Promoting Preventive Healthcare | Local: Bengaluru - Karnataka, Mumbai, Pune - Maharashtra, Haridwar - Uttarakhand, Lucknow - Uttar Pradesh | 0.26 | 0.26 | 0.26 | Through implementing agency – The Association of People with Disabilities, Ganga Mata Eye Hospital and Comfort Dental Clinic, Spastics Center (Ashayen) and Suhrud Mandal |

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|---------|---|---|--|--|--|--|--|
| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
| 27. | PROJECT HARIYALI: A) ARAKU PROJECT: Tree plantation to increase green cover and improve livelihood of farmers. In Financial Year 2016, the project planted 1.23 million trees in totality. This CSR grant enabled the planting of 8,50,000 trees in the tribal Araku valley belt. B) INCREASING GREEN COVER & MAINTENANCE OF GREEN ZONES – 2,03,674 Trees Planted. | Ensuring Environmental Sustainability | Others: Araku - Andhra Pradesh Local: Mumbai, Pune, Igatpuri, Nashik, Nagpur - Maharashtra, Zaheerabad - Telangana, Chennai - Tamil Nadu, Bengaluru - Karnataka, Rudrapur, Haridwar - Uttarakhand, Chandigarh | 4.47 | 4.47 | 4.47 | Through implementing agency – Naandi Foundation, Employee Social Options Platform (ESOPs), Nashik Municipal Corporation |
| 28. | EHS+ – Your Company partnered with OSC to establish a EHS+ center for training small and medium enterprises in the industrial sector, with an aim of promoting environmental sustainability. | Ensuring Environmental Sustainability | Others: Pune - Maharashtra | 1.63 | 1.63 | 1.63 | Through implementing agency – OSC |
| 29. | MPOWERED – RURAL ELECTRIFICATION THROUGH SOLAR POWER – Remote villages of Belwa and Basahi have been electrified with home lighting and e-hubs for livelihood generation avenues. Impact: Benefitting 66 households and 330 people. | Ensuring Environmental Sustainability | Others: Belwa, Basahi - Uttar Pradesh, Pune - Maharashtra | 0.67 | 0.67 | 0.67 | Direct Implementation |
| 30. | JALDOOT – PROVIDING SAFE DRINKING WATER TO SCHOOLS AND VILLAGES WHERE WATER IS SCARCE AND CONTAMINATED – Construction of water tank, bore wells, provision of hand pumps, installation of RO plants and provision of water coolers. Impact: Benefitting 11,061 people. | Providing Safe Drinking Water | Local: Mokhada, Palghar - Maharashtra, Rudrapur - Uttarakhand, Jaipur - Rajasthan, Bengaluru - Karnataka | 1.55 | 1.55 | 1.55 | Through implementing agency – Vasai Janhit and Suryodaya Foundation, Swajan Social Development and Health Education Samiti and ESOPs |

| Sr. No. | CSR Project or activity identified | Sector in which the project is covered (As in Schedule VII) | Projects or programs 1) Local areas or other 2) Specify the state and district where projects or programs was undertaken | Amount Outlay (Budget) Project or program wise (In Rs. crores) | Amount spent on the project or programs 1) Direct expenditure on projects or programs 2) Overheads (In Rs. crores) | Cumulative Expenditure upto the reporting period (In Rs. crores) | Amount spent: directly or through implementing agency |
|---------|--|---|--|--|--|--|--|
| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
| 31. | KRISHI MITR – RURAL DEVELOPMENT AIMED AT IMPROVING INCOME GENERATION FOR FARMING COMMUNITIES – The program includes soil testing, advisory services, drip irrigation, community farming, seed culture farming, agri extension services, infrastructure development and capacity building resulting in improvement in agricultural productivity. Impact: Benefitting 49,635 farmers. | Rural Development | Others: Mankepada, Raigad - Maharashtra, Sagar, Tikamgarh - Madhya Pradesh, Ajmer, Alwar - Rajasthan | 5.47 | 5.47 | 5.47 | Through implementing agency – Swades Foundation, BAIF Development Research Foundation, Srijan, Rajasthan Rural Institute, Karm Foundation, Lok Nayak Jay Prakash Narayan Leprosy Eradication Trust, Sadguru Foundation, Dr. Panjabrao Deshmukh Krishi Vidyapeeth |
| 32. | INTEGRATED WATERSHED MANAGEMENT PROGRAM (IWMP) – PPP with Government of Madhya Pradesh for watershed development at Damoh and Bhopal increasing the ground water table by 30%, resulting in increased agricultural productivity and improved living standards. Impact: 1,812 and 112 million litres of incremental rain water harvesting capacity at Damoh and Bhopal respectively covering 83 villages and 12,900 households. | Rural Development | Others: Bhopal, Damoh & Hata - Madhya Pradesh | 2.87 | 2.87 | 2.87 | Direct Implementation – M&M IWMP Team |
| 33. | SHIV JAL KRANTI – WATER MANAGEMENT IN DROUGHT AREAS OF AURANGABAD, MARATHWADA REGION – Building new water storage structures and repairing of old structures leading to increased water availability during the dry season. Impact: 56 structures were repaired or built in 34 villages, benefiting 38,357 people. | Rural Development | Others: Aurangabad - Maharashtra | 1.50 | 1.50 | 1.50 | Through implementing agency – Dilasa Foundation |
| 34. | SEED THE RISE – Raising awareness and funds to support poor and marginalised farmers in drought hit regions of the country. | Rural Development | Others: Vidarbha, Raigad - Maharashtra | 1.05 | 1.05 | 1.05 | Through implementing agency – Naandi Foundation, K.C. Mahindra Education Trust, Digital Green, Swades Foundation |

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|---------|---|--|---|--|--|--|--|
| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
| 35. | WARDHA FARMER FAMILY PROJECT (WFFP) – Enriching farmers lives through various Agri productivity initiatives. Impact: Benefitting 305 farmers. | Rural Development | Others - Vidarbha - Maharashtra | 1.00 | 1.00 | 1.00 | Through implementing agency – Naandi Foundation |
| 36. | MRV BIO GAS PLANT – Production of Bio Gas/fertilizer for the local community. A tripartite agreement with Naandi Foundation and Mahindra World City Developers Limited was signed to set up a bio gas plant which will convert food and other waste into energy which will be used in the local community. Impact: Testing lab has been set up and trials are on and 300 people have been benefitted this year. | Rural Development | Local: Chennai - Tamil Nadu | 0.90 | 0.90 | 0.90 | Through implementing agency – Naandi Foundation |
| 37. | WATER MANAGEMENT – RURAL DEVELOPMENT PROJECTS STRENGTHENING WATER RESOURCES Fortification of check dams and water structures increasing water availability for irrigation for the local farming community and desilting of water structures creating greater catchment area during monsoon. Impact: Benefitting 50,328 people. | Rural Development | Others: Igatpuri - Maharashtra, Zaheerabad - Telangana | 0.38 | 0.38 | 0.38 | Direct Implementation |
| 38. | SPORTS SCHOLARSHIP – Promotion of sports through coaching and provision of sports kits for tribal youth. Impact: 2,000 sportsmen/women received scholarships and 50 received kits. | Promotion of Rural Sports | Local: Nashik - Maharashtra, Jaipur - Rajasthan | 0.25 | 0.25 | 0.25 | Direct Implementation |
| 39. | ADHATA TRUST – Providing medical assistance, social support and recreational activities for senior citizens through six community centres. | Promoting the setting up of old age homes, day care centers and such facilities for senior citizens | Others: Mumbai - Maharashtra | 0.70 | 0.70 | 0.70 | Through implementing agency – ADHATA Trust |

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|--------------------|--|---|--|--|--|--|--|
| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
| 40. | JANANI UTHAN – SKILL DEVELOPMENT FOR WOMEN – Setting up of Mahila Silai Centers and computer education for women to increase income generating activities for women. Impact: Benefitting 2,800 women. | Promoting Gender Equality, Empowering Women | Local: Rudrapur - Uttarakhand, Jaipur - Rajasthan | 0.25 | 0.25 | 0.25 | Through implementing agency – Society to Create Awareness towards Life and Environment, Swajan Social Development and Health Education |
| 41. | INFRASTRUCTURE SUPPORT DURING THE KUMBH MELA – Providing infrastructure support for pilgrims, safety gear for police personnel. Impact: Benefitting 50,000 people. | Protection of Culture | Local: Nashik - Maharashtra | 0.12 | 0.12 | 0.12 | Direct Implementation – Employee Social Options Platform (ESOPs) |
| 42. | SUPPORTING THE SOCIALLY AND ECONOMICALLY BACKWARD – Supporting orphans, elders and low income groups through various initiatives throughout the year. Impact: Benefitting 12,773 people. | Measures to reduce inequalities faced by Socially and Economically backward groups | Local: Noida - Delhi, Bhubaneswar - Orissa, Mumbai - Maharashtra, Haridwar - Uttarakhand, Chandigarh, Pithampur - Madhya Pradesh, Jaipur - Rajasthan | 0.06 | 0.06 | 0.06 | Through implementing agency – National Centre for Promotion of Employment for Disabled People, Adhata Trust, Ramakrishna Sevasrama and Employee Social Options Platform (ESOPs) |
| 43. | OTHER PROJECTS – Supported deserving projects of reputed NGOs in the areas of education, health, environment and flood relief. | Promoting Education/ Promoting preventive health care and sanitation | Others: Mumbai - Maharashtra | 0.14 | 1.09 | 1.09 | Through implementing agency - NAGAR, Ammada Trust, St Jude's, Yuvak Biradari, World Vision, Mahindra Foundation |
| GRAND TOTAL | | | | 84.95 | 85.90 | 85.90 | |

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

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

ANAND G. MAHINDRA
Chairman & Managing Director

DR. VISHAKHA N. DESAI
Chairperson - CSR Committee

Mumbai, 30th May, 2016

ANNEXURE VI

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

SECTION 134(3)(m) OF THE COMPANIES ACT, 2013 READ WITH RULE 8(3) OF THE COMPANIES (ACCOUNTS) RULES, 2014 IS FORMING PART OF THE BOARD'S REPORT FOR THE FINANCIAL YEAR 2015-16

(A) Conservation of Energy

Your Company has considered Sustainability as one of the strategic priorities and energy conservation is one of the strong pillars for preserving natural resources and improving bottom line. Your Company is continuously striving towards improving the energy performance in all areas. Your Company has always considered energy and natural resource conservation as a focus area and has been consciously making efforts towards improving the energy performance year on year. Energy policy is formulated and deployed across all the locations for Sustainable Development. Energy Management process has been established and awareness campaigns have been conducted.

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

- Reduction in specific carbon footprint.
- Conservation of natural resources like electricity, oil and fuel.
- Use of renewable energy in Manufacturing.
- Use of natural lighting and natural ventilation.
- Encouraging green building initiatives.
- Rain water harvesting, recycling and water conservation.
- Reduce, reuse, recycle of waste and eco-friendly waste disposal.

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

- Waste heat recovery from CED ovens in paint shops.
- Installation of hybrid heat pump in paint shops.
- Variable Frequency Drive for cooling tower fan and other applications.
- Replacement of conventional lighting with LED lighting.
- Magnetic induction efficient lighting.
- Energy efficient air-conditioning systems.

- Installation of temperature controller on air conditioners.
- Use of energy efficient dry type cast resin transformer.
- Installation of energy efficient pumps.
- Installation of timers for shop air ventilators.
- Installation of energy efficient air compressor.
- Replacement of welding transformers with inverter based welding machines.
- Replacement of conventional motors with energy efficient motors.
- Installation of natural cooling towers.
- Optimisation of CED Bath temp in paint shops.

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

- Energy Policy formulated and displayed across all locations.
- National Energy Conservation Week celebration at all Plants.
- Energy Conservation Oath taken by all employees at all locations.
- Online Energy Quiz competition involving all employees.
- Residential Electricity Bill Saving Competition for employees.
- Energy Conclave organised for Officers.
- Green initiatives display and walks at Plants.
- E-mailers, Wall papers, Posters and Slogans for awareness on Energy Conservation.
- Suggestion competition for employees on Energy efficiency.
- Spreading the importance of Energy Conservation in nearby schools and colleges.

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

- Use of solar power through open access and captive generation as well as procurement of Renewable energy certificates comprises total @ 5% of the total power requirement.
- Above renewable power initiative will mitigate 13,400 Tons of CO₂.

(iii) The capital investment on energy conservation equipments:

Your Company has focused on investing in modern technology for improving the specific energy consumption. For the year under review capital investment on energy conservation equipment is Rs. 4.2 crores. This investment is broadly done in the areas of heat recovery, LED / magnetic induction lighting, hybrid heat pump and many more energy conservation initiatives.

Beyond the above, your Company has invested a total of Rs. 35.52 crores towards harnessing energy from renewable energy sources.

- Investment of Rs. 7.98 crores on a total of 1 MW Solar plants (4 locations).
- Investment of Rs. 27.54 crores on 4.2 MW Wind power.

(B) Technology Absorption

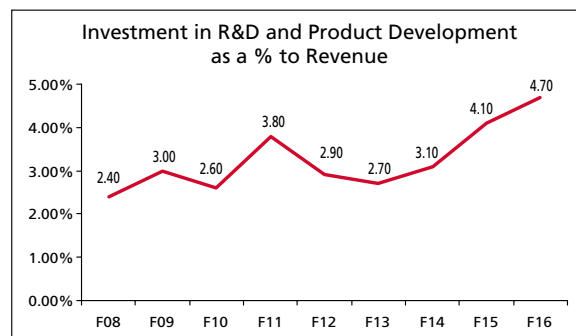
(i) The efforts made towards technology absorption:

Your Company is committed towards technology driven innovation and lays strong emphasis on inculcating an innovation driven culture within the organisation.

During the year under review, your Company continued to work on technology upgradation and capability development in the critical areas of Powertrain, Gasoline engines, Emission, Safety, Weight reduction, Alternate fuels, Automotive electronics and Connected car. Specifically on the tractor front, efforts are being put to develop electronic systems and features to provide enhanced productivity and comfort to the farmers. These technology focus areas are important to be competitive in the market today and in the times to come.

Your Company has made sustained investment in developing technology and acquiring patents. Over the years, your Company has strengthened its IPR portfolio and in Financial Year 2016, your Company filed a total of 173 patents.

The graph below shows the investment in R&D and product development as a percentage of revenue for the Financial Year 2007-08 to Financial Year 2015-16:



For the year under review, your Company bagged three prestigious National IP Awards on World Intellectual Property Day under the categories of 'Best Commercialisation of Patents', 'WIPO (World Intellectual Property Organization) Users Trophy' and 'Top organization for Trademarks'.

These awards were conferred by the DIPP – Department of Industrial Policy & Promotion, Ministry of Commerce & Industry, Government of India.

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

- Launch of 14 automotive products across industry segments. These include six new platforms, five product refreshes and three variants.
- All new Gasoline engine mFalcon, launched on the KUV100.
- Launch of multimode technology on Blazo series of trucks. This technology provides improved fuel efficiency and optimized drivability based on load, road and speed.
- Launch of an all new tractor platform YUVO (April 2016), with many industry first features.
- Electronic systems on tractors which deliver productivity and driving comfort to farmers.
- Use of new materials with a focus on light weighting.
- Development of production ready technologies in the field of advanced electronics and connectivity, alternate fuels, light weighting and high performance lubricants.

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

| Sr. No. | Technology Imported | Year of Import | Status |
|---------|--|----------------|------------------------------|
| 1 | CNG Injection Technology | 2013 | Technology Absorbed |
| 2 | Hydrogen Fuel Technology | 2013 | Technology Absorbed |
| 3 | Dual Clutch Transmission Technology | 2013 | Technology Absorbed |
| 4 | Advanced Engine Exhaust After Treatment Technology | 2013 | In the process of Absorption |
| 5 | Vehicle Comfort & Handling Technology | 2013 | Technology Absorbed |
| 6 | Aero aoustics development | 2014 | Technology Absorbed |
| 7 | Electrical and electronics architecture validation technology | 2014 | In the process of Absorption |
| 8 | Electrical and electronic technologies for infotainment validation | 2014 | Technology Absorbed |
| 9 | New 6 Speed Transmission technology | 2014 | In the process of Absorption |
| 10 | New Gasoline Engine Technology | 2015 | Technology Absorbed |
| 11 | ICV Transmission Technology | 2015 | In the process of Absorption |
| 12 | New Diesel Engine development | 2015 | Technology Absorbed |
| 13 | Design of automotive Interiors | 2016 | Technology Absorbed |
| 14 | Interior & Exterior Technology for BIW | 2016 | In the process of Absorption |
| 15 | Automated Manual Transmission Design & Development | 2016 | Technology Absorbed |
| 16 | BSR (Buzz, Squeak and Rattle) Development for Vehicles | 2016 | Technology Absorbed |
| 17 | Body Design For Crash & Safety Compliance | 2016 | Technology Absorbed |

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

(iv) The expenditure incurred on Research and Development:

The Company spent Rs. 1,885.89 crores (including Rs. 1,086.68 crores on Capital Expenditure) for Research & Development work during the year, which was approximately 4.24% of the total turnover.

(C) Foreign Exchange Earnings and Outgo

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

For and on behalf of the Board

ANAND G. MAHINDRA
Chairman & Managing Director

Mumbai, 30th May, 2016

ANNEXURE VII

EXTRACT OF ANNUAL RETURN

FORM NO. MGT-9

As on the financial year ended on 31.03.2016

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

I. REGISTRATION & OTHER DETAILS:

| | | |
|----|--|---|
| 1. | CIN | L65990MH1945PLC004558 |
| 2. | Registration Date | 02-10-1945 |
| 3. | Name of the Company | Mahindra & Mahindra Limited |
| 4. | Category/Sub-category of the Company | Public Company-Limited by shares/Non-Government Company |
| 5. | Address of the Registered office & contact details | Mahindra & Mahindra Limited Gateway Building, Apollo Bunder, Mumbai-400001, Maharashtra Tel: +91-22-22895500 • Fax: +91-22-22875485 |
| 6. | Whether listed company | Yes |
| 7. | Name, Address & contact details of the Registrar and Transfer Agent, if any. | Karvy Computershare Private Limited Karvy Selenium Tower B, Plot No. 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad, Telangana – 500 032, India Telephone number: +91 40 6716 2222 Fax number: +91 40 2342 0814 Investor Service Toll Free No.: 1-800-3454-001 E-mail: einward.ris@karvy.com Website: www.karvycomputershare.com (with effect from 13 th June, 2016) |

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

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

| S. No. | Name and Description of main Products / Services | NIC Code of the Product/ Service | % to total turnover of the Company |
|--------|---|----------------------------------|------------------------------------|
| 1. | Manufacture of Passenger Cars | 29101 | 39.60 |
| 2. | Manufacture of Commercial vehicles such as vans, lorries, over the road tractors for semi-trailers, etc | 29102 | 25.47 |
| 3. | Manufacture of tractors used in agriculture and forestry | 28211 | 23.81 |
| | TOTAL | | 88.88 |

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

| Sr. No. | Name of the Company | Address of the Company | CIN/GLN | Holding / Subsidiary / Associate | % Holding | Applicable Section |
|---------|--|--|-----------------------|----------------------------------|-----------|--------------------|
| 1 | Mahindra Engineering and Chemical Products Limited | Gateway Building, Apollo Bunder, Mumbai 400 001 | U74999MH1954PLC019908 | Subsidiary | 100.00% | 2(87)(ii) |
| 2 | #Retail Initiative Holdings Limited | Mahindra Towers, P. K. Kurne Chowk, Worli, Mumbai-400018 | U67110MH2008PLC188837 | Subsidiary | 100.00% | 2(87)(ii) |
| 3 | ##Mahindra Retail Private Limited | Mahindra Towers, P. K. Kurne Chowk, Worli, Mumbai-400018 | U52190MH2007PTC173762 | Subsidiary | 98.96% | 2(87)(ii) |
| 4 | ###Mahindra Internet Commerce Private Limited | Mahindra Towers, P. K. Kurne Chowk, Worli, Mumbai-400018 | U52399MH2008PTC187927 | Subsidiary | 100.00% | 2(87)(ii) |
| 5 | Mahindra Overseas Investment Company (Mauritius) Limited | IFS Court Twenty Eight, Cybercity Ebene- Mauritius | Foreign Company | Subsidiary | 100.00% | 2(87)(ii) |
| 6 | •Mahindra Emirates Vehicle Armouring FZ-LLC | P.O. Box No. 39893, Al Jazeera, Al Hamra. (Free Zone), RAKIA Industrial park, WFZ-08, Ras Al Khaimah, United Arab Emirates | Foreign Company | Subsidiary | 51.00% | 2(87)(ii) |
| 7 | •Mahindra Graphic Research Design Srl | Via del Babuino 51 – 00187 ROMA - ITALY | Foreign Company | Subsidiary | 100.00% | 2(87)(ii) |
| 8 | •Mahindra International UK Ltd. (w.e.f. 13.10.2015) | 125, Wood Street, London, EC2V 7AW | Foreign Company | Subsidiary | 100.00% | 2(87)(ii) |
| 9 | •Mahindra Europe S.r.l. | Mahindra Europe Srl Via Cancelliera, 35 – Ariccia – Roma 00072, Italy | Foreign Company | Subsidiary | 100.00% | 2(87)(ii) |
| 10 | •Mahindra-BT Investment Company (Mauritius) Limited | IFS Court, Bank Street, Twenty Eight, Cybercity, Ebene 72201, Mauritius | Foreign Company | Subsidiary | 57.00% | 2(87)(ii) |
| 11 | •Mahindra Racing UK Limited | Abacus House, 33, Gutter Lane, London-EC2V8AR. | Foreign Company | Subsidiary | 100.00% | 2(87)(ii) |
| 12 | •Mahindra Yueda (Yancheng) Tractor Company Limited | 9, Nenjiang Road, Yancheng Economic Development Zone, Jiangsu Province, China. | Foreign Company | Subsidiary | 51.00% | 2(87)(ii) |
| 13 | •Mahindra Racing S.P.A. (Formerly known as Mahindra Racing s.r.l.) (Name changed w.e.f. 12.01.2016) | Via dellaMercede, 11 00187 Roma | Foreign Company | Subsidiary | 100.00% | 2(87)(ii) |
| 14 | •Mahindra Tractor Assembly Inc. | Corporation Service Company, 2711 Centreville Road, Suite 400, Wilmington, County of Newcastle, Delaware 19808. | Foreign Company | Subsidiary | 100.00% | 2(87)(ii) |
| 15 | Mahindra Vehicle Manufacturers Limited | Mahindra Towers, P. K. Kurne Chowk, Worli, Mumbai-400018 | U34100MH2007PLC171151 | Subsidiary | 100.00% | 2(87)(ii) |
| 16 | ΩMahindra Reva Electric Vehicles Limited (Formerly known as Mahindra Reva Electric Vehicles Private Limited) | #122E, Bommasandra Industrial Area, Bangalore 560099 | U34101KA1996PLC020195 | Subsidiary | 93.70% | 2(87)(ii) |
| 17 | ΩMahindra Heavy Engines Limited (formerly known as Mahindra Heavy Engines Private Limited) | Mahindra Towers, P. K. Kurne Chowk, Worli, Mumbai-400018 | U35914MH2007PLC169753 | Subsidiary | 100.00% | 2(87)(ii) |
| 18 | ΩMahindra Two Wheelers Limited | Mahindra Towers, P. K. Kurne Chowk, Worli, Mumbai-400018 | U35911MH2008PLC185462 | Subsidiary | 91.26% | 2(87)(ii) |
| 19 | ΩΩMahindra Two Wheelers Europe Holdings S.a.r.l. | 16, Avenue Pasteur, L-2310 Luxembourg, Grand Duchy of Luxembourg | Foreign Company | Subsidiary | 100.00% | 2(87)(ii) |
| 20 | ΩΩΩPeugeot Motocycles S.A.S. | Rue Du 17 Novembre F25350, Mandeure, France | Foreign Company | Subsidiary | 51.00% | 2(87)(ii) |

| Sr. No. | Name of the Company | Address of the Company | CIN/GLN | Holding / Subsidiary / Associate | % Holding | Applicable Section |
|---------|--|---|-----------------------|----------------------------------|-----------|--------------------|
| 21 | ! Peugeot Motocycles Italia S.P.A | 199 via Gallarate, 20154 Milano, Italia | Foreign Company | Subsidiary | 100.00% | 2(87)(ii) |
| 22 | ! Peugeot Motocycles Deutschland GmbH | Kurhessen Strasse, 13. 64536, Morfelden-Walldorf Deutschland | Foreign Company | Subsidiary | 100.00% | 2(87)(ii) |
| 23 | Ω Mahindra Intertrade Limited | Mahindra Towers, P. K. Kurne Chowk, Worli, Mumbai-400018 | U51900MH1978PLC020222 | Subsidiary | 100.00% | 2(87)(ii) |
| 24 | £ Mahindra Auto Steel Private Limited | Mahindra Towers, P. K. Kurne Chowk, Worli, Mumbai-400018 | U27100MH2013PTC250979 | Subsidiary | 51.00% | 2(87)(ii) |
| 25 | £ Mahindra Electrical Steel Private Limited | Mahindra Towers, P. K. Kurne Chowk, Worli, Mumbai-400018 | U27100MH2009PTC193205 | Subsidiary | 100.00% | 2(87)(ii) |
| 26 | £ Mahindra Steel Service Centre Limited | Mahindra Towers, P. K. Kurne Chowk, Worli, Mumbai-400018 | U27100MH1993PLC070416 | Subsidiary | 61.00% | 2(87)(ii) |
| 27 | £ Mahindra MiddleEast Electrical Steel Service Centre (FZC) | Sharjah Airport International Free Zone, P3 11/12 Post Box: 8114, Sharjah UAE. | Foreign Company | Subsidiary | 90.00% | 2(87)(ii) |
| 28 | Mahindra First Choice Wheels Limited | Gateway Building, Apollo Bunder, Mumbai 400001 | U64200MH1994PLC083996 | Subsidiary | 43.70% | 2(87)(i) |
| 29 | Mahindra USA, Inc. | 9020 Jackrabbit Road, Suite 600, Houston, Texas-77095, USA. | Foreign Company | Subsidiary | 100.00% | 2(87)(ii) |
| 30 | σ Mahindra North American Technical Center, Inc | 1055 West Square Lake Road, Troy, MI, 48098 | Foreign Company | Subsidiary | 100.00% | 2(87)(ii) |
| 31 | Mahindra Gujarat Tractor Limited | Vishwamitri, near Railway Over bridge, Vadodara 390 011 | U34100GJ1978PLC003127 | Subsidiary | 60.00% | 2(87)(ii) |
| 32 | Mahindra Agri Solutions Limited (Formerly known as Mahindra Shubhlabh Services Limited) | Mahindra Towers, P. K. Kurne Chowk, Worli, Mumbai-400018 | U01400MH2000PLC125781 | Subsidiary | 100.00% | 2(87)(ii) |
| 33 | ≡ Mahindra UNIVEG Private Limited | Mahindra Towers, P. K. Kurne Chowk, Worli, Mumbai-400018 | U01403MH2014PTC255946 | Subsidiary | 60.00% | 2(87)(ii) |
| 34 | Mahindra Consulting Engineers Limited | Gateway Building, Apollo Bunder, Mumbai-400001 | U74210MH1993PLC074723 | Subsidiary | 59.01% | 2(87)(ii) |
| 35 | ~ Mahindra Namaste Limited (Formerly known as Mahindra Namaste Private Limited) | Mahindra Towers, P. K. Kurne Chowk, Worli, Mumbai-400018 | U80302MH2010PTC198303 | Subsidiary | 100.00% | 2(87)(ii) |
| 36 | Mahindra Holdings Limited | Mahindra Towers, P. K. Kurne Chowk, Worli, Mumbai-400018 | U65993MH2007PLC175649 | Subsidiary | 100.00% | 2(87)(ii) |
| 37 | ∅ Auto Digitech Private Limited (Formerly known as Mahindra Punjab Tractors Private Limited) | Mahindra Towers, P. K. Kurne Chowk, Worli, Mumbai-400018 | U29253MH2009PTC196365 | Subsidiary | 100.00% | 2(87)(ii) |
| 38 | ∅ Mahindra Telecommunications Investment Private Limited | Gateway Building, Apollo Bunder, Mumbai-400001 | U63040MH1993PTC070642 | Subsidiary | 100.00% | 2(87)(ii) |
| 39 | ∅ Mahindra Integrated Business Solutions Private Limited | Mahindra Towers, P. K. Kurne Chowk, Worli, Mumbai-400018 | U74999MH2011PTC212468 | Subsidiary | 100.00% | 2(87)(ii) |
| 40 | ∅ Gateway Housing Company Limited (w.e.f. 10.03.2016) | Gateway Building, Apollo Bunder, Mumbai, MH 400001 | U60231MH1996PLC100436 | Subsidiary | 100.00% | 2(87)(ii) |
| 41 | ∅ Mahindra Susten Private Limited | Mahindra Towers, P. K. Kurne Chowk, Worli, Mumbai-400018 | U74990MH2010PTC207854 | Subsidiary | 100.00% | 2(87)(ii) |
| 42 | ∅∅ Mahindra Renewables Private Limited (Formerly known as Mahindra Offgrid Services Private Limited) | Mahindra Towers, P. K. Kurne Chowk, Worli, Mumbai-400018 | U40300MH2010PTC205946 | Subsidiary | 100.00% | 2(87)(ii) |
| 43 | ▲ MachinePulse Tech Private Limited (w.e.f. 05.01.2016) | Mahindra Towers, Pandurang Budhkar Marg, nr. Doordarshan kendra, Worli, Mumbai, Maharashtra | U72300MH2016PTC271679 | Subsidiary | 100.00% | 2(87)(ii) |

| Sr. No. | Name of the Company | Address of the Company | CIN/GLN | Holding / Subsidiary / Associate | % Holding ^β | Applicable Section |
|---------|--|---|-----------------------|----------------------------------|------------------------|--------------------|
| 44 | ▲ Cleansolar Renewable Energy Private Limited | Mahindra Towers, P. K. Kurne Chowk, Worli, Mumbai-400018 | U40108MH2013PTC250684 | Subsidiary | 100.00% | 2(87)(ii) |
| 45 | ▲ Brightsolar Renewable Energy Private Limited | Mahindra Towers, P. K. Kurne Chowk, Worli, Mumbai-400018 | U40108MH2013PTC250683 | Subsidiary | 51.00% | 2(87)(ii) |
| 46 | ▲ Divine Solren Private Limited (w.e.f. 08.05.2015) | Mahindra towers, Dr. G.M Bhosale Marg, P. K. kurne Chowk, Worli, Mumbai, Maharashtra | U74120MH2015PTC264259 | Subsidiary | 100.00% | 2(87)(ii) |
| 47 | ▲ Neo Solren Private Limited (w.e.f. 01.07.2015) | Mahindra towers, Pandurang Budhkar Marg, nr. Doordarshan kendra, Worli, Mumbai, Maharashtra | U74999MH2015PTC266154 | Subsidiary | 100.00% | 2(87)(ii) |
| 48 | ▲ Marvel Solren Private Limited (w.e.f. 10.10.2015) | Mahindra towers, Pandurang Budhkar Marg, nr. Doordarshan kendra, Worli, Mumbai, Maharashtra | U74120MH2015PTC269074 | Subsidiary | 100.00% | 2(87)(ii) |
| 49 | ▲ Astra Solren Private Limited (w.e.f. 14.10.2015) | Mahindra towers, Pandurang Budhkar Marg, nr. Doordarshan kendra, Worli, Mumbai, Maharashtra | U74120MH2015PTC269256 | Subsidiary | 100.00% | 2(87)(ii) |
| 50 | Mahindra Holidays & Resorts India Limited | No. 17 / 18, 2nd floor, Mahindra Towers, Pattulos Road, Chennai-600002. | L55101TN1996PLC036595 | Subsidiary | 75.00% | 2(87)(ii) |
| 51 | @Mahindra Hotels and Residences India Limited | No. 17 & 18, 2nd floor, Mahindra Towers, Pattulos Road, Chennai-600002. | U55101TN2007PLC063285 | Subsidiary | 100.00% | 2(87)(ii) |
| 52 | @Gables Promoters Private Limited | No - 504, Block A, 5th Floor, ELANTE Office Suites, Plot No-178-178/A, Industrial Area, Phase 1, Chandigarh-160001 | U45209CH2012PTC033473 | Subsidiary | 100.00% | 2(87)(ii) |
| 53 | @MH Boutique Hospitality Limited | No. 33/118-119 Wall Street Tower Building, 23 rd Floor Surawongse Road, Suriyawongse sub-district, Bangrak District, Bangkok, Thailand | Foreign Company | Subsidiary | 49.00% | 2(87)(i) |
| 54 | \$Infinity Hospitality Group Company Limited | No. 20 Soi Sukhumvit 7 (Lerdsin 2), Sukhumvit Road, Khwaeng Khlongtoey Nua, Khet Wattana Bangkok. | Foreign Company | Subsidiary | 100.00% | 2(87)(ii) |
| 55 | @Heritage Bird (M) Sdn Bhd | 802, 8 th Floor, Block C, Kelana Square, 17, Jalan SS7/26, 47301 Petaling Jaya, Selangor. Malaysia | Foreign Company | Subsidiary | 100.00% | 2(87)(ii) |
| 56 | @MHR Holdings (Mauritius) Limited | IFS Court, Twenty Eight Cyber City, Ebene, Mauritius | Foreign Company | Subsidiary | 100.00% | 2(87)(ii) |
| 57 | @@Covington S.a.r.l. | 16, Avenue Pasteur, L-2310 Luxembourg, Grand Duchy of Luxembourg | Foreign Company | Subsidiary | 100.00% | 2(87)(ii) |
| 58 | \$\$HCR Management Oy (w.e.f. 02.09.2015) | c/o Holiday Club Resorts Oy Hitsaajankatu 22, 5 00810 Helsinki | Foreign Company | Subsidiary | 100.00% | 2(87)(ii) |
| 59 | \$\$Holiday Club Resorts Oy (w.e.f. 02.09.2015) | Hitsaajankatu 22, 00810 Helsinki | Foreign Company | Subsidiary | 85.61% | 2(87)(ii) |
| 60 | *Saimaa Gardens Arena Oy (w.e.f. 19.01.2016) | c/o Holiday Club Resorts Oy Hitsaajankatu 22, 00810 Helsinki | Foreign Company | Subsidiary | 100.00% | 2(87)(ii) |
| 61 | *Kiinteistö Oy Himos Gardens (w.e.f. 02.09.2015) | c/o Holiday Club Isännöinti PL 618, 33101 Tampere | Foreign Company | Subsidiary | 100.00% | 2(87)(ii) |

| Sr. No. | Name of the Company | Address of the Company | CIN/GLN | Holding / Subsidiary / Associate | % Holdingβ | Applicable Section |
|---------|--|--|-----------------|----------------------------------|------------|--------------------|
| 62 | * Kiinteistö Oy Himoksen Tähti 2 (w.e.f. 02.09.2015) | Lapinniemenranta 12 33180 Tampere | Foreign Company | Subsidiary | 100.00% | 2(87)(ii) |
| 63 | * Kiinteistö Oy Tunturinrivi (w.e.f. 02.09.2015) | Postipolku 5, 98900 Salla | Foreign Company | Subsidiary | 100.00% | 2(87)(ii) |
| 64 | * Kiinteistö Oy Vanha Ykköstii (w.e.f. 02.09.2015) | Hitsaajankatu 22, 00810 Helsinki | Foreign Company | Subsidiary | 100.00% | 2(87)(ii) |
| 65 | * Kiinteistö Oy Katinnurkka (w.e.f. 02.09.2015) | c/o Holiday Club Isännöinti PL 619, 33101 Tampere | Foreign Company | Subsidiary | 100.00% | 2(87)(ii) |
| 66 | * Kiinteistö Oy Tenetinlahti (w.e.f. 02.09.2015) | c/o Holiday Club Isännöinti PL 618, 33101 Tampere | Foreign Company | Subsidiary | 100.00% | 2(87)(ii) |
| 67 | * Kiinteistö Oy Mällönsiemmi (w.e.f. 02.09.2015) | c/o Holiday Club Resorts Oy Hitsaajankatu 22, 00810 Helsinki | Foreign Company | Subsidiary | 100.00% | 2(87)(ii) |
| 68 | * Kiinteistö Oy Rauhan Ranta 1 (w.e.f. 02.09.2015) | c/o Holiday Club Resorts Oy Hitsaajankatu 22, 00810 Helsinki | Foreign Company | Subsidiary | 100.00% | 2(87)(ii) |
| 69 | * Kiinteistö Oy Rauhan Ranta 2 (w.e.f. 02.09.2015) | Hitsaajankatu 22, 00810 Helsinki | Foreign Company | Subsidiary | 100.00% | 2(87)(ii) |
| 70 | * Kiinteistö Oy Tiurunniemi (w.e.f. 02.09.2015) | c/o Holiday Club Isännöinti PL 618, 33101 Tampere | Foreign Company | Subsidiary | 100.00% | 2(87)(ii) |
| 71 | * Kiinteistö Oy Rauhan Liikekiinteistöt 1 (w.e.f. 02.09.2015) | c/o Holiday Club Isännöinti PL 619, 33101 Tampere | Foreign Company | Subsidiary | 100.00% | 2(87)(ii) |
| 72 | * Supermarket Capri Oy (w.e.f. 02.09.2015) | c/o Kauppakeskus Capri Oy Vipelentie 3-5, 55320 Rauha | Foreign Company | Subsidiary | 100.00% | 2(87)(ii) |
| 73 | * Kiinteistö Oy Kylpyläntorni 1 (w.e.f. 02.09.2015) | c/o Holiday Club Isännöinti PL 618, 33101 Tampere | Foreign Company | Subsidiary | 100.00% | 2(87)(ii) |
| 74 | * Kiinteistö Oy Spa Lofts 2 (w.e.f. 02.09.2015) | c/o Holiday Club Isännöinti PL 619, 33101 Tampere | Foreign Company | Subsidiary | 100.00% | 2(87)(ii) |
| 75 | * Kiinteistö Oy Spa Lofts 3 (w.e.f. 02.09.2015) | c/o Holiday Club Isännöinti PL 619, 33101 Tampere | Foreign Company | Subsidiary | 100.00% | 2(87)(ii) |
| 76 | * Kiinteistö Oy Kuusamon Pulkajärvi 1 (w.e.f. 02.09.2015) | c/o Holiday Club Isännöinti PL 619, 33101 Tampere | Foreign Company | Subsidiary | 100.00% | 2(87)(ii) |
| 77 | * Caribia Service Oy (w.e.f. 02.09.2015) | c/o Holiday Club Isännöinti PL 619, 33101 Tampere | Foreign Company | Subsidiary | 100.00% | 2(87)(ii) |
| 78 | * Holiday Club Rus LLC (w.e.f. 02.09.2015) | Bolshaya Konushennaya str, 8. 191186 St-Petersburg, Russia | Foreign Company | Subsidiary | 100.00% | 2(87)(ii) |
| 79 | * Suomen Vapaa-aikakiinteistöt Oy (w.e.f. 02.09.2015) | c/o Holiday Club Resorts Oy, Lapinniemenranta 12 33180 Tampere | Foreign Company | Subsidiary | 100.00% | 2(87)(ii) |
| 80 | * Holiday Club Sweden Ab Åre, Sweden (w.e.f. 02.09.2015) | Box 68, 83010 Åre | Foreign Company | Subsidiary | 100.00% | 2(87)(ii) |
| 81 | ** Holiday Club Sport and Spa AB (w.e.f. 01.12.2015) (Formerly known as Visionsbolaget 10088 AB) | Box 68, 830 14 Åre, State Jamtlands Lan, Åre Kunnan | Foreign Company | Subsidiary | 51.00% | 2(87)(ii) |
| 82 | ** Åre Semesterby A (w.e.f. 02.09.2015) | Åre Semesterby A AB, Box 68, 83013 ÅRE | Foreign Company | Subsidiary | 100.00% | 2(87)(ii) |
| 83 | ** Åre Semesterby B (w.e.f. 02.09.2015) | Åre Semesterby B AB, Box 68, 83013 ÅRE | Foreign Company | Subsidiary | 100.00% | 2(87)(ii) |
| 84 | ** Åre Semesterby C (w.e.f. 02.09.2015) | Åre Semesterby C AB, Box 68, 83013 ÅRE | Foreign Company | Subsidiary | 100.00% | 2(87)(ii) |
| 85 | ** Åre Semesterby D (w.e.f. 02.09.2015) | Åre Semesterby D AB, Box 68, 83013 ÅRE | Foreign Company | Subsidiary | 100.00% | 2(87)(ii) |
| 86 | ** Åre Villas AB 1 (w.e.f. 02.09.2015) | c/o Holiday Club Sweden AB, Box 68, 830 14 ÅRE | Foreign Company | Subsidiary | 100.00% | 2(87)(ii) |

| Sr. No. | Name of the Company | Address of the Company | CIN/GLN | Holding / Subsidiary / Associate | % Holding | Applicable Section |
|---------|--|--|-----------------------|----------------------------------|-----------|--------------------|
| 87 | ** Åre Villas AB 2 (w.e.f. 02.09.2015) | c/o Holiday Club Sweden AB, Box 68, 830 14 ÅRE | Foreign Company | Subsidiary | 100.00% | 2(87)(ii) |
| 88 | ** Ownership Services Ab (w.e.f. 02.09.2015) | c/o Holiday Club Sweden Ab, Box 68, 83010 Åre | Foreign Company | Subsidiary | 100.00% | 2(87)(ii) |
| 89 | ** Holiday Club Canarias Investments S.L. (w.e.f. 02.09.2015) | Avenida Ministra Anna Lindh nº1. Amadores. Mogan 35130. Canary Islands. Spain | Foreign Company | Subsidiary | 100.00% | 2(87)(ii) |
| 90 | *** Holiday Club Canarias Sales & Marketing S.L. (w.e.f. 02.09.2015) | Avenida Ministra Anna Lindh nº1. Amadores. Mogan 35130. Canary Islands. Spain | Foreign Company | Subsidiary | 100.00% | 2(87)(ii) |
| 91 | *** Holiday Club Canarias Resort Management S.L. (w.e.f. 02.09.2015) | Avenida Ministra Anna Lindh nº1. Amadores. Mogan 35130. Canary Islands. Spain | Foreign Company | Subsidiary | 100.00% | 2(87)(ii) |
| 92 | Mahindra & Mahindra Financial Services Limited | Gateway Building, Apollo Bunder, Mumbai-400001 | L65921MH1991PLC059642 | Subsidiary | 51.20% | 2(87)(ii) |
| 93 | ₹ Mahindra Insurance Brokers Limited | Mahindra Towers, Worli, Mumbai-400018 | U65990MH1987PLC042609 | Subsidiary | 85.00% | 2(87)(ii) |
| 94 | ₹ Mahindra Rural Housing Finance Limited | Mahindra Towers, P. K. Kurne Chowk, Worli, Mumbai-400018 | U65922MH2007PLC169791 | Subsidiary | 87.50% | 2(87)(ii) |
| 95 | ₹ Mahindra Asset Management Company Private Limited | 4 th Floor, A-Wing, Mahindra Towers, Dr. G M Bhosale Marg, P. K. Kurne Chowk, Mumbai-400018 | U65900MH2013PTC244758 | Subsidiary | 100.00% | 2(87)(ii) |
| 96 | ₹ Mahindra Trustee Company Private Limited | Mahindra Towers, P. K. Kurne Chowk, Worli, Mumbai-400018 | U67100MH2013PTC245464 | Subsidiary | 100.00% | 2(87)(ii) |
| 97 | Bristlecone Limited | M&C Corporate Services Ltd., P.O. Box 309GT, Uglad House, South Church St., George Town, Grand Cayman, Cayman Islands. | Foreign Company | Subsidiary | 76.87% | 2(87)(ii) |
| 98 | ± Bristlecone International AG | Rheinweg 7, 8200 Schaffhausen | Foreign Company | Subsidiary | 100.00% | 2(87)(ii) |
| 99 | ± Bristlecone Consulting Limited | 1500 Royal Centre 1055 West Georgia Street Vancouver, BC V6E 4N7. | Foreign Company | Subsidiary | 100.00% | 2(87)(ii) |
| 100 | ± Bristlecone Inc. | 10 Almaden Blvd, Suite 600 San Jose, CA 95113 | Foreign Company | Subsidiary | 100.00% | 2(87)(ii) |
| 101 | ± Bristlecone UK Limited | 125 Wood Street, London, EC2V 7AN | Foreign Company | Subsidiary | 100.00% | 2(87)(ii) |
| 102 | ± Bristlecone (Malaysia) Sdn. Bhd. | Unit 30-01, Level 30, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur | Foreign Company | Subsidiary | 100.00% | 2(87)(ii) |
| 103 | ± Bristlecone India Limited | Gateway Building, Apollo Bunder, Mumbai-400 001 | U30007MH1991PLC064368 | Subsidiary | 100.00% | 2(87)(ii) |
| 104 | ≤ Bristlecone (Singapore) Pte. Limited | 3, Anson Road, # 27-01 Springleaf Tower, Singapore 079909. | Foreign Company | Subsidiary | 100.00% | 2(87)(ii) |
| 105 | ≤ Bristlecone GmbH | Schiff-Martini & Cie. GmbH, De-Saint-Exupéry-Straße 8, 60549 Frankfurt am Main, Germany | Foreign Company | Subsidiary | 100.00% | 2(87)(ii) |
| 106 | Mahindra Automobile Distributor Private Limited | Gateway Building, Apollo Bunder, Mumbai-400 001 | U34100MH2005PTC153702 | Subsidiary | 95.00% | 2(87)(ii) |
| 107 | Mahindra Trucks and Buses Limited | Gateway Building, Apollo Bunder, Mumbai-400 001 | U63040MH1994PLC079098 | Subsidiary | 100.00% | 2(87)(ii) |
| 108 | Mahindra Lifespace Developers Limited | 5th Floor, Mahindra Towers, Worli, Mumbai-400018 | L45200MH1999PLC118949 | Subsidiary | 50.80% | 2(87)(ii) |

| Sr. No. | Name of the Company | Address of the Company | CIN/GLN | Holding / Subsidiary / Associate | % Holding ^β | Applicable Section |
|---------|--|---|-----------------------|----------------------------------|------------------------|--------------------|
| 109 | ^ Mahindra World City Developers Limited | Ground Floor "Mahindra Towers" 17/18, Pattulious Road, Chennai-600002. | U92490TN1997PLC037551 | Subsidiary | 89.00% | 2(87)(ii) |
| 110 | + Mahindra Industrial Park Chennai Limited | Mahindra Towers, Ground Floor, No. 17/18 Patullous Road, Chennai 600002 | U45209TN2014PLC098543 | Subsidiary | 60.00% | 2(87)(ii) |
| 111 | ^ Mahindra World City (Jaipur) Limited | 4th Floor, 411, Neelkanth Towers, Bhawani Singh Road, C Scheme, Jaipur, Rajasthan-302001 | U45209RJ2005PLC021207 | Subsidiary | 74.00% | 2(87)(ii) |
| 112 | ^ Mahindra Integrated Township Limited | Administrative Block, Central Avenue, Mahindra World City, Natham Sub (PO), Chengelpet, Kancheepuram, Tamil Nadu-603002 | U74140TN1996PLC068288 | Subsidiary | 99.14% | 2(87)(ii) |
| 113 | ∞ Mahindra Residential Developers Limited | Mahindra World City Administrative Block, Chegalpattu, Tamil Nadu-603002 | U45200TN2008PLC066292 | Subsidiary | 100.00% | 2(87)(ii) |
| 114 | ^ Mahindra World City (Maharashtra) Limited | Mahindra Towers, 5 th floor, Worli, Mumbai-400018 | U45309MH2005PLC156225 | Subsidiary | 100.00% | 2(87)(ii) |
| 115 | ^ Knowledge Township Limited | Mahindra Towers, 5 th floor, Worli, Mumbai-400018 | U72900MH2007PLC173137 | Subsidiary | 100.00% | 2(87)(ii) |
| 116 | ^ Mahindra Bebanco Developers Limited | Mahindra Towers, 5 th floor, Worli, Mumbai-400018 | U45203MH2008PLC183107 | Subsidiary | 70.00% | 2(87)(ii) |
| 117 | ^ Industrial Township (Maharashtra) Limited | Mahindra Towers, 5 th floor, Worli, Mumbai-400018 | U45203MH2008PLC184190 | Subsidiary | 100.00% | 2(87)(ii) |
| 118 | ^ Mahindra Infrastructure Developers Limited | Mahindra Towers, P. K. Kurne Chowk, Worli, Mumbai-400018 | U45201MH2001PLC131942 | Subsidiary | 100.00% | 2(87)(ii) |
| 119 | ^^ Mahindra Water Utilities Limited (w.e.f. 27.07.2015) | Gateway bldg., Apollo Bunder, Mumbai, Maharashtra. | U45205MH1999PLC121235 | Subsidiary | 99.00% | 2(87)(ii) |
| 120 | ^ Raigad Industrial & Business Park Limited | Mahindra Towers, 5 th floor, Worli, Mumbai-400018 | U70102MH2009PLC193399 | Subsidiary | 100.00% | 2(87)(ii) |
| 121 | ^ Anthurium Developers Limited | Mahindra Towers, P. K. Kurne Chowk, Worli, Mumbai-400018 | U70109MH2010PLC203619 | Subsidiary | 100.00% | 2(87)(ii) |
| 122 | ^ Industrial Cluster Private Limited | Mahindra Towers, 5 th floor, Worli, Mumbai-400018 | U70102MH2013PTC241512 | Subsidiary | 100.00% | 2(87)(ii) |
| 123 | Mahindra Logistics Limited | Mahindra Towers, P. K. Kurne Chowk, Worli, Mumbai-400018 | U63000MH2007PLC173466 | Subsidiary | 84.01% | 2(87)(ii) |
| 124 | ¥¥Lords Freight (India) Private Limited | Unit no 511, 5 th Floor, Crescent Business Park, Samitha Complex, Safedpul, Sakinaka, Andheri east, Mumbai- 400072, India. | U63030MH2011PTC216628 | Subsidiary | 60.00% | 2(87)(ii) |
| 125 | ¥¥2 x 2 Logistics Private Limited | Mahindra Towers, P. K. Kurne Chowk, Worli, Mumbai-400018 | U63000MH2012PTC237062 | Subsidiary | 55.00% | 2(87)(ii) |
| 126 | Mahindra First Choice Services Limited | Mahindra Towers, P. K. Kurne Chowk, Worli, Mumbai-400018 | U35999MH2008PLC180385 | Subsidiary | 100.00% | 2(87)(ii) |
| 127 | Mahindra eMarket Limited (Formerly known as Mriyalguda Farm Solution Limited) | Mahindra Towers, P. K. Kurne Chowk, Worli, Mumbai-400018 | U72900MH2000PLC129103 | Subsidiary | 69.00% | 2(87)(ii) |
| 128 | Mahindra Automotive Australia Pty. Ltd. | 4/20, Buttonwood Place, Willawong, QLD 4110, Australia | Foreign Company | Subsidiary | 100.00% | 2(87)(ii) |
| 129 | Defence Land Systems India Limited | Mahindra Towers, P. K. Kurne Chowk, Worli, Mumbai-400018 | U29268MH2009PTC190702 | Subsidiary | 100.00% | 2(87)(ii) |
| 130 | Ssangyong Motor Company | 455-12, Dongsak-ro, Pyeongtack-si, South Korea. | Foreign Company | Subsidiary | 72.85% | 2(87)(ii) |

| Sr. No. | Name of the Company | Address of the Company | CIN/GLN | Holding / Subsidiary / Associate | % Holding ^β | Applicable Section |
|---------|--|--|-----------------------|----------------------------------|------------------------|--------------------|
| 131 | =Ssangyong European Parts Center B.V | IABC 5253-5254, 4814 RD, Breda, Netherlands | Foreign Company | Subsidiary | 100.00% | 2(87)(ii) |
| 132 | =Ssangyong Motor (Shanghai) Company Limited | Beijing City, Chaoyang District, 32 Liangmaqiao Lu, 7layer 707-708, China | Foreign Company | Subsidiary | 100.00% | 2(87)(ii) |
| 133 | =SY Auto Capital Co., LTD (w.e.f. 28.10.2015) | 124, Teheran-ro, Gangnam-gu, Seoul, South Korea | Foreign Company | Subsidiary | 51.00% | 2(87)(ii) |
| 134 | EPC Industrié Limited | H – 109 , MIDC , Ambad , Nashik-422010, Maharashtra | L25200MH1981PLC025731 | Subsidiary | 54.76% | 2(87)(ii) |
| 135 | Mahindra Sanyo Special Steel Private Limited | 74, Ganesh Apartment, opp: Sitaldevi temple, L.J. Road, MAHIM (West), Mumbai -400016. | U27310MH2011PTC223696 | Subsidiary | 51.00% | 2(87)(ii) |
| 136 | Mahindra Defence Systems Limited | Mahindra Towers, P. K. Kurne Chowk, Worli, Mumbai-400018 | U75220MH2012PLC233889 | Subsidiary | 100.00% | 2(87)(ii) |
| 137 | ΔMahindra Telephonics Integrated Systems Limited | Mahindra Towers, P. K. Kurne Chowk, Worli, Mumbai-400018 | U75302MH2013PLC242268 | Subsidiary | 51.00% | 2(87)(ii) |
| 138 | ΔMahindra Defence Naval Systems Private Limited | Mahindra Towers, P. K. Kurne Chowk, Worli, Mumbai-400018 | U75144MH2012PTC231267 | Subsidiary | 100.00% | 2(87)(ii) |
| 139 | Mahindra HZPC Private Limited | Mahindra Towers, Near Doordarshan Kendra, Pandurang Budhkar Marg, Worli, Mumbai-400018 | U01403MH2013PTC242474 | Subsidiary | 59.95% | 2(87)(ii) |
| 140 | Mahindra 'Electoral Trust' Company | Mahindra Towers, P. K. Kurne Chowk, Worli, Mumbai-400018 | U93000MH2013NPL251507 | Subsidiary | 100.00% | 2(87)(ii) |
| 141 | Orizonte Business Solutions Limited (Formerly known as Mega One Stop Farm Services Limited) (w.e.f. 25.11.2015) | Mahindra towers, Pandurang Budhkar Marg, Near. Doordarshan kendra, Worli, Mumbai Maharashtra | U60231MH2000PLC128757 | Subsidiary | 100.00% | 2(87)(ii) |
| 142 | Mahindra and Mahindra South Africa (Proprietary) Limited | Mahindra & Mahindra South Africa (Proprietary) Limited, PO Box 69079, Highveld Park 0169, Eco Fusion no 6, Block C, First floor, 324 Witch Hazel Street, Highveld X59, Pretoria, South Africa. | Foreign Company | Subsidiary | 100.00% | 2(87)(ii) |
| 143 | NBS International Limited | 10 STONE Bldg., Shop No. 1, Opp. Chowpatty Sea Face, Mumbai- 400007 | U18101MH1995PLC095482 | Subsidiary | 100.00% | 2(87)(ii) |
| 144 | Mahindra Aerospace Private Limited | Mahindra Towers, P. K. Kurne Chowk, Worli, Mumbai-400018 | U63033MH2008PTC179520 | Subsidiary | 66.67% | 2(87)(ii) |
| 145 | ++Mahindra Aerostructures Private Limited | Mahindra Towers, P. K. Kurne Chowk, Worli, Mumbai-400018 | U35122MH2011PTC212744 | Subsidiary | 100.00% | 2(87)(ii) |
| 146 | ++Mahindra Aerospace Australia Pty. Limited | C/-0, Pitcher Partners, level 19, 15 William street, Melbourne VIC 3000 | Foreign Company | Subsidiary | 100.00% | 2(87)(ii) |
| 147 | ⊕Aerostaff Australia Pty. Ltd | Latrobe Valley Airfield, 75 Airfield Road, Morwell VIC 3840 | Foreign Company | Subsidiary | 100.00% | 2(87)(ii) |
| 148 | ⊕Gipp Aero Investments Pty. Limited | Latrobe Valley Airfield, 75 Airfield Road, Morwell VIC 3840 | Foreign Company | Subsidiary | 75.10% | 2(87)(ii) |
| 149 | ►Gippsaero Pty. Limited | Latrobe Valley Airfield, 75 Airfield Road, Morwell VIC 3840 | Foreign Company | Subsidiary | 100.00% | 2(87)(ii) |

| Sr. No. | Name of the Company | Address of the Company | CIN/GLN | Holding / Subsidiary / Associate | % Holding ^β | Applicable Section |
|---------|---|--|-----------------------|----------------------------------|------------------------|--------------------|
| 150 | ► Airvan10 Pty Ltd (w.e.f. 10.12.2015) | C/- Gippsaero Pty Ltd, Latrobe Regional Airport, Airfield Road, Traralgon VIC 3844 | Foreign Company | Subsidiary | 100.00% | 2(87)(ii) |
| 151 | ► GA8 Airvan Pty. Limited | Latrobe Valley Airfield, 75 Airfield Road, Morwell VIC 3840 | Foreign Company | Subsidiary | 100.00% | 2(87)(ii) |
| 152 | ► GA200 Pty. Limited | Latrobe Valley Airfield, 75 Airfield Road, Morwell VIC 3840 | Foreign Company | Subsidiary | 100.00% | 2(87)(ii) |
| 153 | ► Airvan Flight Services Pty. Limited | Latrobe Valley Airfield, 75 Airfield Road, Morwell VIC 3840 | Foreign Company | Subsidiary | 100.00% | 2(87)(ii) |
| 154 | ► Nomad TC Pty. Limited | Latrobe Valley Airfield, 75 Airfield Road, Morwell VIC 3840 | Foreign Company | Subsidiary | 100.00% | 2(87)(ii) |
| 155 | Swaraj Engines Limited | Phase IV, Industrial Area, S.A.S. Nagar (Mohali), Punjab | L50210PB1985PLC006473 | Associate | 33.22% | 2(6) |
| 156 | Kota Farm Services Limited | Mahindra Towers, P. K. Kurne Chowk, Worli, Mumbai-400018 | U02005MH2001PLC131699 | Associate | 45.00% | 2(6) |
| 157 | Mahindra & Mahindra Contech Limited | Gateway Building, Apollo Bunder, Mumbai-400039 | U74140MH1992PLC066606 | Associate | 23.33% | 2(6) |
| 158 | Tech Mahindra Limited | Gateway Building, Apollo Bunder, Mumbai-400001 | L64200MH1986PLC041370 | Associate | 26.48% | 2(6) |
| 159 | Mitsubishi Mahindra Agricultural Machinery Co., Ltd. (w.e.f. 01.10.2015) | 667-1 Iya-machi, Higashiizumo-cho, Matsue-city, Shimane-prefecture, Japan | Foreign Company | Associate | 33.33% | 2(6) |
| 160 | Mahindra Sona Limited | Gateway Building, Apollo Bunder, Mumbai-400001 | U30007MH1994PLC081637 | Associate | 29.77% | 2(6) |
| 161 | Mahindra Construction Company Limited | Mahindra Towers, P. K. Kurne Chowk, Worli, Mumbai-400018 | U45200MH1992PLC068846 | Associate | 37.49% | 2(6) |
| 162 | Officemartindia.com Limited | Gateway Building, Apollo Bunder, Mumbai-400001 | U74999MH2000PLC126610 | Associate | 50.00% | 2(6) |

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

a subsidiary of Mahindra Engineering and Chemical Products Limited.

a subsidiary of Retail Initiative Holdings Limited.

a subsidiary of Mahindra Retail Private Limited.

• a subsidiary of Mahindra Overseas Investment Company (Mauritius) Ltd.

Ω a subsidiary of Mahindra Vehicle Manufacturers Limited.

ΩΩ a subsidiary of Mahindra Two Wheelers Limited.

ΩΩΩ a subsidiary of Mahindra Two Wheelers Europe Holdings S.ar.l.

! a subsidiary of Peugeot Motorcycles S.A.S.

£ a subsidiary of Mahindra Intertrade Limited.

σ a subsidiary of Mahindra USA, Inc.

≡ a subsidiary of Mahindra Agri Solutions Limited.

~ a subsidiary of Mahindra Consulting Engineers Limited.

∅ a subsidiary of Mahindra Holdings Limited.

∅∅ a subsidiary of Mahindra Susten Private Limited.

▲ a subsidiary of Mahindra Renewables Private Limited.

@ a subsidiary of Mahindra Holidays & Resorts India Limited.

\$ a subsidiary of MH Boutique Hospitality Limited.

@@ a subsidiary of MHR Holdings (Mauritius) Limited.

\$\$ a subsidiary of Covington S.ar.l.

* a subsidiary of Holiday Club Resorts Oy.

** a subsidiary of Holiday Club Sweden Ab Åre.

*** a subsidiary of Holiday Club Canarias Investments S.L.

¥ a subsidiary of Mahindra & Mahindra Financial Services Limited.

± a subsidiary of Bristlecone Limited.

≤ a subsidiary of Bristlecone India Limited.

^ a subsidiary of Mahindra Lifespace Developers Limited.

+ a subsidiary of Mahindra World City Developers Limited.

∞ a subsidiary of Mahindra Integrated Township Limited.

^^ a subsidiary of Mahindra Infrastructure Developers Limited.

¥¥ a subsidiary of Mahindra Logistics Limited.

= a subsidiary of Ssangyong Motor Company.

Δ a subsidiary of Mahindra Defence Systems Limited.

++ a subsidiary of Mahindra Aerospace Private Limited.

⊕ a subsidiary of Mahindra Aerospace Australia Pty. Limited.

► a subsidiary of Gipp Aero Investments Pty. Limited.

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

i) Category-wise Shareholding

| Category of Shareholders | No. of Shares held at the beginning of the year [As on 1 st April, 2015] | | | | No. of Shares held at the end of the year [As on 31 st March, 2016] | | | | % Change during the year |
|---|---|----------|------------------|-------------------|--|----------|------------------|-------------------|--------------------------|
| | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| A. Promoters | | | | | | | | | |
| (1) Indian | | | | | | | | | |
| a) Individual/ HUF | 3998552 | 0 | 3998552 | 0.64 | 3972046 | 0 | 3972046 | 0.64 | 0.00 |
| b) Central Govt | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| c) State Govt(s) | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| d) Bodies Corp. | 71128386 | 0 | 71128386 | 11.45 | 71128386 | 0 | 71128386 | 11.45 | 0.00 |
| e) Banks / FI | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| f) Any other | | | | | | | | | |
| i) Bharat N Doshi, A. K. Nanda – Trustees – M&M Benefit Trust | 51835214 | 0 | 51835214 | 8.35 | 51835214 | 0 | 51835214 | 8.35 | 0.00 |
| ii) Mahindra And Mahindra Employees Stock Option Trust | 29700106 | 0 | 29700106 | 4.78 | 28458577 | 0 | 28458577 | 4.58 | -0.20 |
| iii) Rajan Raghunath Surve, Vijay Bhalchandra Thakurdesai, Daxa Jawahar Baxi – Trustees – M&M Employees Welfare Funds | 2030870 | 0 | 2030870 | 0.33 | 2030870 | 0 | 2030870 | 0.33 | 0.00 |
| Sub-total (A) (1) | 158693128 | 0 | 158693128 | 25.55 | 157425093 | 0 | 157425093 | 25.35 | -0.20 |
| (2) Foreign | | | | | | | | | |
| a) NRIs - Individuals | 605772 | 0 | 605772 | 0.10 | 563922 | 0 | 563922 | 0.09 | -0.01 |
| b) Others - Individuals | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| c) Bodies Corp | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| d) Banks / FI | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| e) Any Other | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| Sub-total (A) (2) | 605772 | 0 | 605772 | 0.10 | 563922 | 0 | 563922 | 0.09 | -0.01 |
| Total Shareholding of Promoter (A) = (A) (1)+(A) (2) | 159298900 | 0 | 159298900 | 25.65 | 157989015 | 0 | 157989015 | 25.44 | -0.21 |

| Category of Shareholders | No. of Shares held at the beginning of the year [As on 1 st April, 2015] | | | | No. of Shares held at the end of the year [As on 31 st March, 2016] | | | | % Change during the year |
|--|---|----------------|------------------|-------------------|--|----------------|------------------|-------------------|--------------------------|
| | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| B. Public Shareholding | | | | | | | | | |
| 1. Institutions | | | | | | | | | |
| a) Mutual Funds / UTI | 16522890 | 1020 | 16523910 | 2.66 | 18738982 | 1020 | 18740002 | 3.02 | 0.36 |
| b) Banks / FI | 1584917 | 44532 | 1629449 | 0.26 | 994491 | 44532 | 1039023 | 0.17 | -0.09 |
| c) Central Govt | 300036 | 0 | 300036 | 0.05 | 415201 | 0 | 415201 | 0.07 | 0.02 |
| d) State Govt(s) | 0 | 442132 | 442132 | 0.07 | 0 | 442132 | 442132 | 0.07 | 0.00 |
| e) Venture Capital Funds | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| f) Insurance Companies | 95707419 | 5912 | 95713331 | 15.41 | 91765099 | 5912 | 91771011 | 14.77 | -0.64 |
| g) FIs | 211196535 | 7736 | 211204271 | 34.00 | 132108961 | 7736 | 132116697 | 21.27 | -12.73 |
| h) Foreign Venture Capital Funds | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| i) Others (specify) | | | | | | | | | |
| i) Foreign Portfolio-Corp | 22524345 | 0 | 22524345 | 3.63 | 100010866 | 0 | 100010866 | 16.10 | 12.47 |
| Sub-total (B)(1)- | 347836142 | 501332 | 348337474 | 56.08 | 344033600 | 501332 | 344534932 | 55.47 | -0.61 |
| 2. Non-Institutions | | | | | | | | | |
| a) Bodies Corp. | | | | | | | | | |
| i) Indian | 27942981 | 68092 | 28011073 | 4.51 | 31431408 | 68068 | 31499476 | 5.07 | 0.56 |
| ii) Overseas | 1607720 | 240 | 1607960 | 0.26 | 1607720 | 240 | 1607960 | 0.26 | 0.00 |
| b) Individuals | | | | | | | | | |
| i) Individual shareholders holding nominal share capital upto Rs. 1 lakh | 32193062 | 5007554 | 37200616 | 5.99 | 31584253 | 4526639 | 36110892 | 5.81 | -0.18 |
| ii) Individual shareholders holding nominal share capital in excess of Rs.1 lakh | 8813500 | 0 | 8813500 | 1.42 | 8590479 | 182448 | 8772927 | 1.42 | 0.00 |
| c) Others (specify) | | | | | | | | | |
| i) Non Resident Indians | 1567257 | 359310 | 1926567 | 0.31 | 1603548 | 337694 | 1941242 | 0.31 | 0.00 |
| ii) Foreign Nationals | 569 | 0 | 569 | 0.00 | 544 | 0 | 544 | 0.00 | 0.00 |
| iii) Trusts | 1673721 | 0 | 1673721 | 0.27 | 2286196 | 0 | 2286196 | 0.37 | 0.10 |
| iv) Clearing Members | 426549 | 0 | 426549 | 0.07 | 1443265 | 0 | 1443265 | 0.23 | 0.16 |
| v) Foreign Corporate Bodies | 381622 | 0 | 381622 | 0.06 | 375352 | 0 | 375352 | 0.06 | 0.00 |
| Sub-total (B)(2)- | 74606981 | 5435196 | 80042177 | 12.89 | 78922765 | 5115089 | 84037854 | 13.53 | 0.64 |
| Total Public Shareholding (B)=(B)(1)+ (B)(2) | 422443123 | 5936528 | 428379651 | 68.97 | 422956365 | 5616421 | 428572786 | 69.00 | 0.03 |
| C. Shares held by Custodian for GDRs & ADRs | | | | | | | | | |
| | 33412801 | 1032 | 33413833 | 5.38 | 34529551 | 1032 | 34530583 | 5.56 | 0.18 |
| Grand Total (A+B+C) | 615154824 | 5937560 | 621092384 | 100.00 | 615474931 | 5617453 | 621092384 | 100.00 | 0.00 |

ii) Shareholding of Promoters

| Sl. No | Shareholder's Name | Shareholding at the beginning of the year [As on 1 st April, 2015] | | | Shareholding at the end of the year [As on 31 st March, 2016] | | | % change in shareholding during the year |
|--------|---|--|--|---|---|--|---|---|
| | | No. of Shares | % of total Shares of the company | % of Shares Pledged / encumbered to total shares | No. of Shares | % of total Shares of the company | % of Shares Pledged / encumbered to total shares | |
| 1 | Keshub Mahindra | 442296 | 0.07 | 0.00 | 442296 | 0.07 | 0.00 | 0.00 |
| 2 | Anand Gopal Mahindra | 715004 | 0.12 | 0.00 | 715004 | 0.12 | 0.00 | 0.00 |
| 3 | Anjali Mehra | 142604 | 0.02 | 0.00 | 141104 | 0.02 | 0.00 | 0.00 |
| 4 | Anuja P Sharma | 34259 | 0.00 | 0.00 | 34259 | 0.00 | 0.00 | 0.00 |
| 5 | Anuradha Mahindra | 228545 | 0.04 | 0.00 | 228545 | 0.04 | 0.00 | 0.00 |
| 6 | Gautam P Khandelwal | 300 | 0.00 | 0.00 | 300 | 0.00 | 0.00 | 0.00 |
| 7 | Leena S Labroo | 786192 | 0.13 | 0.00 | 706192 | 0.12 | 0.00 | -0.01 |
| 8 | Radhika Nath | 46808 | 0.00 | 0.00 | 46808 | 0.00 | 0.00 | 0.00 |
| 9 | Sanjay Labroo | 72720 | 0.01 | 0.01 | 72720 | 0.01 | 0.01 | 0.00 |
| 10 | Sudha K Mahindra | 726016 | 0.12 | 0.00 | 726016 | 0.12 | 0.00 | 0.00 |
| 11 | Uma R Malhotra | 779808 | 0.13 | 0.00 | 754802 | 0.12 | 0.00 | -0.01 |
| 12 | Deveshwar Jagat Sharma | 12000 | 0.00 | 0.00 | 12000 | 0.00 | 0.00 | 0.00 |
| 13 | Dhruv S Sharma | 12000 | 0.00 | 0.00 | 12000 | 0.00 | 0.00 | 0.00 |
| 14 | Yuthica Keshub Mahindra | 605772 | 0.10 | 0.00 | 563922 | 0.09 | 0.00 | -0.01 |
| 15 | Nisheeta Labroo | 0 | 0.00 | 0.00 | 80000 | 0.02 | 0.00 | 0.02 |
| 16 | Kema Services International Pvt Ltd | 367416 | 0.06 | 0.00 | 367416 | 0.06 | 0.00 | 0.00 |
| 17 | Prudential Management And Services Pvt. Ltd. | 70760970 | 11.39 | 1.58 | 70760970 | 11.39 | 1.29 | 0.00 |
| 18 | Mahindra and Mahindra Employees Stock Option Trust | 29700106 | 4.78 | 0.00 | 28458577 | 4.58 | 0.00 | -0.20 |
| 19 | Rajan Raghunath Surve, Vijay Bhalchandra Thakurdesai, Daxa Jawahar Baxi – Trustees – M&M Employees Welfare Fund No. 1 | 1263156 | 0.21 | 0.00 | 1263156 | 0.21 | 0.00 | 0.00 |
| 20 | Rajan Raghunath Surve, Vijay Bhalchandra Thakurdesai, Daxa Jawahar Baxi – Trustees – M&M Employees Welfare Fund No. 2 | 682914 | 0.11 | 0.00 | 682914 | 0.11 | 0.00 | 0.00 |
| 21 | Rajan Raghunath Surve, Vijay Bhalchandra Thakurdesai, Daxa Jawahar Baxi – Trustees – M&M Employees Welfare Fund No. 3 | 84800 | 0.01 | 0.00 | 84800 | 0.01 | 0.00 | 0.00 |
| 22 | Bharat N Doshi, A.k. Nanda – Trustees – M&M Benefit Trust | 51835214 | 8.35 | 0.00 | 51835214 | 8.35 | 0.00 | 0.00 |
| | Total | 159298900 | 25.65 | 1.59 | 157989015 | 25.44 | 1.30 | -0.21 |

iii) Change in Promoters' Shareholding (please specify, if there is no change)

| Sl No. | Particulars | Shareholding at the beginning of the year [As on 1 st April, 2015] | | Increase/Decrease in No. of shares | Cumulative Shareholding during the year | |
|--------|---|---|----------------------------------|------------------------------------|---|----------------------------------|
| | | No. of shares | % of total shares of the company | | No. of shares | % of total shares of the company |
| 1 | At the beginning of the year - As on 01.04.2015 | 159298900 | 25.65 | | | |
| 2 | Decrease - 21.04.2015 \$ | | | -32498 | 159266402 | 25.64 |
| 3 | Decrease - 12.05.2015 \$ | | | -181870 | 159084532 | 25.61 |
| 4 | Decrease - 13.05.2015 \$ | | | -364 | 159084168 | 25.61 |
| 5 | Decrease - 24.06.2015 \$ | | | -116035 | 158968133 | 25.59 |
| 6 | Decrease - 08.07.2015 \$ | | | -53585 | 158914548 | 25.59 |
| 7 | Decrease - 20.08.2015 \$ | | | -81677 | 158832871 | 25.57 |
| 8 | Decrease - 14.09.2015 \$ | | | -64612 | 158768259 | 25.56 |
| 9 | Decrease - 07.10.2015 \$ | | | -85766 | 158682493 | 25.55 |
| 10 | Decrease - 24.11.2015 \$ | | | -28971 | 158653522 | 25.54 |
| 11 | Decrease - 17.12.2015 \$ | | | -74834 | 158578688 | 25.53 |
| 12 | Decrease - 21.12.2015 - Market Sale ^ | | | -5871 | 158572817 | 25.53 |
| 13 | Decrease - 21.12.2015 - Market Sale # | | | -10000 | 158562817 | 25.53 |
| 14 | Decrease - 30.12.2015 - Market Sale ^ | | | -4000 | 158558817 | 25.53 |
| 15 | Decrease - 30.12.2015 - Market Sale # | | | -4500 | 158554317 | 25.53 |
| 16 | Decrease - 31.12.2015 - Market Sale ^ | | | -6000 | 158548317 | 25.53 |
| 17 | Decrease - 31.12.2015 - Market Sale # | | | -1000 | 158547317 | 25.53 |
| 18 | Decrease - 01.01.2016 - Market Sale ^ | | | -9135 | 158538182 | 25.53 |
| 19 | Decrease - 01.01.2016 - Market Sale # | | | -20000 | 158518182 | 25.52 |
| 20 | Decrease - 08.01.2016 \$ | | | -67310 | 158450872 | 25.51 |
| 21 | Decrease - 10.02.2016 \$ | | | -84310 | 158366562 | 25.50 |
| 22 | Decrease - 17.02.2016 - Transfer by Way of gift * | | | -80000 | 158286562 | 25.49 |
| 23 | Increase - 17.02.2016 - Received by Way of gift * | | | 80000 | 158366562 | 25.50 |
| 24 | Decrease - 24.02.2016 \$ | | | -111023 | 158255539 | 25.48 |
| 25 | Decrease - 01.03.2016 - Market Sale α | | | -1500 | 158254039 | 25.48 |
| 26 | Decrease - 01.03.2016 - Market Sale # | | | -5550 | 158248489 | 25.48 |
| 27 | Decrease - 11.03.2016 - Market Sale # | | | -800 | 158247689 | 25.48 |
| 28 | Decrease - 11.03.2016 \$ | | | -109854 | 158137835 | 25.46 |
| 29 | Decrease - 23.03.2016 \$ | | | -148820 | 157989015 | 25.44 |
| 30 | At the End of the year - As on 31.03.2016 | | | | 157989015 | 25.44 |

\$ Transfer of Shares by Mahindra & Mahindra Employees' Stock Option Trust, pursuant to exercise of options by employees.

^ Transfer by Uma Malhotra

Transfer by Yuthica Mahindra

* Gift by Leena Labroo to Nisheeta Labroo

α Transfer by Anjali Mehra

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

| 1. LIFE INSURANCE CORPORATION OF INDIA | | | | | | |
|---|--------------------------------|---|----------------------------------|-------------------------------------|---|----------------------------------|
| | Increase or Decrease / Reasons | Shareholding at the beginning of the year [As on 1 st April, 2015] | | Increase/ Decrease in No. of shares | Cumulative Shareholding during the year | |
| | | No. of Shares | % of total shares of the Company | | No. of Shares | % of total shares of the Company |
| At the beginning of the year - 01.04.2015 | | 78203359 | 12.59 | | | |
| 10.04.2015 | Increase / Transfer | | | 8000 | 78211359 | 12.59 |
| 29.05.2015 | Decrease / Transfer | | | -20000 | 78191359 | 12.59 |
| 26.06.2015 | Decrease / Transfer | | | -10000 | 78181359 | 12.59 |
| 10.07.2015 | Decrease / Transfer | | | -50000 | 78131359 | 12.58 |
| 17.07.2015 | Decrease / Transfer | | | -25399 | 78105960 | 12.58 |
| 24.07.2015 | Decrease / Transfer | | | -82205 | 78023755 | 12.56 |
| 07.08.2015 | Decrease / Transfer | | | -3847 | 78019908 | 12.56 |
| 14.08.2015 | Decrease / Transfer | | | -12000 | 78007908 | 12.56 |
| 21.08.2015 | Decrease / Transfer | | | -25000 | 77982908 | 12.56 |
| 11.09.2015 | Increase / Transfer | | | 837828 | 78820736 | 12.69 |
| 18.09.2015 | Increase / Transfer | | | 421216 | 79241952 | 12.76 |
| 25.09.2015 | Increase / Transfer | | | 48519 | 79290471 | 12.77 |
| 16.10.2015 | Decrease / Transfer | | | -22913 | 79267558 | 12.76 |
| 23.10.2015 | Decrease / Transfer | | | -1544 | 79266014 | 12.76 |
| 27.11.2015 | Decrease / Transfer | | | -30880 | 79235134 | 12.76 |
| 04.12.2015 | Decrease / Transfer | | | -85750 | 79149384 | 12.74 |
| 12.02.2016 | Decrease / Transfer | | | -3000 | 79146384 | 12.74 |
| 04.03.2016 | Decrease / Transfer | | | -109677 | 79036707 | 12.73 |
| 11.03.2016 | Decrease / Transfer | | | -590197 | 78446510 | 12.63 |
| 18.03.2016 | Decrease / Transfer | | | -119871 | 78326639 | 12.61 |
| 25.03.2016 | Decrease / Transfer | | | -660963 | 77665676 | 12.50 |
| 31.03.2016 | Decrease / Transfer | | | -415405 | 77250271 | 12.44 |
| At the end of the year - 31.03.2016 | | | | | 77250271 | 12.44 |

| 2. DODGE AND COX INTERNATIONAL STOCK FUND | | | | | | |
|---|--------------------------------|---|----------------------------------|-------------------------------------|---|----------------------------------|
| | Increase or Decrease / Reasons | Shareholding at the beginning of the year [As on 1 st April, 2015] | | Increase/ Decrease in No. of shares | Cumulative Shareholding during the year | |
| | | No. of Shares | % of total shares of the Company | | No. of Shares | % of total shares of the Company |
| At the beginning of the year - 01.04.2015 | | 14612138 | 2.35 | | | |
| 10.04.2015 | Increase / Transfer | | | 29501 | 14641639 | 2.36 |
| 17.04.2015 | Increase / Transfer | | | 315199 | 14956838 | 2.41 |
| 24.04.2015 | Increase / Transfer | | | 647319 | 15604157 | 2.51 |
| 01.05.2015 | Increase / Transfer | | | 516826 | 16120983 | 2.60 |
| 08.05.2015 | Increase / Transfer | | | 230645 | 16351628 | 2.63 |
| 15.05.2015 | Increase / Transfer | | | 171180 | 16522808 | 2.66 |
| At the end of the year - 31.03.2016 | | | | | 16522808 | 2.66 |

3. NATIONAL WESTMINSTER BANK PLC AS DEPOSITORY OF FIRST STATE ASIA PACIFIC LEADERS FUND A SUB FUND OF FIRST STATE INVESTMENTS ICVC

| | Increase or Decrease / Reasons | Shareholding at the beginning of the year [As on 1 st April, 2015] | | Increase/ Decrease in No. of shares | Cumulative Shareholding during the year | |
|---|--------------------------------|---|----------------------------------|-------------------------------------|---|----------------------------------|
| | | No. of Shares | % of total shares of the company | | No. of Shares | % of total shares of the company |
| At the beginning of the year – 01.04.2015 | | 11607861 | 1.87 | | | |
| 10.07.2015 | Decrease / Transfer | | | -210290 | 11397571 | 1.84 |
| 17.07.2015 | Decrease / Transfer | | | -771192 | 10626379 | 1.71 |
| 21.08.2015 | Decrease / Transfer | | | -56813 | 10569566 | 1.70 |
| 28.08.2015 | Decrease / Transfer | | | -743871 | 9825695 | 1.58 |
| 04.09.2015 | Decrease / Transfer | | | -840871 | 8984824 | 1.45 |
| 11.09.2015 | Decrease / Transfer | | | -359381 | 8625443 | 1.39 |
| At the end of the year – 31.03.2016 | | | | | 8625443 | 1.39 |

4. GOVERNMENT OF SINGAPORE

| | Increase or Decrease / Reasons | Shareholding at the beginning of the year [As on 1 st April, 2015] | | Increase/ Decrease in No. of shares | Cumulative Shareholding during the year | |
|---|--------------------------------|---|----------------------------------|-------------------------------------|---|----------------------------------|
| | | No. of Shares | % of total shares of the Company | | No. of Shares | % of total shares of the Company |
| At the beginning of the year - 01.04.2015 | | 11566240 | 1.86 | | | |
| 10.04.2015 | Increase / Transfer | | | 49582 | 11615822 | 1.87 |
| 24.04.2015 | Decrease / Transfer | | | -4197 | 11611625 | 1.87 |
| 01.05.2015 | Decrease / Transfer | | | -138961 | 11472664 | 1.85 |
| 08.05.2015 | Decrease / Transfer | | | -99698 | 11372966 | 1.83 |
| 15.05.2015 | Increase / Transfer | | | 86327 | 11459293 | 1.85 |
| 29.05.2015 | Decrease / Transfer | | | -85703 | 11373590 | 1.83 |
| 05.06.2015 | Increase / Transfer | | | 138296 | 11511886 | 1.85 |
| 12.06.2015 | Decrease / Transfer | | | -7560 | 11504326 | 1.85 |
| 03.07.2015 | Increase / Transfer | | | 137672 | 11641998 | 1.87 |
| 10.07.2015 | Increase / Transfer | | | 4784 | 11646782 | 1.88 |
| 31.07.2015 | Increase / Transfer | | | 54124 | 11700906 | 1.88 |
| 07.08.2015 | Increase / Transfer | | | 134165 | 11835071 | 1.91 |
| 21.08.2015 | Decrease / Transfer | | | -16919 | 11818152 | 1.90 |
| 28.08.2015 | Increase / Transfer | | | 273207 | 12091359 | 1.95 |
| 04.09.2015 | Increase / Transfer | | | 438260 | 12529619 | 2.02 |
| 11.09.2015 | Decrease / Transfer | | | -191213 | 12338406 | 1.99 |
| 25.09.2015 | Increase / Transfer | | | 14933 | 12353339 | 1.99 |
| 09.10.2015 | Increase / Transfer | | | 336289 | 12689628 | 2.04 |
| 23.10.2015 | Decrease / Transfer | | | -5676 | 12683952 | 2.04 |
| 30.10.2015 | Decrease / Transfer | | | -82227 | 12601725 | 2.03 |
| 06.11.2015 | Decrease / Transfer | | | -12586 | 12589139 | 2.03 |
| 13.11.2015 | Increase / Transfer | | | 207444 | 12796583 | 2.06 |
| 20.11.2015 | Decrease / Transfer | | | -8972 | 12787611 | 2.06 |
| 27.11.2015 | Decrease / Transfer | | | -162563 | 12625048 | 2.03 |
| 04.12.2015 | Decrease / Transfer | | | -58006 | 12567042 | 2.02 |
| 11.12.2015 | Decrease / Transfer | | | -24843 | 12542199 | 2.02 |

4. GOVERNMENT OF SINGAPORE

| | Increase or Decrease / Reasons | Shareholding at the beginning of the year [As on 1 st April, 2015] | | Increase/ Decrease in No. of shares | Cumulative Shareholding during the year | |
|--|-----------------------------------|--|-------------------------------------|--|---|-------------------------------------|
| | | No. of Shares | % of total shares of the Company | | No. of Shares | % of total shares of the Company |
| 18.12.2015 | Increase / Transfer | | | 55388 | 12597587 | 2.03 |
| 31.12.2015 | Decrease / Transfer | | | -29504 | 12568083 | 2.02 |
| 08.01.2016 | Increase / Transfer | | | 125705 | 12693788 | 2.04 |
| 15.01.2016 | Decrease / Transfer | | | -5477 | 12688311 | 2.04 |
| 22.01.2016 | Increase / Transfer | | | 199824 | 12888135 | 2.08 |
| 29.01.2016 | Increase / Transfer | | | 186622 | 13074757 | 2.11 |
| 05.02.2016 | Increase / Transfer | | | 397563 | 13472320 | 2.17 |
| 12.02.2016 | Increase / Transfer | | | 94059 | 13566379 | 2.18 |
| 04.03.2016 | Decrease / Transfer | | | -60331 | 13506048 | 2.17 |
| 11.03.2016 | Decrease / Transfer | | | -3606 | 13502442 | 2.17 |
| 25.03.2016 | Increase / Transfer | | | 22724 | 13525166 | 2.18 |
| 31.03.2016 | Increase / Transfer | | | 73247 | 13598413 | 2.19 |
| At the end of the year - 31.03.2016 | | | | | 13598413 | 2.19 |

5. ICICI PRUDENTIAL LIFE INSURANCE COMPANY LTD

| | Increase or Decrease / Reasons | Shareholding at the beginning of the year [As on 1 st April, 2015] | | Increase/ Decrease in No. of shares | Cumulative Shareholding during the year | |
|--|-----------------------------------|--|-------------------------------------|--|---|-------------------------------------|
| | | No. of Shares | % of total shares of the Company | | No. of Shares | % of total shares of the Company |
| At the beginning of the year - 01.04.2015 | | 11287225 | 1.82 | | | |
| 10.04.2015 | Increase / Transfer | | | 36092 | 11323317 | 1.82 |
| 17.04.2015 | Increase / Transfer | | | 51562 | 11374879 | 1.83 |
| 24.04.2015 | Increase / Transfer | | | 10560 | 11385439 | 1.83 |
| 01.05.2015 | Increase / Transfer | | | 7819 | 11393258 | 1.83 |
| 08.05.2015 | Increase / Transfer | | | 159346 | 11552604 | 1.86 |
| 15.05.2015 | Increase / Transfer | | | 30827 | 11583431 | 1.87 |
| 22.05.2015 | Increase / Transfer | | | 72471 | 11655902 | 1.88 |
| 29.05.2015 | Increase / Transfer | | | 15012 | 11670914 | 1.88 |
| 05.06.2015 | Decrease / Transfer | | | -164743 | 11506171 | 1.85 |
| 12.06.2015 | Decrease / Transfer | | | -68523 | 11437648 | 1.84 |
| 19.06.2015 | Increase / Transfer | | | 45025 | 11482673 | 1.85 |
| 26.06.2015 | Decrease / Transfer | | | -3331 | 11479342 | 1.85 |
| 30.06.2015 | Increase / Transfer | | | 3328 | 11482670 | 1.85 |
| 03.07.2015 | Increase / Transfer | | | 11870 | 11494540 | 1.85 |
| 10.07.2015 | Increase / Transfer | | | 43944 | 11538484 | 1.86 |
| 17.07.2015 | Increase / Transfer | | | 44057 | 11582541 | 1.86 |
| 24.07.2015 | Increase / Transfer | | | 13843 | 11596384 | 1.87 |
| 07.08.2015 | Decrease / Transfer | | | -22127 | 11574257 | 1.86 |

5. ICICI PRUDENTIAL LIFE INSURANCE COMPANY LTD

| | Increase or Decrease / Reasons | Shareholding at the beginning of the year [As on 1 st April, 2015] | | Increase/ Decrease in No. of shares | Cumulative Shareholding during the year | |
|--------------------------------------|--------------------------------|---|----------------------------------|-------------------------------------|---|----------------------------------|
| | | No. of Shares | % of total shares of the Company | | No. of Shares | % of total shares of the Company |
| 14.08.2015 | Decrease / Transfer | | | -13558 | 11560699 | 1.86 |
| 21.08.2015 | Increase / Transfer | | | 10614 | 11571313 | 1.86 |
| 28.08.2015 | Increase / Transfer | | | 77030 | 11648343 | 1.88 |
| 04.09.2015 | Increase / Transfer | | | 43717 | 11692060 | 1.88 |
| 11.09.2015 | Increase / Transfer | | | 65618 | 11757678 | 1.89 |
| 18.09.2015 | Decrease / Transfer | | | -16880 | 11740798 | 1.89 |
| 25.09.2015 | Increase / Transfer | | | 35695 | 11776493 | 1.90 |
| 30.09.2015 | Decrease / Transfer | | | -273914 | 11502579 | 1.85 |
| 09.10.2015 | Increase / Transfer | | | 130189 | 11632768 | 1.87 |
| 16.10.2015 | Increase / Transfer | | | 6698 | 11639466 | 1.87 |
| 23.10.2015 | Decrease / Transfer | | | -5023 | 11634443 | 1.87 |
| 30.10.2015 | Increase / Transfer | | | 27433 | 11661876 | 1.88 |
| 6.11.2015 | Increase / Transfer | | | 242756 | 11904632 | 1.92 |
| 13.11.2015 | Increase / Transfer | | | 169407 | 12074039 | 1.94 |
| 20.11.2015 | Decrease / Transfer | | | -9967 | 12064072 | 1.94 |
| 27.11.2015 | Increase / Transfer | | | 55524 | 12119596 | 1.95 |
| 04.12.2015 | Increase / Transfer | | | 27648 | 12147244 | 1.96 |
| 11.12.2015 | Decrease / Transfer | | | -5418 | 12141826 | 1.95 |
| 18.12.2015 | Increase / Transfer | | | 126780 | 12268606 | 1.98 |
| 25.12.2015 | Increase / Transfer | | | 70945 | 12339551 | 1.99 |
| 31.12.2015 | Increase / Transfer | | | 40857 | 12380408 | 1.99 |
| 08.01.2016 | Decrease / Transfer | | | -24539 | 12355869 | 1.99 |
| 15.01.2016 | Increase / Transfer | | | 136952 | 12492821 | 2.01 |
| 22.01.2016 | Increase / Transfer | | | 406225 | 12899046 | 2.08 |
| 29.01.2016 | Increase / Transfer | | | 37490 | 12936536 | 2.08 |
| 05.02.2016 | Increase / Transfer | | | 12603 | 12949139 | 2.08 |
| 12.02.2016 | Increase / Transfer | | | 16751 | 12965890 | 2.09 |
| 19.02.2016 | Increase / Transfer | | | 197979 | 13163869 | 2.12 |
| 26.02.2016 | Increase / Transfer | | | 62131 | 13226000 | 2.13 |
| 04.03.2016 | Decrease / Transfer | | | -39216 | 13186784 | 2.12 |
| 11.03.2016 | Increase / Transfer | | | 118910 | 13305694 | 2.14 |
| 18.03.2016 | Increase / Transfer | | | 3736 | 13309430 | 2.14 |
| 25.03.2016 | Increase / Transfer | | | 68882 | 13378312 | 2.15 |
| 31.03.2016 | Increase / Transfer | | | 8531 | 13386843 | 2.16 |
| At the end of the year 31.03.2016 | | | | | 13386843 | 2.16 |

6. EUROPACIFIC GROWTH FUND

| | Increase or Decrease / Reasons | Shareholding at the beginning of the year [As on 1 st April, 2015] | | Increase/ Decrease in No. of shares | Cumulative Shareholding during the year | |
|--|-----------------------------------|--|-------------------------------------|--|---|-------------------------------------|
| | | No. of Shares | % of total shares of the Company | | No. of Shares | % of total shares of the Company |
| At the beginning of the year - 01.04.2015 | | 10840000 | 1.75 | | | |
| 25.09.2015 | Increase / Transfer | | | 2480071 | 13320071 | 2.14 |
| 30.09.2015 | Increase / Transfer | | | 1090739 | 14410810 | 2.32 |
| 09.10.2015 | Increase / Transfer | | | 1959257 | 16370067 | 2.64 |
| 16.10.2015 | Increase / Transfer | | | 2732037 | 19102104 | 3.08 |
| 23.10.2015 | Increase / Transfer | | | 637896 | 19740000 | 3.18 |
| 30.10.2015 | Increase / Transfer | | | 1040000 | 20780000 | 3.35 |
| 20.11.2015 | Increase / Transfer | | | 1904732 | 22684732 | 3.65 |
| 27.11.2015 | Increase / Transfer | | | 788494 | 23473226 | 3.78 |
| 04.12.2015 | Increase / Transfer | | | 1136698 | 24609924 | 3.96 |
| 18.12.2015 | Increase / Transfer | | | 76 | 24610000 | 3.96 |
| 22.01.2016 | Increase / Transfer | | | 212309 | 24822309 | 4.00 |
| 29.01.2016 | Increase / Transfer | | | 290117 | 25112426 | 4.04 |
| 05.02.2016 | Increase / Transfer | | | 77574 | 25190000 | 4.06 |
| At the end of the year - 31.03.2016 | | | | | 25190000 | 4.06 |

7. ARANDA INVESTMENTS (MAURITIUS) PTE LTD

| | Increase or Decrease / Reasons | Shareholding at the beginning of the year [As on 1 st April, 2015] | | Increase/ Decrease in No. of shares | Cumulative Shareholding during the year | |
|--|-----------------------------------|--|-------------------------------------|--|---|-------------------------------------|
| | | No. of Shares | % of total shares of the Company | | No. of Shares | % of total shares of the Company |
| At the beginning of the year - 01.04.2015 | | 7950748 | 1.28 | | | |
| 24.04.2015 | Increase / Transfer | | | 565511 | 8516259 | 1.37 |
| 01.05.2015 | Increase / Transfer | | | 1399965 | 9916224 | 1.60 |
| 08.05.2015 | Increase / Transfer | | | 951496 | 10867720 | 1.75 |
| 15.05.2015 | Increase / Transfer | | | 461690 | 11329410 | 1.82 |
| 12.06.2015 | Increase / Transfer | | | 183057 | 11512467 | 1.85 |
| 19.06.2015 | Increase / Transfer | | | 402572 | 11915039 | 1.92 |
| 04.09.2015 | Decrease / Transfer | | | -1352430 | 10562609 | 1.70 |
| 11.09.2015 | Decrease / Transfer | | | -1717618 | 8844991 | 1.42 |
| 18.09.2015 | Decrease / Transfer | | | -667799 | 8177192 | 1.32 |
| 25.09.2015 | Decrease / Transfer | | | -1278374 | 6898818 | 1.11 |
| 30.09.2015 | Decrease / Transfer | | | -66802 | 6832016 | 1.10 |
| At the end of the year - 31.03.2016 | | | | | 6832016 | 1.10 |

8. GENERAL INSURANCE CORPORATION OF INDIA

| | Increase or Decrease / Reasons | Shareholding at the beginning of the year [As on 1 st April, 2015] | | Increase/ Decrease in No. of shares | Cumulative Shareholding during the year | |
|---|--------------------------------|---|----------------------------------|-------------------------------------|---|----------------------------------|
| | | No. of Shares | % of total shares of the Company | | No. of Shares | % of total shares of the Company |
| At the beginning of the year – 01.04.2015 | | 7945400 | 1.28 | | | |
| 30.06.2015 | Decrease / Transfer | | | -10000 | 7935400 | 1.28 |
| 03.07.2015 | Decrease / Transfer | | | -20000 | 7915400 | 1.27 |
| 10.07.2015 | Decrease / Transfer | | | -20000 | 7895400 | 1.27 |
| 24.07.2015 | Decrease / Transfer | | | -50000 | 7845400 | 1.26 |
| 07.08.2015 | Decrease / Transfer | | | -50000 | 7795400 | 1.26 |
| 23.10.2015 | Decrease / Transfer | | | -50000 | 7745400 | 1.25 |
| 30.10.2015 | Decrease / Transfer | | | -150000 | 7595400 | 1.22 |
| 06.11.2015 | Decrease / Transfer | | | -50000 | 7545400 | 1.21 |
| 27.11.2015 | Decrease / Transfer | | | -50000 | 7495400 | 1.21 |
| 04.12.2015 | Decrease / Transfer | | | -100000 | 7395400 | 1.19 |
| 05.02.2016 | Decrease / Transfer | | | -80000 | 7315400 | 1.18 |
| 12.02.2016 | Decrease / Transfer | | | -70000 | 7245400 | 1.17 |
| 26.02.2016 | Decrease / Transfer | | | -50000 | 7195400 | 1.16 |
| 04.03.2016 | Decrease / Transfer | | | -50000 | 7145400 | 1.15 |
| 18.03.2016 | Decrease / Transfer | | | -50000 | 7095400 | 1.14 |
| 31.03.2016 | Decrease / Transfer | | | -125606 | 6969794 | 1.12 |
| At the end of the year - 31.03.2016 | | | | | 6969794 | 1.12 |

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

| | Increase or Decrease / Reasons | Shareholding at the beginning of the year [As on 1 st April, 2015] | | Increase/ Decrease in No. of shares | Cumulative Shareholding during the year | |
|---|--------------------------------|---|----------------------------------|-------------------------------------|---|----------------------------------|
| | | No. of Shares | % of total shares of the Company | | No. of Shares | % of total shares of the Company |
| At the beginning of the year – 01.04.2015 | | 5427634 | 0.87 | | | |
| 01.05.2015 | Increase / Transfer | | | 17446 | 5445080 | 0.88 |
| 08.05.2015 | Increase / Transfer | | | 19825 | 5464905 | 0.88 |
| 24.07.2015 | Increase / Transfer | | | 42818 | 5507723 | 0.89 |
| 14.08.2015 | Decrease / Transfer | | | -19825 | 5487898 | 0.88 |
| 21.08.2015 | Decrease / Transfer | | | -47580 | 5440318 | 0.88 |
| 28.08.2015 | Decrease / Transfer | | | -92781 | 5347537 | 0.86 |
| 04.09.2015 | Decrease / Transfer | | | -126880 | 5220657 | 0.84 |
| 11.09.2015 | Decrease / Transfer | | | -66612 | 5154045 | 0.83 |
| 25.09.2015 | Decrease / Transfer | | | -17446 | 5136599 | 0.83 |
| 30.09.2015 | Decrease / Transfer | | | -51113 | 5085486 | 0.82 |
| 20.11.2015 | Decrease / Transfer | | | -20628 | 5064858 | 0.82 |
| 27.11.2015 | Decrease / Transfer | | | -4814 | 5060044 | 0.81 |

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

| | Increase or Decrease / Reasons | Shareholding at the beginning of the year [As on 1 st April, 2015] | | Increase/ Decrease in No. of shares | Cumulative Shareholding during the year | |
|-------------------------------------|--------------------------------|---|----------------------------------|-------------------------------------|---|----------------------------------|
| | | No. of Shares | % of total shares of the Company | | No. of Shares | % of total shares of the Company |
| 04.12.2015 | Decrease / Transfer | | | -17603 | 5042441 | 0.81 |
| 18.12.2015 | Decrease / Transfer | | | -28362 | 5014079 | 0.81 |
| 25.12.2015 | Decrease / Transfer | | | -21140 | 4992939 | 0.80 |
| 31.12.2015 | Decrease / Transfer | | | -6204 | 4986735 | 0.80 |
| 15.01.2016 | Decrease / Transfer | | | -31752 | 4954983 | 0.80 |
| 22.01.2016 | Decrease / Transfer | | | -51509 | 4903474 | 0.79 |
| 29.01.2016 | Decrease / Transfer | | | -52594 | 4850880 | 0.78 |
| 05.02.2016 | Decrease / Transfer | | | -74894 | 4775986 | 0.77 |
| 12.02.2016 | Decrease / Transfer | | | -22400 | 4753586 | 0.77 |
| 26.02.2016 | Decrease / Transfer | | | -25640 | 4727946 | 0.76 |
| 04.03.2016 | Decrease / Transfer | | | -27646 | 4700300 | 0.76 |
| 11.03.2016 | Increase / Transfer | | | 12300 | 4712600 | 0.76 |
| 18.03.2016 | Decrease / Transfer | | | -19203 | 4693397 | 0.76 |
| 25.03.2016 | Decrease / Transfer | | | -31163 | 4662234 | 0.75 |
| At the end of the year – 31.03.2016 | | | | | 4662234 | 0.75 |

10. ABU DHABI INVESTMENT AUTHORITY – GULAB

| | Increase or Decrease / Reasons | Shareholding at the beginning of the year [As on 1 st April, 2015] | | Increase/ Decrease in No. of shares | Cumulative Shareholding during the year | |
|---|--------------------------------|---|----------------------------------|-------------------------------------|---|----------------------------------|
| | | No. of Shares | % of total shares of the company | | No. of Shares | % of total shares of the company |
| At the beginning of the year – 01.04.2015 | | 5292158 | 0.85 | | | |
| 22.05.2015 | Decrease / Transfer | | | -28100 | 5264058 | 0.85 |
| 05.06.2015 | Increase / Transfer | | | 45373 | 5309431 | 0.85 |
| 24.07.2015 | Increase / Transfer | | | 10619 | 5320050 | 0.86 |
| 21.08.2015 | Decrease / Transfer | | | -16963 | 5303087 | 0.85 |
| 28.08.2015 | Decrease / Transfer | | | -86353 | 5216734 | 0.84 |
| 04.09.2015 | Decrease / Transfer | | | -9769 | 5206965 | 0.84 |
| 20.11.2015 | Decrease / Transfer | | | -24584 | 5182381 | 0.83 |
| 27.11.2015 | Decrease / Transfer | | | -82208 | 5100173 | 0.82 |
| 04.12.2015 | Decrease / Transfer | | | -98072 | 5002101 | 0.81 |
| 22.01.2016 | Increase / Transfer | | | 18622 | 5020723 | 0.81 |
| 26.02.2016 | Decrease / Transfer | | | -38895 | 4981828 | 0.80 |
| 04.03.2016 | Decrease / Transfer | | | -11291 | 4970537 | 0.80 |
| 18.03.2016 | Decrease / Transfer | | | -659423 | 4311114 | 0.69 |
| At the end of the year – 31.03.2016 | | | | | 4311114 | 0.69 |

11. STICHTING PENSIOENFONDS ABP

| | Increase or Decrease / Reasons | Shareholding at the beginning of the year [As on 1 st April, 2015] | | Increase/ Decrease in No. of shares | Cumulative Shareholding during the year | |
|---|--------------------------------|---|----------------------------------|-------------------------------------|---|----------------------------------|
| | | No. of Shares | % of total shares of the company | | No. of Shares | % of total shares of the company |
| At the beginning of the year – 01.04.2015 | | 5808006 | 0.94 | | | |
| 24.04.2015 | Decrease / Transfer | | | -347139 | 5460867 | 0.88 |
| 08.05.2015 | Decrease / Transfer | | | -11882 | 5448985 | 0.88 |
| 29.05.2015 | Decrease / Transfer | | | -132490 | 5316495 | 0.86 |
| 30.06.2015 | Decrease / Transfer | | | -56271 | 5260224 | 0.85 |
| 03.07.2015 | Decrease / Transfer | | | -197696 | 5062528 | 0.82 |
| 07.08.2015 | Increase / Transfer | | | 11360 | 5073888 | 0.82 |
| 21.08.2015 | Decrease / Transfer | | | -5073888 | 0 | 0.00 |
| At the end of the year – 31.03.2016 | | | | | 0 | 0 |

12. NEW WORLD FUND INC*

| | Increase or Decrease / Reasons | Shareholding at the beginning of the year [As on 1 st April, 2015] | | Increase/ Decrease in No. of shares | Cumulative Shareholding during the year | |
|---|--------------------------------|---|----------------------------------|-------------------------------------|---|----------------------------------|
| | | No. of Shares | % of total shares of the company | | No. of Shares | % of total shares of the company |
| At the beginning of the year – 01.04.2015 | | 1830500 | 0.29 | | | |
| 30.09.2015 | Increase / Transfer | | | 324496 | 2154996 | 0.35 |
| 09.10.2015 | Increase / Transfer | | | 718933 | 2873929 | 0.46 |
| 16.10.2015 | Increase / Transfer | | | 1002499 | 3876428 | 0.62 |
| 23.10.2015 | Increase / Transfer | | | 234072 | 4110500 | 0.66 |
| 11.12.2015 | Increase / Transfer | | | 430000 | 4540500 | 0.73 |
| 26.02.2016 | Increase / Transfer | | | 420000 | 4960500 | 0.80 |
| At the end of the year – 31.03.2016 | | | | | 4960500 | 0.80 |

13. NEW PERSPECTIVE FUND*

| | Increase or Decrease / Reasons | Shareholding at the beginning of the year [As on 1 st April, 2015] | | Increase/ Decrease in No. of shares | Cumulative Shareholding during the year | |
|---|--------------------------------|---|----------------------------------|-------------------------------------|---|----------------------------------|
| | | No. of Shares | % of total shares of the company | | No. of Shares | % of total shares of the company |
| At the beginning of the year – 01.04.2015 | | 0 | 0.00 | | | |
| 09.10.2015 | Increase / Transfer | | | 1433820 | 1433820 | 0.23 |
| 16.10.2015 | Increase / Transfer | | | 1999356 | 3433176 | 0.55 |
| 23.10.2015 | Increase / Transfer | | | 466824 | 3900000 | 0.63 |
| 20.11.2015 | Increase / Transfer | | | 816317 | 4716317 | 0.76 |
| 27.11.2015 | Increase / Transfer | | | 312799 | 5029116 | 0.81 |
| 04.12.2015 | Increase / Transfer | | | 450884 | 5480000 | 0.88 |
| 26.02.2016 | Increase / Transfer | | | 205824 | 5685824 | 0.92 |
| 04.03.2016 | Increase / Transfer | | | 364176 | 6050000 | 0.97 |
| At the end of the year – 31.03.2016 | | | | | 6050000 | 0.97 |

* Not in the list of Top 10 shareholders as on 01-04-2015. The same has been reflected above since the shareholder was one of the Top 10 shareholders as on 31-03-2016.

v) Shareholding of Directors and Key Managerial Personnel:

| Sl. No. | Shareholding of each of the Directors and Key Managerial Personnel | Shareholding at the beginning of the year [As on 1 st April, 2015] | | Increase/Decrease in No. of shares | Cumulative Shareholding during the year | |
|---------|---|---|----------------------------------|------------------------------------|---|----------------------------------|
| | | No. of shares | % of total shares of the company | | No. of shares | % of total shares of the company |
| 1. | Directors | | | | | |
| 1 | Mr. Anand Gopal Mahindra (Chairman and Managing Director, Key Managerial Personnel) | | | | | |
| | At the beginning of the year – 01.04.2015 | 715004 | 0.12 | | | |
| | Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc): | | | 0 | | |
| | At the end of the year – 31.03.2016 | | | | 715004 | 0.12 |
| 2 | Dr. Pawan Goenka [Executive Director & Group President (Auto and Farm Sector), Key Managerial Personnel] | | | | | |
| | At the beginning of the year - 01.04.2015 | 157700 | 0.03 | | | |
| | Increase - 12.05.2015 - Exercise of ESOPs | | | 16944 | 174644 | 0.03 |
| | Decrease - 17.12.2015 - Transfer by way of Gift | | | -174644 | 0 | 0.00 |
| | Increase - 17.12.2015 - Exercise of ESOPs | | | 18668 | 18668 | 0.00 |
| | Decrease - 31.12.2015 - Market Sale | | | -8000 | 10668 | 0.00 |
| | Decrease - 05.01.2016 - Transfer by way of Gift | | | -10668 | 0 | 0.00 |
| | Increase - 24.02.2016 - Exercise of ESOPs | | | 14216 | 14216 | 0.00 |
| | Decrease - 09.03.2016 - Transfer by way of Gift | | | -14216 | 0 | 0.00 |
| | At the end of the year – 31.03.2016 | | | | 0 | 0.00 |
| 3 | Mr. Bharat Doshi | | | | | |
| | At the beginning of the year – 01.04.2015 | 609724 | 0.10 | | | |
| | Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/ sweat equity etc): | | | | | |
| | As on 07.08.2015 (ceased to be a Director w.e.f. 07.08.2015) | | | | 609724 | 0.10 |
| 4 | Mr. Deepak Parekh | | | | | |
| | At the beginning of the year – 01.04.2015 | 112180 | 0.02 | | | |
| | Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/ sweat equity etc): | | | 0 | | |
| | At the end of the year – 31.03.2016 | | | | 112180 | 0.02 |
| 5 | Mr. Nadir B Godrej | | | | | |
| | At the beginning of the year – 01.04.2015 | 428019 | 0.07 | | | |
| | Increase - 21.12.2015 - Market Purchase | | | 2000 | 430019 | 0.07 |
| | Increase - 22.12.2015 - Market Purchase | | | 4000 | 434019 | 0.07 |
| | Increase - 23.12.2015 - Market Purchase | | | 2000 | 436019 | 0.07 |
| | Increase - 29.12.2015 - Market Purchase | | | 765 | 436784 | 0.07 |
| | Increase - 30.12.2015 - Market Purchase | | | 5000 | 441784 | 0.07 |
| | Increase - 31.12.2015 - Market Purchase | | | 5000 | 446784 | 0.07 |
| | Increase - 04.01.2016 - Market Purchase | | | 6948 | 453732 | 0.07 |
| | Increase - 05.01.2016 - Market Purchase | | | 2000 | 455732 | 0.07 |
| | Increase - 06.01.2016 - Market Purchase | | | 6000 | 461732 | 0.07 |
| | Increase - 08.01.2016 - Market Purchase | | | 3000 | 464732 | 0.07 |
| | Increase - 16.02.2016 - Market Purchase | | | 2000 | 466732 | 0.08 |
| | Increase - 17.02.2016 - Market Purchase | | | 2000 | 468732 | 0.08 |
| | Increase - 03.03.2016 - Market Purchase | | | 1000 | 469732 | 0.08 |
| | Increase - 08.03.2016 - Market Purchase | | | 1000 | 470732 | 0.08 |
| | Increase - 10.03.2016 - Market Purchase | | | 1000 | 471732 | 0.08 |

| Sl. No. | Shareholding of each of the Directors and Key Managerial Personnel | Shareholding at the beginning of the year [As on 1 st April, 2015] | | Increase/ Decrease in No. of shares | Cumulative Shareholding during the year | |
|---------|--|---|----------------------------------|-------------------------------------|---|----------------------------------|
| | | No. of shares | % of total shares of the company | | No. of shares | % of total shares of the company |
| | Increase - 17.03.2016 - Market Purchase | | | 3000 | 474732 | 0.08 |
| | Increase - 21.03.2016 - Market Purchase | | | 1000 | 475732 | 0.08 |
| | Increase - 29.03.2016 - Market Purchase | | | 1000 | 476732 | 0.08 |
| | Increase - 30.03.2016 - Market Purchase | | | 2000 | 478732 | 0.08 |
| | Increase - 31.03.2016 - Market Purchase | | | 1000 | 479732 | 0.08 |
| | At the end of the year – 31.03.2016 | | | | 479732 | 0.08 |
| 6 | Mr. M. M. Murugappan | | | | | |
| | At the beginning of the year – 01.04.2015 | 100000 | 0.02 | | | |
| | Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc): | | | 0 | | |
| | At the end of the year – 31.03.2016 | | | | 100000 | 0.02 |
| 7 | Mr. R. K. Kulkarni | | | | | |
| | At the beginning of the year – 01.04.2015 | 83088 | 0.01 | | | |
| | Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc): | | | 0 | | |
| | At the end of the year – 31.03.2016 | | | | 83088 | 0.01 |

Note: Mr. Anupam Puri, Dr. Vishakha Desai, Mr. Vikram Singh Mehta and Mr. S.B. Mainak did not hold any shares of the Company during the Financial Year 2015-16.

| Sl No. | Shareholding of each of the Directors and Key Managerial Personnel | Shareholding at the beginning of the year [As on 1 st April, 2015] | | Increase/ Decrease in No. of shares | Cumulative Shareholding during the year | |
|--------|--|---|----------------------------------|-------------------------------------|---|----------------------------------|
| | | No. of shares | % of total shares of the company | | No. of shares | % of total shares of the company |
| II. | Key Managerial Personnel | | | | | |
| 1 | Mr. V S Parthasarathy | | | | | |
| | At the beginning of the year - 01.04.2015 | 60582 | 0.01 | | | |
| | Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc): | | | 0 | | |
| | At the end of the year - 31.03.2016 | | | | 60582 | 0.01 |
| 2 | Mr. Narayan Shankar | | | | | |
| | At the beginning of the year - 01.04.2015 | 15756 | 0.00 | | | |
| | Decrease - 18.02.2016 - Market Sale | | | -5600 | 10156 | 0.00 |
| | At the end of the year - 31.03.2016 | | | | 10156 | 0.00 |

V. INDEBTEDNESS**Indebtedness of the Company including interest outstanding/accrued but not due for payment:**

(Rs. lakhs)

| | Secured Loans excluding deposits | Unsecured Loans | Deposits | Total Indebtedness |
|--|--|--------------------|-------------------|-----------------------|
| Indebtedness at the beginning of the financial year | | | | |
| i) Principal Amount | 13,334.01 | 3,53,681.12 | 5,910.80 | 3,72,925.93 |
| ii) Interest due but not paid | – | – | – | – |
| iii) Interest accrued but not due | 480.18 | 1,046.62 | 304.54 | 1,831.34 |
| Total (i+ii+iii) | 13,814.19 | 3,54,727.74 | 6,215.34 | 3,74,757.27 |
| Change in Indebtedness during the financial year | | | | |
| ● Addition | 1,113.15 | 60,504.92 | 371.11 | 61,989.18 |
| ● Reduction | 14,926.67 | 1,25,154.72 | 4,210.49 | 1,44,291.88 |
| Net Change | (13,813.52) | (64,649.80) | (3,839.38) | (82,302.70) |
| Indebtedness at the end of the financial year | | | | |
| i) Principal Amount | 0.67 | 2,89,554.18 | 2,233.37 | 2,91,788.22 |
| ii) Interest due but not paid | – | – | – | – |
| iii) Interest accrued but not due | – | 523.76 | 142.59 | 666.35 |
| Total (i+ii+iii) | 0.67 | 2,90,077.94 | 2,375.96 | 2,92,454.57 |

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

(Rs. lakhs)

| Sl No. | Particulars of Remuneration | Name of MD/WTD/ Manager | | |
|-----------|---|-----------------------------|------------------------|---|
| | | Mr. Anand Mahindra (MD/CEO) | Dr. Pawan Goenka (WTD) | Total Amount (Rs.) |
| 1 | Gross salary | | | |
| | (a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961 | 293.86 | 283.09 | 576.95 |
| | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 | 5.04 | 26.30 | 31.34 |
| | (c) Profits in lieu of salary under Section 17(3) Income-tax Act, 1961 | | | |
| 2 | Stock Option* | 0.00 | 521.39 | 521.39 |
| 3 | Sweat Equity | | | |
| 4 | Commission – as % of profit | 318.90 | 288.13 | 607.03 |
| 5 | Others – contribution to funds | 40.87 | 40.62 | 81.49 |
| | Total (A) | 658.67 | 1,159.53 | 1,818.20 |
| | Ceiling as per the Act | | | Rs. 41,363.57 (being 10% of the net profits of the Company calculated as per Section 198 of the Companies Act, 2013) |

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

B. Remuneration to other directors

(Rs. lakhs)

| Sl. No. | Particulars of Remuneration | Name of Directors | | | | | | | | | Total Amount | | |
|---------|--|----------------------|---------------------|----------------------|---------------------|-----------------|-----------------------|------------------------|-------------------|-----------------------------------|--------------|------|--------------|
| | | Mr. Deepak S. Parekh | Mr. Nadir B. Godrej | Mr. M. M. Murugappan | Mr. R. K. Kulkarni* | Mr. Anupam Puri | Dr. Vishakha N. Desai | Mr. Vikram Singh Mehta | Mr. Bharat Doshi@ | Mr. S.B. Mainak^ (Nominee of LIC) | | | |
| 1 | Independent Directors | | | | | | | | | | | | |
| | Fee for attending board/ committee meetings | 12.50 | 16.00 | 13.50 | 17.40 | 6.00 | 5.30 | 14.00 | - | - | - | - | 84.70 |
| | Commission | 24.00 | 20.00 | 24.00 | 24.00 | 20.00 | 24.00 | 20.00 | - | - | - | - | 156.00 |
| | Others, please specify (Perquisite value of ESOP) | - | - | - | - | - | - | - | - | - | - | - | - |
| | Total (1) | 36.50 | 36.00 | 37.50 | 41.40 | 26.00 | 29.30 | 34.00 | - | - | - | - | 240.70 |
| 2 | Other Non-Executive Directors | | | | | | | | | | | | |
| | Fee for attending board/ committee meetings | - | - | - | - | - | - | - | 6.60 | - | - | 4.00 | 10.60 |
| | Commission | - | - | - | - | - | - | - | 7.07 | - | 18.00 | - | 25.07 |
| | Others – Perquisite value of ESOPs, Housing, Car and Medical | - | - | - | - | - | - | - | 182.31 | - | - | - | 182.31 |
| | Total (2) | - | - | - | - | - | - | - | 195.98 | - | 22.00 | - | 217.98 |
| | Total (B)=(1+2) | 36.50 | 36.00 | 37.50 | 41.40 | 26.00 | 29.30 | 34.00 | 195.98 | 22.00 | 22.00 | - | 458.68 |
| | Total Managerial Remuneration# | - | - | - | - | - | - | - | - | - | - | - | 2276.88 |
| | Overall Ceiling as per the Act | | | | | | | | | | | | Rs. 4,136.36 |

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

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

@ Ceased to be a Director with effect from 7th August, 2015.

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

^ The sitting fees and commission was paid to LIC.

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

(Rs. lakhs)

| Sl. No. | Particulars of Remuneration | Key Managerial Personnel | | |
|---------|---|--------------------------|---------------|---------------|
| | | CS | CFO | Total |
| 1 | Gross salary | | | |
| | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | 96.83 | 275.91 | 372.74 |
| | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 | 0.82 | 3.55 | 4.37 |
| | (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961 | 0.00 | 0.00 | 0.00 |
| 2 | Stock Option | 0.00 | 0.00 | 0.00 |
| 3 | Sweat Equity | 0.00 | 0.00 | 0.00 |
| 4 | Commission – as % of profit | 0.00 | 0.00 | 0.00 |
| 5 | Others – contribution to funds | 5.40 | 14.90 | 20.30 |
| | Total | 103.05 | 294.36 | 397.41 |

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES: NIL

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

For and on behalf of the Board

ANAND G. MAHINDRA
Chairman & Managing DirectorMumbai, 30th May, 2016

Particulars of loans/advances, etc. pursuant to Para A of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Loans and advances in the nature of loans to subsidiaries:

Rupees in crores

| Name of the Company | Balances as on 31 st March 2016 | Maximum outstanding during the year |
|---|--|-------------------------------------|
| Mahindra Gujarat Tractor Limited | 1.00 | 1.00 |
| Mahindra Agri Solutions Limited (formerly known as Mahindra Shubhlabh Services Limited) | 0.68 | 0.68 |
| Bristlecone Limited | 96.73 | 113.38 |
| Mahindra Overseas Investment Company (Mauritius) Limited | 77.18 | 77.18 |
| Mahindra & Mahindra Financial Services Limited | 300.00 | 300.00 |
| Mahindra Vehicle Manufacturers Limited | 1200.00 | 1200.00 |

The Company has not made any loans and advances in the nature of loans to associates.



Management Discussion and Analysis

Management Discussion and Analysis

Mahindra & Mahindra Limited (M&M) or (Mahindra) is the flagship company of the Mahindra Group, which consists of 154 subsidiary companies with diverse business interests across the globe and aggregate revenues of around US \$ 17.8 billion. The Automotive and Farm Sectors (AFS) of M&M, continue to leverage ingenuity for creating products and technology led services, which enable its customers and stakeholders to Rise. By focussing on customer centricity, frugal innovation and enhancing people's capabilities, the Company continues to consolidate its leadership position in the domestic market while driving global expansion.

For the year under review, improvement in economy and urban demand helped to drive growth in the automotive industry. The rural economy continued to be under pressure for the second consecutive year because of deficit monsoon. This had an adverse impact on the tractor industry and the rural demand for vehicles.

In the Financial Year 2015-16, your Company sold 4,94,096 vehicles (a growth of 6.3% in comparison to the previous year) and 2,14,173 tractors (decline of 8.8% over the previous year).

The Company's Automotive and Farm Sectors, along with their subsidiary companies and joint ventures, achieved global sales of 8,81,314 vehicles and tractors (6,40,593 vehicles and 2,40,721 tractors), a growth of 2.4% over the previous year.

The Automotive and Farm Sectors, along with their subsidiary companies and joint ventures, achieved global sales of 8,81,314 vehicles and tractors (6,40,593 vehicles and 2,40,721 tractors), a growth of 2.4% over the previous year.

INDUSTRY STRUCTURE, OVERVIEW AND TRENDS

The Indian automotive industry comprises of a number of Indian-origin and multinational players with varying degrees 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. After more than a decade of establishing manufacturing base in India, MNC Original Equipment Manufacturers (OEMs) have garnered 85.6% share of the domestic Passenger Vehicles (PV) market. Many leading automotive MNCs have established India development centres and are developing and launching India specific products. At the same time, they are increasingly using India as an export base. Today, 21.3% of MNC production is exported from India. However, in the Commercial Vehicle (CV) space, India Origin OEMs continue to hold a large share (96.8%) of the domestic market.

Similarly, the domestic tractor market also has a mix of Indian origin and international manufacturers and is segmented by horsepower.

Global Automotive Industry

In the Calendar Year (CY) 2015, global automotive sales for Passenger and Commercial Vehicles stood at a record 89.6 million, which was a growth of 2.0% over the previous year. This growth was primarily driven by China, USA, Germany, India and UK, which collectively account for 58.1% of the global automotive market. Source: OICA (Organisation Internationale des Constructeurs d'Automobiles).

China retained the distinction of being the world's largest automotive market for the 7th consecutive year with total sales of 24.6 million vehicles, a growth of 4.7%. However, slowdown in the Chinese economy has impacted the auto industry growth in the last two years. The US market which had hit a low in 2008, has recovered fully to attain all time high sales of 17.47 million vehicles (previous high of 17.44 million in 2005), with a growth of 5.7% in 2015.

European auto sales continued to be positive on back of a 9.4% growth by EU15 countries. Growth was seen in key markets like Germany at 5.5%, France at 6.1%, Italy at 15.6% and UK at 7.7%.

The automotive markets in Brazil and Russia continued to decline for the third consecutive year. In CY 2015, Brazil automotive market was down by 26.6% while the Russian automotive market posted a decline of 44.5%. For Brazil as well as Russia, the automotive sales were down by 32% and 54% respectively, from the all-time high of 2012.

Indian Automotive Industry

The Financial Year 2015-16 was a turnaround year for the Indian automotive industry, with the industry (excluding 2W) growing 7.1%. The PV industry grew 7.2% over the previous Financial Year 2014-15 and posted an all-time high volume of 2.8 million vehicles.

The CV industry posted a growth of 11.5% over the previous year, but the volumes were still 15.5% from the all-time high in Financial Year 2011-12. This gap is largely due to

the prolonged slowdown in the LCV < 2T segment, that continues to suffer due to deep slowdown in the rural economy. The two wheeler industry also posted an all-time high sales of 16.5 million on back of robust demand for scooters.

The demand for automobiles was driven by the Indian economy continuing on the growth path, coupled with moderate inflation and low commodity prices. The easing of monetary policy

In the PV segment, Cars grew 7.9% while the UV segment grew 6.3%.



by RBI helped the affordability of finance. New launches by OEMs created the necessary excitement in the market. Cost of ownership of an automobile is an important factor for demand and in Financial Year 2015-16, this factor was also on the positive side due to benign price hikes and easing of vehicle finance rates. In the Financial Year 2015-16, perhaps the only pain point for the automotive industry was the deep slowdown in rural economy, which adversely impacted the demand for LCVs < 3.5T, vans and motorcycles.

In the PV segment, Cars grew 7.9% while the UV segment grew 6.3%. Multiple launches in both cars and UVs were the key drivers for PV growth. The launch of compact UVs with car like comfort, fuel economy and competitive prices have led to increased preference for UVs and also blurring of boundaries between sedan cars and UVs.

The Medium and Heavy Commercial Vehicle Goods Segment (MHCV), continued on the recovery started in the Financial Year 2014-15 and posted a robust growth of 31.9% in Financial Year 2015-16. This growth is driven by replacement demand, revival in mining and manufacturing sectors and uptick in the infrastructure sector. However, in spite of two consecutive years of good growth, the MHCV industry is 13.6% below the peak volume of Financial Year 2011-12.

The LCV Goods < 3.5T segment continued to be under pressure due to the prolonged slowdown in Rural economy and poor finance availability. The PIK-UP segment (LCV 2 to 3.5T) grew 3.5% over the previous year but the volumes are 5% lower than the all-time high in Financial Year 2013-14. The LCV < 2T segment reported positive growth in the fourth quarter of the Financial Year 2015-16 after 14 consecutive quarters of decline.

The growth in the two wheeler industry was subdued at 3% (was 7% over last 5 years), with motorcycles remaining flat on account of weak rural demand. The scooter segment grew 11.8% driven by urban demand. The share of scooters in total two wheelers has grown from 13% in Financial Year 2005-06 to 31% in Financial Year 2015-16.

The table below shows the size of various segments of the Indian auto industry and their growth rates spanning Financial Year 2013-14 to Financial Year 2015-16.

| Segment | Auto Industry (Domestic Sales) | | | YOY Growth | | |
|-----------------------------------|--------------------------------|--------------------|--------------------|---------------|---------------|---------------|
| | F14 | F15 | F16 | F14 | F15 | F16 |
| Cars | 17,86,826 | 18,77,706 | 20,25,479 | -4.7% | 5.1% | 7.9% |
| Utility Vehicles | 5,25,839 | 5,52,135 | 5,86,664 | -5.0% | 5.0% | 6.3% |
| Vans | 1,90,844 | 1,71,395 | 1,77,535 | -19.6% | -10.2% | 3.6% |
| Total Passenger Vehicles | 25,03,509 | 26,01,236 | 27,89,678 | -6.1% | 3.9% | 7.2% |
| MHCV | 2,00,500 | 2,32,755 | 3,02,373 | -25.4% | 16.1% | 29.9% |
| <i>MHCV Passenger</i> | <i>38,709</i> | <i>36,837</i> | <i>43,885</i> | <i>-17.5%</i> | <i>-4.8%</i> | <i>19.1%</i> |
| <i>M+ICV Goods (7.5 to 16.2T)</i> | <i>73,679</i> | <i>70,305</i> | <i>88,591</i> | <i>-30.2%</i> | <i>-4.6%</i> | <i>26.0%</i> |
| <i>HCV Goods (>16.2T)</i> | <i>88,112</i> | <i>1,25,613</i> | <i>1,69,897</i> | <i>-24.2%</i> | <i>42.6%</i> | <i>35.3%</i> |
| LCV | 4,32,221 | 3,82,193 | 3,83,331 | -17.6% | -11.6% | 0.3% |
| <i>LCV Passenger</i> | <i>42,808</i> | <i>44,816</i> | <i>48,960</i> | <i>-10.6%</i> | <i>4.7%</i> | <i>9.2%</i> |
| <i>LCV Goods < 2T GVW</i> | <i>1,66,974</i> | <i>1,31,455</i> | <i>1,16,560</i> | <i>-32.5%</i> | <i>-21.3%</i> | <i>-11.3%</i> |
| <i>LCV Goods 2 to 3.5T GVW</i> | <i>1,93,025</i> | <i>1,77,132</i> | <i>1,83,414</i> | <i>1.4%</i> | <i>-8.2%</i> | <i>3.5%</i> |
| <i>LCV Goods > 3.5T GVW</i> | <i>29,414</i> | <i>28,790</i> | <i>34,397</i> | <i>-24.2%</i> | <i>-2.1%</i> | <i>19.5%</i> |
| Total Commercial Vehicles | 6,32,721 | 6,14,948 | 6,85,704 | -20.2% | -2.8% | 11.5% |
| <i>3W Passenger</i> | <i>3,85,384</i> | <i>4,31,984</i> | <i>4,41,091</i> | <i>-12.6%</i> | <i>12.1%</i> | <i>2.1%</i> |
| <i>3W Goods</i> | <i>94,701</i> | <i>1,00,642</i> | <i>97,001</i> | <i>-2.5%</i> | <i>6.3%</i> | <i>-3.6%</i> |
| Total 3 Wheelers | 4,80,085 | 5,32,626 | 5,38,092 | -10.8% | 10.9% | 1.0% |
| Scooters | 36,02,744 | 45,00,920 | 50,31,678 | 23.2% | 24.9% | 11.8% |
| Motorcycles | 1,04,79,817 | 1,07,26,013 | 1,07,00,466 | 3.9% | 2.3% | -0.2% |
| Mopeds | 7,22,920 | 7,48,628 | 7,23,767 | -8.3% | 3.6% | -3.3% |
| Total 2 Wheelers | 1,48,05,481 | 1,59,75,561 | 1,64,55,911 | 7.3% | 7.9% | 3.0% |
| Total Domestic | 1,84,21,796 | 1,97,24,371 | 2,04,69,385 | 3.5% | 7.1% | 3.8% |
| Domestic (Excl. 2W) | 36,16,315 | 37,48,810 | 40,13,474 | -9.5% | 3.7% | 7.1% |

Indian Tractor Industry

In the Financial Year 2015-16, the Indian tractor market (the world's largest by volume), declined by 10.4 % and dropped to 4,93,497 units. This is the second successive year of decline, resulting in industry being 22.1% below its peak of Financial Year 2013-14.

The sharp decline in tractor industry can be primarily attributed to a slowdown in the Agri Sector. Two successive years of deficient monsoon has impacted the Agri Sector both in terms of income and sentiments.

For the year under review, tractor industry in most states declined. The worst affected states being Punjab (29%), Haryana (26%), Madhya Pradesh (24%), Uttar Pradesh (21%), Chhattisgarh (16%), Maharashtra (15%) and Gujarat (14%). These states collectively accounted for about 52% of the total

The sharp decline in tractor industry can be primarily attributed to a slowdown in the Agri Sector. Two successive years of deficient monsoon has impacted the Agri Sector both in terms of income and sentiments.



domestic sales. The states of Tamil Nadu, Assam, Andhra Pradesh and Odisha registered growth of 80%, 59%, 17% and 16% respectively. The high growth numbers in Tamil Nadu and Assam can be attributed to low base. Uttar Pradesh retained its No. 1 position in tractor sales.

Analysing the tractor industry by horsepower segments, all the HP segments declined, while >50 HP segment remained flat. The bulk of the market which is 30 to 50 HP segments declined 11% for the year under review.

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

| HP Segment | Industry | | |
|--------------|-----------------|-----------------|---------------|
| | F15 | F16 | Growth |
| <20 | 24,081 | 22,911 | -4.9% |
| 20-30 | 35,785 | 30,043 | -16.0% |
| 30-40 | 2,02,308 | 1,81,059 | -10.5% |
| 40-50 | 2,55,953 | 2,26,571 | -11.5% |
| >50 | 32,836 | 32,913 | 0.2% |
| Total | 5,50,963 | 4,93,497 | -10.4% |



Your Company's Performance

Automotive Sector

During the year under review, your Company maintained its position as the 3rd largest Passenger Vehicle (PV) Company, the 2nd largest Commercial Vehicle (CV) Company and the largest Small Commercial Vehicle Company in India. Your Company's share of the total Indian auto industry stood at 11.4%.

For the year under review, your Company achieved overall volumes of 4,58,065 vehicles in the domestic market, a growth of 5.4% over the previous year.

The table below summarises the performance of your Company across various Industry Segments.

| Segment | Industry | | M&M | | M&M Mkt. Share | |
|----------------------------|------------------|-------------|-----------------|-------------|----------------|--------------|
| | F16 | Growth | F16 | Growth | CY | PY |
| Utility Vehicles | 5,86,664 | 6.3% | 2,22,324 | 7.5% | 37.9% | 37.5% |
| Cars (Participating) | 4,45,597 | 7.9% | 3,395 | 6.6% | 0.8% | 0.8% |
| Vans | 1,77,535 | 3.7% | 10,588 | -24.1% | 6.0% | 8.1% |
| LCV Goods <2T GVW | 1,16,560 | -11.3% | 27,834 | 82.5% | 23.9% | 11.6% |
| LCV Goods 2 to 3.5T GVW | 1,83,414 | 3.5% | 1,26,819 | -2.3% | 69.1% | 73.3% |
| LCV Passenger | 48,960 | 9.2% | 3,778 | 11.3% | 7.7% | 7.6% |
| LCV Goods > 3.5T GVW | 34,397 | 19.5% | 2,647 | 31.1% | 7.7% | 7.0% |
| HCV Goods (>16.2T) GVW | 1,69,897 | 35.3% | 5,705 | 63.0% | 3.4% | 2.8% |
| 3W | 5,38,092 | 1.0% | 54,975 | -3.2% | 10.2% | 10.7% |
| AS (Domestic) Total | 23,01,116 | 5.7% | 4,58,065 | 5.4% | 19.9% | 20.0% |

Your Company maintained its leadership position in the domestic Utility Vehicle (UV) market with a 37.9% share. In the UV2 (UV > 4,400 mm and price upto Rs. 15 lakhs) category, your Company holds a share of 48.8%, while the share in UV1 (UV < 4,400 mm and price upto Rs. 15 lakhs) category, the share stands at 31.5%.

Bolero retained the title of India's largest selling SUV for the 10th consecutive year and was the 8th largest selling PV in India.



The XUV500 continued to grow in strength in the premium passenger vehicle segment (price range Rs. 12 to Rs. 17 lakhs) with sales of over 36,000 vehicles in Financial Year 2015-16 and a market share of 34.0% (was 13.4% in Financial Year 2011-12).

In the year under review, your Company strengthened its UV portfolio by launching the much awaited TUV300 and KUV100 in the UV1 (Compact UV) segment. These launches were received well at the market and have helped the Company drive growth and market share. For the second half of the Financial Year 2015-16, the Company's UV volume grew by 19.7% and have taken the UV market share to 39.9% (was 35.5% in second half of the Financial Year 2014-15).

Bolero retained the title of India's largest selling SUV for the 10th consecutive year and was the 8th largest selling PV in India.



In the market segment LCV goods < 3.5T, which accounts for 50% of total CV industry, your Company has retained the No. 1 position. Your Company's market share in this segment stands at 51.0%. In the LCV<2T segment, your Company launched Jeeto, which helped double the market share from 11.6% in the Financial Year 2014-15 to 23.9% in the Financial Year 2015-16. In the PIK-UP sub-segment (LCV goods 2 to 3.5T), your Company launched the lifestyle PIK-UP Imperio and retained the market leader position with a share of 69.1%.

In the LCV > 3.5T segment, your Company sold a total of 6,425 trucks and buses which is a growth of 18.7% over the previous year.

In the MHCV segment, your Company sold a total of 5,705 trucks which is a growth of 63.0% over the previous year. Improvement in product quality, service and focused market approach has helped your Company to grow truck volumes from 1,000 trucks in the first quarter of the Financial Year 2015-16 to about 2,000 trucks in the fourth quarter of the Financial Year 2015-16. In February, 2016, your Company launched Blazo series of trucks which are backed by guarantee on fuel efficiency and service. The performance of the Blazo series trucks has been appreciated by the customers.

Financial Year 2015-16 was the year of new launches for your Company. A total of 14 new products were launched across product segments.



Product Launches and Customer Centricity

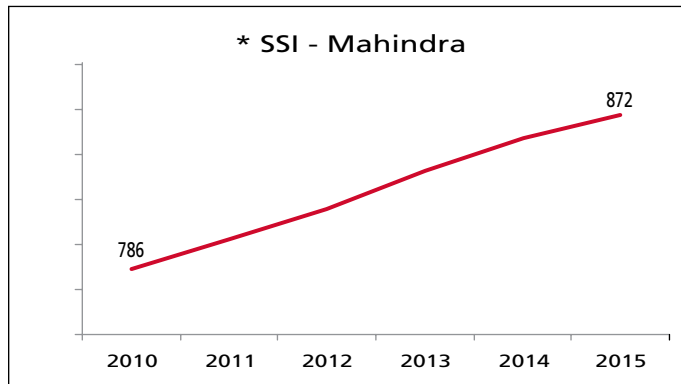
Financial Year 2015-16 was the year of new launches for your Company. A total of 14 new products were launched across product segments (shown in the table below):

| Product Segment | New Platform | Product Refresh | Product Variant |
|-------------------|-------------------------|---|------------------------------|
| UV | 1. TUV300 2. KUV100 | 7. All New XUV500 8. New Thar CRDe 9. NuvoSport | 12. XUV500 AT |
| Vans | 3. Supro Minivan | | |
| LCV < 2T GVW | 4. Jeeto | | |
| LCV 2 to 3.5T GVW | 5. Supro Maxitruck | 10. Imperio | |
| LCV > 3.5 T GVW | | | 13. Excelo range school bus |
| HCV | 6. 49 T Tractor Trailer | 11. Blazo Series of Trucks | 14. 25T Tipper with 1S cabin |

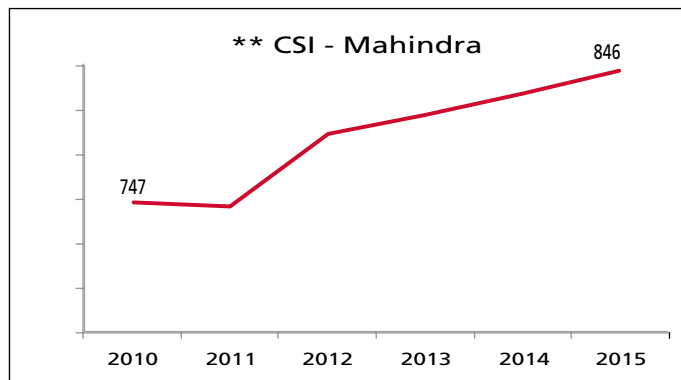
The new launches have helped your Company to strengthen its product portfolio and drive growth. The volume growth for the second half of the Financial Year 2015-16 was 15.5% as compared to decline of 5.0% in the first half of the Financial Year 2015-16. The table below shows your Company's volume growth, for the two halves of the Financial Year 2015-16. Also, for the second half of the Financial Year 2015-16, your Company posted highest growth amongst India's top five automotive OEMs by volume.

| Product Segment | Growth % | | |
|-----------------------|--------------|--------------|-------------|
| | H1 | H2 | F16 |
| UV | -5.5% | 19.7% | 7.5% |
| Vans | -41.6% | 7.2% | -24.1% |
| LCV < 2T GVW | 46.9% | 125.5% | 82.5% |
| LCV 2 to 3.5T GVW | -9.0% | 4.1% | -2.3% |
| HCV | 44.2% | 77.3% | 63.0% |
| Total Domestic | -5.0% | 15.5% | 5.4% |

Over the past few years, your Company has worked tirelessly to improve customer satisfaction at the dealership as well as at the product level. The results of these efforts can be seen from the improvement in scores and rank received by the Mahindra brand in the JD Power SSI and CSI studies. For 2015, Mahindra was ranked No. 1 (along with Toyota) in the JD Power SSI study, while in the JD Power CSI studies, Mahindra was ranked 4th with a score improvement of 17 points. The graphs below show the consistent improvement made by your Company in the JD Power CSI and SSI scores.



* J. D. Power Asia Pacific 2015 India Sales Satisfaction Index (SSI) StudySM



** J. D. Power 2015 India Customer Service Index (CSI) StudySM

In line with its philosophy of customer centricity, your Company continues to expand its network that reaches out to all corners of India.

Overseas Operations – Automotive Sector

The Automotive Sector of your Company exported a total of 36,031 vehicles during the Financial Year 2015-16, posting a growth of 19.3% over the previous year. This is the highest ever vehicle export by your Company.

Your Company continued to grow its presence in the neighbouring markets of Sri Lanka, Nepal, Bangladesh and Bhutan, where volumes grew by 29%. With continued efforts of building brand in key markets like South Africa and Chile, your Company reported a volume growth of 5% and 20%, respectively. For the year under review, your Company supplied over 2,500 Bolero and Scorpio vehicles to Philippines Police.

Farm Sector

For the year under review, your Company continued its focus on delivering 'Farm Tech Prosperity' to the Indian farmers. Your Company continued to develop and introduce technologically advanced tractors, agri machinery and farm solutions.

Tractor and Farm Mechanisation Business

The Financial Year 2015-16 saw the completion of 33 years of M&M leadership in the domestic tractor market, with a market share of 40.9% which was a gain of 0.9% over the previous year.

For the period under review, the Company sold 2,14,173 tractors (domestic plus export), under the Mahindra and Swaraj brands, as against 2,34,766 tractors sold in the previous year, registering a decline of 8.8%. This was a result of the steep decline of the Indian tractor industry. Your Company performed exceptionally well in the fourth quarter with a growth of 19%, the highest growth for fourth quarter in last 5 years.

In April 2016, your Company launched the Mahindra YUVO in the 30 to 45 HP tractor segment. The YUVO range comes in five models – 265 DI (32HP), 275 DI (35HP), 415 DI (40HP), 475 DI (42HP) and 575 DI (45HP). Built on a completely new platform with a unique and Industry first 12 Forward+3 Reverse Full constant-mesh gearbox in the category, Mahindra YUVO is extremely versatile and can be used across more than 30 different farming applications. The advanced technology of the Yuvo range helps to serve the diverse needs of farmers – from land preparation to harvesting as well as post-harvesting requirements, helps them do more, faster and better.



Global Footprint

For the year under review, your Company exported 11,545 tractors, a decline of 16.0%. The decline can be attributed to weakness in economy of the African countries which are an important export market. However, your Company strengthened its presence in neighbouring markets of Sri Lanka and Bangladesh with a growth of 46%.

Your Company continued to strengthen its global footprint with a focus on the key markets of USA and China, amongst other regions. Total tractor volumes outside India stood at 36,987 tractors.

USA

Mahindra USA, a subsidiary of your Company, sold over 19,000 tractors, and had its highest ever billings, retails and gained market share of 0.7% in the relevant market segment in the North American market. Mahindra USA continues to expand its reach by making significant efforts to strengthen the Mahindra brand in this market, and connecting with the consumer through various mediums.

Mahindra USA, a subsidiary of your Company, sold over 19,000 tractors, and had its highest ever billings, retails.



China

China, the second largest tractor market in the world, continued to face challenging times and decline for the 4th consecutive year. China volumes from the Mahindra Yueda Yancheng Tractor Company Limited (MYYTCL), a subsidiary of your Company, saw a decline to 10,220 units in the domestic market, as compared to 11,711 units sold in the same period last year. At the same time, exports from China declined 58% to 849 units.

Towards Farm Tech Prosperity

Agriculture in India faces multiple challenges. Key amongst them being (i) Low productivity as compared to developed countries (ii) Increasing labour scarcity coupled with high labour costs (iii) Limited application of modern farming techniques (iv) Improper post-harvest supply chain infrastructure (v) Difficulty in accessing the markets.

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

Farm Mechanisation

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

To strengthen the global footprint and bring modern technologies in farm mechanisation into India, your Company has entered into strategic partnership with Mitsubishi Agricultural Machinery (Japan) and Sampo Rosenlew (Finland). With the introduction of new products, your Company will have a significant presence in Rice value chain and Harvesters.

Agri Inputs

Your Company in an endeavour to deliver Farm Tech prosperity has been continuously upgrading its product portfolio of agricultural inputs to provide end to end solutions to the farmers. Through the wide range of crop care products of herbicides, pesticides, fungicides and plant growth regulators, your Company helps to mitigate the risk of crop loss. Your Company offers hybrid seeds for field and vegetable crops, which help the farmer obtain high quality produce and superior yields. This business is growing rapidly and is poised for a more meaningful contribution to Indian agriculture in the coming years. The business has grown 10% over the previous year.

Micro-irrigation

Micro irrigation (MI) can help in significantly reducing water consumption and optimising input costs. Your Company through

EPC Industrié Ltd. (Mahindra Group Company) provides modern scientific water management solutions to farmers through customized micro irrigation systems, thus helping farmers to produce more crop per drop of water. In Financial Year 2015-16, MI business posted a strong growth of 21%.

Mahindra Samriddhi

Mahindra Samriddhi is a 'one-stop-solution' which acts as an umbrella interface between the organization and the farmers by offering Mahindra branded seeds, crop care, micro irrigation products and advisory services under one roof. Today there are around 250 Mahindra Samriddhi touch points which delivered services to more than 1.5 lakh farmers in the Financial Year 2015-16. Mahindra Samriddhi India Agri Awards, the premier event in the field of Indian agriculture was graced by leading luminaries from the Agri fraternity and honoured the torch bearers of farm prosperity across the nation. Over the last six years since its inception, it has grown in stature and has attracted close to 2 lakh nominations from farmers across the country.

Today there are around 250 Mahindra Samriddhi touch points which delivered services to more than 1.5 lakh farmers in the Financial Year 2015-16.



Fruits and Vegetables

Your Company is actively engaged in working with grape farmers to help them grow international quality grapes. Further, your Company helps the farmers to achieve high price realisation by connecting them to end customers in India and in international markets. Other crops of interest are banana, apples and potato.

ALLIED BUSINESSES

Mahindra Powerol

In the Financial Year 2015-16, Mahindra Powerol showed good growth with a revenue growth of 16.2%.

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

Construction Equipment — Mahindra EarthMaster

With a uptick in infrastructure spending, the Indian backhoe loader market grew by 5.5% over the previous year. For Mahindra EarthMaster, key focus has been to improve sales channel performance and build consumer preference for EarthMaster. In Financial Year 2015-16, the business expanded its product portfolio with the launch of lift and carry crane.

OPPORTUNITIES AND THREATS

Automotive Sector

Given the importance of the automobile industry in the economy, its potential for employment and its backward and forward linkages with several sectors, the Government is keen to support its development under the Make in India initiative.

Going forward, the Auto Industry is expected to show positive growth across all segments on back of healthy economic outlook, finance penetration, investment in roads, infrastructure and new launches by OEMs.

Growing concerns over air pollution, road safety, sustainability and urban congestion, among consumers and society at large will have an impact on regulations and policies for motor vehicles and urban development. These will also impact ownership patterns and will have a significant impact on the future of the automotive industry.

Going forward, the Auto Industry is expected to show positive growth across all segments on back of healthy economic outlook, finance penetration, investment in roads, infrastructure and new launches by OEMs.



Farm Sector

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

India, with its large base of small and marginal farmers, has several regions with low penetration of farm mechanisation.

With increasing labour cost and scarcity, greater adoption of various forms of mechanisation is the way forward. In this scenario, the market for tractors and other farm equipment is expected to grow in the long term.

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

The rising demand for power and infrastructure development will create opportunities in the power generation and infrastructure equipment space. This is an opportunity for the Company to grow its offerings in power solutions and construction equipment.

RISKS AND CONCERNS

Automotive and Farm Sectors

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

Competitive Intensity

Keeping in mind the high growth potential of the Indian automotive market, all Original Equipment Manufacturers (OEMs) are actively investing in India specific new product development and product technology upgrades. Today, multinational OEMs are deeply entrenched in the Indian market with local development centres, a strong local supplier base and a good channel penetration. As a result, their cost structures have become competitive and their response to market time has improved. They are launching products developed in India at very competitive price points. MNC OEMs are competing across

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



all product sub-segments in Cars and UVs.

With growth in economy, improvement in infrastructure, likely implementation of GST and strengthening of the hub and spoke transportation model, the demand for commercial vehicles across product categories is expected to get a boost. The medium

and heavy commercial vehicle segment features two dominant domestic players and in the recent past, it has also witnessed new entrants including MNC brands. However, the new entrants have seen limited success owing to the strong on ground presence of current market leaders and deep rooted brand bonding.

The LCV < 3.5T commercial vehicle segment is likely to see entry of MNC brands leading to increased competition in this segment.

Your Company is the market leader in the UV and LCV < 3.5T commercial vehicle segments and continues to invest in new product development as well as in technological upgradation. Your Company will continue its focus on delivering customer centric products and build brand.

India is the world's largest tractor market by volume and the Tractor industry has presence of strong Domestic as well as MNC OEMs. There is intense competition in the market with each OEM trying to offer its unique value proposition to the customer.

Your Company intends to remain ahead of the competition by offering continuous product upgrades, introducing superior technology and by offering a complete range of farming solutions to boost farm productivity.

Tax and Excise Duty Regulations

India, has traditionally seen differential tax rate between small and large passenger vehicles. This differential is on the basis of definition based on length of vehicle, engine size, fuel type and more recently, ground clearance. Also, there is an additional environmental and infrastructure cess levied on vehicles, again differentiated between small and large vehicles. Over the past

Your Company is the market leader in the UV and LCV < 3.5T commercial vehicle segments and continues to invest in new product development as well as in technology upgrades and will continue its focus on delivering customer centric products and build brand.

four years the tax rate gap between small and large vehicles has widened. This is a deterrent to the customer from buying large vehicles.

Beyond the above, certain large passenger vehicles of key competitors have the benefit of lower tax rates through the Government policies to boost demand for Hybrid and Electric vehicles.

Your Company already has presence in the Electric Vehicle (EV) space through the Mahindra e₂o and the recently launched Verito Electric. Further, the Company is continuously working on strengthening the portfolio of vehicles that fall under the lower tax rates.

Increased Preference for Petrol as a fuel

The Government of India announced policy for partial deregulation of diesel prices in January 2013 and complete deregulation in October 2014. As a result of this, the gap between Petrol and Diesel fuel prices has narrowed and the operating cost advantage that diesel vehicles had over petrol vehicles in the past couple of years is now reduced. This has resulted in preference for Petrol vehicles, especially in the passenger car and van segments.

To add to above, the Hon'ble Supreme Court ruling in December, 2015, of banning sale of Diesel vehicles with engines larger than 2000 cc in NCR and the discussion of a proposal for imposing an additional cess on all diesel vehicles has resulted into low consumer buying confidence for diesel vehicles across the country.

As a combination of the reduced operating benefit and the low consumer confidence on Diesel fuelled vehicles, the share of Diesel vehicle sales in total passenger vehicles has dropped from 58% in the Financial Year 2012-13 to 44% in the Financial Year 2015-16.

Your Company is actively pursuing a strategy to introduce Petrol engines across the product range. The KUV100 which

Your Company is actively pursuing a strategy to introduce Petrol engines across the product range. The KUV100 which was launched in January, 2016 was launched with the mFalcon Petrol engine.



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New Regulation for Safety and Emission

Concerns over safety and environment protection are driving legislation and regulatory reforms. The Government of India is in the process of introducing the next level of safety and emission regulations for India. Announcement has already been made that all new vehicles will need to meet BS VI emission norms by 2020. Conforming to the next stage of regulations, both for safety and emission will call for use of advanced technologies and will have an impact on costs. Your Company is geared up and is confident of meeting these regulations.

New Products

In order to meet customer needs and be competitive at the marketplace, your Company is investing in an aggressive new product development and technology development programme. The success of new product launches will have an important bearing on your Company's future growth and profitability.

Environment and Alternate fuels

With greater awareness on air quality and the need to reduce dependence on fossil fuels, there is a growing trend towards adopting greener and more sustainable fuels for automobiles. Your Company has been a pioneer for Electric Vehicles in India and is focussing on development of the Electric Vehicle (EV) market and upgrade EV technology capabilities. Your Company's Electric Vehicle portfolio comprises of the e₂o electric car, Verito EV car and the Maxximo EV van.

Subsidies through the FAME (Faster Adoption and Manufacturing of Hybrid & Electric Vehicles) India scheme, should give the necessary push to make EV technology more affordable.

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Monsoon

A normal monsoon is important for both agriculture as well as the rural economy. The tractor business in particular

and the automotive business to some degree, run the risk of a drop in demand in case of a significant variation in the monsoon. In addition, an untimely monsoon and uneven spread have the potential of adversely impacting the business as observed in the Financial Year 2014-15 and Financial Year 2015-16.

Commodity Prices

For the period 2015-16, commodity prices remained benign. However going forward, keeping the possibility of the commodity prices firming up, your Company continues to watch the market situation closely and continues to focus on cost re-engineering and value engineering to remain cost competitive.

Capacity

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

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

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



OUTLOOK – AUTOMOTIVE & FARM SECTORS

Both the Automotive and Farm Sectors strive to maintain their leadership position in the domestic market and at the same time explore global opportunities. Simultaneously, your Company continues its focus on achieving cost leadership through focused cost optimisation, productivity improvements, value engineering, supply chain management and exploiting synergies between its Sectors.

The mid-term outlook for the Indian auto industry is very positive. Society of Indian Automobile Manufacturers (SIAM) forecasts the potential size of the Indian vehicle market (PV + CV) by the

Financial Year 2019-20 to be as large as around 5.7 million vehicles (current size 3.2 million). This is a growth rate of 12% CAGR.

In the Financial Year 2016-17, automotive industry growth is likely to be driven by economic growth, increased investment in infrastructure, a normal monsoon driving positive sentiment in rural economy, and an overall improvement in consumer confidence.

The cost of ownership of vehicle may see marginal increase due to an increase in fuel prices and the movement in commodity prices reflecting in an increase in price. The interest rates may soften marginally from current levels.

For the Financial Year 2016-17, SIAM forecasts a double digit growth for the Indian Auto Industry. PV is expected to grow at 11-13%, LCV goods at 12-14%, MHCV Goods at 12-14%, 3W at 6-8% and 2W at 7-9%.

On the export front, new product launches, complimented by brand building efforts will help drive growth. This growth is expected to be aided by the industry turning positive in key markets.

On the tractor front, the industry growth is expected to be driven by a normal monsoon which will revive the sentiments in the Indian Agri sector. However, the impact of this is likely to come only in later part of the Financial Year 2016-17.

On the international front, your Company will focus on strengthening its presence in existing markets of USA, South & Central America, China, Africa and South East Asia, while exploring to expand to newer geographies.

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STRATEGY

Automotive Sector

With an objective to sustain growth, your Company is pursuing several strategic initiatives in all key areas of business. The

key elements of strategy include strengthening the product portfolio, refresh and update existing products and strengthen Research & Development and technological capabilities. In addition, your Company is pursuing expansion in overseas markets. Establishing the channel and building the brand in key focus markets remain the priorities for your Company. With increasing concerns over global warming and the need for sustainable mobility, your Company continues to focus and invest in development of alternate fuel technologies and solutions especially electric vehicles.

Farm Sector

The Farm Sector's strategy is aligned to delivering Farm Tech Prosperity to the farmers. In its endeavour to grow and serve farmers better, the Company will continue to launch technologically superior tractors and farm machinery. Going forward, farm mechanisation is a focus area for your Company. Keeping this in mind, your Company has entered into strategic partnerships with Mitsubishi Agricultural Machinery (Japan) and Sampo Rosenlew (Finland).

On 1st October, 2015, your Company completed the transaction with Mitsubishi Agricultural Machinery. Starting from October, 2015, the name of the company has been changed to 'Mitsubishi Mahindra Agricultural Machinery Co., Ltd.'. With these developments, Mitsubishi Mahindra Agricultural Machinery is in a position to execute business strategies for global expansion, along with a continued focus in the market in Japan.

In March 2016, your Company signed a definitive agreement to acquire a 35% equity stake in Finland based Sampo Rosenlew. This new alliance will help both companies to jointly develop products to address global opportunities in the harvester space.

MATERIAL DEVELOPMENTS IN HUMAN RESOURCES AND EMPLOYEE RELATIONS

The strategic purpose of Human Resources is to be a catalyst and change agent for creating the Human Capital transformation required to ensure sustained business outperformance, while simultaneously addressing the needs of its multiple

The Farm Sector's strategy is aligned to delivering Farm Tech Prosperity to the farmers.



stakeholders (starting with customers and employees) and strengthening the core values of the Group. In the long run, the ultimate metric for success is continuous improvement in the total factor productivity, while addressing the business imperatives of cash, cost, competence and confidence. The emphasis has been on aligning all the HR levers towards achieving these goals. In line with the above, the

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

In this overall architecture, a key strategic initiative that needs mentioning is Employer Branding, coupled with the Employee Value Proposition of delivering a uniform One Mahindra experience to all employees. The template for creating Tomorrow's Leaders and harnessing the power of diversity (across its many dimensions including gender, age, nationality and culture) is also being put in place. Driving diversity in various lines of business and creating an inclusive workforce was identified as a key focus area in the Financial Year 2015-16 and accordingly the Group Diversity Council identified its key priorities for the year. Based on the recommendations of the Group Diversity Council, the Sector Level Councils created roadmaps which would help them determine their strategy and measure progress in managing diversity and fostering inclusion. A major initiative was the organization-wide awareness

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and sensitisation program on Diversity and Inclusion which would help harness the productive potential of the multiple aspects of Diversity. Prevention of Sexual Harassment at Workplace related awareness and training of Internal Complaints Committee (ICC) members through classroom program

and e-learning courses was also done. Mahindra World of Women (MWoW) which is a platform for peer learning to solve work life challenges and derive inspiration from role models internally and externally, was launched successfully in major locations.

Focus continued on the Talent Management and Leadership Development processes which included Development Centres, Individual Development Planning, e-learning, up-skilling programs, Leadership Lifecycle programs and Action-Learning Projects. The Talent Management process is powered by a network of Sector Councils, with the Apex Talent Council playing a pivotal role in Succession Planning, Career Planning, Job Rotation, Hi-potential Identification and the talent pipeline development process. A robust Talent Scorecard process seeks to ensure succession planning and leadership development for both the immediate as well as the longer term, while the Performance Management System helps in the integration of the Balanced Score Card with business and individual goals through the annual goal setting process. This rigour in implementation has helped to create a shared understanding and to focus the efforts of employees in building a culture of outperformance. All the above processes of Talent Management, Learning Management System and Performance Management system have been digitised with the help of Success Factors and Sum Total. In order to ensure that

the pulse of the workforce is captured, customised engagement constructs viz. a) MCARES for officers; and b) Workmen engagement construct for Workmen,

Mahindra World of Women (MWoW) which is a platform for peer learning to solve work life challenges and derive inspiration from role models internally and externally, was launched successfully in major locations.



The Mahindra Way model has started and several plants have been included in the next assessment cycle.



have been designed in-house and administered. Based on the findings of the survey, various strategic interventions are rolled out and impact of these interventions is measured. The constructs are periodically revalidated and benchmarked with other constructs.

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

HR processes that have been re-engineered to drive the Rise culture are working well. An in-house Multi-rater feedback instrument has been designed to provide feedback to senior leadership on the behaviours manifested under the 3 Rise pillars viz. Accepting No Limits, Alternative Thinking and Driving Positive Change and the 5 Leadership characteristics viz. Mindfulness, Manage fear and Leveraging failure, Whole Brain Thinking, Multiplier and Trust. The manifestation of the 3 pillars of Rise coupled with the 5 characteristics of a Mahindra leader will go a long way in building admiration for the employer brand.

A formal Leadership Development process has been put in place with a three-tier approach which addresses entry, middle and senior management levels. The Mahindra Leadership University (MLU), supports the process of building capacity and capability in the leadership pipeline by leveraging a common virtual platform which delivers Learning and Development across the Group. MLU uses the 3E approach (Experience, Exposure and Education) towards capability building and this has been integrated in all the programs. Experience is delivered by providing people with meaningful roles/projects, Exposure takes place through

The Mahindra Leadership University (MLU), supports the process of building capacity and capability in the leadership pipeline by leveraging a common virtual platform which delivers Learning and Development across the Group.



coaching and mentoring by leaders, and Education by building mental acumen through development programs and classroom training.

Working through its 9 Academies, MLU conceptualised, designed and delivered more than 343 offerings during the past one year using the framework of a 'Laddered Approach' for the design and roll out of programs. This framework recognizes and addresses the need for varying inputs tailored to the different levels of leadership in the Mahindra system. A total coverage of 6,524 people was achieved during the year for the programs rolled out by all 9 academies which included 1,395 employees of the Company's suppliers.

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

The Company is designing and rolling-out the Future Leaders Program (FLP), a strategic Leadership development and Talent management journey for the Group. FLP is being designed and implemented as an 18 month journey through a 3-way collaboration between IMD, Lausanne, Yale School of Management and Mahindra Leadership University. FLP is the ultimate program in the Company's laddered approach to leadership development and would go a long way in strengthening the Company's leadership pipeline. In order to facilitate the design and implementation of FLP, a Troika

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consisting of Dr. Pawan Goenka, Mr. Rajeev Dubey and Mr. Rakesh Soni, have committed to provide strategic direction and support to the internal design team.

A cohort of 34 participants is there in the inaugural Batch of FLP, which is scheduled to be launched on 21st July, 2016.

The participants will not only experience intensive classroom modules across the globe at Switzerland, India and USA, but also make several discovery visits to leading global companies and interact with global leaders in these organisations. Participants will also be engaged in project teams to address a Leadership Stretch Challenge (LSC) which can potentially shape the future of the Group. In addition, they will have access to leadership coaches, and executive mentors, who they can leverage to make their learning journey as personal and as effective as possible. At the end of the program, participants will also be the alumni of these prestigious institutions – IMD, Lausanne and Yale School of Management.

The journey of Reflective Conversations continues with the aim to make Mahindra a Reflective Organization thereby enabling the Company to grow towards the Group's aspiration. The proliferation, which began with Mr. Anand Mahindra and the Group Executive Board in July, 2013, has cascaded down to Department Heads and a few Managers, now covering around 1,000 people across multiple Businesses of the Group. To ensure cultural transformation and sustenance, the ecosystem for the practice of Reflective Conversations is being strengthened with more focus on building an internal trainer pool, focused reinforcement, role-modeling by leaders and partnership with stakeholders across Sectors to fully harness the power of Reflective Conversations in HR and Business levers for higher engagement, better connect with stakeholders and breakthrough Innovation.

This year Mahindra & Mahindra Limited emerged as the winner in the "Engineering & Automotive Sector" category at the annual Business Today's Best Companies to Work for Awards 2016. The web based perception survey, organized in partnership with People Strong and Naukri.com was open to all

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salaried employees across India wherein they ranked top five companies, across Sectors based on their opinion on the best companies to work for. The final ranking was given out based on people practices and culture along the dimensions of career growth prospects, financial compensation, work-life balance, performance evaluation, etc. This achievement and recognition was mirrored by the rank given out by Great Places to Work earlier in the year, wherein the Company was adjudged the 25th best place to work in India, followed by 24th best place to work in Asia in large organizations category. The leap that the Company has made year on year in the Great Workplaces rankings, from 38 in 2013 to 28 in 2014 and finally to 25 in 2015, has only affirmed the belief that external recognition and strength of the employer brand in the external audiences is built through working consistently towards providing employees great day to day experience at the workplace.

The Group Management Cadre (GMC) Program, which is the Group's prestigious strategic leadership development program for campus recruits sourced from top B-Schools of India, continues to strengthen Mahindra's position as an 'Employer of Choice' across premier B-School campuses, and create a strong talent pool to drive Mahindra's future growth. As per Nielsen's B-school Campus Track Survey of 2015, the Company was ranked 11th in the list of India's top twenty business schools from where the Company recruits, thus affirming the Company's position amongst the most sought after employers at India's premier business schools. Through this program, 35 GMCs joined the Group across its various sectors and functions.

The Mahindra War Room, which is a pioneer in its field, continues to retain its position as the largest and the most recalled Employer Branding Events in the top B-Schools of India (as was evident from the Nielsen Campus Track Survey, 2015). The 8th Edition of the Event was rolled out between September and November, 2015, whereby Mahindra reached out to the brightest young minds across the top B-Schools on the country to provide them with an experiential dimension to learning, thus enabling them to creatively present their solutions for real business issues directly to the respective business heads. The Grand Finale of the event happened at Grand Hyatt on 8th November, 2015 in the presence of the Group Executive Board Members (including Mr. Anand G. Mahindra), who were also the jury for the event. The highlight of the event this year was the fact that for the first time, the event was

extended across two foreign campuses from China and Korea, and finalists from these campuses presented along with the Indian finalists at the Grand Finale of the Event.

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

The Industrial Relations scenario continued to be largely positive across all Mahindra Automotive Manufacturing locations and during the year there have been no wage settlements. Settlements for bonus have been a win-win and the Company continues to maintain a harmonious and collaborative work environment.

In order to foster togetherness at the workplace skills, training and engagement programs were rolled out. These training programs covered a wide range of topics, including Positive Attitude, Stress Management, Creativity, Team Effectiveness, Safety and Environment, Quality Tools, TPM, Dexterity, Skill Building Programs and Technical Training.

The Mahindra Skill Excellence Initiative is a holistic approach to enhance the skill and capabilities of shop-floor employees and the participation from associates across manufacturing facilities has increased from 1,800 of last year to 2,300 in this year. The Initiative brought laurels to the Company and the Nation by registering 7th rank at World Skill Competition held at Brazil in August, 2015. Ideas were generated to resolve quality concerns, reduce cost, ensure safety and improve productivity. For the year under review, the shop floor associates generated about 17.5 ideas per person resulting into a whopping cost saving of Rs. 26 crores cumulative for the last 2 years.

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Mahindra & Mahindra Limited had a total of 20,122 employees on its rolls as on 31st March, 2016. Significant emphasis has also been put on creating awareness about health and wellness of employees through annual medical check-ups, medical software, health awareness activities, introduction of diet food, etc.

Proactive and employee-centric shop floor practices, a focus on transparent communication of business goals through monthly Plant Head communication, an effective concern resolution mechanism, and the firm belief that employees are the most valuable assets of the Company, are the cornerstone of the Company's employee relations approach. An 'open door policy' and constant dialogue to create win-win situations, have helped the Company to build trust and harmony. All this resulted in zero production loss in the Financial Year 2015-16 and helped create a peaceful, healthy and collaborative work environment.

The Mahindra Skill Excellence Initiative brought laurels to the Company and the Nation by registering 7th rank at World Skill Competition held at Brazil in August, 2015.



Internal Control Systems

Your Company maintains adequate internal control systems commensurate with the nature of its business and size and complexity of its operations. These are regularly tested for their effectiveness by Statutory as well as Internal Auditors. Further, the internal control systems have been designed to provide reasonable assurance with regard to recording and providing reliable financial and operational information. In the highly networked IT environment of the Company, validation of IT Security receives focused attention from IT specialists and Statutory Auditors. Your Company has a strong and independent internal audit function consisting of professionally qualified accountants and engineers. The Chief Internal Auditor reports directly to the Chairman of the Board. Significant observations made by the internal audit team and the follow up actions thereon are reported to the Audit Committee. The Audit Committee reviews the adequacy and effectiveness of the Company's internal control environment and monitors the implementation of audit recommendations. During the year, the Company has taken steps to review and document the adequacy and operating effectiveness of internal controls.

DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

Overview

The financial statements of the Company have been prepared in accordance with the generally accepted accounting principles in India (Indian GAAP) and comply with the Accounting Standards ("AS") specified under section 133 of the Companies Act, 2013.

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

FINANCIAL INFORMATION [STANDALONE]

Fixed Assets

As at 31st March, 2016, the Fixed Assets stood at Rs. 9518 crores as compared to Rs. 8,108 crores as at 31st March, 2015. During the year, the Company incurred capital expenditure of Rs. 2,172 crores (previous year Rs. 2,035 crores). The major items of capital expenditure were on new product development and capacity enhancement.

Borrowings:

(Rs. in Crores)

| | Financial Year 2015-16 | Financial Year 2014-15 | Inc./ (Dec.) |
|--|------------------------------|------------------------------|--------------|
| Long Term Borrowings | 1,495 | 2,514 | (1,019) |
| Short Term Borrowings | 348 | 106 | 242 |
| Current Maturities of Long Term Borrowings | 1,073 | 1,108 | (35) |
| Unclaimed Matured deposits | 1 | 1 | - |
| Total | 2,917 | 3,729 | (812) |

Borrowings (including current maturities of long term debt and unclaimed matured deposits) have decreased from Rs. 3,729 crores in the previous year to Rs. 2,917 crores in the current year. The decrease is primarily on account of repayment of loans during the current year.

Inventories

| | March 31, 2016 | March 31, 2015 |
|--|----------------|----------------|
| Raw materials and bought out components as a % of cost of materials consumed | 3.8% | 3.7% |
| Finished goods and Stock-in-trade as a % of sales of products | 3.9% | 3.5% |

The increase in raw materials and bought out components as a percentage of cost of materials consumed and increase in finished goods and stock-in-trade as a percentage of sales of products has been mainly on account of new product launches and inventory built-up on expected better upcoming seasons.

Trade Receivable

Trade Receivable is Rs. 2,512 crores as at March 31, 2016, as compared with Rs. 2,558 crores as at March 31, 2015. Also, as a percentage of gross revenue from sales of products and services, trade receivable is lower at 5.8% for the year ended March 31, 2016, as compared to 6.4% for the previous year on account of significant improvements in credit management process across divisions supplemented by better collection efforts.

RESULTS OF OPERATIONS

Income

(Rs. Crores)

| Particulars | Financial Year 2015-16 | | Financial Year 2014-15 | | Inc./ (Dec.) |
|--------------------------------------|------------------------|-------|------------------------|-------|--------------|
| | Amount | % | Amount | % | % |
| Sales of Products | 42,764 | 104.6 | 39,737 | 103.4 | 7.6 |
| Sale of Services | 354 | 0.9 | 342 | 0.9 | 3.5 |
| Other Operating revenue | 488 | 1.2 | 553 | 1.4 | (11.8) |
| Gross Sales & Income from Operations | 43,606 | 106.7 | 40,632 | 105.7 | 7.3 |
| Less : Excise Duty on Sales | 2,722 | 6.7 | 2,188 | 5.7 | 24.4 |
| Net Sales & Income from Operations | 40,884 | 100.0 | 38,444 | 100.0 | 6.3 |
| Other Income | 855 | 2.1 | 849 | 2.2 | 0.7 |

Net Sales, Income from Operations & Other Income

The net sales and income from operations of the Company increased by 6.3% as compared to the previous year. The increase is mainly on account of new product launches in automotive and tractor business aided by significant increase in the revenue of other businesses mainly Powerol and Agri.

Other income during the Financial Year 2015-16 at Rs. 855 crores is marginally higher than Rs. 849 crores earned in the previous year.

| Particulars | Financial Year 2015-16 | | Financial Year 2014-15 | | Inc./ (Dec.) |
|--|------------------------|---|------------------------|---|--------------|
| | Amount (Rs. crores) | % to Net Sales & Income from Operations | Amount (Rs. crores) | % to Net Sales & Income from Operations | % |
| Material Costs | 29,566 | 72.3 | 27,955 | 72.7 | 5.8 |
| Employee Benefits Expense | 2,342 | 5.7 | 2,317 | 6.0 | 1.1 |
| Finance Costs | 155 | 0.4 | 214 | 0.6 | (27.5) |
| Depreciation and Amortisation Expense | 1,109 | 2.7 | 975 | 2.5 | 13.7 |
| Other expenses | 4,406 | 10.8 | 3,999 | 10.4 | 10.2 |
| Total Expenses | 37,578 | 91.9 | 35,460 | 92.2 | 6.0 |

Expenditure

The total expenditure during the year as a percentage of net sales/Income from Operations is 91.9% as compared to 92.2 % in the previous year.

Material Cost

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

Personnel Cost

During the year, there has been marginal increase in personnel cost. The increase in personnel cost due to annual increments has been partly offset by gains on actuarial valuations as per AS 15 "Employee Benefits".

Other Expenses

Other expenses as a percentage of net sales and operating income shows an increase over the previous year. The expenses have increased mainly on account of advertisement and sales promotion expenses incurred to support and enhance sales in a challenging market.

Depreciation and Amortisation

The increase in depreciation and amortisation is mainly due to full impact of capitalisation of assets during the previous year

and the impact in the current year on account of capitalisation of assets during the year mainly for new product launches and capacity enhancements.

Finance Costs

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

Exceptional Items

Exceptional items in the current year is on account of profit (net) earned on sale of certain long term investments. In the previous year, it was on account of profit earned on sale of certain long term investments and also due to the excess of fair value of Tech Mahindra Limited (TML) shares received over cost of investment in Mahindra Engineering Services Limited (MESL), on account of the merger of MESL with TML.

Provision for taxation

The provision for current tax and deferred tax for the year ended March 31, 2016 as a percentage to profit before tax is higher than the previous year mainly due to reduction in tax benefits under section 80 IC (Haridwar plant tax holiday expired), reduction in accelerated deduction of R&D expenses and increase in statutory tax rates.

Consolidated Financial Position of the M&M Group

As on 31st March, 2016 the Group for the purpose of consolidation comprised of the flagship holding company Mahindra & Mahindra Limited, 154 Subsidiaries, 8 Joint Ventures and 16 Associates.

The Gross Revenue and Other Income for the year ended 31st March, 2016 of the Consolidated Mahindra Group is Rs. 83,207 crores as against Rs. 75,514 crores for the previous year. The Group's net revenue and other income is Rs. 78,557 crores in the current year as compared to Rs. 71,973 crores in the previous year. The profit before exceptional items and tax for the current year is Rs. 4,234 crores as compared to Rs. 4,038 crores in the previous year. The consolidated Group Profit for the year after exceptional items and tax and after deducting minority interest is Rs. 3,211 crores as compared to Rs. 3,137 crores in the previous year.

Tech Mahindra Limited (TML), the Company's flagship company in the IT Sector, has reported a consolidated revenue of Rs. 26,494 crores in the current year as compared to Rs. 22,621 crores in the previous year, an increase of 17%. Its consolidated PAT is Rs. 3,118 crores as compared to Rs. 2,628 crores in the previous year, an increase of 19%.

The Group's finance company, Mahindra & Mahindra Financial Services Limited (Mahindra Finance), reported a consolidated operating income of Rs. 6,554 crores during the current year as compared to Rs. 6,021 crores in the previous year, a growth of 9%. The consolidated profit after tax for the year is Rs. 772 crores as compared to Rs. 913 crores in the previous year. Mahindra Finance customer base has crossed 4.1 million customers. The Company currently has a network of 1,167 offices and Total Assets under Management of Rs. 40,933 crores as on 31st March, 2016 as against Rs. 36,878 crores as on 31st March, 2015, a growth of 11%.

Mahindra Lifespace Developers Limited (MLDL), the Group's subsidiary in the business of real estate and infrastructure registered a consolidated operating income of Rs. 826 crores as compared to Rs. 1,086 crores in the previous year. The consolidated profit after tax for the year is Rs. 93 crores as compared to Rs. 266 crores in the previous year.

Mahindra Holidays & Resorts India Limited, the Group's subsidiary in the business of timeshare registered a consolidated

operating income of Rs. 1,599 crores as compared to Rs. 812 crores in the previous year. The consolidated profit after tax for the year is Rs. 99 crores as compared to Rs. 81 crores in the previous year, an increase of 22%.

Ssyangyong Motor Company (SYMC), the Korean subsidiary of the Company has reported consolidated revenues of Rs. 19,647 crores in the current fiscal year as compared to Rs. 18,466 crores in the previous year, a growth of 6%. The consolidated loss after tax for the year is Rs. 177 crores as compared to Rs. 715 crores in the previous year.

Segment Results (before exceptional item)

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

| (Rs. Crores) | | | |
|--------------|----------------------------|--------------|--------------|
| | Segments | F-2016 | F-2015 |
| 1. | Automotive | 2,197 | 1,321 |
| 2. | Farm Equipment | 1,928 | 1,968 |
| 3. | Financial Services | 1,224 | 1,394 |
| 4. | Steel Trading & Processing | 106 | 106 |
| 5. | Infrastructure | 171 | 448 |
| 6. | Hospitality | 199 | 92 |
| 7. | IT Services | 66 | 46 |
| 8. | Systech | (134) | (116) |
| 9. | Two Wheelers | (759) | (555) |
| 10. | Others | (122) | (63) |
| 11. | Eliminations | (48) | (24) |
| | Total | 4,828 | 4,617 |

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.



Corporate Governance

Corporate Governance

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Your Company has been following fair, transparent and ethical governance practices. The governance processes and practices embedded into the culture of the Organisation ensure that the interest of all the stakeholders are taken into account in a balanced and transparent manner. Your Company believes that good Corporate Governance emerges from the application of best management practices and compliance with the laws coupled with the highest standards of integrity, transparency, accountability and business ethics.

Your Company also believes that sound Corporate Governance is critical to enhance and retain investor trust. Your Company continues to strengthen its governance principles to generate long term value for its stakeholders on sustainable basis thus ensuring ethical and responsible leadership both at the Board and at the Management levels.

A Report on compliance with the Corporate Governance provisions as prescribed under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") is given below.

I. BOARD OF DIRECTORS

The composition of the Board of your Company is in conformity with Regulation 17 of the Listing Regulations. The Chairman & Managing Director of your Company, though a Professional Director in his individual capacity, is a Promoter and the number of Non-Executive and Independent Directors is more than one-half of the total number of Directors.

Mr. Anand G. Mahindra, Chairman & Managing Director and Dr. Pawan Goenka, Executive Director & Group President (Auto and Farm Sector) are the Whole-time Directors of your Company. The remaining Non-Executive Directors, comprising of seven Independent Directors including a Woman Director, and one Non-Independent Director as on

31st March, 2016 are highly renowned professionals drawn from diverse fields, 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 your Company and enhance the quality of Board's decision making process.

The maximum tenure of Independent Directors is in compliance with the Companies Act, 2013 ("the Act"). All the Independent Directors have confirmed that they meet the criteria as mentioned in Regulation 16(1)(b) of the Listing Regulations and section 149(6) of the Act.

As mentioned in the previous Annual Report, Mr. Bharat Doshi, Non-Executive Director had conveyed his desire to relinquish his position as a Director of your Company and accordingly ceased to be a Director with effect from the conclusion of the 69th Annual General Meeting ("AGM") held on 7th August, 2015.

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

Professional fees for the year under review to Khaitan & Co., Advocates & Solicitors, in which Mr. R. K. Kulkarni, Non-Executive and Independent Director is a partner, amounted to Rs. 124.20 lakhs (including out of pocket expenses).

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

A. Composition of the Board

The Board of your Company comprises of ten Directors as on 31st March, 2016. 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 Director is a Director in more than 10 public limited companies (as specified in section 165 of the Act) or acts as an Independent Director in more than 7 listed companies or 3 listed companies in case he/she serves as a Whole-time Director in any listed company (as specified in Regulation 25 of the Listing Regulations). Further, none of the Directors on the Board is a Member of more than 10 Committees and Chairman of more than 5 Committees (as specified in Regulation 26 of the Listing Regulations), across all the Indian public limited companies in which he/she is a Director.

| Directors | Category | Directors' Identification Number | Total Number of Directorships, Committee Chairmanships and Memberships of public limited companies*, as on 31 st March, 2016 | | |
|--|--------------------|----------------------------------|---|--------------------------|------------------------|
| | | | Directorships\$ | Committee Chairmanships+ | Committee Memberships+ |
| NON-EXECUTIVE | | | | | |
| Mr. Deepak S. Parekh | Independent | 00009078 | 9 | 2 | 4 |
| Mr. Nadir B. Godrej | Independent | 00066195 | 10 | 1 | 2 |
| Mr. M. M. Murugappan | Independent | 00170478 | 9 | 4 | 4 |
| Mr. Bharat Doshi@ | Non-Independent | 00012541 | – | – | – |
| Mr. R. K. Kulkarni | Independent | 00059367 | 7 | 3 | 5 |
| Mr. Anupam Puri | Independent | 00209113 | 4 | – | 2 |
| Dr. Vishakha N. Desai | Independent | 05292671 | 1 | – | 1 |
| Mr. Vikram Singh Mehta | Independent | 00041197 | 7 | – | 1 |
| Mr. S. B. Mainak (Nominee of LIC) | Non-Independent | 02531129 | 3 | – | – |
| EXECUTIVE | | | | | |
| Mr. Anand G. Mahindra – Chairman & Managing Director | Promoter | 00004695 | 6 | – | 1 |
| Dr. Pawan Goenka – Executive Director & Group President (Auto and Farm Sector) | Executive Director | 00254502 | 8 | – | 1 |

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

\$ Includes Additional Directorships and Directorship in your Company.

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

@ Ceased to be a Director with effect from the conclusion of the 69th AGM held on 7th August, 2015.

B. Board Procedure

A detailed Agenda, setting out the business to be transacted at the Meeting(s), supported by detailed notes is sent to each Director at least seven days before the date of the Board Meeting(s) and of the Committee Meeting(s). To provide web-based solution, a soft copy of the said Agenda(s) is also uploaded on the Board Portal which acts as a document repository. The Directors are also provided the facility of video conferencing to enable them to participate effectively in the Meeting(s), as and when required.

To enable the Board to discharge its responsibilities effectively and take informed decisions, the Chairman & Managing Director apprises the Board at every Meeting of the overall performance of your Company, followed by a Presentation by the Executive Director & Group President (Auto and Farm Sector). A detailed functional Report is also presented at the Board Meeting(s).

The Board also, inter alia, periodically reviews strategy and business plans, annual operating and capital expenditure budget(s), investment and exposure limit(s), compliance report(s) of all laws applicable to your Company, as well as steps taken by your Company to rectify instances of non-compliances, review of major legal issues, minutes of the Committees of the Board and of Board Meetings of your Company's subsidiary companies, significant transactions and arrangements entered into by the unlisted subsidiary companies, approval of quarterly/half-yearly/annual results, significant labour problems and their proposed solutions, safety and risk management, transactions pertaining to purchase/disposal of property(ies), major accounting provisions and write-offs, corporate restructuring, details of any joint ventures or collaboration agreement, material default in financial obligations, if any, fatal or serious accidents, any material effluent or pollution problems, transactions that involve substantial payment towards goodwill, brand equity or intellectual property, any issue that involves possible public or product liability claims of substantial nature, including judgement or order which may have passed strictures on the conduct of your Company, quarterly details of foreign exchange exposures and the steps taken by Management to limit the risks of adverse exchange rate movement and information on recruitment of Senior Officers just below the Board level.

The Board sets annual performance objectives, oversees the actions and results of the management, evaluates its own performance, performance of its Committees and individual Directors on an annual basis and monitors the effectiveness of the Company's governance practices for enhancing the stakeholders' value.

Apart from Board members and the Company Secretary, the Board and Committee Meetings are generally also attended by the Chief Financial Officer and wherever required the Heads of various corporate functions.

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, 2015 to 31st March, 2016, six Board Meetings were held on the following dates – 29th May, 2015, 7th August, 2015, 6th November, 2015, 21st December, 2015, 12th February, 2016 and 29th March, 2016. The Board met at least once in every Calendar Quarter and the gap between two Meetings did not exceed one hundred and twenty days. These Meetings were well attended. The 69th AGM of your Company was held on 7th August, 2015.

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

| Directors | Number of Board Meetings attended | Attendance at the AGM |
|------------------------|-----------------------------------|-----------------------|
| Mr. Anand G. Mahindra | 5 [#] | Yes |
| Dr. Pawan Goenka | 5 [#] | Yes |
| Mr. Deepak S. Parekh | 6 | Yes |
| Mr. Nadir B. Godrej | 6 | Yes |
| Mr. M. M. Murugappan | 6 | Yes |
| Mr. Bharat Doshi@ | 2 | Yes |
| Mr. R. K. Kulkarni | 6 | Yes |
| Mr. Anupam Puri | 4 [#] | Yes |
| Dr. Vishakha N. Desai | 4 [#] | Yes |
| Mr. Vikram Singh Mehta | 6 | Yes |
| Mr. S. B. Mainak | 4 | Yes |

@ Ceased to be a Director with effect from the conclusion of the 69th AGM held on 7th August, 2015.

In addition, Mr. Anand G. Mahindra, Dr. Pawan Goenka, Mr. Anupam Puri and Dr. Vishakha N. Desai participated in one Board Meeting through audio call. No sitting fees were paid to them for participation through audio call.

D. Meetings of Independent Directors

The Independent Directors of your Company meet before the Board Meeting without the presence of the Chairman & Managing Director, Executive Director, other Non-Independent Director(s) or any other Management Personnel.

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

Five Meetings of Independent Directors were held during the year and these Meetings were well attended.

E. Director(s) seeking Appointment/Re-appointment

Mr. S. B. Mainak, Non-Independent Director, Nominee of Life Insurance Corporation of India ("LIC") is liable to retire by rotation and being eligible for re-appointment at the forthcoming AGM of your Company, has offered himself for re-appointment.

Mr. S. B. Mainak, a qualified Chartered Accountant, joined LIC as a Direct Recruit Officer in 1983 and retired as its Managing Director with effect from 1st March, 2016. During his long tenure at LIC, Mr. Mainak acquired wide range of experience in several functions spanning Investments, Finance & Accounts and Marketing and held various positions including Senior/Branch Manager, Divisional Manager of Pension & Group Superannuation and in various capacities in the Investment Department.

Mr. Mainak also had a stint in academics as a Professor (Life Insurance) and Head of Finance Department in National Insurance Academy ("NIA"), Pune, where he was instrumental in creating new teaching programmes in Finance & Accounts, Investment, GAAP Accounting and Insurance Investment and Financial Reporting Standards. Mr. Mainak was Deputy President of the Insurance Institute of India and a Member of the Governing Board of NIA. He was earlier appointed by the Government of India on the Board of Satyam Computer Services Limited as an Independent Director for restructuring the company.

In 2009, he was conferred the 'NDTV Profit Business Leadership Award', 'CNN-IBN Indian of the Year Award' and 'Dataquest IT Person of the Year Award'.

Mr. Mainak is the Non-Executive Chairman of Credit Analysis and Research Limited. He is on the Boards of Mahindra & Mahindra Limited and ITC Limited, representing LIC. He is also a Member of CSR & Sustainability Committee of ITC Limited.

Mr. Mainak does not hold any shares in your Company.

F. Codes of Conduct

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

The Code of Conduct for the Board Members of the Company also includes Code for Independent Directors which is a guide to professional conduct for Independent Directors, pursuant to section 149(8) and Schedule IV of the Act.

G. CEO/CFO Certification

As required under Regulation 17(8) of the Listing Regulations, the Chairman & Managing Director (CEO) and Group CFO, Group CIO & President (Group Finance and M&A) of the Company have certified to the Board regarding the Financial Statements for the year ended 31st March, 2016.

H. Board Evaluation

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

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

I. Familiarisation Programme for Independent Directors

Pursuant to Regulation 25(7) of the Listing Regulations, the Company imparted various familiarisation programmes for its Directors including visit to Company's Plant, review of Strategic Investments of the Company by Strategic Investment Committee, industry outlook at the Board Meetings, regulatory updates at Board and Audit Committee Meetings, Presentations on Internal Control over Financial Reporting, Operational Control over Financial Reporting, Prevention of Insider Trading Regulations, SEBI Listing Regulations, Framework for Related Party Transactions, etc. Pursuant to Regulation 46 the details required are available on the website of your Company at the web link: <http://www.mahindra.com/resources/investor-reports/FY16/Annual Reports/Links-AnnualReport.zip>.

II. REMUNERATION TO DIRECTORS

A. Remuneration Policy

Your Company has a well-defined Policy for Remuneration of the Directors, Key Managerial Personnel and other Employees. The Policy was approved by the Board of your Company at its Meeting held on 31st October, 2014, based on the recommendations made by the Governance, Nomination and Remuneration Committee ("GNRC"). This Policy is furnished in Annexure IV-B to the Board's Report.

GNRC while deciding the basis for determining the compensation, both fixed and variable to the Non-Executive Directors, takes into consideration various factors such as Director's participation in Board and Committee Meetings during the year, other responsibilities undertaken, such as Membership or Chairmanship of Committees, time spent in carrying out other duties, role and functions as envisaged in Schedule IV of the Act and Listing Regulations and such other factors as the GNRC may consider deem fit.

The elements of remuneration package of Executive Directors includes salary, benefits, stock options, provident fund, etc. The Non-Executive Directors are paid remuneration in the form of sitting fees and commission.

B. Remuneration to Non-Executive Directors for the year ended 31st March, 2016

Pursuant to the approval granted by the Shareholders of the Company at the 69th Annual General Meeting held on 7th August, 2015, the eligible Non-Executive Directors are paid commission upto a maximum of 1% of the net profits of the Company for each financial year, as computed in the manner laid down in section 198 of the Act or any statutory modification(s) or re-enactment thereof or Rs. 38 crores in the aggregate, whichever is lower; provided that none of such Directors, in any Financial Year individually receive a portion of such remuneration more than one quarter percent of the net profits of the Company.

During the year under review, the Non-Executive Directors were paid a commission of Rs. 207.33 lakhs (provided for in the accounts for the year ended 31st March, 2015), distributed amongst the Directors as under:

(Rs. in Lakhs)

| Directors | Commission for the year ended 31 st March, 2015, paid during the year under review |
|-----------------------------------|---|
| Mr. Deepak S. Parekh | 24.00 |
| Mr. Nadir B. Godrej | 20.00 |
| Mr. M. M. Murugappan | 24.00 |
| Mr. Bharat Doshi@ | 20.00 |
| Mr. A. K. Nanda@@ | 8.55 |
| Mr. Narayanan Vaghul@@ | 8.55 |
| Mr. R. K. Kulkarni | 22.58* |
| Mr. Anupam Puri | 20.00 |
| Mr. S. B. Mainak (Nominee of LIC) | 18.00# |
| Mr. Vikram Singh Mehta | 20.00 |
| Dr. Vishakha N. Desai | 21.65 |

@ Ceased to be a Director with effect from the conclusion of the 69th AGM held on 7th August, 2015.

@@ Ceased to be Directors with effect from the conclusion of the 68th AGM held on 8th August, 2014.

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

The commission was paid to LIC.

A commission of Rs. 181.07 lakhs has been provided as payable to the Non-Executive Directors in the accounts for the year under review. Non-Executive Directors are also paid sitting fees of Rs. 1,00,000 each for every Meeting of the Board and Rs. 50,000 each for every Committee Meeting other than Stakeholders Relationship Committee. The sitting fees for every Meeting of Stakeholders Relationship Committee is Rs. 10,000 each for Non-Executive Director.

The sitting fees paid to Non-Executive Directors and the commission payable to them for the year ended 31st March, 2016 along with their respective Shareholdings in your Company are as under:

| Directors | Sitting Fees paid for the Board and Committee Meetings held during the year ended 31 st March, 2016 (Rs. in Lakhs) | Commission for the year ended 31 st March, 2016, provided as payable in the accounts of the Company for the year under review (Rs. in Lakhs) | No. of Ordinary (Equity) Shares held as on 31 st March, 2016 |
|-----------------------------------|---|---|---|
| Mr. Deepak S. Parekh | 12.50 | 24.00 | 1,12,180 |
| Mr. Nadir B. Godrej | 16.00 | 20.00 | 4,79,732 |
| Mr. M. M. Murugappan | 13.50 | 24.00 | 1,00,000 |
| Mr. Bharat Doshi@ | 6.60 | 7.07 | N.A. |
| Mr. R. K. Kulkarni | 17.40* | 24.00* | 83,088 |
| Mr. Anupam Puri | 6.00 | 20.00 | Nil |
| Mr. S. B. Mainak (Nominee of LIC) | 4.00# | 18.00# | Nil |
| Dr. Vishakha N. Desai | 5.30 | 24.00 | Nil |
| Mr. Vikram Singh Mehta | 14.00 | 20.00 | Nil |

@ Ceased to be a Director with effect from the conclusion of the 69th AGM held on 7th August, 2015. Details of value of perquisites are given separately in Annexure VII to the Board's Report.

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

Sitting fees/commission were paid/ is payable to LIC.

The Non-Executive Directors were not granted stock options during the year under review.

C. Remuneration paid/payable to Managing Director and Executive Director (Whole-time Directors) for the year ended 31st March, 2016

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

Following is the remuneration paid/payable to the Whole-time Directors during the year ended 31st March, 2016:

| Directors | (Rs. in Lakhs) | | | | | Contract Period |
|--|---------------------|------------|--|----------------------------|---------|--|
| | Salary ¹ | Commission | Company's Contribution to Funds ² | Perquisites and Allowances | Total | |
| Mr. Anand G. Mahindra (Chairman & Managing Director) | 293.86 | 318.90 | 40.87 | 5.04 | 658.67 | 4 th April, 2012 to 3 rd April, 2017 |
| Dr. Pawan Goenka [Executive Director & Group President (Auto and Farm Sector)] | 283.09 | 288.13 | 40.62 | 547.69\$ | 1159.53 | 23 rd September, 2013 to 22 nd September, 2018 |

¹ Includes Privilege Leave Encashment.

² Aggregate of the Company's contributions to Superannuation Fund and Provident Fund.

\$ This includes Rs. 521.39 lakhs being perquisite value of ESOPs of the Company exercised during the year.

Notes:

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

D. The Stock Option granted to Directors, the period over which accrued and over which exercisable are as under:

| Name of Directors to whom Stock Options have been granted | Designation | 2000 Scheme | | | | | | | 2010 Scheme | |
|---|---|--|-------------------------------------|--------------------------------------|--|-----------------------------------|-------------------------------------|--|--------------------------------------|-------------------------------------|
| | | Options granted in December, 2001* (1) | Options granted in June, 2005** (2) | Options granted in October, 2005 (3) | Options granted in September, 2006 (4) | Options granted in July, 2007 (5) | Options granted in August, 2008 (6) | Options granted in September, 2012 (7) | Options granted in January, 2011 (8) | Options granted in August, 2015 (9) |
| Mr. Anand G. Mahindra | Chairman & Managing Director | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| Dr. Pawan Goenka | Executive Director & Group President (Auto and Farm Sector) | 25,290 | *7,500*** | *15,000*** | *11,345*** | *12,543*** | *37,336*** | Nil | *71,080 | 62,635 |
| Mr. Deepak S. Parekh | Independent Director | 20,000 | *5,000 | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| Mr. Nadir B. Godrej | Independent Director | 20,000 | *5,000 | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| Mr. M. M. Murugappan | Independent Director | 20,000 | *5,000 | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| Mr. R. K. Kulkarni | Independent Director | 20,000 | *5,000 | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| Mr. Anupam Puri | Independent Director | 20,000 | @5,000*** | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| Dr. Vishakha N. Desai | Independent Director | Nil | Nil | Nil | Nil | Nil | Nil | 10,000 | Nil | Nil |
| Mr. Vikram Singh Mehta | Independent Director | Nil | Nil | Nil | Nil | Nil | Nil | 10,000 | Nil | Nil |
| Mr. S. B. Mainak | Nominee Director | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |

@ unexercised options lapsed.

| Options granted on | Vesting period | Exercise period | Exercise price |
|---------------------|---|--|------------------------|
| (1) December, 2001 | Already vested in December, 2002 | Within five years from the date of vesting | **Rs. 59 per share*** |
| (2) June, 2005 | Already vested in June, 2006 | Within five years from the date of vesting | **Rs. 454 per share*** |
| (3) October, 2005 | Already vested in October, 2006 | Within five years from the date of vesting | Rs. 361 per share*** |
| (4) 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*** |
| (5) 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*** |
| (6) 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*** |
| (7) September, 2012 | Four equal instalments in September, 2013, 2014, 2015 and 2016 respectively | On the date of Vesting or within five years from the date of Vesting | Rs. 662 per share |
| (8) January, 2011 | Five equal instalments in January, 2012, 2013, 2014, 2015 and 2016 respectively | On the date of Vesting or within five years from the date of Vesting | Rs. 5 per share |
| (9) August, 2015 | Four instalments in February, 2017, 2018, 2019 and 2020 respectively | On the date of Vesting or within five years from the date of Vesting | Rs. 5 per share |

* All these Options have been exercised.

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

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

III. RISK MANAGEMENT

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

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

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

IV. COMMITTEES OF THE BOARD

A. Audit Committee

This Committee comprises of the following Directors viz. Mr. Deepak S. Parekh (Chairman of the Committee), Mr. Nadir B. Godrej, Mr. M. M. Murugappan and Mr. R. K. Kulkarni. All the Directors are Independent Directors. During the year under review, Mr. Bharat Doshi ceased to be a member with effect from the conclusion of the 69th Annual General Meeting held on 7th August, 2015. All the Members of the Committee possess strong accounting and financial management knowledge. The Company Secretary is the Secretary to the Committee.

The terms of reference of this Committee are very wide and are in line with the regulatory requirements mandated by the Act and Part C of Schedule II of the Listing Regulations. Besides having access to all the required information from within the Company, the Committee can obtain external professional advice whenever required. The Committee acts as a link between the Statutory and the Internal Auditors

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

The Committee is also empowered to, inter alia, recommend the remuneration payable to the Statutory Auditors and to recommend a change in the Auditors, if felt necessary. Further, the Committee is empowered to recommend to the Board the term of appointment and remuneration of the Cost Auditor, Internal Auditor and Chief Financial Officer (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function), etc., review the functioning of the Whistleblower Policy/Vigil Mechanism. The Committee also reviews Financial Statements and investments of unlisted subsidiary companies, Management Discussion & Analysis of financial condition and results of operations, material individual transactions with related parties not in normal course of business or which are not on an arm's length basis, if any.

The Audit Committee has been granted powers as prescribed under Regulation 18(2)(c) of the Listing Regulations and reviews all the information as prescribed in Part C of Schedule II of the Listing Regulations. The Committee also reviews on quarterly basis the Report on compliance under Code of Conduct for Prevention of Insider Trading adopted by the Company pursuant to Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015. Further, Compliance Reports under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and Whistleblower Policy are also placed before the Committee.

The Meetings of the Audit Committee are also attended by the Chairman & Managing Director, the Executive Director & Group President (Auto and Farm Sector), the Group CFO Group CIO & President (Group Finance and M&A), the President (Group M&A, Corporate Accounts & Group Secretarial), the Executive Vice President – Corporate Finance & Investor Relations, the Statutory Auditors, the Chief Internal Auditor, the Controller of Accounts, the Managing Partner – Mahindra Partners & President (Group Legal) and the Company Secretary. The Cost Auditor also attends the Committee Meeting at which the Cost Audit Report(s) are considered.

The Chairman of the Audit Committee, Mr. Deepak S. Parekh was present at the 69th Annual General Meeting of the Company held on 7th August, 2015 to address the Shareholders' queries pertaining to Annual Accounts of the Company.

The Committee met six times during the year under review. The Committee Meetings were held on 28th May, 2015, 6th August, 2015, 5th November, 2015, 21st December, 2015, 11th February, 2016 and 28th March, 2016. The gap between two Meetings did not exceed one hundred and twenty days. The attendance at the Meetings was as under:

| Members | Number of Meetings attended |
|---------------------------------|-----------------------------|
| Mr. Deepak S. Parekh (Chairman) | 6 |
| Mr. Nadir B. Godrej | 6 |
| Mr. M. M. Murugappan | 6 |
| Mr. R. K. Kulkarni | 6 |
| Mr. Bharat Doshi@ | 2 |

@ Ceased to be a Director and thereby Member of the Committee with effect from the conclusion of the 69th AGM held on 7th August, 2015.

B. Governance, Nomination and Remuneration Committee

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

The Committee also administers the Company's Employee Stock Option Schemes formulated from time to time including "Mahindra & Mahindra Limited Employees' Stock Option Scheme - 2000", "Mahindra & Mahindra Limited Employees Stock Option Scheme - 2010" and take appropriate decisions in terms of the concerned Scheme(s).

The terms of reference of this Committee are in line with the regulatory requirements mandated in the Act and Part D of Schedule II of the Listing Regulations.

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

In addition to the above, the Committee's role includes identifying persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down, recommending to the Board their appointment and removal and carrying out evaluation of every Director's performance.

The Committee has also formulated the criteria for determining qualifications, positive attributes and independence of a Director and recommended to the Board a Policy relating to the remuneration for the Directors, Key Managerial Personnel and other Employees.

The Committee also carries out a separate exercise to evaluate the performance of individual Directors. Feedback is sought by way of structured questionnaires covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance and performance evaluation is carried out based on the responses received from the Directors.

The performance evaluation of Independent Directors were based on the criteria viz. attendance at Board and Committee Meetings, skill, experience, ability to challenge views of others in a constructive manner, knowledge acquired with regard to the Company's business, understanding of industry and global trends, etc.

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

All Committee members are Independent Directors including the Chairman. The members are Mr. M. M. Murugappan (Chairman of the Committee), Mr. Nadir B. Godrej, Mr. R. K. Kulkarni and Mr. Vikram Singh Mehta. Mr. Anand G. Mahindra and Mr. Rajeev Dubey, Group President (HR & Corporate Services) & CEO (After-Market Sector) are permanent invitees to the Committee.

As per section 178(7) of the Act and Secretarial Standards, the Chairman of the Committee or, in his absence, any other Member of the Committee authorised by him in this behalf shall attend the General Meetings of the Company. The Chairman of the Committee, Mr. M. M. Murugappan was present at the 69th Annual General Meeting of the Company held on 7th August, 2015.

The Committee met four times during the year under review. The Committee Meetings were held on the following dates 28th May, 2015, 6th August, 2015, 5th November, 2015 and 29th March, 2016. The attendance at the Meetings was as under:

| Members | Number of Meetings attended |
|---------------------------------|-----------------------------|
| Mr. M. M. Murugappan (Chairman) | 4 |
| Mr. Nadir B. Godrej | 4 |
| Mr. R. K. Kulkarni | 4 |
| Mr. Vikram Singh Mehta | 4 |

C. Stakeholders Relationship Committee

The Company's Stakeholders Relationship Committee functions under the Chairmanship of Mr. R. K. Kulkarni, Independent Director. Mr. Anand G. Mahindra, Dr. Vishakha N. Desai and Dr. Pawan Goenka are the other Members of the Committee. Mr. Narayan Shankar, Company Secretary is the Compliance Officer of the Company. Consequent to the cessation as a Director in the Company, Mr. Bharat Doshi ceased to be a Member of the Committee with effect from the conclusion of the 69th Annual General Meeting held on 7th August, 2015. Dr. Pawan Goenka was inducted as a Member of the Committee in place of Mr. Doshi.

The Committee meets, as and when required, to inter alia, deal with matters relating to transfer/transmission of shares, request for issue of duplicate share certificates and monitor redressal of the grievances of the security holders of the Company relating to transfers, non-receipt of Annual Report, non-receipt of dividends declared, etc. With a view to expedite the process of share transfers, necessary authority has been delegated to certain officers of the Company to approve the transfers of not more than 10,000 Ordinary (Equity) Shares per

transfer, provided the transferee does not hold 2,00,000 or more Ordinary (Equity) Shares in your Company. The Committee is also authorised to approve request for transmission of shares and issue of duplicate share certificates.

The role and terms of reference of the Committee covers the areas as contemplated under Regulation 20 read with Part D of Schedule II of the Listing Regulations and section 178 of the Act, as applicable, besides the other terms as referred by the Board of Directors.

As per section 178(7) of the Act and the Secretarial Standards, the Chairman of the Committee or, in his absence, any other Member of the Committee authorised by him in this behalf shall attend the General Meetings of the Company. The Chairman of the Committee, Mr. R. K. Kulkarni was present at the 69th Annual General Meeting of the Company held on 7th August, 2015.

During the year, 19 complaints were received from the Shareholders, all of which have been attended/resolved to the satisfaction of the Shareholders. As of date, there are no pending share transfers pertaining to the year under review.

The Committee met four times during the year under review. The Committee Meetings were held on 29th May, 2015, 6th November, 2015, 12th February, 2016 and 29th March, 2016. The attendance at the Meetings was as under:

| Members | Number of Meetings attended |
|-------------------------------|-----------------------------|
| Mr. R. K. Kulkarni (Chairman) | 4 |
| Mr. Anand G. Mahindra | 4 |
| Mr. Bharat Doshi@ | 1 |
| Dr. Vishakha N. Desai | 3 |
| Dr. Pawan Goenka^ | 3 |

@ Ceased to be a Director and thereby Member of the Committee with effect from the conclusion of the 69th AGM held on 7th August, 2015.

^ Appointed as a Member of the Committee with effect from 7th August, 2015.

D. Corporate Social Responsibility Committee

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

The scope of functions of the Committee includes, inter alia, the formulation and recommendation to the Board for its approval and implementation, the Business Responsibility ("BR") Policy(ies) of the Company, undertake periodical assessment of the Company's BR performance, review the draft Business Responsibility Report and recommend the same to the Board for its approval and inclusion in the Annual Report of the Company.

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

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

Dr. Vishakha N. Desai, Independent Director is the Chairperson of the Committee. Mr. Anand G. Mahindra, Dr. Pawan Goenka, Mr. R. K. Kulkarni and Mr. Vikram Singh Mehta are the other Members of the Committee. Out of the total number of Members of the Committee, three are Independent Directors. Consequent to the cessation as a Director in the Company, Mr. Bharat Doshi ceased to be a Member of the Committee with effect from the conclusion of the 69th Annual General Meeting held on 7th August, 2015. The Committee met three times during the year. The Committee Meetings were held on 28th May, 2015, 5th November, 2015 and 29th March, 2016. The attendance at the Meetings was as under:

| Members | Number of Meetings attended |
|-------------------------------------|-----------------------------|
| Dr. Vishakha N. Desai (Chairperson) | 2 |
| Mr. Anand G. Mahindra | 3 |
| Dr. Pawan Goenka | 3 |
| Mr. Bharat Doshi@ | 1 |
| Mr. R. K. Kulkarni | 3 |
| Mr. Vikram Singh Mehta | 3 |

@ Ceased to be a Director and thereby Member of the Committee with effect from the conclusion of the 69th AGM held on 7th August, 2015.

E. Risk Management Committee

Regulation 21 of the Listing Regulations mandates constitution of the Risk Management Committee. The Committee is required to lay down the procedures to inform to the Board about the risk assessment and minimisation procedures and the Board shall be responsible for framing, implementing and monitoring the Risk Management Plan of the Company. The Board has

constituted a Risk Management Committee. The Committee is headed by Dr. Pawan Goenka. The other Members are Mr. Deepak S. Parekh, Mr. Nadir B. Godrej, Mr. M. M. Murugappan and Mr. R. K. Kulkarni. Consequent to the cessation as a Director in the Company, Mr. Bharat Doshi ceased to be a member of the Committee with effect from the conclusion of the 69th Annual General Meeting held on 7th August, 2015.

During the year under review, the Committee met on 28th May, 2015 and 5th November, 2015 which was attended by all of its Members.

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

The Research & Development ("R&D") Committee, which was constituted by the Board in 1998, provides direction on the R&D mission and strategy and key R&D and technology issues. The Committee also reviews and makes recommendations on the skills and competencies required and the structure and the process needed to ensure that the R&D initiatives result in products that are in keeping with the business needs. Mr. M. M. Murugappan is the Chairman of the Committee. Mr. Anand G. Mahindra, Dr. Pawan Goenka and Mr. Nadir B. Godrej are the other Members of the Committee. Consequent to the cessation as a Director in the Company, Mr. Bharat Doshi ceased to be a Member of the Committee with effect from the conclusion of the 69th Annual General Meeting held on 7th August, 2015.

The Committee met three times during the year under review on 28th May, 2015, 5th November, 2015 and 11th February, 2016. These Meetings were attended by all of its Members.

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

The Strategic Investment Committee is constituted by the Board with powers, inter alia, to evaluate 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, overseeing and reviewing performance of various subsidiaries and making necessary recommendations to the Board from time to time including disinvestments. Mr. Anand G. Mahindra is the Chairman of the Committee. Mr. Deepak S. Parekh, Mr. Nadir B. Godrej, Mr. Vikram Singh Mehta and Mr. Anupam Puri are the other Members of the Committee. Consequent to the cessation as a Director in the Company, Mr. Bharat Doshi ceased to be a Member of the Committee with effect from the conclusion of the 69th Annual General Meeting held on 7th August, 2015.

The Committee met five times during the year under review on 28th May, 2015, 6th August, 2015, 5th November, 2015, 11th February, 2016 and 28th March, 2016. The attendance at the Meetings was as under:

| Members | Number of Meetings attended |
|----------------------------------|-----------------------------|
| Mr. Anand G. Mahindra (Chairman) | 5 |
| Mr. Bharat Doshi@ | 2 |
| Mr. Deepak S. Parekh | 5 |
| Mr. Nadir B. Godrej | 5 |
| Mr. Vikram Singh Mehta | 5 |
| Mr. Anupam Puri | 4 |

@ Ceased to be a Director and thereby Member of the Committee with effect from the conclusion of the 69th AGM held on 7th August, 2015.

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

The Loans & Investment Committee is authorised to approve loans and investment, disinvestment, borrowing moneys and related aspects of fund management in accordance with the authority granted and the parameters prescribed by the Board with Mr. Anand G. Mahindra as the Chairman of the Committee and the other Members being Dr. Pawan Goenka, Mr. R. K. Kulkarni and Mr. Vikram Singh Mehta. Consequent to the cessation as a Director in the Company, Mr. Bharat Doshi ceased to be a Member of the Committee with effect from the conclusion of the 69th Annual General Meeting held on 7th August, 2015.

The Committee met eight times during the year under review on 21st May, 2015, 23rd July, 2015, 16th September, 2015, 27th October, 2015, 14th December, 2015, 5th February, 2016, 11th February, 2016 and 2nd March, 2016. The attendance at the Meetings was as under:

| Members | Number of Meetings attended |
|----------------------------------|-----------------------------|
| Mr. Anand G. Mahindra (Chairman) | 7 |
| Dr. Pawan Goenka | 5 |
| Mr. Bharat Doshi@ | 2 |
| Mr. R. K. Kulkarni | 7 |
| Mr. Vikram Singh Mehta | 4* |

@ Ceased to be a Director and thereby Member of the Committee with effect from the conclusion of the 69th AGM held on 7th August, 2015.

* Out of four Meetings, he participated in three Meetings through video-conference facility.

V. SUBSIDIARY COMPANIES

Regulation 16 of the Listing Regulations defines a “material subsidiary” to mean a subsidiary, whose income or net worth exceeds twenty percent of the consolidated income or net worth respectively, of the listed entity and its subsidiaries in the immediately preceding accounting year.

Under this definition, the Company did not have any unlisted material subsidiary, incorporated in India during the year under review.

The subsidiaries of the Company function independently, with an adequately empowered Board of Directors and adequate resources. For more effective governance, the minutes of Board Meetings of subsidiaries of the Company are placed before the Board of Directors of the Company for their review at every quarterly Meeting.

The other requirement of Regulation 24 of the Listing Regulations with regard to Corporate Governance requirements for Subsidiary Companies have been complied with.

VI. DISCLOSURES

A. Policy for determining ‘material’ subsidiaries

Your Company has formulated a Policy for Determining ‘Material’ Subsidiaries as defined in Regulation 16 of the Listing Regulations. This Policy has also been posted on the website of the Company and can be accessed through web link: [http://www.mahindra.com/resources/investor-reports/FY16/Annual Reports/Links-AnnualReport.zip](http://www.mahindra.com/resources/investor-reports/FY16/AnnualReports/Links-AnnualReport.zip).

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

Your Company has formulated a Policy on Materiality of and Dealing with Related Party Transactions which specify the manner of entering into related party transactions. This Policy has also been posted on the website of the Company and can be accessed through web link: [http://www.mahindra.com/resources/investor-reports/FY16/Annual Reports/Links-AnnualReport.zip](http://www.mahindra.com/resources/investor-reports/FY16/AnnualReports/Links-AnnualReport.zip).

C. Disclosure of Transactions with Related Parties

During the Financial Year 2015-16, there were no materially significant transactions or arrangements entered into between the Company and its Promoters, Directors or their Relatives or the Management, Subsidiaries, 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 42 to Annual Accounts in the Annual Report.

D. Disclosure of Accounting Treatment in preparation of Financial Statements

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) and comply with the Accounting Standards specified under section 133 of the Act.

E. Code for Prevention of Insider Trading Practices

The Company has instituted a comprehensive Code of Conduct for Prevention of Insider Trading, in compliance with the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 ("the Regulations") which came into force from 15th May, 2015. The Company has formulated and adopted the 'Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information' and 'Code of Conduct for Prevention of Insider Trading in Securities of Mahindra & Mahindra Limited' ("M&M Code of Conduct"). These Codes were also made effective from 15th May, 2015.

M&M Code of Conduct has been formulated to regulate, monitor and ensure reporting of trading by the Employees and Connected Persons designated on the basis of their functional role in the Company towards achieving compliance with the Regulations and is designed to maintain the highest ethical standards of trading in Securities of the Company by persons to whom it is applicable. M&M Code of Conduct lays down Guidelines, which advises them on procedures to be followed and disclosures to be made, while dealing with shares of the Company and cautions them of the consequences of violations.

F. Whistleblower Policy

The Vigil Mechanism as envisaged in the Act and the Rules prescribed thereunder and the Listing Regulations is implemented through the Whistleblower Policy to provide for adequate safeguards against victimisation of persons who use such mechanism and make provision for direct access to the Chairperson of the Audit Committee.

As such the Whistleblower Policy provides for protected disclosure and protection to the Whistleblower. Under the Vigil Mechanism all Stakeholders have been provided access to the

Audit Committee through the Chairperson. No personnel has been denied access to the Audit Committee. All Employees, Directors, vendors, suppliers or other stakeholders associated with the Company can make the Protected Disclosure through an email to whistleblower.mahindra@ethicshelpline.in.

The Chairperson of the Audit Committee can be reached by sending an email to chairpersonauditcommittee@mahindra.com or by sending a letter to the below address:

Chairperson of the Audit Committee
Mahindra & Mahindra Limited
Mahindra Towers,
Dr. G.M. Bhosale Marg,
P.K. Kurne Chowk, Worli,
Mumbai 400 018.

Whistleblower Policy of the Company is available on the website of the Company and can be accessed at the web link: <http://www.mahindra.com/resources/investor-reports/FY16/AnnualReports/Links-AnnualReport.zip>.

VII. MEANS OF COMMUNICATION

Your Company, from time to time and as may be required, communicates with its security-holders and investors through multiple channels of communications such as dissemination of information on the website of the Stock Exchanges, Press Releases, the Annual Reports and uploading relevant information on its website.

The unaudited quarterly results are announced within forty-five days of the close of each quarter, other than the last quarter. The audited annual results are announced within sixty days from the end of the financial year as required under the Listing Regulations. The aforesaid financial results are announced to the Stock Exchanges within the statutory time period from the conclusion of the Board Meeting(s) at which these were considered and approved.

Your Company discloses to the Stock Exchanges, all information required to be disclosed under Regulation 30 read with Part 'A' and Part 'B' of Schedule III of the Listing Regulations including material information having a bearing on the performance/operations of the Company and other price sensitive information. All information is filed electronically on BSE's online portal – BSE Corporate Compliance & Listing Centre (Listing Centre) and on NSE Electronic Application Processing System (NEAPS), the online portal of National Stock Exchange of India Limited.

Presentations are also made to international and national institutional investors and analysts. These presentations and other disclosures which are required to be disseminated on the Company's website under the Listing Regulations have been uploaded on the website of the Company and as per the Archival Policy of the Company would be hosted on the website for a minimum period of five years from the date of respective disclosures. The Annual Report of the Company, the quarterly/half-yearly and the audited financial statements and the official news releases of the Company are also disseminated on the Company's website. The quarterly, half-yearly and yearly results are also published in Business Standard and Sakal which are national and local dailies respectively. These are not sent individually to the Shareholders.

VIII. GENERAL SHAREHOLDER INFORMATION

1. 70th Annual General Meeting

Date : 10th August, 2016
 Time : 3:00 p.m.
 Venue : Birla Matushri Sabhagar, 19, Sir Vithaldas Thackersey Marg (New Marine Lines), Mumbai - 400 020.

2. Financial Year of the Company

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

3. Date of Book Closure and Dividend Payment Date

Book Closure for Dividend will be from Saturday, 23rd July, 2016 to Wednesday, 10th August, 2016, both days inclusive and the Dividend would be paid/despached after 10th August, 2016.

4. Listing of Ordinary (Equity) Shares, Debentures on Stock Exchanges and Stock Code

Your Company's Ordinary (Equity) Shares are listed on BSE Limited (BSE) and National Stock Exchange of India Limited (NSE). The Global Depository Receipts (GDRs) of your Company are listed on the Luxembourg Stock Exchange and are also admitted for trading on International Order Book (IOB) of the London Stock Exchange. The requisite listing fees have been paid in full to all these Stock Exchanges.

The Company's privately placed Non-Convertible Debentures of Rs. 500 crores are listed on the Debt Segment of BSE.

| Name and Address of the Exchanges | Type of Security/ Scrip Code | International Securities Identification Number (ISIN) |
|--|---|---|
| BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai 400 001. | Ordinary (Equity) Shares/ 500520 | INE101A01026 |
| National Stock Exchange of India Limited Exchange Plaza, C-1, Block G, Bandra-Kurla-Complex, Bandra (East), Mumbai-400 051. | Ordinary (Equity) Shares/M&M | |
| Bourse de Luxembourg Societe de la Bourse de Luxembourg, Societe Anonyme/ R.C.B. 6222, B.P. 165, L-2011, Luxembourg. | Global Depository Receipts (GDRs) | USY541641194 |
| London Stock Exchange Plc, 10, Paternoster Square, London - EC4M 7LS. | GDRs / MHID | |
| BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai 400 001. | Debentures/ 949342 / Scrip ID: 955MML2063 | INE101A08070 |

5. Corporate Identity Number: L65990MH1945PLC004558

6. Registered Office Address

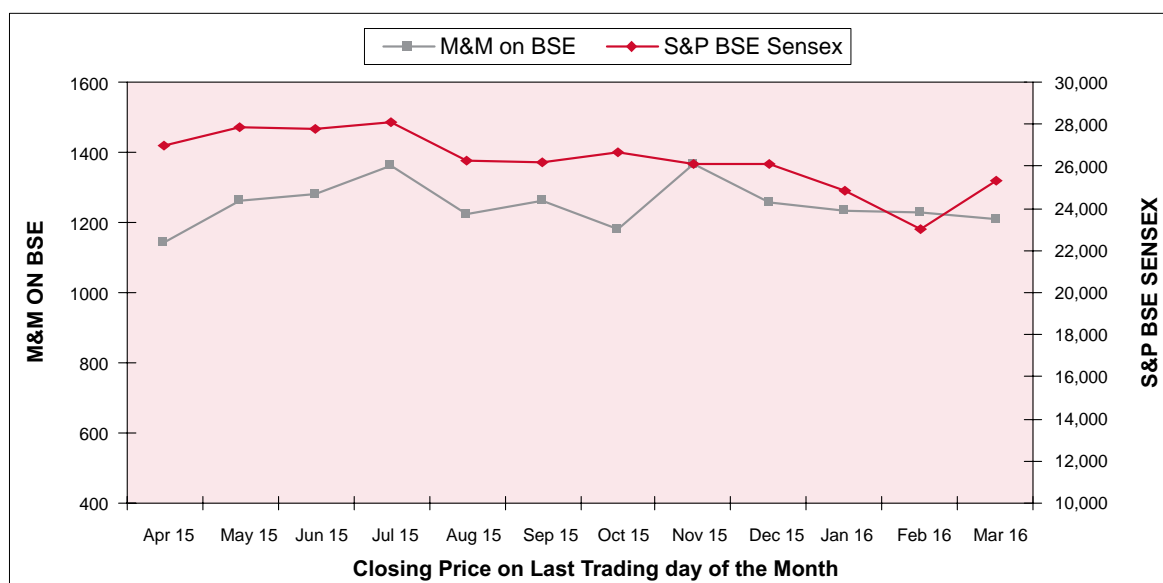
Mahindra & Mahindra Limited
 Gateway Building,
 Apollo Bunder,
 Mumbai - 400 001.

7. Stock Price Data

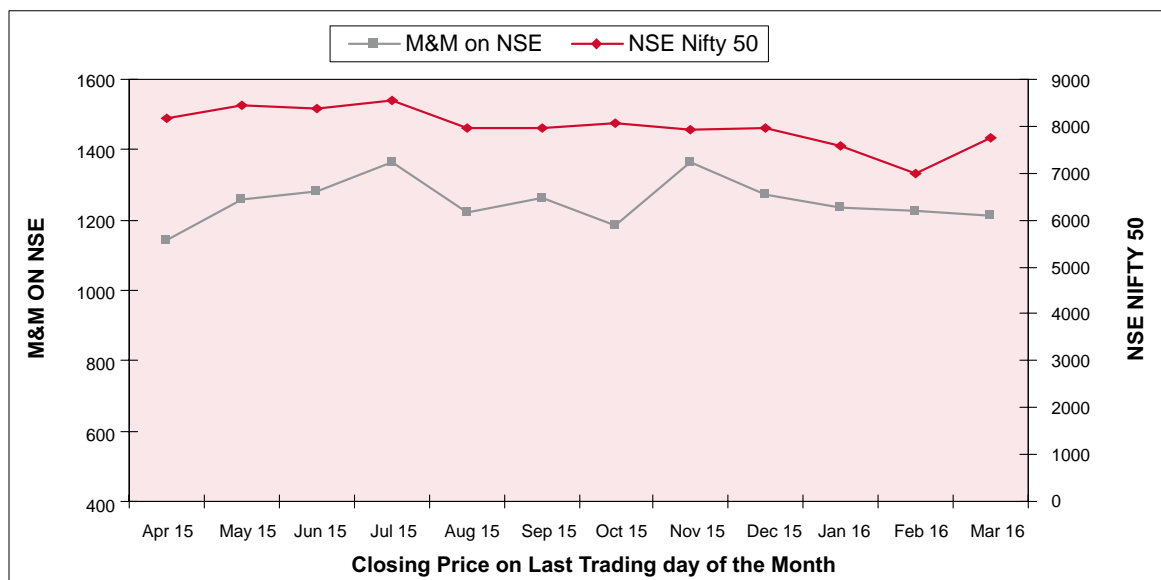
| Month | Equity Shares | | | | GDRs | |
|-----------------|---------------|----------|--|----------|---------------------------|-------|
| | BSE Limited | | National Stock Exchange of India Limited | | Luxembourg Stock Exchange | |
| | HIGH | LOW | HIGH | LOW | HIGH | LOW |
| | Rs. | Rs. | Rs. | Rs. | US\$ | US\$ |
| April, 2015 | 1,289.00 | 1,139.75 | 1,290.00 | 1,137.70 | 20.59 | 18.01 |
| May, 2015 | 1,277.00 | 1,145.45 | 1,277.00 | 1,144.00 | 19.80 | 18.17 |
| June, 2015 | 1,342.15 | 1,176.90 | 1,341.90 | 1,176.00 | 20.96 | 18.60 |
| July, 2015 | 1,378.00 | 1,246.00 | 1,382.00 | 1,245.35 | 21.29 | 19.72 |
| August, 2015 | 1,441.45 | 1,206.00 | 1,442.05 | 1,205.10 | 21.89 | 18.38 |
| September, 2015 | 1,274.75 | 1,095.00 | 1,279.10 | 1,092.15 | 19.24 | 16.64 |
| October, 2015 | 1,300.90 | 1,175.00 | 1,301.40 | 1,173.30 | 19.95 | 18.08 |
| November, 2015 | 1,369.65 | 1,201.00 | 1,372.00 | 1,200.05 | 20.56 | 18.43 |
| December, 2015 | 1,380.80 | 1,196.30 | 1,381.50 | 1,195.50 | 20.61 | 18.31 |
| January, 2016 | 1,278.00 | 1,102.40 | 1,279.45 | 1,101.00 | 18.76 | 16.79 |
| February, 2016 | 1,268.05 | 1,092.00 | 1,269.00 | 1,091.25 | 18.12 | 16.49 |
| March, 2016 | 1,280.00 | 1,184.00 | 1,279.70 | 1,184.00 | 18.80 | 17.79 |

8. Stock Performance

The performance of your Company's shares relative to the S&P BSE Sensitive Index is given in the chart below:



The performance of your Company's shares relative to the NSE Nifty 50 Index is given in the chart below:



9. Registrar and Transfer Agents

The Board of Directors of the Company at its Meeting held on 30th May, 2016, decided to appoint M/s. Karvy Computershare Private Limited, details whereof are given below, as its Registrar and Transfer Agents with effect from 13th June, 2016 in place of M/s. Sharepro Services (India) Private Limited.

Karvy Computershare Private Limited
 Unit : Mahindra & Mahindra Limited
 Karvy Selenium Tower B, Plot No. 31-32, Gachibowli,
 Financial District, Nanakramguda, Hyderabad,
 Telangana – 500 032, India.
 Tel. No. : +91 40 6716 2222
 Fax No. : +91 40 2342 0814
 E-mail : einward.ris@karvy.com
 Website : www.karvycomputershare.com
 Toll Free No. : 1800 3454 001

10. Share Transfer System

Trading in Ordinary (Equity) Shares of the Company through recognized Stock Exchanges is permitted only in dematerialized form.

Shares sent for transfer in physical form are registered and returned within a period of fifteen days from the date of receipt of the documents, provided the documents are valid and complete in all respects. With a view to expedite the process of share transfers, Mr. V S Parthasarathy,

Group CFO, Group CIO & President (Group Finance and M&A) or Mr. Zhooben Bhiwandiwalla, Managing Partner - Mahindra Partners & President (Group Legal) or Mr. S. Durgashankar, President (Group M&A, Corporate Accounts & Group Secretarial) or Mr. Narayan Shankar, Company Secretary of the Company have been severally authorised to approve the transfers of not more than 10,000 Ordinary (Equity) Shares per transfer, provided the transferee does not hold two lakh or more Ordinary (Equity) Shares in the Company. The Stakeholders Relationship Committee meets as and when required to inter alia consider the other transfer proposals, requests for issue of duplicate share certificates, attend to Shareholders' grievances, etc.

11. Distribution of Shareholding as on 31st March, 2016

| Number of Shares held | Number of Shareholders | Number of Shares held | % of Shareholding |
|-----------------------|------------------------|-----------------------|-------------------|
| 1 to 1,000 | 1,57,744 | 1,52,99,961 | 2.46 |
| 1,001 to 2,000 | 4,148 | 60,12,746 | 0.97 |
| 2,001 to 10,000 | 3,690 | 1,51,56,016 | 2.44 |
| 10,001 to 20,000 | 414 | 57,82,870 | 0.93 |
| 20,001 and above | 760 | 57,88,40,791 | 93.20 |
| Total | 1,66,756 | 62,10,92,384 | 100.00 |

12. Dematerialisation of Shares and Liquidity

99.10% of the paid-up Ordinary (Equity) Share Capital of your Company is held in a dematerialised form with National Securities Depository Limited and Central Depository Services (India) Limited as on 31st March, 2016. The market lot of the Share of your Company is one Share, as the trading in the Equity Share of your Company permitted only in dematerialised form. Non-Promoters' holding as on 31st March, 2016 is around 74.56% and the stock is highly liquid.

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

3,45,30,583 GDRs were outstanding as on 31st March, 2016. 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, 2016.

14. Commodity price risk or Foreign Exchange Risk & hedging activities

Commodities witnessed a sharp drop in prices in the financial year under review led by Crude oil prices. Your Company was able to capitalise and take benefit of the same along with other value engineering activities in the year.

Your Company continues to watch the market situation closely and continues to focus on mitigating the inflationary impact through "Commodity Risk Management" and other cost reduction measures. Hedging of commodities as a part of "Commodity Risk Management" as well as Foreign Exchange and Commodity price risks are being governed in accordance with the Foreign Exchange Risk Management Policy and Commodity Risk Management Policy, approved by the Board of Directors of your Company.

The details of Foreign Exchange hedging activities undertaken by the Company is disclosed in Note No. 43 of the Annual Report.

15. Plant Locations

Your Company's manufacturing facilities are located at Kandivali, Nashik, Igatpuri, Nagpur, Zaheerabad, Jaipur, Rudrapur, Haridwar and Mohali.

16. Address for correspondence

Shareholders may correspond with the Registrar and Transfer Agents at:

Karvy Computershare Private Limited

Unit : Mahindra & Mahindra Limited

Karvy Selenium Tower B, Plot No. 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad, Telangana – 500 032, India.

Tel. No. : +91 40 6716 2222

Fax No. : +91 40 2342 0814

E-mail : einward.ris@karvy.com

Website : www.karvycomputershare.com

Toll Free No. : 1800 3454 001

for all matters relating to transfer/dematerialisation of shares, payment of dividend and any other query relating to Equity Shares of your Company.

The Registrar and Transfer Agents also have an Office at:

Karvy Computershare Private Limited

24-B, Raja Bahadur Mansion,

Ground Floor,

Ambalal Doshi Marg,

Behind BSE, Fort,

Mumbai 400 023.

Tel. No. : +91 22 6623 5454/412/427

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.

Karvy Computershare Private Limited also acts as Registrar and Transfer Agents for the Listed Debentures of the Company.

Securityholders 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>

17. Address for correspondence with Debenture Trustee

Axis Trustee Services Limited
2nd Floor, E-Wing, Axis House,
Bombay Dyeing Mills Compound,
Pandurang Budhkar Marg,
Worli, Mumbai 400 025.
Tel. No.: +91-22-2425 5216.

**18. Disclosures with respect to demat suspense account/
unclaimed suspense account**

The Company does not have any shares in the demat suspense account/unclaimed suspense account.

19. Management Discussion and Analysis Report

Management Discussion and Analysis Report forms part of this Annual Report.

20. 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. The Company has also complied with the requirements of Corporate Governance Report of Paras (2) to (10) mentioned in Part 'C' of Schedule V of the Listing Regulations and disclosed necessary information as specified in Regulation 17 to 27 and Regulation 46(2) (b) to (i) in the respective places in this Report.

21. Compliance with Mandatory requirements

Your Company has complied with all the mandatory requirements of the Listing Regulations relating to Corporate Governance.

22. Compliance with Non-mandatory requirements

Audit Qualifications:

During the year under review, there is no audit qualification in your Company's standalone financial statements. Your Company continues to adopt best practices to ensure regime of unqualified financial statements.

IX. GENERAL BODY MEETINGS:**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 |
|------|------------------------------|-----------|---|
| 2013 | 13 th August 2013 | 3.30 p.m. | No Special Resolution was passed. |
| 2014 | 8 th August, 2014 | 3.30 p.m. | 1 Appointment of Dr. Pawan Goenka as an Executive Director and approval of the remuneration payable to him. |
| | | | 2 Create, offer, issue and allot Ordinary (Equity) shares of Rs. 5 each of the Company to Mahindra & Mahindra Employees' Stock Option Trust. |
| | | | 3 Invite/accept/renew unsecured/secured Deposits from the public and/or Members of the Company |
| | | | 4 Borrow by way of securities including but not limited to secured/unsecured redeemable Non-Convertible Debentures and/or Commercial Paper to be issued under Private Placement basis upto Rs. 2,500 crores. |
| 2015 | 7 th August, 2015 | 3.00 p.m. | 1 Borrow by way of securities including but not limited to secured/unsecured redeemable Non-Convertible Debentures and/or Commercial Paper to be issued under Private Placement basis upto Rs. 5,000 crores. |
| | | | 2 Approval for creation of mortgage, charge and hypothecation on all or any of the movable and/or immovable properties, both present and future, and/or the whole or substantially the whole of the undertaking(s) of the Company upto Rs. 5,000 crores, for securing loan(s), debentures, bonds, or any other type of borrowing. |
| | | | 3 Approval and Adoption of new Articles of Association of the Company. |
| | | | 4 Payment of Commission to Non-Executive Directors of the Company. |

The above Meetings were held at Birla Matushri Sabhagar, 19, Sir Vithaldas Thackersey Marg (New Marine Lines), Mumbai - 400 020.

No Extraordinary General Meeting was held during the past 3 years. No Special Resolution(s) requiring a Postal Ballot was passed last year or is being proposed at the ensuing Annual General Meeting.

Mumbai, 30th May, 2016.

DECLARATION BY THE MANAGING DIRECTOR UNDER THE SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

To

The Members of Mahindra & Mahindra Limited

I, Anand G. Mahindra, Chairman & Managing Director of Mahindra & Mahindra Limited declare that all the Members of the Board of Directors and Senior Management Personnel have affirmed compliance with the Code of Conduct for the year ended 31st March, 2016.

Anand G. Mahindra
Chairman & Managing Director

Mumbai,
30th May, 2016

CERTIFICATE


TO THE MEMBERS OF
MAHINDRA & MAHINDRA LIMITED

1. We have examined the compliance of conditions of Corporate Governance by **Mahindra & Mahindra Limited** ("the Company"), for the year ended on 31st March 2016, as stipulated in:
 - Clause 49 (excluding clause 49(VII)(E)) of the Listing Agreements of the Company with stock exchange(s) for the period from April 01, 2015 to November 30, 2015.
 - Clause 49(VII)(E) of the Listing Agreements of the Company with the stock exchange(s) for the period from April 01, 2015 to September 01, 2015.
 - Regulation 23(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations) for the period from September 02, 2015 to March 31, 2016 and
 - Regulations 17 to 27 (excluding regulation 23(4)) and clauses (b) to (i) of regulation 46(2) and para C, D and E of Schedule V of the Listing Regulations for the period from December 01, 2015 to March 31, 2016.
2. The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
3. We have examined the relevant records of the Company in accordance with the Generally Accepted Auditing Standards in India, to the extent relevant, and as per the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India.
4. In our opinion and to the best of our information and according to our examination of the relevant records and the explanations given to us and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement and regulation 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C, D and E of Schedule V of the Listing Regulations for the respective periods of applicability as specified under paragraph 1 above, during the year ended March 31, 2016.
5. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For **Deloitte Haskins & Sells**
Chartered Accountants
(Firm's Registration No. 117364W/W-100018)

Shyamak R. Tata
Partner
Membership No.: 38320

MUMBAI, 30th May, 2016



Business Responsibility Report

Business Responsibility Report

for the Financial Year 2015-16

[Pursuant to Regulation 34(2)(f) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]

Section A: General Information about the Company

1. Corporate Identity Number (CIN) of the Company : L65990MH1945PLC004558
2. Name of the Company : Mahindra & Mahindra Limited
3. Registered address : Gateway Building, Apollo Bunder, Mumbai - 400 001
4. Website : <http://www.mahindra.com>
5. E-mail id : investors@mahindra.com
6. Financial Year reported : 01.04.2015 to 31.03.2016
7. Sector(s) that the Company is engaged in (industrial activity code-wise):

| Description | Industrial Activity Code | | |
|----------------|--------------------------|-------|-----------------------------------|
| | Group | Class | Sub-class |
| Automotive | 291 | 2910 | 29101, 29102, 29103, 29104, 29109 |
| Farm Equipment | 282 | 2821 | 28211, 28212 |
| Truck and Bus | 282 | 2824 | 28243 |

8. List three key products/services that the Company manufactures/provides (as in balance sheet):
 - i. Passenger Vehicles (Utility Vehicles, Multi Purpose Vehicles and Cars)
 - ii. Commercial Vehicles
 - iii. Tractors
9. Total number of locations where business activity is undertaken by the Company:
 - i. Number of International Locations: 0
 - ii. Number of National Locations: 45
10. Markets served by the Company – Local/State/National/International: All

Section B: Financial Details of the Company

1. Paid up Capital (INR) : 296.32 crores
2. Total Turnover (INR) : 44,461.49 crores
3. Total profit after taxes (INR) : 3,167.48 crores
4. Total Spending on Corporate Social Responsibility (CSR) (INR) and as percentage of profit after taxes (%) : 85.90 crores 2.71%
5. List of activities in which expenditure in 4 above has been incurred
 - a. Education
 - b. Health
 - c. Green Cover
 - d. Relief & Rehabilitation

Section C: Other Details

1. Does the Company have any Subsidiary Company/Companies?
Yes. The Company has 154 Subsidiary Companies as on 31st March, 2016.
2. Do the Subsidiary Company/Companies participate in the BR Initiatives of the Parent Company? If yes, then indicate the number of such Subsidiary Company(s)
Yes. Every year the Company releases a Sustainability Report as per the GRI framework which is externally assured. The Company has a Code of Conduct for Employees and Directors as well as a set of Governance Policies. This Code is followed by the Subsidiary Companies also with modifications depending on the business requirement of the entity.
The scope of this report is defined each year. For the year 2015-16, 19 subsidiaries have been included in the scope of Sustainability Report viz. Mahindra Vehicle Manufacturers Limited, Mahindra Reva Electric Vehicles Limited, Mahindra Agri Solutions Limited, EPC Industrié Limited, Mahindra

Two Wheelers Limited (MTWL), Mahindra Lifespace Developers Limited, Mahindra World City Developers Limited, Mahindra World City (Jaipur) Limited, Mahindra Holidays and Resorts India Limited, Mahindra & Mahindra Financial Services Limited, Mahindra Rural Housing Finance Limited, Mahindra Insurance Brokers Limited, Mahindra Sanyo Special Steel Private Limited, Mahindra First Choice Services Limited, Mahindra Intertrade Limited, Mahindra Steel Service Centre Limited, Mahindra Logistics Limited, Mahindra Heavy Engines Limited and Mahindra Susten Private Limited.

3. Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]

The Company has long lasting relationships with its suppliers & dealers. A majority of supplier base has been already covered by conducting awareness sessions on 'sustainability'. From F14 a special drive for awareness to suppliers has been started and we have covered 428 suppliers. A road map for covering additional 375 suppliers in the next 3 years has been put in place and actions are already underway to cover suppliers from Mahindra Trucks and Buses Division (MTBD), MTWL, Swaraj Division (SD) and Construction Equipment (CE) divisions.

For enhancing skills at supplier end, focused activities drive in the following areas are undertaken and organization work structure for the same is in place in purchasing group. The areas covered are supplier business capability building (78 suppliers), Mahindra supplier evaluation system (92 suppliers), Supply Risk Management (143 suppliers). Future roadmap to cover cumulatively 95 suppliers in supplier business capability building, 100 suppliers in Mahindra supplier evaluation system, 200 suppliers in Supply Risk Management in F17 has been put in place.

About 375 suppliers have actively participated in annual supplier meets this year.

In F16 "Msetu" an IT platform was launched through which technology has been leveraged to interact with supplier partners. More than 80% suppliers are currently live on this platform.

The percentage of entities covered is between 30 to 60% for suppliers for the Automotive Division (AD) & Farm

Division (FD). As regard SD (Swaraj Division), Training & Awareness and Assessment of 60 suppliers (26%) have been carried out in F15-16. Another 40 Suppliers are planned for training & awareness in F16-17; and 40 suppliers in F18-19.

The Company has signed MoU with the Institute for Sustainable communities (ISC) to develop EHS Centre for suppliers in Pune.

Similarly, majority of dealers are brought under Mahindra Dealers' Excellency Programme (MDEP). 245 Dealers out of 295 have taken part in sustainability drive via MDEP and this amounts to 83%.

Section D: BR Information

1. Details of Director/Directors responsible for BR

a. Details of the Director/Directors responsible for implementation of the BR policy/policies

- ▶ **DIN Number** : 00254502
- ▶ **Name** : Dr. Pawan Kumar Goenka
- ▶ **Designation** : Executive Director & Group President (Auto and Farm Sector).

b. Details of the BR Head

| Sr. No. | Particulars | Details |
|---------|--------------------------------------|---|
| 1. | DIN Number (If applicable) | N.A. |
| 2. | Name | Mr. Rajeev Dubey |
| 3. | Designation | Group President (HR & Corporate Services) & CEO (After-Market Sector) Member of the Group Executive Board |
| 4. | Telephone Number | +9122 24975192 +9122 24901441 Extn. 5594 |
| 5. | E-mail ID | DUBEY.RAJEEV@mahindra.com |

2. Principle-wise (as per NVGs) BR Policy/policies (Reply in Y/N)

The Business Responsibility Policy ("BR Policy") addressing the following 9 principles as per the National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business (NVGs), duly approved by Board, is in place. This policy is operationalized and supported by various other policies, guidelines and manuals.

P1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.

P2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.

P3: Businesses should promote the wellbeing of all employees.

P4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.

P5: Businesses should respect and promote human rights.

P6: Businesses should respect, protect, and make efforts to restore the environment.

P7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.

P8: Businesses should support inclusive growth and equitable development.

P9: Businesses should engage with and provide value to their customers and consumers in a responsible manner.

| Sr. No. | Questions | P1: Ethics and Transparency | P2: Product Responsibility | P3: Wellbeing of employees | P4: Responsiveness to Stakeholders | P5: Respect Human Rights | P6: Environ- mental Responsibility | P7: Public policy advocacy | P8: Support inclusive growth | P9: Engagement with Customers |
|---------|--|-----------------------------------|----------------------------------|-------------------------------------|---|-----------------------------------|---|-------------------------------------|---------------------------------------|--|
| 1. | Do you have a policy/policies for.... | Y | Y Note 1 | Y | Y | Y | Y | Y | Y | Y |
| 2. | Has the policy being formulated in consultation with the relevant stakeholders? | Y | Y | Y | Y | Y | Y | Y | N Note 2 | Y |
| 3. | Does the policy conform to any national/international standards? If yes, specify? (50 words) | Y | Y | Y | Y | Y | Y | NA Note 3 | Y | Y |
| 4. | Has the policy being approved by the Board? If yes, has it been signed by MD/owner/CEO/appropriate Board Director? | Y | Y | Y | Y | Y | Y | Y | Y | Y |
| 5. | Does the Company have a specified committee of the Board/Director/Official to oversee the implementation of the policy? | Y | Y | Y | Y | Y | Y | Y | Y | Y |
| 6. | Indicate the link for the policy to be viewed online? | Y Note 4 | Y Note 4 | Y Note 4 | Y Note 4 | Y Note 4 | Y Note 4 | Y Note 4 | Y Note 4 | Y Note 4 |
| 7. | Has the policy been formally communicated to all relevant internal and external stakeholders? | Y | Y | Y | Y | Y | Y | Y | Y | Y |
| 8. | Does the Company have in-house structure to implement the policy/policies. | Y | Y | Y | Y | Y | Y | Y | Y | Y |
| 9. | Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies? | Y | Y | Y | Y | Y Note 5 | Y | NA Note 3 | Y | Y |
| 10. | Has the Company carried out independent audit/evaluation of the working of this policy by an internal or external agency? | Y | Y | Y | Y | Y | Y | Y | Y | Y |

Note 1 – The Company complies with consumers' awareness through appropriate product labelling and operator manual & instructions which ensure safe usage by the customer. However, Company's current control is limited till warranty period. The Company is in the process of addressing this by appropriate communication to all value chain members for their responsibilities.

Note 2 – While there is no formal consultation with all stakeholders, the relevant policies have evolved over a period of time by taking inputs from concerned internal stakeholders.

Note 3 – This question is not applicable for influencing public and regulatory policy.

Note 4 – It has been Company's practice to upload all policies on the intranet site for the information and implementation by the internal stakeholders. The Code of Conduct for Directors, the Code of Conduct for All Employees, Business Responsibility Policy and CSR Policy are available on the website <http://www.mahindra.com/resources/investor-reports/FY16/Annual-Reports/Links-AnnualReport.zip>

Note 5 – The Company has a "Whistleblower Policy" to address human rights grievances. There is a Corporate Governance Cell where these issues are dealt with.

3. Governance Related to BR

- ▶ Indicate the frequency with which the Board of Directors, Committee of the Board or CEO meet to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year:

The CSR Committee of the Board meets at an interval of every 6 months to assess the BR performance. Other supporting councils/cells viz. Group Sustainability Council, Group CSR Council, Central Safety Council and Corporate Governance Cell meet every 3 months.

- ▶ Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

Mahindra Group Sustainability Report as per the GRI framework is published annually. All Sustainability Reports from 2007-08 till 2014-15 are GRI compliant and are accessible on the Company website at the hyperlink (<http://www.mahindra.com/How-We-Help/Environment/Sustainability>). The Sustainability Report for 2015-16 is under preparation and will be uploaded on the website of the Company in due course of time.

Section E: Principle-wise performance

Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability

1. Does the policy relating to ethics, bribery and corruption cover only the Company? Yes/No. Does it extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?

The Company has defined Code of Conduct for Directors as well as all employees of the Company that covers issues, inter alia, related to ethics and bribery. It covers all dealings with suppliers, customers and other business partners including Joint Ventures, and other stakeholders.

2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.

During the reporting year, 19 complaints were received from the shareholders, all of which were attended to/resolved till date. An individual who is a shareholder and former employee whose services with the Company were terminated in the year 1991 on proven misconduct frequently writes to the Company, alleging mismanagement of the affairs of the Company, violations of various statutory provisions as also about his allegedly unjust termination from the services of the Company. The Company has replied to all his allegations. The Company has filed a Criminal Contempt Petition No. 1 of 2015 against him in the High Court of Judicature of Bombay. The High Court has directed him to file reply to the Contempt Petition. The reply filed, if any, by him has not been served on the Company.

The Company has different mechanisms for receiving and dealing with complaints from various stakeholders like Investors, Customers, Employees, and Suppliers, etc.

Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle

1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.

| Product | Social & environmental benefits |
|---------------------------------------|---|
| 1. Passenger Vehicles & LCV:AD | |
| A) Passenger Vehicles (UV/ MPV/ Cars) | <p>KUV 100 KUV 100 launched with new M Falcon engine family series giving Fuel efficiency of 25.32 km/l in diesel and 18.15 km/l in Petrol. The vehicle has technological features such as Start stop system, Power/Eco mode, Superior suspension with Monocoque construction. For safety it has Dual airbags, Automatic hazard light on Panic braking, Anti slip clips for driver floor mats and ABS across all variants.</p> <p>TUV 300 3rd Generation Chassis for Ride & Handling, Voice messaging system, Intellipark reverse assist, Micro Hybrid technology, Highest safety rating in the Proposed Bharat New vehicle safety Assessment programme (BNVSAP), High strength steel for body for Impact protection, Frontal Crash sensors, ABS with EBD.</p> <p>SUPRO Fuel smart technology with a superior mileage of 23.5 km/l, Dual LSPV brakes during sudden braking, Child lock for safety.</p> <p>XUV 500 The new XUV refresh comes with micro hybrid technology, airbags, and powerful projector headlights along with light guides and ABS along with EBD, Touchscreen display integrated infotainment system along with GPS, Bluetooth, USB, iPod connectivity, hands-free calling, configurable wallpaper and picture viewer.</p> <p>The emission norms have been achieved for Euro 6 for Europe & Chile export application.</p> |

| | |
|--|--|
| <p>B) Light Commercial Vehicles</p> | <p>JEETO Single Cylinder m-DURA Engine was developed to power the JEETO vehicle for domestic market to deliver 10% higher peak power and 15% better Peak Torque with best in class fuel economy and with semi forward design for safety, Imperio. Engine immobiliser for theft safety, ELR seat belt for enhanced safety, brake with LSPV (Load sensing proportioning valve), Fuel Smart technology to choose between power and fuel economy.</p> |
| <p>2. Tractors: FD</p> | <p>Arjun NOVO Launched with NOVO engine of high cubic capacity of 3531 CC along with optimized rated speed of 2100 rpm and inline fuelling pump under 52-57 HP range. Synchromesh transmission with 15 forward +3 reverse gear system suitable for agri, CE & Special applications, and multispeed PTO option resulting into increased fuel efficiency & productivity. Improved fast response hydraulics with higher lift capacity & quick lifting & lowering, improved clutch. Available in both 2WD & 4WD heavy duty axle resulting into customer satisfaction.</p> <p>Arjun NOVO is also available with synchro-shuttle option as per customer requirement 415 DI- Kheti ka Boss Launched in 38-40 HP segment, redesigned engine to deliver higher torque for better performance; also the highest lift capacity, transmission with new gear speeds to address key customer requirement in rotavation and puddling applications, best in class PTO power of 36 HP giving customer delight.</p> <p>Mahindra 555 Power plus:- kamaal ki keemat par Launched in 57 HP segment, with powerful Engine, 8 Forward & 2 reverse speed, Higher lift capacity, reverse PTO operation, appropriate speed for reaping operation resulting in value for money product.</p> |

| | |
|-------------------------------|--|
| <p>3. Tractors: SD</p> | <p>724 & 834 Models The improved transmission housing on these 2 models has resulted in reduction of 17kg of cast iron and 12 litres of fossil oil per tractor. Separate oil reservoir for power steering resulting in reduction of 2 litres of fossil oil. All models: Copper brass radiator has been replaced with Aluminum radiator which requires less energy to produce & consequently lesser CO₂ emission. Hand throttle with reduced effort (from 6.3 kg to 3.4 kg) on all models. Reduced clutch operation effort on all DC models (from 26 kg to 19 kg) on all models.</p> |
|-------------------------------|--|

2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):

i. Reduction during sourcing/production/distribution achieved since the previous year throughout the value chain?

For the above mentioned products, there is no explicit tracking mechanism in respect of resource use. However, the resource use for entire portfolio is tracked and monitored. Since the products portfolio is distributed across various manufacturing locations of the Company, the resource use is monitored per unit of equivalent vehicle or equivalent tractor manufactured. The performance for current and previous year on Specific Energy Consumption, GHG Emissions and Specific Water Consumption during production is appended below, which is reported in the Group Sustainability Reports for the Financial Years 2014-15 and 2015-16:

| Resource Use | Divisions | Unit of Measurement | Current Year 2015-16 | Previous Year 2014-15 |
|--|----------------------------------|---------------------------------------|----------------------|-----------------------|
| Specific Energy Consumption | Automotive | GJ/Equivalent Vehicles | 2.249 | 2.264 |
| | Farm Division (Including Swaraj) | GJ/Equivalent Tractors | 1.458 | 1.467 |
| Specific Green House Gas Emissions (Scope 1 and 2) | Automotive | tCO ₂ /Equivalent Vehicles | 0.336 | 0.343 |
| | Farm Division (Including Swaraj) | tCO ₂ /Equivalent Tractors | 0.227 | 0.232 |
| Specific Water Consumption | Automotive | KL/Equivalent Vehicles | 2.313 | 2.441 |
| | Farm Division (Including Swaraj) | KL/Equivalent Tractors | 1.517 | 1.691 |

ii. Reduction during usage by consumers (energy, water) has been achieved since the previous year?

Due to constant innovations and focus on fuel efficiency, there would be a reduction of energy use by consumers. However, tracking of such reduction is not possible as it is highly dependent on individual customers' driving habits.

3. Does the Company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.

The Company has been working to enhance the degree of sustainability associated with its sourcing practices under the umbrella of "ONE SOURCING". This includes strategy of one supplier per platform and common supplier basket for multiple businesses, setting up of vendor parks at its new plants, sourcing from tightly knit clusters, optimizing logistics to reduce fuel consumption, emissions and carbon footprint, re-working packaging to minimize waste and maximize re-use. The Sustainability road map of the Company covers these areas and the Company takes steps to ensure that its sourcing methods are sustainable.

Suppliers related to machining & proprietary have been involved to make logistic sustainable & trying to use returnable bins in place of wooden & corrugated boxes as an alternate source. Almost the entire sourcing work is done from the country with a very small percentage of input being procured from overseas.

The Company has Green Supply Chain Management Policy, which has been shared with all suppliers, under which, the Company is committed to improve the awareness with regard to legal compliances, enhance eco-efficiencies, employee health and safety initiatives, etc. at supplier end through initiatives such as Supplier Business Capability Building (SBCB), Mahindra Supplier Evaluation System (MSES), Mass Manufacturing Approval (MMA) & Supply Risk Management (SRM). Continuous engagement with suppliers is ensured through supplier meets, business reviews, and training sessions. To motivate the suppliers to take the Sustainability agenda forward, good practices are recognized, by institutionalizing "Annual Sustainability Award".

4. Has the Company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

Yes. The Company has a practice of purchasing goods and services from local suppliers. The Company does not have any small suppliers where the owner himself or herself is a worker. The Company has multiple plants spread across West, South and North of India. The major factors influencing selection of suppliers across these regions are:

- ▶ Capability, performance and on-time delivery.
- ▶ Compliance on environment, health & safety guidelines.
- ▶ Readiness to participate in sustainable supply chain management program.
- ▶ Total cost.

The purchasing group has a standard practice of sharing its annual plans and next two year's tentative plans with its key suppliers through communication meets and supplier business reviews. These suppliers are provided with managerial and technical assistance to train them on practices and procedures that will ensure improvements in Productivity, Quality, Cost, Delivery, Safety and Moral (PQCDSM). This is done by initiatives like Supplier Business Capability Building (SBCB), Mahindra Supplier Evaluation System (MSES), Technical Capability Building programs, Supply Risk Management (SRM), Safety Training & assessments and technical support for special processes during new product developments, Associate Value Specialist Program, etc. The Company has special focus on creating supplier parks near the plants for e.g. Chakan Supplier Park and Zaheerabad Supplier Park. The Company has a focus on buying from local suppliers, geographically nearest to the Company's manufacturing facility.

5. Does the Company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.

It is the Company's ongoing endeavor to have a mechanism to recycle our products and limit the waste arising out

of production of vehicles and tractors. The Company has initiated well documented processes to ensure compliance with the European Union Directive 2005/64/EC which is now implemented for the vehicles exported to the European Union. Our objective is to restrict the amount of waste produced from End of Life of vehicles (ELVs) and increase the recovery and recycling of ELVs that arise. The information on recyclable parts and manual for dismantling is provided with export vehicles. We follow the ISO 22628:2002, to calculate the recyclability rate, the recoverability rate and reusability rate (RRR) of our export vehicles. We have 1 of our UV variants as new certification and 2 models are under the recertification process to comply with the European Union Directive 2005/64/EC norms on recyclability. Our Company is actively participating in the committee formed by Society of Indian Automotive Manufacturers (SIAM) to frame process and procedure for Product Recycling in India. At present, the batteries used in vehicles are recycled in a structured manner through the battery manufacturing companies in India. Similarly other parts such as tyres, body components, etc. are recycled in an unstructured manner through licensed scrap dealers who either recover the material used or cannibalize/refurbish the parts for reuse.

A simplified LCA is done in the form of compliance with ELV directive for European M1 & N1 products. The vehicles are exported and certified as per EEC directive 2005/64/EC. The CO₂ emissions are evaluated during the type approval test at the government approved test agencies and this data is used to assess the CO₂ impact of products. We have completed an experimental project to evaluate Full LCA during 2016. For this study one UV pickup model (BMT) was considered for full LCA.

Principle 3: Businesses should promote the wellbeing of all employees

1. Please indicate the Total number of employees: **39,276**
2. Please indicate the Total number of employees hired on temporary/contractual/casual basis: **19,176**
3. Please indicate the Number of permanent women employees: **626**
4. Please indicate the Number of permanent employees with disabilities: **38**
5. Do you have an employee association that is recognized by management: **Yes**

6. What percentage of your permanent employees is members of this recognized employee association? **94%**
7. Please indicate the Number of complaints relating to child labor, forced labor, involuntary labor, sexual harassment in the last financial year and pending, as on the end of the financial year.

| Sr. No. | Category | No. of complaints filed during the financial year | No. of complaints pending as on end of the financial year |
|---------|--|---|---|
| 1. | Child labor/forced labor/involuntary labor | Nil | Nil |
| 2. | Sexual harassment | 4 | Nil |
| 3. | Discriminatory employment | Nil | Nil |

8. What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?
 - ▶ Permanent Employees: **88%**
 - ▶ Permanent Women Employees: **76.20%**
 - ▶ Casual/Temporary/Contractual Employees: **81.88%**
 - ▶ Employees with Disabilities: **68.42%**

Principle 4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.

1. **Has the company mapped its internal and external stakeholders? Yes/No**
Yes
2. **Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders?**
Yes
3. **Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders? If so, provide details thereof, in about 50 words or so.**

Your Company has designed products specifically for improving the livelihood and encouraging entrepreneurship amongst rural and semi-urban persons through low cost products. Moreover, in the Farm Equipment business vertical, there is a conscious move from Tractor manufacturing to 'Farm Tech Prosperity' where various products and services are designed to improve farm productivity especially among small & marginalized

farmers. The Integrated Watershed Management projects at Damoh being implemented in Public-Private-Partnership (PPP) with the Govt. of Madhya Pradesh are in advanced stage of completion and two other projects are in progress in the catchment area of the Bhopal Lake. The project at Damoh covers 9,660 hectares and 4,000 households in 32 villages with a population of 20,000. The work done includes 65 check dams and masonry outlets, 68 farm ponds and percolation tanks, more than 17,000 stone bunds, outlets gully plugs and gabion structures, more than 67 km. of contour trenches and 287 km. of field bunds. In addition, 65 defunct structures have been rejuvenated. This has resulted in 1,812 million litres of incremental rain water harvesting capacity, 1,772 ha. of land provided with supplemental irrigation and 143 ha. of additional land brought under cultivation. 4,071 farmers have benefitted from soil and water conservation, multiple cropping has become prevalent and three crops are being grown on more than 140 ha. of land. Area under vegetables has increased almost 30 times, area under sprinkler irrigation has increased more than 3 times. Almost 400 SHGs, almost all women, are engaged in micro-enterprises of various kinds. Consequently daily per capita income has more than doubled. Further details of community development initiatives are given in Principle 8.

Principle 5: Businesses should respect and promote human rights

1. Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?

The Business Responsibility Policy covers the aspects on Human Rights for the Company. Human Rights issues are a part of the supplier selection process and are also included in the contracts drawn up with them. The Company has put in place a Whistleblower Helpline managed by an external agency to ensure that any violations to its Code of Conduct (including violation of Human rights) are addressed objectively.

2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?

No complaints have till date been received through the Whistleblower Helpline.

There is an active and a well-defined four step Grievance Redressal Machinery available at each plant for workmen

through which all types of grievances are redressed. Additionally, Employee Satisfaction Survey for workmen is periodically carried out and all low scoring responses are discussed in Focused Group Meetings and duly resolved. Although there is no process to separately maintain records for grievances related to Human Rights, the above stated mechanism adequately addresses this issue. There is a mechanism for all employees of Automotive and Farm Sectors to voice their concerns to the Sector President through a 'Reach-out' mailbox which is addressed with confidentiality.

Principle 6: Business should respect, protect, and make efforts to restore the environment

1. Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs/others.

The Company has various policies related to environmental protection. The Green Supply Chain Management Policy includes environment protection and covers suppliers. The subsidiaries/Joint Ventures have their own policies which are in sync with the Company's environmental policies.

2. Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.

Yes.

Mr. Anand G. Mahindra, Chairman and Managing Director, was invited as a member on Carbon Pricing Leadership Coalition (CPLC) at the signing of Paris Agreement with Heads of State at United Nations Headquarter. He represented the Corporates worldwide and spoke about the importance of climate change and renewable energy. Senior executives of the Company represented Corporate India in COP 21 that gave international branding opportunity through media interactions. The Chairman of Group Sustainability Council, Mr. Ulhas Yargop represented the Mahindra Group at the CPLC Inaugural High-level assembly meeting at Washington DC. Other attendees included Ban ki-Moon (UN Sec. Gen.), Christine Lagarde (MD – IMF). The Company also hosted a high-level workshop on Carbon Pricing in association with WRI and CDP that comprised of delegates from Yale University, EDF, Total, World Bank etc. along with 50+ leading Indian business practitioners and Group companies.

The Company has signed Energy Productivity Commitment – EP100 with The Climate Group and has the distinction of being the first Company to sign this. The Company is also a signatory for India Business Biodiversity Initiative (IBBI). Other strategies and initiatives are elaborated in the Company's GRI reports since 2007-08 which are available on the Company website <http://www.mahindra.com/resources/pdf/sustainability/Sustainability%20Report%202014-15.pdf> Targets taken in Sustainability Roadmap relate to energy conservation, GHG reduction and water conservation. These strategies and initiatives are also aligned to the National Action Plan on Climate Change. The strategies and new initiatives continue year on year. In the current reporting year, various initiatives on energy saving, water saving, waste reduction etc. were implemented. An indicative list in this regard is appended below and complete details will be available in the Sustainability Report for the Financial Year 2015-16.

Energy Savings:

- ▶ Demand Controller for air compressor to reduce electrical consumption.
- ▶ Recovering waste heat from furnace / oven and reusing in the process application.
- ▶ Energy efficient lighting system.

Water Saving:

- ▶ Use of STP/ETP treated water for flushing and gardening.
- ▶ Roof and Surface Rain Water Harvesting to reduce withdrawal of water.
- ▶ Retrofitting with water saving equipment's like auto control valves, level controllers.

Waste Reduction:

- ▶ Use of metal, wooden and rubber scrap to make furniture.
- ▶ Packaging waste is reduced by using plastic boxes in place of corrugated boxes.
- ▶ Reduce paint sludge by technology upgradation, dewatering by use of gunny bags and processing to sludge powder.

3. Does the company identify and assess potential environmental risks? Y/N

Yes, the Company has a mechanism to identify and assess potential environmental risks across all locations.

4. Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?

Yes. The name of the CDM – PoA 9731: Energy Efficiency through Micro irrigation system – India. The Registered Program of Activities (PoA) aims at encouraging energy efficiency through installation of efficient irrigation system such as drip and sprinkler irrigation replacing the conventional flood method of irrigation resulting in GHG Emission reduction & Water Conservation. It was registered in September 2013.

For more details refer https://cdm.unfccc.int/ProgrammeOfActivities/poa_db/4Z28CN6S0DEB5F1PLIXAY9W3GMRUOQ/view.

5. Has the Company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc? Y/N. If yes, please give hyperlink for web page etc.

Yes. Same as stated under point 2 above.

6. Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?

Yes

7. Number of show cause/legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.

Nil

Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner

1. Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:

Yes. The Company is a member of following trade and chamber or association (in alphabetical order):

- a. The Associated Chambers of Commerce and Industry of India (ASSOCHAM),
- b. Bombay Chamber of Commerce and Industry (BCCI),
- c. Confederation of Indian Industry (CII),
- d. Employers' Federation of India (EFI),
- e. Federation of Indian Chambers of Commerce & Industry (FICCI),
- f. Indian Merchants Chambers (IMC),
- g. National Human Resource Development Network (NHRDN),
- h. Society of Indian Automobile Manufacturers (SIAM),
- i. The Energy and Resource Institute (TERI),
- j. Tractor Manufacturer's Association (TMA).

2. **Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others).**

The Company participates as a stakeholder of SIAM and TMA on policies related to Automotive and Tractor Industry, Sustainable Mobility and Farm Tech Prosperity, Economic Reforms, Sustainable Business Principles (Sustainable Supply Chain Management) and Vehicle Recall policy. The Company also contributes through Confederation of Indian Industry/ Bombay Chamber of Commerce and Industry, when views are solicited on matters such as Securities Law, Corporate Laws, etc.

Principle 8: Businesses should support inclusive growth and equitable development

1. **Does the company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.**

Yes. Since its inception Mahindra & Mahindra Ltd. has been a socially responsible corporate making investments in the community which go beyond any mandatory legal & statutory requirements. The CSR vision of the Company is to focus efforts within the constituencies of girls, youth & farmers by innovatively supporting them through programs designed in the domains of education, health and environment, while harnessing the power of technology. By investing our CSR efforts in these critical constituencies who contribute to nation building and the economy, we will enable our stakeholders and communities to RISE. In accordance with the Companies Act, 2013, Mahindra & Mahindra Ltd. has committed 2% (PBT) towards CSR initiatives. Further the unique Employee Social Options (ESOPs) platform provides employees a menu of volunteering opportunities enabling them to participate actively in the Company's CSR initiatives. Some of the major initiatives the Company has invested in the last financial year (F16) are as follows:

- a. **Project Nanhi Kali** – Provision of educational support to underprivileged girls from poor urban, remote rural and conflict afflicted communities across India.
- b. **Mahindra Pride School** – Livelihood training programme for youth from socially and economically disadvantaged groups.

- c. **Lifeline Express** – A Mobile hospital on a train, providing medical interventions and surgeries often in remote rural areas.
- d. **Mahindra Hariyali** – Afforestation initiative to improve green cover & protect bio-diversity in the country and also contribute to the livelihood of farmers.
- e. **Swachh Bharat Swachh Vidyalaya** – Maintenance of 4,340 toilets constructed in F15, primarily for girls in government schools, under the Government's Swachh Bharat Swachh Vidyalaya Program. In addition, training programmes were carried out to bring about attitudinal and behavioural changes in the girls, parents and school authorities.
- f. **Integrated Watershed Development Project** – A public private partnership with the government of Madhya Pradesh for conservation of soil and water.
- g. **Mahindra Saarthi Abhiyaan** – Scholarships to daughters of truck drivers which allows them to pursue higher education thus reducing drop outs amongst girls.
- h. **Krishi Mitra** – Improving livelihood opportunities and prosperity of farmers by training them in effective farming practices including soil health, crop planning, creating model farms with bio-dynamic farming practices etc., thereby increasing crop productivity.
- i. **Bio Gas Project** – Setting up a biogas plant to convert food waste and other waste into energy.
- j. **BAJA** – Training under graduate engineering students in automotive engineering enabling them to get jobs in the automobile industry.

Employee Social Options (ESOPs): The Company's ESOPs programme supports employees in creating volunteering projects based on the needs of underprivileged communities in and around their places of work.

2. **Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/any other organization?**

CSR initiatives are implemented either directly by the Company through its ESOPs structure where the Mahindra employees directly implement the CSR programmes or through implementing partners which include NGOs having an established track record of at least 3 years in carrying on the specific activity. The main implementation partners the Company works with are the Mahindra Foundation, The

K. C. Mahindra Education Trust, Tech Mahindra Foundation and Naandi Foundation.

3. Have you done any impact assessment of your initiative?

In F16 the following impact assessment studies were undertaken:

- 3rd party assessment of Project Nanhi Kali by three independent evaluators.
- Project Hariyali was audited by BNHS for the tree plantation drive Pan India.

4. What is your company's direct contribution to community development projects – Amount in INR and the details of the projects undertaken?

The Company's contribution to community development projects amounts to Rs. 85.90 crores during the Financial Year 2015-16. Details of some of the major initiatives the Company has invested in the last financial year (F16) are given in Point 1 above.

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.

Where we implement CSR projects, we ensure that the initiative is successfully adopted by the community. Below are three examples of the same:

- PROJECT NANHI KALI** provided academic and material support to over 1,20,000 underprivileged girls across 10 states in F16. Of these 14,918 girls were supported by M&M Ltd, while the Mahindra Group as a whole supported 53,049 girls. The balance girls are supported by other corporates & individuals. When the project is introduced in a new area, we ensure that a 'Village Education Committee' is set up who are then sensitised on the importance of girls education in particular, and other gender related issues. One of the metrics we monitor, is school attendance of girls & we have found that in the areas where we have set up project Nanhi Kali girls attend school regularly.
- SWACHH BHARAT SWACHH VIDYALAYA** – The Company constructed 4,340 toilets pan India primarily for girls in government schools under the Swachh Bharat Swachh Vidyalaya Programme, in F15. Further, a large number of public toilets were also

constructed for the community. This financial year (F16) the Company conducted training programmes for the girls, parents, community & school authorities aimed to bring about attitudinal and behavioural changes on issues of health and sanitation. The goal of these training programs is to ensure that the community takes over the management of the toilets in the long run and ensures that they remain functional.

(c) INTEGRATED WATERSHED MANAGEMENT PROJECT –

The Project which is a PPP has over 5 years, through constant engagement with the community succeeded in building structures that encourage water conservation. This has resulted in 1,812 million litres of incremental rain water being saved and the ground water table has increased by 30%. All the water conservation, management practices and livelihood initiatives have now been adopted by the villagers, and the village level committees and SHGs are running them independently.

Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner

1. What percentage of customer complaints/consumer cases are pending as on the end of financial year.

Customer complaints are treated very seriously in the organization. We hear our customers through various mediums such as emails to customercare@mahindra.com, With You Hamesha 24X7 Call centre toll free no, websites, tweet handle, telephone, letter, fax etc. The status of pending complaints/cases as on 31st March, 2016 is as follows:

| | Automotive Division | Farm Division (Including Swaraj) | Total |
|--|---------------------|----------------------------------|--------|
| Percentage of Consumer Cases Pending as on 31 st March 2016 | 37.01% | 39.85% | 37.67% |

Pending Customer complaints AD – 2016

| Receiving Period | Total Complaints Registered in this period | Open | Close | Open % | Close % |
|------------------|--|------|--------|--------|---------|
| F12-F16 | 243646 | 1980 | 241666 | 0.81% | 99.19% |

| Receiving Period | Total Complaints Registered in this period | Open | Close | Open % | Close % |
|------------------|--|------|-------|--------|---------|
| F16 | 62179 | 1980 | 60199 | 3.18% | 96.82% |

Pending Customer complaints FD – 2016

| Receiving Period | Total Complaints Registered in this period | Open | Close | Open % | Closed % |
|------------------|--|------|-------|--------|----------|
| F11-F16 | 82174 | 38 | 82136 | 0.05% | 99.95% |

| Receiving Period | Total Complaints Registered in this period | Open | Close | Open % | Close % |
|------------------|--|------|-------|--------|---------|
| F16 | 11027 | 38 | 10989 | 0.3% | 99.7% |

Pending Customer complaints SD – 2016

| Receiving Period | Total Complaints Registered in this period | Open | Close | Open % | Close % |
|------------------|--|------|-------|--------|---------|
| F11-F16 | 683 | 668 | 15 | 2% | 98% |

| Receiving Period | Total Complaints Registered in this period | Open | Close | Open % | Close % |
|------------------|--|------|-------|--------|---------|
| F16 | 306 | 291 | 15 | 5% | 95% |

2. Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A. /Remarks (additional information)

Yes. In addition to mandatory requirements, the Company also provides service and safety labels as deemed appropriate. e.g.: Product fuel economy data displayed for each variant at selling points (Dealership).

3. Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behavior during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.

Yes. The Company has been impleaded in the below listed proceedings that allege violation of provisions of the Competition/MRTP Act. The Company is vigorously defending itself in these proceedings.

Description of the matters pending under the Competition Act, 2002:

1. Shamsheer Kataria- Case No. 3/2011: Based on the information given by the Informant Shamsheer Kataria against 3 car manufacturers, Honourable Competition Commission of India (CCI) had started investigation in respect of 17 car manufacturers about the non-availability of spare parts in the open market. One of the allegations is OEMs are restricting the availability of spare parts in the open market other than their own distribution network resulting in high prices of the said spare parts and the said spare parts not being available to the independent car repairers. The DG had initiated the investigation in which we had submitted the detailed information as sought by the DG. Thereafter the DG submitted a report and based on the said report, the Commission had issued notices to the 17 car manufacturers to file their respective responses on the said report. Accordingly, we had filed our reply to the said report along with all possible supporting documents. Thereafter, the matter was heard by the CCI and on August 25, 2014 CCI passed an order ("Order") against fourteen Automobile companies including Mahindra & Mahindra (M&M) Limited and has imposed a penalty of Rs. 292.25 crores amounting to 2% of the average annual turnover for the years 2007-08, 2008-09 and 2009-10. M&M vide a Writ Petition W.P.(C) 6610/2014 ("W.P.") filed before the Hon'ble Delhi High Court ("HC") has challenged the vires of certain sections of the Competition Act, 2002 based on which penalty has been calculated and also the Order has been passed by the CCI. The Hon'ble HC was pleased to grant a stay on the operation of the Order and the matter is presently being heard by the HC and reserved for orders.

2. Mohd Ekram Khan – Auto sector dealer from Lucknow has filed petition No 106/2008 (before MRTP Commission transferred to Competition Appellate Tribunal) for unfair trade practice under Section 36A, 36B, 36C, 36D and Section 37 of the MRTP Act, 1969; (ii) compensation petition under Section 12 B of the MRTP Act, 1969., alleging that resignation is taken forcibly and fraudulently by M&M and for creating monopoly for newly appointed dealer who has mafia background and does not have required infrastructure and claimed compensation.

The Applicant has quantified his claims under various heads viz., sales promotional claim for 05-06, 06-07 at

Rs. 11,78,905/-; amounts due towards warranty claims, free servicing and wrongly debited warranty at Rs. 4,84,760/-; idle wages to employees and electricity bills etc at Rs. 13,88,000/-. The aforesaid claims as alleged amount to Rs. 30,51,665/-. For each of the above heads, interest @ 18% p.a. has been claimed. In addition to the above, the Applicant has also claimed expenditure on construction of workshop at Rs. 1,07,88,536/- along with penal interest of Rs. 2,50,000/- plus interest @ 18% p.a. Over and above the purported claims as quantified by the Applicant he has also made further vague assertions seeking compensation of Rs. 25 crores towards alleged loss and litigation expenses of Rs. 50,000/-. However, the Hon'ble COMPAT has now restricted the scope of the application only to non-grant of Scorpio dealership. Hence, the liability on Mahindra &

Mahindra Limited, even in case of loss in the matter may come down heavily.

Currently, listed for hearing on 12th July 2016.

4. Did your company carry out any consumer survey/ consumer satisfaction trends?

Yes, through

- ▶ J. D. Power survey for Automobiles
- ▶ MQRS survey for load carriers
- ▶ TNS Survey for Tractors and Trucks
- ▶ Brand Track Study
- ▶ CaPS Study
- ▶ CSAT (Customer Satisfaction) Study for commercial range of vehicles

Financial Position at a Glance

Rupees crores

| | As per Schedule III of The Companies Act, 2013 | | As per Revised Schedule VI of The Companies Act, 1956 | | | | As per Old Schedule VI of The Companies Act, 1956 | | | |
|---|--|--------|---|--------|--------|--------|---|--------|--------|--------|
| | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 | 2007 |
| Net Fixed Assets | 9518 | 8108 | 7105 | 5821 | 5088 | 3904 | 3703 | 3214 | 2361 | 1871 |
| Investments | 13520 | 13138 | 11380 | 11834 | 10297 | 8913 | 6398 | 5786 | 4215 | 2238 |
| Foreign Currency Monetary Item Translation Difference Account Asset/(Liability) | — | — | — | — | — | — | (3) | 18 | — | — |
| Inventories | 2688 | 2438 | 2804 | 2420 | 2358 | 1694 | 1189 | 1061 | 1084 | 878 |
| Trade Receivable/ Debtors | 2512 | 2558 | 2510 | 2208 | 1929 | 1260 | 1258 | 1044 | 1005 | 701 |
| Other Non Current/ Current Assets | 8174 | 6703 | 7490 | 5171 | 4098 | 3753 | 3599 | 2959 | 1555 | 2169 |
| Misc. Expenditure not written off | — | — | — | — | — | — | — | 13 | 14 | 18 |
| Borrowings | 1844 | 2620 | 3745 | 3227 | 3174 | 2321 | 2880 | 4053 | 2587 | 1636 |
| Long Term/Current Liabilities and Provisions | 11614 | 10090 | 9863 | 8953 | 7964 | 6535 | 5197 | 4798 | 3240 | 2666 |
| Deferred Tax Liabilities/ (Assets) (Net) | 1248 | 980 | 890 | 615 | 527 | 355 | 240 | (18) | 57 | 20 |
| Equity Capital | 296 | 296 | 295 | 295 | 295 | 294 | 283 | 273 | 239 | 238 |
| Reserves and Surplus | 21411 | 18959 | 16496 | 14364 | 11810 | 10019 | 7544 | 4989 | 4111 | 3315 |
| Net Worth | 21707 | 19255 | 16791 | 14659 | 12105 | 10313 | 7827 | 5262 | 4350 | 3553 |
| Book Value Per Share (Rupees) | 366.10 | 325.41 | 284.26 | 248.14 | 205.32 | 175.43 | ®138.10 | 192.12 | 180.87 | 147.98 |

® 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 calculated after reducing Misc. Expenditure not written off and Revaluation Reserve from Net Worth.

Summary of Operations

Rupees crores

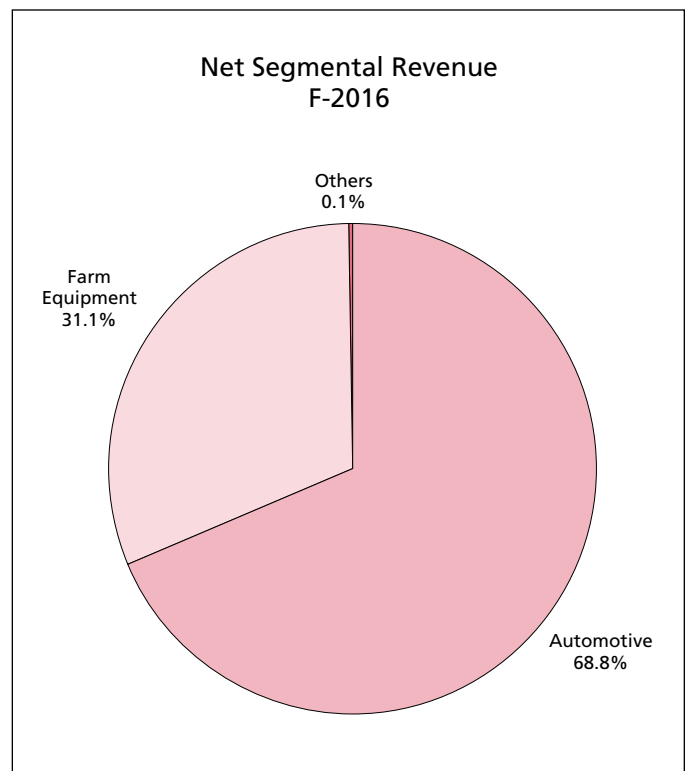
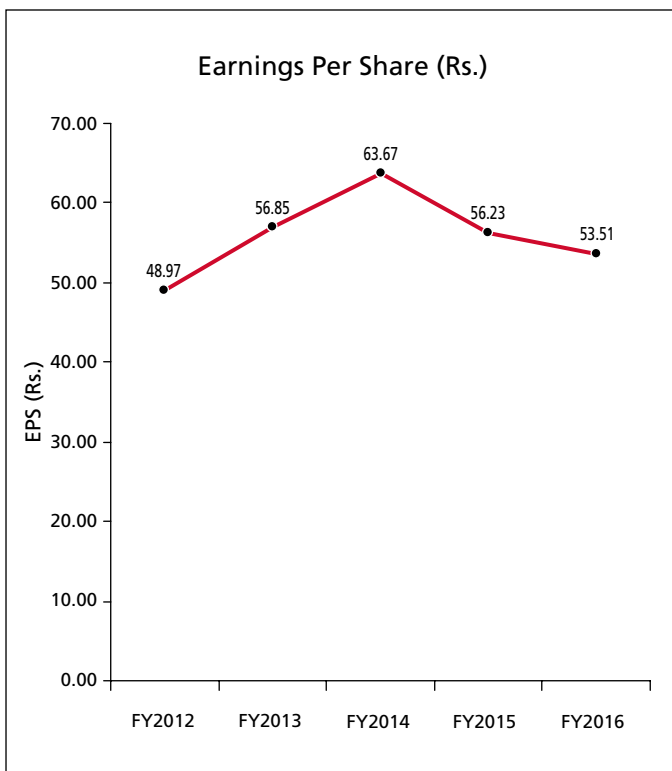
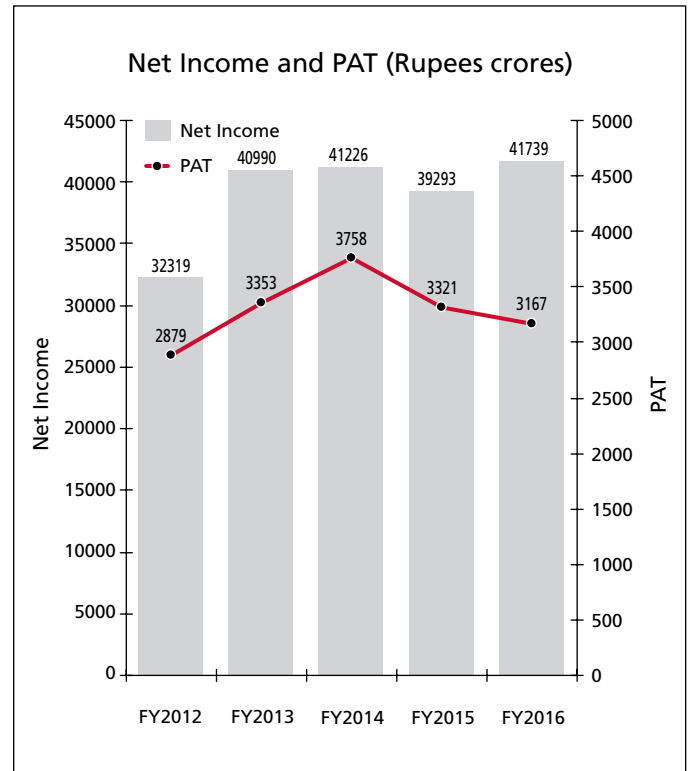
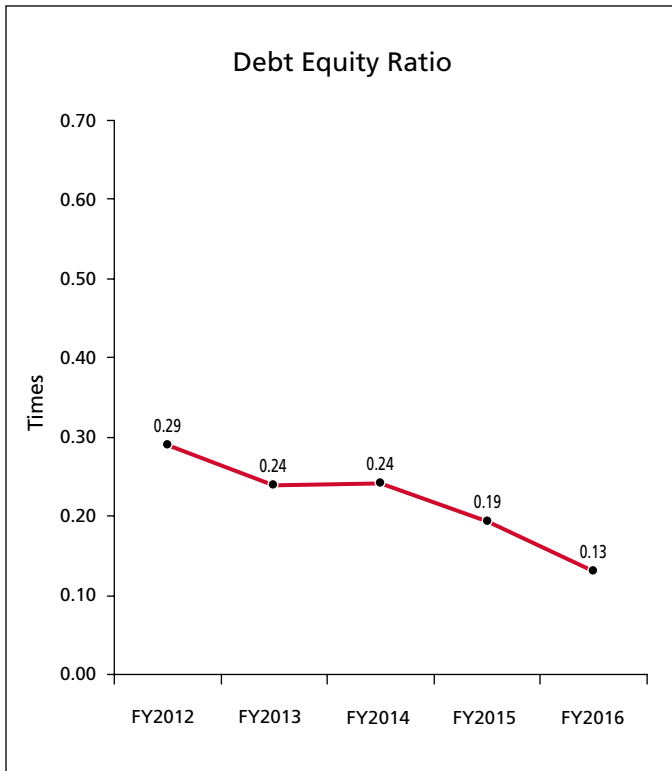
| | As per Schedule III of The Companies Act, 2013 | | As per Revised Schedule VI of The Companies Act, 1956 | | | | As per Old Schedule VI of The Companies Act, 1956 | | | |
|---|--|--------|---|--------|--------|--------|---|--------|--------|--------|
| | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 | 2007 |
| Income | 44461 | 41481 | 43838 | 43962 | 34820 | 25989 | 20724 | 15072 | 13301 | 11645 |
| Materials | 29566 | 27955 | 29432 | 30425 | 23500 | 16264 | 12333 | 9274 | 7726 | 6828 |
| Excise Duty (Net) | 2722 | 2188 | 2612 | 2972 | 2501 | 2095 | 1807 | 1587 | 1584 | 1335 |
| Personnel | 2342 | 2317 | 2164 | 1866 | 1701 | 1432 | 1198 | 1025 | 868 | 666 |
| Finance Costs/ Interest | 155 | 214 | 259 | 191 | 163 | 72 | 157 | 134 | 87 | 20 |
| Depreciation and Amortisation Expense | 1109 | 975 | 863 | 711 | 576 | 414 | 371 | 292 | 239 | 209 |
| Other Expenses | 4406 | 3999 | 4191 | 3441 | 2881 | 2310 | 2102 | 1734 | 1563 | 1271 |
| Exceptional items | 69 | 336 | 52 | 91 | 108 | 118 | 91 | 10 | 173 | 122 |
| Profit before tax for the year | 4230 | 4169 | 4369 | 4447 | 3606 | 3520 | 2847 | 1036 | 1407 | 1438 |
| Tax for the year | 1063 | 848 | 611 | 1094 | 727 | 858 | 759 | 199 | 304 | 351 |
| Adj. pertaining to Prev. Years | — | — | — | — | — | — | — | ▲31 | — | (19) |
| Balance profit | 3167 | 3321 | 3758 | 3353 | 2879 | 2662 | 2088 | 868 | 1103 | 1068 |
| Dividends | #+842 | +847 | +963 | +894 | +869 | + 803 | +624 | +312 | +321 | +325 |
| Equity Dividend (%) | 240 | 240 | 280 | 260 | 250 | 230 | 190 | 100 | 115 | 115 |
| Earnings Per Share (Rupees) | 53.51 | 56.23 | 63.67 | 56.85 | 48.97 | 46.21 | 37.97 | 15.92 | 23.12 | 22.58 |
| Vehicles produced/ purchased (Units) | 496859 | 464799 | 506035 | 555510 | 474145 | 355500 | 284516 | 201993 | 196956 | 169557 |
| Vehicles sold (Units) | 494096 | 464850 | 507176 | 551469 | 469345 | 354073 | 282119 | 206688 | 195077 | 169679 |
| Tractors produced (Units) | 217383 | 224330 | 277425 | 219893 | 246475 | 216388 | 173276 | 119098 | 98917 | 103847 |
| Tractors sold (Units) | 214173 | 234766 | 268487 | 224844 | 236666 | 214325 | 175196 | 120202 | 99042 | 102531 |

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





Standalone Accounts

Independent Auditor's Report to the Members of Mahindra & Mahindra Limited

Report on the Standalone Financial Statements

1. We have audited the accompanying standalone financial statements of **Mahindra & Mahindra Limited** ("the Company"), which comprise the Balance Sheet as at 31st March, 2016, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed under Section 133 of the Act as applicable. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

3. Our responsibility is to express an opinion on these standalone financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder and the Order under Section 143(11) of the Act. We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making

those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

6. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2016, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

7. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards prescribed under Section 133 of the Act, as applicable.
 - (e) On the basis of the written representations received from the directors as on 31st March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164(2) of the Act.
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

(g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements in accordance with generally accepted accounting practice – also Refer Note 34 to the financial statements.
- ii. The Company has made provision, where required under any law or accounting standard for material foreseeable losses on long-term contracts including derivative contracts.

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

8. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

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

Shyamak R Tata
Partner

(Membership No. 38320)

Mumbai, 30th May, 2016

Annexure "A" to the Independent Auditor's Report

(Referred to in paragraph 7(f) under 'Report on Other Legal and Regulatory Requirements' of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **Mahindra & Mahindra Limited** ("the Company") as of March 31, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Shyamak R Tata
Partner

Mumbai, 30th May, 2016

(Membership No. 38320)

Annexure "B" to the Independent Auditor's Report

(Referred to in paragraph 8 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of the fixed assets.
 - (b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
 - (c) With respect to immovable properties of acquired land and buildings that are freehold, according to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed/ transfer deed/conveyance deed/court orders approving schemes of arrangements/amalgamations provided to us, we report that, the title deeds of such immovable properties are held in the name of the Company as at the balance sheet date. In respect of immovable properties of land and buildings that have been taken on lease and disclosed as fixed assets in the financial statements, the lease agreements are in the name of the Company, where the Company is the lessee in the agreement.
- ii. As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on such physical verification.
 - iii. The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the Register maintained under Section 189 of the Companies Act, 2013.
- iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
 - v. According to the information and explanations given to us, the Company has not accepted any deposit during the year and accordingly the question of complying with Section 73 and 76 of the Companies Act, 2013 does not arise. In respect of unclaimed deposits, the Company has complied with the provisions of Sections 74 and 75 or any other relevant provisions of the Companies Act, 2013. According to the information and explanations given to us, no order has been passed by the Company Law Board or the National Company Law Tribunal or the Reserve Bank of India or any Court or any other Tribunal on the Company.
 - vi. The maintenance of cost records has been prescribed by the Central Government under Section 148(1) of the Companies Act, 2013 in respect of specified products of the Company. For such products, we have broadly reviewed the cost records maintained by the Company, pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
 - vii. According to the information and explanations given to us, in respect of statutory dues:
 - (a) The Company has been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-Tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues applicable to it with the appropriate authorities.

- (b) Details of dues of Income-Tax, Sales Tax, Service Tax, Customs Duty, Excise Duty and Value Added Tax which have not been deposited as on 31 March, 2016 on account of disputes are given below:

| Nature of Statute | Nature of Dues | Forum where dispute is pending | Period to which the amount relates (Various years covering the period) | Amount (Rs. in crores) |
|------------------------------------|----------------|--|--|------------------------|
| Income Tax Act, 1961 | Income Tax | High Court | 1999-2000 | 0.03 |
| | | Income-Tax Appellate Tribunal | 2005-2012 | 158.28 |
| | | Commissioner of Income-Tax (Appeals) | 2006-2014 | 22.78 |
| Central Excise Act, 1944 | Excise | High Court | 2004-2008 | 26.98 |
| | | Appellate Authority – Tribunal Level | 1988-2015 | 956.66 |
| | | Appellate Authority – Commissioner | 1991-2016 | 646.14 |
| Sales Tax and Value Added Tax Laws | Sales Tax | High Court | 2005-2016 | 182.25 |
| | | Appellate Authority – Tribunal Level | 1987-2013 | 30.38 |
| | | Appellate Authority – Commissioner | 1994-2016 | 621.08 |
| | | Appellate Authority – Revisional Board | 2006-2010 | 17.02 |
| Finance Act, 1994 | Service Tax | High Court | 2005-2012 | 0.11 |
| | | Appellate Authority – Commissioner | 2003-2015 | 2.07 |
| | | Appellate Authority – Tribunal Level | 2001-2014 | 72.77 |
| Customs Act, 1962 | Custom Duty | High Court | 1996-2001 | 1.49 |
| | | Appellate Authority – Tribunal Level | 1990-1994 | 1.14 |

- viii. In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to financial institutions, banks and government and dues to debenture holders.
- ix. The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year. According to the information and explanations given to us, the term loans raised have been applied by the Company during the year for the purposes for which they were raised.
- x. To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- xi. In our opinion and according to the information and explanations given to us, the Company has paid/provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Companies Act, 2013.
- xii. The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
- xiii. In our opinion and according to the information and explanations given to us, the Company is in compliance with Sections 177 and 188 of the Companies Act, 2013, where applicable, for all

transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.

- xiv. During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of the Order is not applicable to the Company.
- xv. In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or directors of its holding, subsidiary or associate company or persons connected with them and hence provisions of Section 192 of the Companies Act, 2013 are not applicable.
- xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For DELOITTE HASKINS & SELLS

Chartered Accountants
(Firm's Registration No. 117364W)

Shyamak R Tata

Partner

(Membership No. 38320)

Mumbai, 30th May, 2016

Balance Sheet

as at 31st March, 2016

Rupees crores

| | Note | 2016 | 2015 |
|---|--------|------------------|------------------|
| I. EQUITY AND LIABILITIES | | | |
| SHAREHOLDERS' FUNDS : | | | |
| (a) Share Capital..... | 2 | 296.32 | 295.70 |
| (b) Reserves and Surplus..... | 3 | 21,410.87 | 18,959.39 |
| | | 21,707.19 | 19,255.09 |
| NON CURRENT LIABILITIES : | | | |
| (a) Long Term Borrowings..... | 4 | 1,495.42 | 2,514.13 |
| (b) Deferred Tax Liabilities (Net)..... | 5 | 1,247.51 | 979.70 |
| (c) Other Long Term Liabilities..... | 6 | 596.41 | 614.34 |
| (d) Long Term Provisions..... | 7 | 672.14 | 607.34 |
| | | 4,011.48 | 4,715.51 |
| CURRENT LIABILITIES : | | | |
| (a) Short Term Borrowings..... | 8 | 348.13 | 106.25 |
| (b) Trade Payables : | | | |
| – Micro and Small enterprises..... | | 121.74 | 79.53 |
| – Other than Micro and Small enterprises (including acceptances)..... | | 6,641.89 | 5,285.92 |
| | 9 | 6,763.63 | 5,365.45 |
| (c) Other Current Liabilities..... | 10 | 2,242.57 | 2,041.13 |
| (d) Short Term Provisions..... | 11 | 1,339.34 | 1,461.44 |
| | | 10,693.67 | 8,974.27 |
| Total | | 36,412.34 | 32,944.87 |
| II. ASSETS | | | |
| NON CURRENT ASSETS : | | | |
| (a) Fixed Assets | | | |
| Tangible Assets..... | 12 (A) | 6,902.60 | 5,795.44 |
| Intangible Assets..... | 12 (B) | 1,050.26 | 134.02 |
| Capital Work-in-Progress..... | | 234.90 | 755.67 |
| Intangible Assets Under Development..... | | 1,330.62 | 1,423.09 |
| | | 9,518.38 | 8,108.22 |
| (b) Non Current Investments..... | 13 (A) | 11,144.66 | 11,372.74 |
| (c) Long Term Loans and Advances..... | 14 | 4,057.44 | 3,232.26 |
| (d) Other Non Current Assets..... | 15 | 58.66 | 103.44 |
| | | 24,779.14 | 22,816.66 |
| CURRENT ASSETS : | | | |
| (a) Current Investments..... | 13 (B) | 2,375.71 | 1,765.42 |
| (b) Inventories..... | 16 | 2,687.93 | 2,437.57 |
| (c) Trade Receivables..... | 17 | 2,512.05 | 2,558.03 |
| (d) Cash and Bank Balances..... | 18 | 2,297.03 | 2,064.77 |
| (e) Short Term Loans and Advances..... | 19 | 1,179.25 | 773.10 |
| (f) Other Current Assets..... | 20 | 581.23 | 529.32 |
| | | 11,633.20 | 10,128.21 |
| Total | | 36,412.34 | 32,944.87 |

The accompanying notes 1 to 50 are an integral part of the Financial Statements

In terms of our report attached.

For Deloitte Haskins & Sells
Chartered Accountants

Shyamak R Tata
Partner

Deepak S. Parekh
Nadir B. Godrej
M. M. Murugappan
R. K. Kulkarni
Anupam Puri
Vishakha N. Desai
Vikram Singh Mehta
S. B. Mainak

Directors

Anand G. Mahindra

Dr. Pawan Goenka

V. S. Parthasarathy

Narayan Shankar

Chairman & Managing Director

Executive Director & Group President
(Auto and Farm Sector)

Group Chief Financial Officer, Group CIO &
President (Group Finance and M&A)

Company Secretary

Mumbai, 30th May, 2016

Mumbai, 30th May, 2016

Statement of Profit and Loss for the year ended 31st March, 2016

Rupees crores

| | Note | 2016 | 2015 |
|--|-----------|------------------|------------------|
| Gross Revenue from Sale of Products and Services..... | 21 | 43,118.32 | 40,078.71 |
| Less : Excise Duty..... | | 2,721.66 | 2,187.69 |
| Net Revenue from Sale of Products and Services..... | 21 | 40,396.66 | 37,891.02 |
| Other Operating Revenue..... | 21 | 488.32 | 553.81 |
| Revenue from Operations (Net)..... | | 40,884.98 | 38,444.83 |
| Other Income..... | 22 | 854.85 | 848.94 |
| Total Revenue..... | | 41,739.83 | 39,293.77 |
| EXPENSES : | | | |
| Cost of Materials Consumed..... | 23 | 19,373.16 | 20,272.48 |
| Purchases of Stock-in-Trade..... | 24 | 10,409.26 | 7,359.37 |
| Changes in Inventories of Finished Goods, Work-in-Progress, Stock-in-Trade and Manufactured Components..... | 25 | (215.80) | 323.63 |
| Employee Benefits Expense..... | 26 | 2,342.15 | 2,316.93 |
| Finance Costs..... | 27 | 155.29 | 214.30 |
| Depreciation and Amortisation Expense..... | 28 | 1,108.61 | 974.90 |
| Other Expenses..... | 29 | 4,485.26 | 4,099.98 |
| | | 37,657.93 | 35,561.59 |
| Less : Cost of Manufactured Products Capitalised..... | | 79.26 | 100.99 |
| Total Expenses..... | | 37,578.67 | 35,460.60 |
| Profit Before Exceptional Items and Tax..... | | 4,161.16 | 3,833.17 |
| Add : Exceptional Items..... | 40 | 68.74 | 335.72 |
| Profit Before Tax..... | | 4,229.90 | 4,168.89 |
| Less : Tax Expense | | | |
| Current Tax..... | | 857.65 | 835.92 |
| Less : MAT Credit Entitlement..... | | 52.02 | 92.72 |
| Net Current Tax..... | | 805.63 | 743.20 |
| Deferred Tax (Net)..... | | 256.79 | 104.58 |
| | | 1,062.42 | 847.78 |
| Profit for the year..... | | 3,167.48 | 3,321.11 |
| Earnings per equity share | 41 | | |
| (Face value Rs. 5/- per share) (Rupees) | | | |
| Basic..... | | 53.51 | 56.23 |
| Diluted..... | | 51.00 | 53.66 |

The accompanying notes 1 to 50 are an integral part of the Financial Statements

In terms of our report attached.

For **Deloitte Haskins & Sells**
Chartered Accountants**Shyamak R Tata**
Partner

Deepak S. Parekh
Nadir B. Godrej
M. M. Murugappan
R. K. Kulkarni
Anupam Puri
Vishakha N. Desai
Vikram Singh Mehta
S. B. Mainak

Directors

Anand G. Mahindra**Dr. Pawan Goenka****V. S. Parthasarathy****Narayan Shankar**

Chairman & Managing Director

Executive Director & Group President
(Auto and Farm Sector)Group Chief Financial Officer, Group CIO &
President (Group Finance and M&A)

Company Secretary

Mumbai, 30th May, 2016Mumbai, 30th May, 2016

Cash Flow Statement for the year ended 31st March, 2016

Rupees crores

| | 2016 | 2015 |
|---|-------------------|-------------------|
| A. CASH FLOW FROM OPERATING ACTIVITIES : | | |
| Profit before exceptional items and tax | 4,161.16 | 3,833.17 |
| Adjustments for : | | |
| Depreciation and Amortisation | 1,108.61 | 974.90 |
| Loss on Exchange (Net) | 147.92 | 81.30 |
| Investment and Interest Income | (679.05) | (713.93) |
| Interest, Commitment and Finance Charges | 155.29 | 214.30 |
| Employee Stock Compensation Expense | 88.37 | 35.07 |
| Write off of Intangible Assets Under Development | 9.44 | 19.38 |
| Profit on sale of investments (Net) | (49.03) | (5.84) |
| (Profit)/Loss on fixed assets sold/scrapped/written off (Net) | 27.31 | (1.78) |
| Excess of cost over fair value of current investments (Net) | (2.91) | (0.76) |
| | 805.95 | 602.64 |
| Operating Profit before Working Capital changes | 4,967.11 | 4,435.81 |
| Changes in : | | |
| Trade and other receivables | 143.42 | (183.73) |
| Inventories | (250.36) | 366.06 |
| Trade and other payables | 1,546.24 | (551.90) |
| | 1,439.30 | (369.57) |
| Cash generated from operations | 6,406.41 | 4,066.24 |
| Income Taxes paid (Net of refunds) | (927.88) | (846.75) |
| NET CASH FROM OPERATING ACTIVITIES | 5,478.53 | 3,219.49 |
| B. CASH FLOW FROM INVESTING ACTIVITIES : | | |
| Purchase of fixed assets | (2,172.44) | (2,034.55) |
| Sale of fixed assets | 12.78 | 12.00 |
| Purchase of long term investments – Subsidiaries | (3,242.53) | (1,325.20) |
| Purchase of long term investments – Joint Venture | (170.13) | — |
| Purchase of other long term investments | (1.50) | (6.95) |
| Purchase of current investments | (77,402.40) | (70,378.25) |
| Sale of current investments | 76,893.30 | 70,292.97 |
| Interest received | 182.85 | 192.73 |
| Dividends received | 416.97 | 413.00 |
| Bank Deposits placed | (2,179.45) | (1,991.00) |
| Bank Deposits matured | 1,876.00 | 2,089.65 |
| Increase in Earmarked Balances & Margin account | (3.61) | (1.50) |
| Inter corporate deposits given | (300.00) | (1.53) |
| Inter corporate deposits refunded | 27.68 | 239.97 |
| Loan given | (1,200.00) | — |
| Repayment of loan given | 14.95 | 35.15 |
| Exceptional Items : | | |
| Sale of long term investments | 3,701.40 | 40.42 |
| NET CASH USED IN INVESTING ACTIVITIES | (3,546.13) | (2,423.09) |

Cash Flow Statement (contd.)

Rupees crores

| | 2016 | 2015 |
|--|-------------------|------------|
| C. CASH FLOW FROM FINANCING ACTIVITIES : | | |
| Proceeds from Issue of Share Capital (including Securities Premium)..... | — | 2.60 |
| Proceeds from borrowings..... | 348.39 | 104.31 |
| Repayments of borrowings | (1,298.41) | (488.97) |
| Net decrease in Cash Credit Facilities..... | — | (0.05) |
| Dividends paid [including income-tax on dividends Rs. 101.64 crores (2015 : Rs. 100.76 crores)].. | (846.06) | (960.85) |
| Interest, commitment and finance charges paid | (211.03) | (241.86) |
| NET CASH USED IN FINANCING ACTIVITIES | (2,007.11) | (1,584.82) |
| NET DECREASE IN CASH AND CASH EQUIVALENTS..... | (74.71) | (788.42) |
| OPENING CASH AND CASH EQUIVALENTS | 917.19 | 1,705.61 |
| CLOSING CASH AND CASH EQUIVALENTS | 842.48 | 917.19 |

Notes to the Cash Flow Statement for the year ended 31st March, 2016

Rupees crores

| | 2016 | 2015 |
|--|----------|----------|
| 1. The above Cash Flow Statement has been prepared under the 'indirect method' as set out in Accounting Standard 3 'Cash Flow Statement' | | |
| 2. Cash and Cash Equivalents | 842.48 | 917.19 |
| Unrealised Loss on foreign currency Cash and Cash Equivalents..... | (0.17) | (0.08) |
| | 842.31 | 917.11 |
| Other Bank Balances | 1,454.72 | 1,147.66 |
| Cash and Bank Balances (Note 18) | 2,297.03 | 2,064.77 |
| 3. (a) The Company acquired shares in its subsidiary by converting its deposits..... | — | 76.50 |
| (b) Also refer Note 37 and 38 | | |
| (c) These arrangements/transfers are non-cash transactions. | | |

In terms of our report attached.

For Deloitte Haskins & Sells
Chartered Accountants

Shyamak R Tata
Partner

Mumbai, 30th May, 2016

Deepak S. Parekh
Nadir B. Godrej
M. M. Murugappan
R. K. Kulkarni
Anupam Puri
Vishakha N. Desai
Vikram Singh Mehta
S. B. Mainak

Directors

Anand G. Mahindra

Dr. Pawan Goenka

V. S. Parthasarathy

Narayan Shankar

Chairman & Managing Director

Executive Director & Group President
(Auto and Farm Sector)

Group Chief Financial Officer, Group CIO &
President (Group Finance and M&A)

Company Secretary

Mumbai, 30th May, 2016

Notes forming part of the Financial Statements for the year ended 31st March, 2016

1. Significant Accounting Policies :

(A) Basis of Accounting :

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

(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 is calculated on Straight Line method over the estimated useful life of all assets. These lives are in accordance with Schedule II to the Companies Act, 2013, other than the following asset classes based on the Company's expected usage pattern supported by technical assessment :

- (a) Certain items of Plant and Equipment – 2 years, 3 years, 5 years, 7 years, 10 years, 20 years and 25 years as the case may be.

- (b) Buildings (Roads) – 15 years.

- (c) Vehicles – 5 years.

(C) Intangible Assets :

Intangible assets are carried at cost and amortised on a Straight Line Basis so as to reflect the pattern in which the asset's economic benefits are consumed.

(a) Technical Knowhow :

The expenditure incurred is amortised over the estimated period of benefit, not exceeding six years commencing with the year of purchase of the technology.

(b) Development Expenditure :

The expenditure incurred on technical services and other project/product related expenses are amortised over the estimated period of benefit, not exceeding five years.

(c) Software Expenditure :

The expenditure incurred is amortised over three financial years equally commencing from the year in which the expenditure is incurred.

(d) Others :

The expenditure incurred is amortised over the estimated period of benefit, not exceeding ten years.

(D) Impairment of Assets :

The carrying value of assets/cash generating units at each balance sheet date are reviewed for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and impairment is recognised, if the carrying amount of these assets exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life to their present value based on an appropriate discount factor. When there is indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss, except in case of revalued assets.

(E) Investments :

Long term investments are valued at cost. However, provision for diminution in value is made to recognise a decline other than temporary in the value of investments. Current investments are valued at the lower of cost and fair value, determined by category of investment.

(F) Inventories :

Inventories comprise all costs of purchase, conversion and other costs incurred in bringing the inventories to their present location and condition.

Raw materials and bought out components are valued at the lower of cost or net realisable value. Cost is determined on the basis of the weighted average method.

Finished goods produced and purchased for sale, manufactured components and work-in-progress are carried at cost or net realisable value whichever is lower. Excise duty is included in the value of finished goods inventory.

Stores, spares and tools other than obsolete and slow moving items are carried at cost. Obsolete and slow moving items are valued at cost or estimated net realisable value, whichever is lower.

(G) Foreign Exchange Transactions :

Transactions in foreign currencies (other than firm commitments and highly probable forecast transactions) are recorded at the exchange rates prevailing on the date of transaction. Monetary items are translated at the year-end rates. The exchange difference between the rate prevailing on the date of transaction and on the date of settlement as also on translation of monetary items at the end of the year (other than those relating to long term foreign currency monetary items) is recognised as income or expense, as the case may be.

Exchange differences relating to long term foreign currency monetary items, to the extent they are used for financing the acquisition of depreciable assets are added to, or subtracted from, the cost of such depreciable assets and the balance accumulated in 'Foreign Currency Monetary Item Translation Difference Account', under Reserves and Surplus, and amortised over the balance term of the long term monetary item.

Any premium or discount arising at the inception of a forward exchange contract is recognised as income or expense over the life of the contract, except where the contract is designated as a cash flow hedge.

(H) Derivative Instruments and Hedge Accounting :

The Company uses foreign currency forward contracts and currency options to hedge its risks associated with foreign currency fluctuations relating to certain firm commitments and highly probable forecast transactions. The Company does not hold derivative financial instruments for speculative purposes. The Company has applied to such contracts the hedge accounting principles set out in Accounting Standard 30 'Financial Instruments : Recognition and Measurement' (AS 30) by marking them to market at each reporting date.

Changes in the fair value of the contracts that are designated and effective as hedges of future cash flows are recognised directly in Hedging Reserve Account and the ineffective portion is recognised in the Statement of Profit and Loss.

(I) Revenue Recognition :

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

Excise duty recovered on sales is included in "Revenue from Operations".

Dividend from investments are recognised in the Statement of Profit and Loss when the right to receive payment is established.

(J) Government Grants :

The Company, directly or indirectly through a consortium of Mahindra Group Companies, is entitled to various incentives from government authorities in respect of manufacturing units located in developing regions. The Company accounts for its entitlement as income on accrual basis.

(K) Employee Benefits :

In respect of Defined Contribution Plans/Defined Benefit Plans/Long term Compensated Absences :

Company's contributions paid/payable during the year to Superannuation Fund, ESIC and Labour Welfare Fund are recognised in the Statement of Profit and Loss.

Contributions to Provident Fund are made to a Trust administered by the Company/Regional Provident Fund Commissioner and are charged to Statement of Profit and Loss as incurred. The Company is liable for the contribution and any shortfall in interest between the amount of interest realised by the investments and the interest payable to members at the rate declared by the Government of India in respect of the Trust administered by the Company.

Company's liability towards gratuity, long term compensated absences, post retirement medical benefit and post retirement housing allowance schemes are determined by independent actuaries, using the projected unit credit method. Past services are recognised on a straight line basis over the average period until the benefits become vested. Actuarial gains and losses are recognised immediately in the Statement of Profit and Loss as income or expense. Obligation is measured at the present value of estimated future cash flows using a discounted rate that is determined by reference to the market yields at the Balance Sheet date on Government Bonds where the currency and terms of the Government Bonds are consistent with the currency and estimated terms of the defined benefit obligation.

In respect of Employee Stock Option Scheme :

The compensation cost of stock options granted to employees is measured by the Intrinsic Value Method. The intrinsic value, which is the excess of the market price of the underlying equity shares as of the date of the grant over the exercise price of the option, is recognised and amortised on straight line basis over the vesting period.

(L) Borrowing Costs :

All borrowing costs are charged to the Statement of Profit and Loss except :

- (i) Borrowing costs that are attributable to the acquisition or construction of qualifying tangible and intangible assets that necessarily take a substantial period of time to get ready for their intended use, which are capitalised as part of the cost of such assets.
- (ii) Expenses incurred on raising long term borrowings are amortised over the period of borrowings. On early buyback, conversion or repayment of borrowings, any unamortised expenditure is fully written off in that year.

(M) Product Warranty :

In respect of warranties given by the Company on sale of certain products, the estimated costs of these warranties are accrued at the time of sale. The estimates for accounting of warranties are reviewed and revisions are made as required.

(N) Leases :

The Company's significant leasing arrangements are in respect of operating leases for premises (residential, office, stores, godowns, computer hardware etc.). The leasing arrangements, which are not non-cancellable, range between eleven months and five years generally, and are usually renewable by mutual consent on agreed terms. The aggregate lease rentals payable are charged as rent.

(O) Taxes on Income :

Current tax is determined as the amount of tax payable in respect of taxable income for the year. Deferred tax is recognised, subject to consideration of prudence, on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets arising on account of unabsorbed depreciation or carry forward of tax losses are recognised only to the extent that there is virtual certainty supported by convincing evidence that sufficient future tax income will be available against which such deferred tax assets can be realised.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax against which the MAT paid will be adjusted.

(P) Segment Reporting :

Segments are identified having regard to the dominant source and nature of risks and returns and internal organisation and management structure.

Revenues and expenses have been identified to the segment based on their relationship to the business activity of the segment.

Income/Expenses relating to the enterprise as a whole and not allocable on a reasonable basis to business segments are reflected as unallocated corporate income/expenses. Inter-segment transfers are at prices which are generally market led.

2. Share Capital :

Rupees crores

| | 2016 | 2015 |
|--|---------------|---------------|
| Authorised : | | |
| 1,20,00,00,000 Ordinary (Equity) Shares of Rs. 5 each..... | 600.00 | 600.00 |
| 25,00,00,000 Unclassified Shares of Rs. 100 each | 25.00 | 25.00 |
| | 625.00 | 625.00 |
| Issued and Subscribed : | | |
| 62,10,92,384 (2015 : 62,10,92,384) Ordinary (Equity) Shares of Rs. 5 each fully paid up. | 310.55 | 310.55 |
| Less : | | |
| 2,84,58,577 (2015 : 2,97,00,106) Ordinary (Equity) Shares of Rs. 5 each fully paid up issued to ESOP Trust but not allotted to employees | 14.23 | 14.85 |
| Adjusted : Issued and Subscribed Share Capital..... | 296.32 | 295.70 |

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

| | 2016 | | 2015 | |
|--|---------------------|---------------|---------------------|---------------|
| | No. of shares | Rupees crores | No. of shares | Rupees crores |
| Issued and Subscribed : | | | | |
| Balance as at the beginning of the year | 62,10,92,384 | 310.55 | 61,58,92,384 | 307.95 |
| Add : | | | | |
| Shares issued to ESOP Trust | — | — | 52,00,000 | 2.60 |
| Balance as at the end of the year | 62,10,92,384 | 310.55 | 62,10,92,384 | 310.55 |
| Less : | | | | |
| Shares issued to ESOP Trust but not allotted to Employees [Note 3(K)]..... | 2,84,58,577 | 14.23 | 2,97,00,106 | 14.85 |
| Adjusted : Issued and Subscribed Share Capital..... | 59,26,33,807 | 296.32 | 59,13,92,278 | 295.70 |

(B) The Ordinary (Equity) Shares of the Company rank *pari-passu* in all respects including voting rights and entitlement to dividend.

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

| Name of the Shareholder | 2016 | | 2015 | |
|--|---------------|----------------|---------------|----------------|
| | No. of shares | % shareholding | No. of shares | % shareholding |
| (i) Life Insurance Corporation of India..... | 7,72,50,271 | 12.44 | 7,82,03,359 | 12.59 |
| (ii) Prudential Management and Services Pvt. Ltd. | 7,07,60,970 | 11.39 | 7,07,60,970 | 11.39 |
| (iii) M&M Benefit Trust..... | 5,18,35,214 | 8.35 | 5,18,35,214 | 8.35 |
| (iv) The Bank of New York Mellon (for GDR holders).... | 3,45,30,583 | 5.56 | 3,34,13,833 | 5.38 |

(D) Issued and Subscribed Share Capital includes an aggregate of 40,647 (2015 : 40,647) Ordinary (Equity) Shares of Rs. 5 each allotted as fully paid-up pursuant to Schemes of Arrangement without payment having been received in cash, for a period of five years immediately preceding the end of the financial year.

3. Reserves and Surplus :

| | Rupees crores | |
|---|---------------|----------|
| | 2016 | 2015 |
| (A) Capital Reserve : | | |
| Balance as at the beginning of the year..... | 10.13 | 10.13 |
| Balance as at the end of the year..... | 10.13 | 10.13 |
| (B) Securities Premium Account : | | |
| Balance as at the beginning of the year..... | 2,538.74 | 2,493.04 |
| Add : | | |
| On account of exercise of employee stock options..... | 52.09 | 45.77 |
| | 2,590.83 | 2,538.81 |
| Less : | | |
| Writing-off of debenture issue expenses [Net of Tax of Rs. 0.02 crores (2015 : Rs. 0.03 crores)]..... | 0.03 | 0.07 |
| | 2,590.80 | 2,538.74 |
| Less : | | |
| Premium on shares issued to ESOP Trust but not allotted to employees [Note 3(K)] | 256.78 | 258.30 |
| Balance as at the end of the year..... | 2,334.02 | 2,280.44 |
| (C) Revaluation Reserve : | | |
| Balance as at the beginning of the year..... | 10.79 | 10.79 |
| Balance as at the end of the year..... | 10.79 | 10.79 |
| (D) General Reserve : | | |
| Balance as at the beginning of the year..... | 1,729.63 | 1,705.55 |
| Add : | | |
| On account of employee stock options*..... | — | 24.00 |
| On account of employee stock options lapsed | 0.23 | 0.08 |
| | 1,729.86 | 1,729.63 |
| Add : | | |
| Bonus shares issued to ESOP Trust but not allotted to employees [Note 3(K)]..... | 0.50 | 0.81 |
| Balance as at the end of the year..... | 1,730.36 | 1,730.44 |
| * relating to shares other than those allotted by the Company to the ESOP Trust | | |
| (E) Debenture Redemption Reserve : | | |
| Balance as at the beginning of the year..... | 105.01 | 88.22 |
| Add : | | |
| Transfer from Surplus in Statement of Profit and Loss | 2.50 | 16.79 |
| | 107.51 | 105.01 |
| Less : | | |
| Transfer to Surplus in Statement of Profit and Loss..... | 100.01 | — |
| Balance as at the end of the year..... | 7.50 | 105.01 |

3. Reserves and Surplus : (contd.)

Rupees crores

| | 2016 | 2015 |
|---|---------------|--------------|
| (F) Investment Fluctuation Reserve* [Note 37 and 39] : | | |
| Balance as at the beginning of the year..... | 64.59 | 130.74 |
| Add : | | |
| Provision no longer required written back..... | 61.48 | 267.47 |
| | 126.07 | 398.21 |
| Less : | | |
| Utilisation during the year..... | 126.07 | 333.62 |
| Balance as at the end of the year..... | — | 64.59 |
| * pursuant to Schemes of Arrangement/Amalgamation approved by the Honourable High Courts | | |
| (G) Hedging Reserve Account : | | |
| Balance as at the beginning of the year..... | (18.53) | (26.31) |
| Net movement, on hedging instruments, designated and effective as hedges and transfers to statement of profit and loss on occurrence of forecasted hedge transactions (Net of tax of Rs. 11.04 crores (2015 : Rs. 3.74 crores)) | 20.87 | 7.78 |
| Balance as at the end of the year..... | 2.34 | (18.53) |
| (H) Employee Stock Options Outstanding : | | |
| Balance as at the beginning of the year..... | 142.79 | 223.11 |
| Add : | | |
| On account of options granted during the year..... | 357.05 | — |
| | 499.84 | 223.11 |
| Less : | | |
| Transfer to Securities Premium Account on exercise of options during the year | 52.09 | 45.77 |
| Transfer to General Reserve on account of employee stock options* | — | 24.00 |
| For options lapsed/forfeited during the year | 3.76 | 10.55 |
| Balance as at the end of the year..... | 443.99 | 142.79 |
| Less : | | |
| Deferred Employee Compensation Expense | 296.07 | 36.20 |
| Balance as at the end of the year..... | 147.92 | 106.59 |

* relating to shares other than those allotted by the Company to the ESOP Trust

3. Reserves and Surplus : (contd.)

| | Rupees crores | |
|---|------------------|------------------|
| | 2016 | 2015 |
| (I) Foreign Currency Monetary Item Translation Difference Account : | | |
| Balance as at the beginning of the year | (79.58) | (121.01) |
| Add : | | |
| Arising on revaluation of long term monetary assets and liabilities (net)..... | (82.41) | (41.86) |
| | (161.99) | (162.87) |
| Less : | | |
| Amortisation during the year..... | 157.04 | 83.29 |
| Balance as at the end of the year..... | (4.95) | (79.58) |
| (J) Surplus in Statement of Profit and Loss : | | |
| Balance as at the beginning of the year..... | 14,749.51 | 12,324.71 |
| Add : | | |
| Profit for the year..... | 3,167.48 | 3,321.11 |
| Transfer from Debenture Redemption Reserve..... | 100.01 | — |
| Reversal of income tax on dividend paid for 2013-14 | — | 2.80 |
| | 18,017.00 | 15,648.62 |
| Less : | | |
| Transfer to Debenture Redemption Reserve | 2.50 | 16.79 |
| Depreciation on transitional provision as specified in Schedule II of the Companies Act, 2013 - [Net of Tax of Rs. Nil crores (2015 : Rs. 18.24 crores)]..... | — | 35.43 |
| Proposed Dividend [Rs. 12.00 per share (2015 : Rs. 12.00 per share)] | 745.31 | 745.31 |
| Income-tax on Proposed Dividend..... | 96.37 | 101.58 |
| Income-tax on dividend paid for 2014-15 | 0.06 | — |
| Balance as at the end of the year..... | 17,172.76 | 14,749.51 |
| Total Reserves and Surplus | 21,410.87 | 18,959.39 |

(K) The Guidance Note on Accounting for Employee Share-based Payments issued by The Institute of Chartered Accountants of India requires that shares allotted to a Trust but not transferred to employees be reduced from Share Capital and Reserves and Surplus. Accordingly, the Company has reduced the Share Capital by **Rs. 13.73 crores** (2015 : Rs. 14.04 crores) and Securities Premium Account by **Rs. 256.78 crores** (2015 : Rs. 258.30 crores) for the **2,74,61,619** shares of Rs. 5 each (2015 : 2,80,82,384 shares of Rs. 5 each) held by the Trust pending transfer to the eligible employees.

The Share Capital of the Company has also been reduced and the General Reserve increased by **Rs. 0.50 crores** (2015 : Rs. 0.81 crores) for the **9,96,958** bonus shares of Rs. 5 each (2015 : 16,17,722 bonus shares of Rs. 5 each) issued by the Company in September, 2005 to the Trust but not yet transferred by the Trust to the employees.

The above monies which are treated as advance received from the Trust, is included under Other Current Liabilities and Other Long Term Liabilities.

4. Long Term Borrowings :

| | Rupees crores | |
|---------------------------------|-----------------|-----------------|
| | 2016 | 2015 |
| Unsecured : | | |
| (i) Debentures | 500.00 | 500.00 |
| (ii) Term Loans from Banks..... | — | 937.50 |
| (iii) Fixed Deposits | — | 21.69 |
| (iv) Other Loans | 995.42 | 1,054.94 |
| | 1,495.42 | 2,514.13 |

Debentures are Senior Redeemable Non-Convertible Debentures carrying an interest rate of 9.55% with a tenure of 50 years, repayable in July, 2063.

(a) Term loans from banks comprise of :

USD External Commercial Borrowings carrying an average margin of 142 basis points over three month USD Libor and are repayable after five years and one day from the date of respective availment of loan. Rs. 662.55 crores payable in August, 2016 and Rs. 331.28 crores payable in September, 2016 are shown under current maturities of long term borrowings.

Fixed deposits are repayable three years from the date of deposit and carry an interest rate of 9.75%. Rs. 21.36 crores is shown under current maturities of long term borrowings.

(b) Other loans comprise deferred sales tax loans which are interest free and repayable in five equal installments after ten years from the year of availment of respective loan. These loans are repayable :

| | Rupees crores | |
|---------------------------------------|---------------|-----------------|
| | 2016 | 2015 |
| (i) In the second year | 79.72 | 59.51 |
| (ii) In the third to fifth year | 339.92 | 269.89 |
| (iii) After five years..... | 575.78 | 725.54 |
| | 995.42 | 1,054.94 |

(c) Current maturities in respect of long term borrowings have been included in Note 10 as under :

| | Rupees crores | |
|---------------------------------|-----------------|-----------------|
| | 2016 | 2015 |
| (i) Debentures/Bonds | 0.01 | 133.34 |
| (ii) Term Loans from Banks..... | 993.83 | 937.50 |
| (iii) Fixed Deposits | 21.36 | 36.62 |
| (iv) Other Loans | 58.17 | 0.62 |
| | 1,073.37 | 1,108.08 |

5. Deferred Tax Liabilities (Net) :

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

| | Rupees crores | |
|--|-----------------|-----------------|
| | 2016 | 2015 |
| Deferred Tax Liabilities : | | |
| (i) On fiscal allowances on fixed assets..... | 1,527.32 | 1,241.41 |
| (ii) Others..... | 22.72 | 49.31 |
| | 1,550.04 | 1,290.72 |
| Deferred Tax Assets : | | |
| (i) On provision for employee benefits..... | 188.64 | 200.49 |
| (ii) On provision for doubtful debts/advances..... | 38.52 | 23.83 |
| (iii) Others..... | 75.37 | 86.70 |
| | 302.53 | 311.02 |
| Net Deferred Tax Liabilities..... | 1,247.51 | 979.70 |

6. Other Long Term Liabilities :

| | Rupees crores | |
|----------------------|---------------|---------------|
| | 2016 | 2015 |
| Trade Payables | 23.66 | 25.69 |
| Others..... | 572.75 | 588.65 |
| | 596.41 | 614.34 |

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

7. Long Term Provisions :

| | Rupees crores | |
|--|---------------|---------------|
| | 2016 | 2015 |
| Provision for Employee Benefits..... | 455.38 | 430.50 |
| Provision for Warranty [Note 32] | 216.76 | 176.84 |
| | 672.14 | 607.34 |

8. Short Term Borrowings :

| | Rupees crores | |
|---------------------------|---------------|---------------|
| | 2016 | 2015 |
| Unsecured : | | |
| Term Loan from Bank | 348.13 | 106.25 |
| | 348.13 | 106.25 |

Term loan from banks consist of Export packing credit facility carrying interest rate of 0.3315% and Rupee packing credit facility under interest equalization scheme carrying fixed interest rate ranging from 5.15% to 5.75%. These loans are repayable within a year from the date of availment of loan.

9. Trade Payables :

| | Rupees crores | |
|--|-----------------|-----------------|
| | 2016 | 2015 |
| Acceptances..... | 656.11 | 575.43 |
| Trade Payables – Micro and Small enterprises..... | 121.74 | 79.53 |
| Trade Payables – Other than Micro and Small enterprises..... | 5,985.78 | 4,710.49 |
| | 6,763.63 | 5,365.45 |

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 | |
|--|---------------|--------|
| | 2016 | 2015 |
| (a) Dues remaining unpaid as at 31 st March | | |
| Principal..... | 39.45 | 54.95 |
| Interest on the above | 0.50 | 0.56 |
| (b) Interest paid in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (hereinafter referred to as "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..... | 690.76 | 564.84 |
| Interest paid in terms of Section 16 of the Act | 3.00 | 2.39 |
| (c) Amount of interest due and payable for the period of delay on payments made beyond the appointed day during the year | 3.11 | 2.97 |
| (d) Further interest due and payable even in the succeeding years, until such date when the interest due as above are actually paid to the small enterprises | 1.17 | 1.18 |
| (e) Amount of interest accrued and remaining unpaid as at 31 st March..... | 4.78 | 4.71 |

10. Other Current Liabilities :

| | Rupees crores | |
|--|-----------------|-----------------|
| | 2016 | 2015 |
| Current Maturities of Long Term Borrowings..... | 1,073.37 | 1,108.08 |
| Advance from Customers | 412.08 | 255.04 |
| Interest accrued but not due on borrowings | 6.66 | 18.31 |
| Dividend Payable..... | 15.48 | 14.59 |
| Unclaimed Matured Deposits..... | 0.97 | 0.79 |
| Others..... | 734.01 | 644.32 |
| | 2,242.57 | 2,041.13 |

Others mainly include capital creditors, government dues and taxes payable, gratuity payable and salary deductions payable. There are no amounts due and outstanding to be credited to the Investor Education and Protection Fund.

11. Short Term Provisions :

| | Rupees crores | |
|---|-----------------|-----------------|
| | 2016 | 2015 |
| Provision for Employee Benefits..... | 107.18 | 168.87 |
| Provision for Warranty [Note 32] | 200.64 | 193.34 |
| Proposed Dividend | 745.31 | 745.31 |
| Provision for Tax on Proposed Dividend..... | 96.37 | 101.58 |
| Provision for Taxation..... | 189.84 | 252.34 |
| | 1,339.34 | 1,461.44 |

12. Fixed Assets :

(A) Tangible Assets :

| Description of Assets | Rupees crores | | | | | | | | | | |
|-----------------------------|---|---------------------------------|---|--|---|---|--|----------------------------------|--|---|--|
| | Cost/ Professional valuation as at 31 st March, 2015 | Additions during the year | Other adjustments during the year | Deductions and adjustments during the year | Cost/ Professional valuation as at 31 st March, 2016 | Accumulated Depreciation upto 31 st March, 2015 | Depreciation as per transitional provision specified in Schedule II of the Companies Act, 2013 | Depreciation for 2015-2016 | Deductions and adjustments of Depreciation | Accumulated Depreciation upto 31 st March, 2016 | Net Balance as at 31 st March, 2016 |
| Land – Freehold..... | 267.22 | 0.57 | — | 0.03 | 267.76 | — | — | — | — | — | 267.76 |
| | 264.62 | 2.60 | — | — | 267.22 | — | — | — | — | — | 267.22 |
| Land – Leasehold | 107.50 | 7.94 | — | — | 115.44 | 7.45 | 1.10 | — | 8.55 | 8.55 | 106.89 |
| | 63.34 | 44.16 | — | — | 107.50 | 6.37 | 1.08 | — | 7.45 | 7.45 | 100.05 |
| Buildings..... | 1,514.18 | 140.34 | 7.30 | 7.15 | 1,654.67 | 337.20 | 43.94 | 4.07 | 377.07 | 377.07 | 1,277.60 |
| | 1,425.28 | 85.17 | 4.63 | 0.90 | 1,514.18 | 292.87 | 41.36 | 0.24 | 337.20 | 337.20 | 1,176.98 |
| Plant and Equipment | 8,405.37 | 1,718.63 | 69.75 | 267.79 | 9,925.96 | 4,511.82 | 774.02 | 242.75 | 5,043.09 | 5,043.09 | 4,882.87 |
| | 7,689.00 | 719.63 | 34.58 | 37.84 | 8,405.37 | 3,833.18 | 681.50 | 34.95 | 4,511.82 | 4,511.82 | 3,893.55 |
| Office Equipment..... | 99.40 | 15.20 | 0.25 | 11.81 | 103.04 | 61.24 | 14.15 | 10.12 | 65.27 | 65.27 | 37.77 |
| | 87.04 | 12.82 | 0.17 | 0.63 | 99.40 | 32.85 | 15.96 | 0.59 | 61.24 | 61.24 | 38.16 |
| Furniture and Fixtures..... | 176.43 | 17.32 | 0.13 | 15.38 | 178.50 | 100.15 | 16.87 | 13.50 | 103.52 | 103.52 | 74.98 |
| | 165.19 | 12.50 | 0.10 | 1.36 | 176.43 | 79.19 | 18.90 | 1.24 | 100.15 | 100.15 | 76.28 |
| Aircraft | 103.46 | — | — | — | 103.46 | 17.01 | 4.81 | — | 21.82 | 21.82 | 81.64 |
| | 103.46 | — | — | — | 103.46 | 12.20 | 4.81 | — | 17.01 | 17.01 | 86.45 |
| Vehicles..... | 302.33 | 81.48 | 0.04 | 44.86 | 338.99 | 145.58 | 56.81 | 36.49 | 165.90 | 165.90 | 173.09 |
| | 274.00 | 53.79 | 0.02 | 25.48 | 302.33 | 108.97 | 53.54 | 18.98 | 145.58 | 145.58 | 156.75 |
| | 10,975.89 | 1,981.48 | 77.47 | 347.02 | 12,687.82 | 5,180.45 | 911.70 | 306.93 | 5,785.22 | 5,785.22 | 6,902.60 |
| | 10,071.93 | 930.67 | 39.50 | 66.21 | 10,975.89 | 4,365.63 | 817.15 | 56.00 | 5,180.45 | 5,180.45 | 5,795.44 |

(B) Intangible Assets (acquired, unless otherwise stated) :

| Description of Assets | Rupees crores | | | | | | | | | | |
|--|---|---------------------------------|---|--|---|---|---|----------------------------------|--|---|--|
| | Cost/ Professional valuation as at 31 st March, 2015 | Additions during the year | Other adjustments during the year | Deductions and adjustments during the year | Cost/ Professional valuation as at 31 st March, 2016 | Accumulated Amortisation upto 31 st March, 2015 | Amortisation as per transitional provision specified in Schedule II of the Companies Act, 2013 | Amortisation for 2015-2016 | Deductions and adjustments of Amortisation | Accumulated Amortisation upto 31 st March, 2016 | Net Balance as at 31 st March, 2016 |
| Technical Knowhow..... | — | — | — | 2.58 | — | — | — | — | 2.58 | — | — |
| | 2.58 | — | — | — | — | 2.58 | — | — | — | — | — |
| Development Expenditure – Internally Generated..... | 646.29 | 1,090.62 | 8.38 | 246.60 | 1,498.69 | 536.79 | 177.55 | 246.60 | 467.74 | 467.74 | 1,030.95 |
| | 606.90 | 97.27 | 0.03 | 57.91 | 646.29 | 460.68 | 134.02 | 57.91 | 536.79 | 536.79 | 109.50 |
| Computer Software..... | 73.53 | 14.02 | — | 21.49 | 66.06 | 54.13 | 17.01 | 21.49 | 49.65 | 49.65 | 16.41 |
| | 75.38 | 20.35 | — | 22.20 | 73.53 | 56.85 | 19.48 | 22.20 | 54.13 | 54.13 | 19.40 |
| Others..... | 42.80 | 0.13 | — | — | 42.93 | 37.68 | 2.35 | — | 40.03 | 40.03 | 2.90 |
| | 39.33 | 3.47 | — | — | 42.80 | 33.43 | 4.25 | — | 37.68 | 37.68 | 5.12 |
| | 762.62 | 1,104.77 | 8.38 | 268.09 | 1,607.68 | 628.60 | 196.91 | 268.09 | 557.42 | 557.42 | 1,050.26 |
| | 724.19 | 121.09 | 0.03 | 82.69 | 762.62 | 553.54 | 157.75 | 82.69 | 628.60 | 628.60 | 134.02 |

Notes :

(a) Other adjustments during the year comprise of difference in exchange and interest capitalised.

(b) Buildings include Rs. * crores (2015 : Rs. * crores) being the value of shares in co-operative housing societies.

(c) In accordance with the requirements of Companies Act, 2013, the company has effective 1st April, 2014 reviewed and revised the estimated useful lives of its fixed assets generally in accordance with the provisions of Schedule II of the Companies Act, 2013 (refer Note 1 (b)(iii)). Consequently, in respect of assets, whose useful life is exhausted as at 1st April, 2014, the related carrying amount aggregating to Rs. Nil crores (2015: Rs. 35.43 crores) (net of deferred tax of Rs. Nil crores (2015: Rs. 18.24 crores)) was adjusted against opening balance of Surplus in the Statement of Profit and Loss in the previous year.

(d) Intangible - Others include congenies of rights, non compete fees, trade mark etc.

* denotes amounts less than Rs. 50,000

Current year figures are in bold.

13. (A) Non Current Investments :

| | Face Value Per Unit (Rupees) | 2016 | | 2015 | |
|--|------------------------------------|---------------|-----------------|---------------|-----------------|
| | | Long Term | | Long Term | |
| | | Number | Rupees crores | Number | Rupees crores |
| 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 | 6,52,98,462 | 604.82 | 4,84,98,462 | 436.82 |
| Mahindra Intertrade Limited [including 1,50,00,000 shares partly paid-up Rs. 3 per share]..... | 10 | — | — | 2,71,00,006 | 16.60 |
| Mahindra USA Inc. | + US \$ 0.25 | 5,60,00,000 | 66.37 | 5,60,00,000 | 66.37 |
| Mahindra Gujarat Tractor Limited..... | + 10 | 16,83,218 | 3.55 | 16,83,218 | 3.55 |
| Mahindra Agri Solutions Limited (formerly known as Mahindra Shubhlabh Services Limited)..... | 10 | 1,34,14,514 | 18.09 | 1,22,12,400 | 12.37 |
| Mahindra First Choice Wheels Limited..... | + 10 | 3,35,96,424 | 45.83 | 3,35,96,424 | 45.83 |
| Bristlecone Limited | US \$ 0.001 | 42,22,250 | 19.26 | 42,22,250 | 19.26 |
| Mahindra and Mahindra South Africa (Proprietary) Limited..... | + ZAR 1 | 5,20,00,000 | 28.54 | 5,20,00,000 | 28.54 |
| Mahindra Overseas Investment Company (Mauritius) Limited | + US \$ 1 | 11,54,87,709 | 598.72 | 10,15,39,039 | 505.75 |
| Mahindra Automobile Distributor Private Limited | 10 | 7,40,000 | 0.31 | 7,40,000 | 0.31 |
| Mahindra Trucks and Buses Limited | + 0.20 | 114,79,25,600 | 74.12 | 114,79,25,600 | 74.12 |
| Mahindra Vehicle Manufacturers Limited | + 10 | 316,22,50,000 | 3,162.25 | 96,22,50,000 | 962.25 |
| Mahindra Logistics Limited..... | + 10 | 5,14,78,330 | 51.48 | 5,14,78,330 | 51.48 |
| Mahindra Heavy Engines Limited (formerly known as Mahindra Heavy Engines Private Limited)..... | 10 | — | — | 50,80,00,000 | 439.28 |
| Mahindra Aerospace Private Limited..... | + 10 | 15,35,34,824 | 289.94 | 15,35,34,824 | 289.94 |
| Mahindra First Choice Services Limited..... | 10 | 23,43,00,000 | 234.30 | 19,19,00,000 | 191.90 |
| Mahindra Holdings Limited | 10 | 17,91,86,535 | 179.19 | 9,65,86,534 | 96.59 |
| Mahindra Consulting Engineers Limited..... | 10 | 11,51,000 | 1.25 | 11,51,000 | 1.25 |
| NBS International Limited..... | 10 | 95,50,490 | 14.57 | 50,490 | 5.07 |
| Mahindra Two Wheelers Limited..... | 10 | — | — | 186,20,97,350 | 1,862.10 |
| Mahindra Automotive Australia Pty. Limited..... | AUD 1 | 45,75,000 | 21.16 | 45,75,000 | 21.16 |
| Defence Land Systems India Limited..... | + 10 | 11,10,00,000 | 111.00 | 11,10,00,000 | 111.00 |
| Mahindra Reva Electric Vehicles Limited (formerly known as Mahindra Reva Electric Vehicles Private Limited)..... | 10 | — | — | 2,70,20,466 | 380.16 |
| Mahindra Defence Systems Limited..... | 10 | 84,62,005 | 98.75 | 71,69,294 | 74.65 |
| Mahindra Sanyo Special Steel Private Limited | + 10 | 55,35,365 | 232.18 | 51,00,000 | 214.33 |
| Mahindra 'Electoral Trust' Company | 10 | 50,000 | 0.05 | 50,000 | 0.05 |
| Mahindra HZPC Private Limited | 10 | 47,30,000 | 4.73 | 47,30,000 | 4.73 |
| Mahindra eMarket Limited (formerly known as Mriyalguda Farm Solution Limited)..... | 10 | 3,59,865 | 0.36 | 3,59,865 | 0.36 |
| Swaraj Automotives Limited..... | 10 | — | — | 17,06,925 | 18.28 |
| Orizonte Business Solutions Limited (formerly known as Mega One Stop Farm Services Limited)..... | 10 | 57,80,000 | 5.35 | — | — |
| | | | 5,866.17 | | 5,934.10 |
| (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 |
| Orizonte Business Solutions Limited (formerly known as Mega One Stop Farm Services Limited)..... | 10 | — | — | 3,51,000 | 0.35 |
| Kota Farm Services Limited..... | 10 | 2,73,420 | 0.27 | 2,73,420 | 0.27 |
| Mahindra & Mahindra Contech Limited..... | 10 | 35,000 | 0.04 | 35,000 | 0.04 |
| PSL Media & Communications Limited..... | 5 | 19,750 | 0.01 | 19,750 | 0.01 |
| | | | 1.51 | | 1.86 |

13. (A) Non Current Investments : (contd.)

| | Face Value Per Unit (Rupees) | 2016 | | 2015 | | |
|--|------------------------------------|-----------|---------------|-----------|---------------|----------|
| | | Long Term | | Long Term | | |
| | | Number | Rupees crores | Number | Rupees crores | |
| (iii) In Joint Venture Company | | | | | | |
| Mahindra Sona Limited | + | 10 | 32,75,000 | 1.64 | 13,10,000 | 1.64 |
| Mitsubishi Mahindra Agricultural Machinery Co., Limited | + | | | | | |
| – Equity share | | NA | 1 | 42.53 | — | — |
| – Class A Shares | | NA | 3 | 127.60 | — | — |
| | | | | 171.77 | | 1.64 |
| (iv) In Other Companies (Non-trade and fully paid-up unless otherwise specified) | | | | | | |
| Montreal Engineering International Limited..... | | 100 | 312 | * | 312 | * |
| Machinery Manufacturers Corporation Limited..... | + | 10 | 8,55,646 | 0.94 | 8,55,646 | 0.94 |
| Judricks (India) Private Limited | | 10 | 1,00,000 | 0.10 | 1,00,000 | 0.10 |
| NTTF Industries Limited..... | | 10 | 75,000 | 0.15 | 75,000 | 0.15 |
| Indian NGOs.com Private Limited | | 10 | 50,000 | 0.06 | 50,000 | 0.06 |
| Sixth Sense Studios Private Limited | | 10 | 20,000 | 0.02 | 20,000 | 0.02 |
| Utility Engineers (India) Limited | | 10 | 2,85,000 | 0.28 | 2,85,000 | 0.28 |
| Business Standard Limited | | 10 | 5,00,000 | 0.09 | 5,00,000 | 0.09 |
| New Tirupur Area Development Corporation Limited..... | + | 10 | 75,00,000 | 7.50 | 75,00,000 | 7.50 |
| Triton Overwater Transport Agency Limited..... | | 10 | 4,98,000 | 0.58 | 4,98,000 | 0.58 |
| Hadoti Krishi Vihar Private Limited | | 100 | 1,000 | 0.01 | 1,000 | 0.01 |
| Harsolia Agri Sales and Services Private Limited..... | | 10 | 30,000 | 0.03 | 30,000 | 0.03 |
| Yadgiri Farm Solutions Private Limited | | 100 | 200 | * | 200 | * |
| Srinivasa Farm Solutions Private Limited..... | | 10 | 2,000 | * | 2,000 | * |
| Farm Vision Agri-Tech Private Limited..... | | 10 | 15,180 | 0.01 | 15,180 | 0.01 |
| Sowbhagya Krishi Vikas Private Limited | | 10 | 20,000 | 0.02 | 20,000 | 0.02 |
| Bhuvi Care Private Limited..... | | 100 | 1,800 | 0.02 | 1,800 | 0.02 |
| Richfield Crop Solutions India Private Limited | | 10 | 6,000 | 0.01 | 6,000 | 0.01 |
| Covai Crop Care India Private Limited | | 10 | 6,000 | 0.01 | 6,000 | 0.01 |
| Manjara Agri Tech Private Limited..... | | 10 | 8,000 | 0.01 | 8,000 | 0.01 |
| Sai Wardha Power Limited : Class 'A' Equity Shares (Trade Investment) | + | 10 | 19,45,867 | 1.95 | 19,45,867 | 1.95 |
| New Democratic Electoral Trust | | 10 | 1,000 | * | 1,000 | * |
| 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 | | 2 | 29,12,07,660 | 150.91 | 29,12,07,660 | 150.91 |
| Mahindra Holidays & Resorts India Limited | | 10 | 6,65,85,642 | 27.46 | 6,65,85,642 | 27.46 |
| Ssanyong Motor Company (Listed on a Stock Exchange outside India) | + | KRW 5000 | 9,99,64,502 | 2,133.94 | 9,99,64,502 | 2,133.94 |
| EPC Industrie Limited..... | | 10 | 1,51,44,433 | 77.75 | 1,51,44,433 | 77.75 |
| | | | | 2,667.00 | | 2,667.00 |

* denotes amounts less than Rs. 50,000

13. (A) Non Current Investments : (contd.)

| | Face Value Per Unit (Rupees) | 2016 | | 2015 | |
|--|------------------------------------|--------------|-----------------|--------------|------------------|
| | | Long Term | | Long Term | |
| | | Number | Rupees crores | Number | Rupees crores |
| (ii) In Associate Companies | | | | | |
| Swaraj Engines Limited..... | 10 | 41,26,417 | 1.63 | 41,26,417 | 1.63 |
| Mahindra CIE Automotive Limited..... | 10 | — | — | 6,52,71,407 | 531.48 |
| Tech Mahindra Limited..... | 5 | 25,62,48,704 | 1,003.98 | 25,62,48,704 | 1,003.98 |
| | | | 1,005.61 | | 1,537.09 |
| (iii) In Other Companies (Non-trade and fully paid-up) | | | | | |
| Jardine Henderson Limited..... | 100 | 25 | * | 25 | * |
| IDBI Bank Limited..... | 10 | 2,85,440 | 2.29 | 2,85,440 | 2.29 |
| | | | 2.29 | | 2.29 |
| Investments in Equity Instruments | | | 9,726.14 | | 10,155.77 |
| 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 | 77,75,147 | 31.72 | 77,75,147 | 31.72 |
| Series 'B' Preference Shares : Bristlecone Limited | US \$ 0.001 | 69,20,000 | 15.13 | 69,20,000 | 15.13 |
| 5% Non-Cumulative Compulsory Convertible Preference Shares : Mahindra Aerospace Private Limited..... | 10 | 50,00,000 | 5.00 | 50,00,000 | 5.00 |
| | | | 51.85 | | 51.85 |
| (ii) In Associate Company | | | | | |
| 10.00% Non-Cumulative Redeemable Participating Preference Shares : Mahindra Construction Company Limited..... | 100 | 5,40,000 | 5.40 | 5,40,000 | 5.40 |
| | | | 5.40 | | 5.40 |
| (iii) In Other Companies (Non-trade and fully paid-up unless otherwise specified) | | | | | |
| 4.00% Tax-free Cumulative Preference Shares : Machinery Manufacturers Corporation Limited..... | + 100 | 2,296 | 0.02 | 2,296 | 0.02 |
| 11.00% Redeemable Preference Shares : Sixth Sense Studios Private Limited..... | 100 | 1,78,000 | 1.78 | 1,78,000 | 1.78 |
| 8.00% Non-Cumulative Redeemable Preferred Stock : Prana Holdings Inc. USA | + 100 | 23,00,423 | 13.83 | 23,00,423 | 13.83 |
| 0.01% Class 'A' Redeemable Preference Shares : Sai Wardha Power Limited (Trade Investment)..... | + 10 | 24,54,133 | 2.45 | 24,54,133 | 2.45 |
| | | | 18.08 | | 18.08 |
| Investments in Preference Shares | | | 75.33 | | 75.33 |

* denotes amounts less than Rs. 50,000

13. (A) Non Current Investments : (contd.)

| | Face Value Per Unit (Rupees) | 2016 | | 2015 | |
|---|------------------------------------|---------------------|-----------------|---------------------|-----------------|
| | | Long Term | | Long Term | |
| | | Number | Rupees crores | Number | Rupees crores |
| Investments in Government/Trust Securities : | | | | | |
| Unquoted, other than Trade | | | | | |
| (i) Government Securities | | | | | |
| 6 Years National Savings Certificates | | 12,000 [^] | * | 12,000 [^] | * |
| | | | * | | * |
| (ii) Trust Securities | | | | | |
| Sunrise Initiatives Trust..... | | | 114.30 | | 114.30 |
| M&M Benefit Trust | | | 1,459.77 | | 1,459.77 |
| Mahindra World Motor Driving School Trust | | | 0.01 | | 0.01 |
| M&M Fractional Entitlement Trust | | | 0.01 | | 0.01 |
| | | | 1,574.09 | | 1,574.09 |
| Investments in Government/Trust Securities..... | | | 1,574.09 | | 1,574.09 |
| Investments in Debentures/Bonds (Non-trade and fully paid-up unless otherwise specified) : | | | | | |
| Unquoted | | | | | |
| In Other Company | | | | | |
| 0.50% Bond: The East India Clinic Limited..... | 100 | 13 | * | 13 | * |
| | | | * | | * |
| | | | * | | * |
| Investments in Debentures/Bonds | | | | | |
| Other Non Current Investments | | | | | |
| Unquoted | | | | | |
| Investment in Alternate Investment Fund | | | | | |
| Class A Units: Faering Capital India Evolving Fund II (A SEBI Category II AIF)..... | ++ | 1,000 | 15,000 | 1.50 | — |
| | | | 1.50 | | — |
| Other Non Current Investments | | | | | |
| Total Non Current Investments (Gross) | | | | | |
| Less : Provision for diminution in value of investments..... | | | | | |
| Total Non Current Investments (Net)..... | | | | | |
| Other Disclosures | | | | | |
| (i) Aggregate amount of quoted investments (Gross)..... | | | | | |
| Market Value of quoted investments (includes Rs. 4,801.44 crores (2015 : Rs. 5,111.76 crores) in respect of investment listed on a Stock Exchange outside India)..... | | | | | |
| (ii) Aggregate amount of unquoted investments (Gross) | | | | | |
| 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

++ Investments in units of Alternate Investment Fund carry certain restrictions on transfer due to contractual restrictions

^ Total Face Value

* denotes amounts less than Rs. 50,000

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

| | Face Value Per Unit (Rupees) | 2016 | | 2015 | |
|--|------------------------------|-------------|---------------|-------------|---------------|
| | | Number | Rupees crores | Number | Rupees crores |
| Investments in Equity Instruments (Non-trade and fully paid-up) : | | | | | |
| Quoted | | | | | |
| In Other Company | | | | | |
| Power Trading Corporation of India Limited..... | 10 | 900 | * | 900 | * |
| Investments in Equity Instruments..... | | | | | |
| Investments in Government Securities : | | | | | |
| Quoted | | | | | |
| (i) Government of India Securities..... | 100 | 1,92,700 | 1.91 | 1,92,700 | 1.91 |
| (ii) 1.44% Inflation Indexed Government Stock, 2023 | 100 | — | — | 10,00,000 | 10.87 |
| | | | 1.91 | | 12.78 |
| Less : Adjustment of cost as lower than fair value, by category..... | | | — | | (2.85) |
| Investments in Government Securities | | | | | |
| | | | 1.91 | | 9.93 |
| Investments in Debentures/Bonds (Non-trade and fully paid-up) : | | | | | |
| Quoted | | | | | |
| In Others | | | | | |
| 6.70% Bond Indian Railway Finance Corporation Limited..... | 100,000 | 500 | 5.00 | 500 | 5.00 |
| 6.30% Bond Indian Railway Finance Corporation Limited | 100,000 | 1,000 | 10.00 | 1,000 | 10.00 |
| 6.05% Bond Indian Railway Finance Corporation Limited | 100,000 | — | — | 500 | 5.00 |
| 6.32% Bond Indian Railway Finance Corporation Limited | 100,000 | 500 | 5.00 | 500 | 5.00 |
| 6.72% Bond Indian Railway Finance Corporation Limited..... | 100,000 | 1,000 | 10.00 | 1,000 | 10.00 |
| 8.20% Bond National Highway Authority of India..... | 1,000 | 1,23,619 | 12.37 | 1,23,619 | 12.37 |
| Investments in Debentures/Bonds | | | | | |
| | | | 42.37 | | 47.37 |
| Investments in Mutual Funds : | | | | | |
| Unquoted | | | | | |
| Axis Mutual Fund - Banking Debt Fund - Direct Plan - Growth | 1,000 | 3,26,052 | 45.25 | 1,95,833 | 25.00 |
| Axis Mutual Fund - Liquid Fund - Direct Growth | 1,000 | 9,23,656 | 155.00 | — | — |
| Birla Sun life Mutual Fund - Cash Plus - Growth..... | 100 | 66,00,325 | 160.00 | — | — |
| Birla Sun Life Mutual Fund - Savings Fund - Growth - Direct | 100 | 13,72,334 | 40.23 | — | — |
| BOI AXA Mutual Fund - Liquid Fund - Direct Plan - Growth | 1,000 | 28,679 | 5.00 | — | — |
| Canara Robeco Mutual Fund - Savings Plus Fund - Direct Growth..... | 10 | 1,06,30,212 | 25.12 | — | — |
| HDFC Mutual Fund - Floating Rate Income Fund - Short Term Plan - Direct Plan - Wholesale Option - Growth Option..... | 10 | 2,51,00,275 | 65.34 | 2,09,65,767 | 50.00 |
| ICICI Prudential Mutual Fund - Money Market Fund - Growth..... | 100 | 83,75,117 | 175.00 | — | — |
| ICICI Prudential Mutual Fund - Savings Fund - Direct Plan - Growth..... | 100 | 11,01,843 | 25.21 | — | — |
| IDFC Mutual Fund - Cash Fund - Growth - (Direct Plan)..... | 1,000 | 10,87,705 | 200.00 | — | — |

* denotes amount less than Rs. 50,000

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

| | Face Value Per Unit (Rupees) | 2016 | | 2015 | |
|---|---------------------------------|-------------|-----------------|-------------|-----------------|
| | | Number | Rupees crores | Number | Rupees crores |
| JM Financial Mutual Fund - High Liquidity Fund - Growth option | 10 | 12,11,637 | 5.00 | — | — |
| Kotak Mutual Fund - Floater Short Term - Growth (Regular Plan) | 1,000 | 5,44,655 | 135.00 | — | — |
| Kotak Mutual Fund - Treasury Advantage Fund - Direct Plan - Growth.. | 10 | 2,68,90,467 | 65.31 | — | — |
| L&T Mutual Fund - Liquid Fund - Growth..... | 1,000 | 4,82,690 | 100.00 | — | — |
| LIC Nomura Mutual Fund - Savings Plus Fund - Direct - Growth Plan ... | 10 | 85,41,699 | 20.15 | — | — |
| Principal Mutual Fund - Cash Management Fund - Direct Plan - Growth | 1,000 | 1,69,742 | 25.00 | — | — |
| Reliance Mutual Fund - Medium Term Fund - Direct Plan - Growth..... | 10 | 79,55,980 | 25.17 | — | — |
| SBI Mutual Fund - Ultra Short Term Debt Fund - Direct Plan - Growth | 1,000 | 2,32,034 | 45.14 | 2,79,743 | 50.00 |
| Sundaram Mutual Fund - Money Fund Regular Growth..... | 10 | 2,51,14,112 | 80.00 | 2,37,63,129 | 70.00 |
| Sundaram Mutual Fund - Ultra Short Term Fund Direct Plan - Growth | 10 | 96,13,129 | 20.10 | 1,56,23,617 | 30.00 |
| Tata Mutual Fund - Money Market Fund Regular Plan - Growth..... | 1,000 | 4,28,816 | 101.99 | — | — |
| UTI Mutual Fund - Floating Rate Fund - Short Term Plan - Direct Growth | 1,000 | 1,01,398 | 25.19 | — | — |
| UTI Mutual Fund - Money Market Fund - Institutional Plan - Growth | 1,000 | 10,34,581 | 175.00 | — | — |
| Axis Mutual Fund - Liquid Fund - Growth..... | 1,000 | — | — | 8,07,733 | 125.00 |
| Baroda Pioneer Mutual Fund - Treasury Advantage Fund - Plan B - Growth | 1,000 | — | — | 1,56,965 | 25.00 |
| Birla Sun Life Mutual Fund - Floating Rate Fund Short Term Plan - Growth - Regular Plan..... | 100 | — | — | 1,07,55,695 | 200.00 |
| BOI AXA Mutual Fund - Liquid Fund - Regular Plan - Growth | 1,000 | — | — | 31,115 | 5.00 |
| DSP BlackRock Mutual Fund - Liquidity Fund - Institutional Plan - Growth | 1,000 | — | — | 10,01,310 | 200.01 |
| ICICI Prudential Mutual Fund - Liquid Plan - Regular - Growth..... | 100 | — | — | 79,80,240 | 165.00 |
| ICICI Prudential Mutual Fund - Ultra Short Term Plan - Direct Plan - Growth | 10 | — | — | 2,45,93,159 | 35.00 |
| IDFC Mutual Fund - Cash Fund - Growth - (Regular Plan)..... | 1,000 | — | — | 9,72,390 | 165.00 |
| IDFC Mutual Fund - Money Manager Fund - Treasury Plan - Growth - Direct Plan..... | 10 | — | — | 1,58,63,016 | 35.00 |
| JM Financial Mutual Fund - Floater Long Term Fund - (Direct) - Growth Option | 10 | — | — | 1,17,26,354 | 25.00 |
| Principal Mutual Fund - Cash Management Fund- Regular Plan - Growth | 1,000 | — | — | 1,84,209 | 25.00 |
| SBI Mutual Fund - Premier Liquid Fund - Regular Plan - Growth..... | 1,000 | — | — | 1,36,697 | 30.00 |
| Tata Mutual Fund - Money Market Fund - Plan A - Growth | 1,000 | — | — | 6,82,404 | 150.00 |
| Taurus Mutual Fund - Liquid Fund - Existing Plan - Super Institutional - Growth..... | 1,000 | — | — | 1,65,405 | 25.00 |
| Investments in Mutual Funds..... | | | 1,719.20 | | 1,435.01 |

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

| | Face Value Per Unit (Rupees) | 2016 | | 2015 | |
|---|------------------------------|--------|-----------------|--------|-----------------|
| | | Number | Rupees crores | Number | Rupees crores |
| Other Investments : | | | | | |
| Certificate of Deposits | | | | | |
| Unquoted | | | | | |
| Andhra Bank | 100,000 | 7,500 | 72.55 | 5,000 | 49.76 |
| Axis Bank Limited..... | 100,000 | 2,500 | 23.62 | 10,000 | 98.72 |
| Bank of Maharashtra..... | 100,000 | 5,000 | 48.62 | — | — |
| Corporation Bank..... | 100,000 | 17,500 | 166.79 | 2,500 | 24.59 |
| HDFC Bank Limited | 100,000 | 2,500 | 24.67 | — | — |
| IDBI Bank Limited..... | 100,000 | 6,500 | 61.52 | — | — |
| Indian Overseas Bank | 100,000 | 7,500 | 71.74 | — | — |
| State Bank of Hyderabad..... | 100,000 | 10,000 | 92.80 | — | — |
| Vijaya Bank | 100,000 | 5,000 | 49.92 | — | — |
| Allahabad Bank | 100,000 | — | — | 7,600 | 75.51 |
| Punjab National Bank..... | 100,000 | — | — | 2,500 | 24.59 |
| | | | 612.23 | | 273.17 |
| Less : Adjustment of cost as lower than fair value, by category | | | — | | (0.06) |
| Investments in Certificate of Deposits | | | 612.23 | | 273.11 |
| Total Current Investments | | | 2,375.71 | | 1,765.42 |
| Other Disclosures | | | | | |
| (i) Aggregate amount of quoted investments (Gross)..... | | | 44.28 | | 60.15 |
| Market Value of quoted investments..... | | | 44.67 | | 58.09 |
| (ii) Aggregate amount of unquoted investments (Gross) | | | 2,331.43 | | 1,708.18 |
| (iii) Aggregate excess of cost over fair value, by category | | | — | | 2.91 |

14. Long Term Loans and Advances :

Rupees crores

| | | 2016 | 2015 |
|---|----------|----------|----------|
| (A) Capital Advances : | | | |
| Unsecured, considered good | 400.34 | | 583.35 |
| Doubtful..... | 2.54 | | 2.99 |
| | | 402.88 | 586.34 |
| Less : Provision for doubtful capital advances | | 2.54 | 2.99 |
| | | 400.34 | 583.35 |
| (B) Security Deposits : | | | |
| Unsecured, considered good | 38.28 | | 38.43 |
| Doubtful..... | 0.19 | | 0.19 |
| | | 38.47 | 38.62 |
| Less : Provision for doubtful security deposits..... | | 0.19 | 0.19 |
| | | 38.28 | 38.43 |
| (C) Loans and Advances to Related Parties : | | | |
| Unsecured, considered good | 1,218.27 | | 85.09 |
| Doubtful..... | 10.00 | | 10.00 |
| | | 1,228.27 | 95.09 |
| Less : Provision for doubtful loans and advances to related parties.... | | 10.00 | 10.00 |
| | | 1,218.27 | 85.09 |
| (D) Other Loans and Advances : | | | |
| Unsecured, considered good | 2,400.55 | | 2,525.39 |
| Doubtful..... | 9.19 | | — |
| | | 2,409.74 | 2,525.39 |
| Less : Provision for doubtful other loans and advances | | 9.19 | — |
| | | 2,400.55 | 2,525.39 |
| | | 4,057.44 | 3,232.26 |

(a) Long Term Loans and Advances to Related Parties includes :

- (i) Share Application Money pending allotment **Rs. Nil crores** (2015 : Rs. 55.00 crores) to subsidiaries.
- (ii) Loans to Subsidiary company **Rs. 1,200.00 crores** (2015 : Rs. Nil crores).
- (iii) Capital Advances of **Rs. Nil crores** (2015 : Rs. 4.49 crores).
- (iv) Loan to a Director of **Rs. 5.80 crores** (2015 : Rs. 1.09 crores).

(b) Other Loans and Advances includes :

- (i) Payment towards income-tax and surtax **Rs. 465.45 crores** (2015 : Rs. 457.72 crores).
- (ii) MAT Credit entitlement **Rs. 718.89 crores** (2015 : Rs. 666.87 crores).
- (iii) VAT receivable, other recoverable expenses, prepaid expenses and advances to employees.

(c) Loans given to employees as per the Company's policy are not considered for the purposes of disclosure under Section 186(4) of the Companies Act, 2013.

15. Other Non Current Assets :

Rupees crores

| | | 2016 | 2015 |
|---|--|-------|--------|
| (i) Export Benefits Receivable | | 77.71 | 121.60 |
| (ii) Others..... | | 2.08 | 2.97 |
| | | 79.79 | 124.57 |
| Considered Good..... | | 58.66 | 103.44 |
| Doubtful..... | | 21.13 | 21.13 |
| | | 79.79 | 124.57 |
| Less : | | | |
| Provision for doubtful other non current assets | | 21.13 | 21.13 |
| | | 58.66 | 103.44 |

16. Inventories :

Rupees crores

| | 2016 | 2015 |
|--|-----------------|-----------------|
| (i) Raw Materials and Bought-out Components [includes in transit Rs. 93.45 crores (2015 : Rs. 83.16 crores)]..... | 738.57 | 748.06 |
| (ii) Work-in-Progress..... | 95.53 | 90.93 |
| (iii) Finished Products Produced | 1,108.81 | 976.26 |
| (iv) Stock-in-Trade [includes in transit Rs. 60.58 crores (2015 : Rs. 37.49 crores)]..... | 543.47 | 417.11 |
| (v) Manufactured Components..... | 110.54 | 116.08 |
| (vi) Stores and Spares | 53.21 | 49.83 |
| (vii) Tools | 37.80 | 39.30 |
| | 2,687.93 | 2,437.57 |

17. Trade Receivables :

Rupees crores

| | 2016 | 2015 |
|---|-----------------|----------|
| (A) Outstanding for a period exceeding six months from the date they are due for payment | | |
| Unsecured, considered good..... | 102.55 | 56.36 |
| Doubtful..... | 58.06 | 46.14 |
| | 160.61 | 102.50 |
| Less : Provision for doubtful trade receivables | 58.06 | 46.14 |
| | 102.55 | 56.36 |
| (B) Others – Unsecured, considered good..... | 2,409.50 | 2,501.67 |
| | 2,512.05 | 2,558.03 |

18. Cash and Bank Balances :

Rupees crores

| | 2016 | 2015 |
|---|-----------------|----------|
| (A) Cash and Cash Equivalents : | | |
| Balances with Banks : | | |
| (i) On Current Accounts | 257.10 | 239.39 |
| (ii) Fixed Deposits with original maturity less than 3 months..... | 193.64 | 286.12 |
| | 450.74 | 525.51 |
| Cheques, drafts on hand..... | 391.15 | 390.94 |
| Cash on hand | 0.42 | 0.66 |
| | 842.31 | 917.11 |
| (B) Other Bank Balances : | | |
| Earmarked balances with banks | 15.58 | 14.69 |
| Balances with Banks : | | |
| (i) On Margin Accounts | 9.66 | 6.94 |
| (ii) Fixed Deposits with original maturity greater than 3 months* ... | 1,429.48 | 1,126.03 |
| | 1,439.14 | 1,132.97 |
| | 1,454.72 | 1,147.66 |
| | 2,297.03 | 2,064.77 |

* Includes deposits of **Rs. 10.00 crores** (2015 : Rs. Nil crores) with maturity greater than 12 months from Balance Sheet date

19. Short Term Loans and Advances :

| | Rupees crores | |
|---|---------------|--------|
| | 2016 | 2015 |
| (A) Loans and Advances to Related Parties : | | |
| Unsecured, considered good | 487.35 | 207.13 |
| Doubtful..... | 10.12 | 10.57 |
| | 497.47 | 217.70 |
| Less : Provision for doubtful loans and advances to related parties.... | 10.12 | 10.57 |
| | 487.35 | 207.13 |
| (B) Other Loans and Advances : | | |
| Unsecured, considered good | 691.90 | 565.97 |
| Doubtful..... | 30.40 | 29.65 |
| | 722.30 | 595.62 |
| Less : Provision for doubtful other loans and advances | 30.40 | 29.65 |
| | 691.90 | 565.97 |
| | 1,179.25 | 773.10 |

(a) Loans and Advances to Related Parties includes Fixed/Call deposits with/loans to limited companies **Rs. 485.04 crores** (2015 : Rs. 201.36 crores) including **Rs. 480.45 crores** (2015 : Rs. 196.77 crores) to subsidiary companies.

(b) Other Loans and Advances also includes balances with government authorities, advance to suppliers, other recoverable expenses, prepaid expenses, advance to employees and deposits.

20. Other Current Assets :

| | Rupees crores | |
|--|---------------|--------|
| | 2016 | 2015 |
| Government Grant receivable..... | 178.92 | 135.03 |
| Interest accrued..... | 143.39 | 109.99 |
| Other receivables including export benefits..... | 265.29 | 290.10 |
| | 587.60 | 535.12 |
| Considered Good..... | 581.23 | 529.32 |
| Doubtful..... | 6.37 | 5.80 |
| | 587.60 | 535.12 |
| Less : | | |
| Provision for doubtful other current assets..... | 6.37 | 5.80 |
| | 581.23 | 529.32 |

21. Revenue from Operations :

Rupees crores

| | | 2016 | 2015 |
|--|--------|-----------|-----------|
| Sale of Products..... | | 42,764.35 | 39,736.80 |
| Sale of Services | | 353.97 | 341.91 |
| Gross Revenue from Sale of Products and Services (Refer Note A below) .. | | 43,118.32 | 40,078.71 |
| Other Operating Revenues : | | | |
| (i) Scrap Sales | 84.57 | | 123.84 |
| (ii) Government Grant and Incentives (including export benefits) | 236.97 | | 274.48 |
| (iii) Others..... | 166.78 | | 155.49 |
| | | 488.32 | 553.81 |
| | | 43,606.64 | 40,632.52 |
| Less : Excise Duty attributable to products sold..... | | 2,721.66 | 2,187.69 |
| | | 40,884.98 | 38,444.83 |

(A) Details of Gross Revenue from Sale of Products and Services :

Rupees crores

| | | 2016 | 2015 |
|---|--|-----------|-----------|
| Sale of Products : | | | |
| Manufactured Goods : | | | |
| (i) Vehicles – Four Wheelers | | 19,407.57 | 18,335.51 |
| (ii) Vehicles – Three Wheelers | | 796.97 | 794.21 |
| (iii) Tractors..... | | 10,180.20 | 11,034.11 |
| (iv) Others..... | | 1,572.00 | 1,311.42 |
| | | 31,956.74 | 31,475.25 |
| Traded Goods : | | | |
| (i) Vehicles – Four Wheelers..... | | 7,624.12 | 5,549.54 |
| (ii) Tractors and Agricultural Implements | | 176.63 | 191.93 |
| (iii) Spares* | | 2,361.09 | 2,153.22 |
| (iv) Others..... | | 645.77 | 366.86 |
| | | 10,807.61 | 8,261.55 |
| Sale of Products..... | | 42,764.35 | 39,736.80 |
| Sale of Services : | | | |
| (i) Annual Maintenance Contracts..... | | 129.22 | 155.96 |
| (ii) Others..... | | 224.75 | 185.95 |
| Sale of Services | | 353.97 | 341.91 |
| Gross Revenue from Sale of Products and Services..... | | 43,118.32 | 40,078.71 |

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

22. Other Income :

| | Rupees crores | |
|--|---------------|--------|
| | 2016 | 2015 |
| (a) Interest Income : | | |
| (i) Interest – Current Investments..... | 3.47 | 4.75 |
| (ii) Interest – Others..... | 209.35 | 215.29 |
| | 212.82 | 220.04 |
| (b) Dividend on investments in subsidiaries | 246.04 | 272.73 |
| (c) Dividend on other long term investments..... | 170.93 | 139.34 |
| (d) Dividend on current investments..... | 49.26 | 81.82 |
| (e) Profit on sale of current investments (Net)..... | 49.03 | 5.84 |
| (f) Others..... | 126.77 | 129.17 |
| | 854.85 | 848.94 |

23. Cost of Materials Consumed :

| | Rupees crores | |
|--|---------------|-----------|
| | 2016 | 2015 |
| Opening Stock | 748.06 | 816.72 |
| Add : Purchases [including outside processing charges Rs. 539.89 crores (2015 : Rs. 551.90 crores)] | 19,363.67 | 20,203.82 |
| | 20,111.73 | 21,020.54 |
| Less : Closing Stock..... | 738.57 | 748.06 |
| | 19,373.16 | 20,272.48 |

(A) Cost of Materials Consumed comprises the following :

| | Rupees crores | |
|---|---------------|-----------|
| | 2016 | 2015 |
| (i) Steel Items, paints and other materials | 550.40 | 603.27 |
| (ii) Tyres and Tubes..... | 1,239.18 | 1,366.06 |
| (iii) Components other than Tyres and Tubes (including processing charges)..... | 16,935.60 | 17,615.41 |
| (iv) Material handling and transportation charges etc. incurred on the above items not separately allocable | 647.98 | 687.74 |
| | 19,373.16 | 20,272.48 |

(B) Value of Imported and Indigenous Raw Materials and Components Consumed* :

| | Rupees crores | |
|----------------------|---------------|-----------|
| | 2016 | 2015 |
| (i) Imported | 429.01 | 539.80 |
| | 2.21% | 2.66% |
| (ii) Indigenous..... | 18,944.15 | 19,732.68 |
| | 97.79% | 97.34% |
| | 19,373.16 | 20,272.48 |
| | 100.00% | 100.00% |

* Includes items used for other than production, amount not ascertained.

24. Purchases of Stock-in-Trade :

Rupees crores

| | 2016 | 2015 |
|--|------------------|-----------------|
| (i) Vehicles – Four Wheelers..... | 8,529.13 | 5,823.28 |
| (ii) Tractors and Agricultural Implements..... | 158.43 | 179.28 |
| (iii) Spares..... | 1,124.06 | 994.01 |
| (iv) Others..... | 597.64 | 362.80 |
| | 10,409.26 | 7,359.37 |

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

Rupees crores

| | 2016 | 2015 |
|--|-----------------|-----------------|
| Opening Stock : | | |
| (i) Finished Products Produced..... | 976.26 | 1,249.49 |
| (ii) Work-in-Progress..... | 90.93 | 113.42 |
| (iii) Stock-in-Trade..... | 417.11 | 410.94 |
| (iv) Manufactured Components..... | 116.08 | 129.52 |
| | 1,600.38 | 1,903.37 |
| Less : Closing Stock : | | |
| (i) Finished Products Produced..... | 1,108.81 | 976.26 |
| (ii) Work-in-Progress..... | 95.53 | 90.93 |
| (iii) Stock-in-Trade..... | 543.47 | 417.11 |
| (iv) Manufactured Components..... | 110.54 | 116.08 |
| | 1,858.35 | 1,600.38 |
| | (257.97) | 302.99 |
| Excise duty on changes in inventories of finished goods..... | 42.17 | 20.64 |
| (Increase)/decrease in Stock..... | (215.80) | 323.63 |

Details of Opening and Closing Stock of Work-in-Progress :

Rupees crores

| | 2016 | 2015 |
|--------------------------|--------------|---------------|
| Opening Stock : | | |
| (i) Automotive..... | 34.77 | 45.44 |
| (ii) Farm Equipment..... | 56.16 | 67.98 |
| | 90.93 | 113.42 |
| Closing Stock : | | |
| (i) Automotive..... | 42.73 | 34.77 |
| (ii) Farm Equipment..... | 52.80 | 56.16 |
| | 95.53 | 90.93 |

26. Employee Benefits Expense :

| | Rupees crores | |
|--|-----------------|-----------------|
| | 2016 | 2015 |
| Salaries, Wages, Bonus etc..... | 1,889.23 | 1,884.12 |
| Contribution to Provident and other funds..... | 172.36 | 213.05 |
| Employee Stock Compensation Expense [Note 33]..... | 88.37 | 35.07 |
| Welfare..... | 192.19 | 184.69 |
| | 2,342.15 | 2,316.93 |

27. Finance Costs :

| | Rupees crores | |
|----------------------------|---------------|---------------|
| | 2016 | 2015 |
| Interest Expense..... | 108.11 | 156.59 |
| Discounting Charges..... | 43.51 | 53.68 |
| Other Borrowing Costs..... | 3.67 | 4.03 |
| | 155.29 | 214.30 |

28. Depreciation and Amortisation Expense :

| | Rupees crores | |
|--|-----------------|---------------|
| | 2016 | 2015 |
| Depreciation on Tangible Assets..... | 911.70 | 817.15 |
| Amortisation on Intangible Assets..... | 196.91 | 157.75 |
| | 1,108.61 | 974.90 |

29. Other Expenses :

| | Rupees crores | |
|--|-----------------|-----------------|
| | 2016 | 2015 |
| Stores consumed..... | 112.85 | 138.61 |
| Tools consumed..... | 40.20 | 41.18 |
| Power and fuel..... | 230.64 | 222.41 |
| Rent including lease rentals..... | 91.67 | 87.84 |
| Rates and taxes..... | 25.87 | 26.51 |
| Insurance..... | 34.22 | 32.06 |
| Repairs and Maintenance : | | |
| Buildings..... | 36.18 | 31.34 |
| Machinery..... | 212.89 | 180.96 |
| Others..... | 109.27 | 93.26 |
| | 358.34 | 305.56 |
| Advertisement..... | 477.98 | 332.99 |
| Service coupon..... | 95.95 | 72.66 |
| Freight outward..... | 665.15 | 641.15 |
| Sales promotion expenses..... | 266.99 | 242.99 |
| Dealer and other sales incentives..... | 189.56 | 184.19 |
| Donations and contributions..... | 52.45 | 58.16 |
| Excess of carrying cost over fair value of current investments, reversed (Net).. | (2.91) | (0.76) |
| Provision for doubtful debts/advances (Net)..... | 21.53 | (5.79) |
| Miscellaneous expenses..... | 1,824.77 | 1,720.22 |
| | 4,485.26 | 4,099.98 |

29. Other Expenses : (contd.)

- (a) Repairs and Maintenance to machinery includes machinery spares consumed **Rs. 46.72 crores** (2015 : Rs. 45.71 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 | |
|-----------------------|---------------|---------|
| | 2016 | 2015 |
| (i) Imported | 3.15 | 2.66 |
| | 6.74% | 5.82% |
| (ii) Indigenous | 43.57 | 43.05 |
| | 93.26% | 94.18% |
| | 46.72 | 45.71 |
| | 100.00% | 100.00% |

- (b) Donation and contributions include contributions to :

| | Rupees crores | |
|--------------------------------|---------------|-------|
| | 2016 | 2015 |
| (a) Indian National Congress | — | 5.00 |
| (b) Bhartiya Janata Party | — | 5.00 |
| (c) Shiv Sena | — | 1.00 |
| (d) Nationalist Congress Party | — | 1.00 |
| (e) Maharashtra Navnirman Sena | — | 0.50 |
| | — | 12.50 |

- (c) Miscellaneous Expenses include :
Amounts paid/payable to Auditors (Net of service tax where applicable) :

| | Rupees crores | |
|--------------------------------------|--------------------|---------------|
| | Statutory Auditors | Cost Auditors |
| (i) Audit Fees | 2.91 | 0.09 |
| | 2.61 | — |
| (ii) Taxation Matters | 0.50 | — |
| | 0.71 | — |
| (iii) Other Services | 1.33 | — |
| | 1.18 | 0.01 |
| (iv) Reimbursement of expenses | 0.02 | * |
| | 0.01 | * |
| | 4.76 | 0.09 |
| | 4.51 | 0.01 |

The above includes amounts paid/payable for professional services rendered by firm in which some of the partners of the statutory auditors' firm are partners **Rs. 0.51 crores** (2015: Rs. 0.32 crores)

Current year figures are in bold

* denotes amounts less than Rs. 50,000.

- (d) Other expenses includes expenditure incurred on Corporate Social Responsibility (CSR) under section 135 of the Companies Act, 2013 **Rs. 85.90 crores** (2015 Rs. 83.24 crores).

30. Interest capitalised during the year on qualifying assets **Rs. 35.25 crores** (2015 : Rs. 26.12 crores).

31. Employee Benefits :

General description of defined benefit plans :

Gratuity

The Company operates a gratuity plan covering qualifying employees. The benefit payable is the greater of the amount calculated as per the Payment of Gratuity Act or the Company scheme applicable to the employee. The benefit vests upon completion of five years of continuous service and once vested it is payable to employees on retirement or on termination of employment. In case of death while in service, the gratuity is payable irrespective of vesting. The Company makes annual contribution to the group gratuity scheme administered by the Life Insurance Corporation of India through its Gratuity Trust Fund.

Post retirement medical

The Company provides post retirement medical cover to select grade of employees to cover the retiring employee and their spouse upto a specified age through mediclaim policy on which the premiums are paid by the Company. The eligibility of the employee for the benefit as well as the amount of medical cover purchased is determined by the grade of the employee at the time of retirement.

Post retirement housing allowance

The Company operates a post retirement benefit scheme for a certain grade of employees in which a monthly allowance determined on the basis of the last drawn basic salary at the time of retirement, is paid to the retiring employee in lieu of housing.

Defined benefit plans – as per actuarial valuation on 31st March, 2016

Rupees crores

| | Funded Plan | | Unfunded Plans | | | |
|---|-------------|----------|-------------------------|---------|-----------------------------------|---------|
| | Gratuity | | Post retirement medical | | Post retirement housing allowance | |
| | 2016 | 2015 | 2016 | 2015 | 2016 | 2015 |
| I. Expense recognised in the Statement of Profit and Loss for the year ended 31st March | | | | | | |
| 1. Current service cost..... | 44.08 | 36.58 | 1.04 | 0.88 | 2.64 | 2.04 |
| 2. Interest cost | 50.61 | 49.46 | 1.69 | 1.50 | 3.54 | 3.05 |
| 3. Expected return on plan assets | (28.13) | (25.86) | — | — | — | — |
| 4. Actuarial (Gain)/Loss | (13.81) | 37.44 | 2.19 | 2.65 | (0.87) | 5.79 |
| 5. Total expense included in Employee Benefits Expense | 52.75 | 97.62 | 4.92 | 5.03 | 5.31 | 10.88 |
| 6. Actual return on plan assets..... | 37.03 | 34.91 | — | — | — | — |
| 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 | 671.01 | 641.47 | 24.67 | 20.36 | 45.44 | 42.00 |
| 2. Fair value of plan assets as at 31 st March | 473.01 | 413.02 | — | — | — | — |
| 3. Surplus/(Deficit)..... | (198.00) | (228.45) | (24.67) | (20.36) | (45.44) | (42.00) |
| 4. Current portion of the above | (54.66) | (52.96) | (0.72) | (0.56) | (1.88) | (1.01) |
| 5. Non current portion of the above | (143.34) | (175.49) | (23.95) | (19.80) | (43.56) | (40.99) |
| III. Change in the obligation during the year ended 31st March | | | | | | |
| 1. Present value of defined benefit obligation at the beginning of the year | 641.47 | 554.19 | 20.36 | 15.90 | 42.00 | 32.13 |
| 2. Current service cost..... | 44.08 | 36.58 | 1.04 | 0.88 | 2.64 | 2.04 |
| 3. Interest cost | 50.61 | 49.46 | 1.69 | 1.50 | 3.54 | 3.05 |
| 4. Actuarial (Gain)/Loss..... | (4.91) | 46.49 | 2.19 | 2.65 | (0.87) | 5.79 |
| 5. Benefit payments | (60.24) | (45.25) | (0.61) | (0.57) | (1.87) | (1.01) |
| 6. Present value of defined benefit obligation at the end of the year | 671.01 | 641.47 | 24.67 | 20.36 | 45.44 | 42.00 |
| 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..... | 413.02 | 374.00 | — | — | — | — |
| 2. Expected return on plan assets | 28.13 | 25.86 | — | — | — | — |
| 3. Actuarial Gain/(Loss)..... | 8.90 | 9.05 | — | — | — | — |
| 4. Contributions by employer (including benefit payments recoverable) | 83.20 | 49.36 | 0.61 | 0.57 | 1.87 | 1.01 |
| 5. Benefit payments | (60.24) | (45.25) | (0.61) | (0.57) | (1.87) | (1.01) |
| 6. Fair value of plan assets at the end of the year..... | 473.01 | 413.02 | — | — | — | — |
| 7. Actual return on plan assets..... | 37.03 | 34.91 | — | — | — | — |
| V. Expected Employer's Contribution next year | 30.00 | 30.00 | 0.71 | 0.57 | 1.87 | 1.01 |
| VI. The Major categories of plan assets as percentage of total plan | | | | | | |
| Insurer managed funds*..... | 100.00% | 100.00% | — | — | — | — |
| VII. Actuarial assumptions | | | | | | |
| 1. Discount rate..... | 7.85% | 8.00% | 7.85% | 8.00% | 7.85% | 8.00% |
| 2. Expected rate of return on plan assets | 7.50% | 7.50% | — | — | — | — |
| 3. Attrition rate..... | 7.00% | 7.00% | 7.00% | 7.00% | — | — |
| 4. Medical premium inflation..... | — | — | 7.00% | 7.00% | — | — |

* In the absence of detailed information regarding plan assets which is funded with Insurance Companies, the composition of each major category of plan assets, the percentage or amount for each category to the fair value of plan assets has not been disclosed.

| VIII. Effect of one percentage point change in the assumed medical inflation rate | One percentage point increase in medical inflation rate | | One percentage point decrease in medical inflation rate | | |
|--|---|----------|---|----------|----------|
| | 2016 | 2015 | 2016 | 2015 | |
| 1. Effect on the aggregate service and interest cost of post employment medical benefits | 0.58 | 0.47 | (0.49) | (0.39) | |
| 2. Effect on the accumulated post employment medical benefits obligation | 3.50 | 2.93 | (3.01) | (2.45) | |
| IX. Experience Adjustments | | | | | |
| | Period Ended | | | | |
| | 2016 | 2015 | 2014 | 2013 | 2012 |
| | Gratuity | | | | |
| 1. Defined Benefit Obligation..... | 671.01 | 641.47 | 554.19 | 479.14 | 430.04 |
| 2. Fair value of plan assets | 473.01 | 413.02 | 374.00 | 352.82 | 326.66 |
| 3. Surplus/(Deficit)..... | (198.00) | (228.45) | (180.19) | (126.32) | (103.38) |
| 4. Experience adjustment on plan liabilities [(Gain)/Loss]..... | (11.88) | (7.22) | 74.57 | 6.82 | 19.64 |
| 5. Experience adjustment on plan assets [Gain/(Loss)]..... | 8.90 | 9.05 | 6.66 | 6.82 | 8.85 |
| | Post retirement medical | | | | |
| 1. Defined Benefit Obligation..... | 24.67 | 20.36 | 15.90 | 15.28 | 13.59 |
| 2. Plan assets | — | — | — | — | — |
| 3. Surplus/(Deficit)..... | (24.67) | (20.36) | (15.90) | (15.28) | (13.59) |
| 4. Experience adjustment on plan liabilities [(Gain)/Loss]..... | 1.71 | 0.13 | 1.35 | (0.60) | (0.16) |
| | Post retirement housing allowance | | | | |
| 1. Defined Benefit Obligation..... | 45.44 | 42.00 | 32.13 | 31.46 | 24.95 |
| 2. Plan assets | — | — | — | — | — |
| 3. Surplus/(Deficit)..... | (45.44) | (42.00) | (32.13) | (31.46) | (24.95) |
| 4. Experience adjustment on plan liabilities [(Gain)/Loss]..... | (1.55) | 1.56 | 0.75 | 2.55 | 6.28 |

The expected rate of return on plan assets is based on the average long term rate of return expected on investments of the fund during the estimated term of obligation.

The estimate of future salary increases, considered in actuarial valuation, takes account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

The Company's contribution to Provident Fund and Superannuation Fund aggregating **Rs. 119.23 crores** (2015 : Rs. 115.12 crores) has been recognised in the Statement of Profit and Loss under the head Employee Benefits Expense.

32. Provision :

- (a) Provision for warranty relates to warranty provision made in respect of sale of certain products, the estimated cost of which is accrued at the time of sale. The products are generally covered under a free warranty period ranging from 6 months to 5 years.
- (b) The movement in provision for warranty is as follows :

| | Rupees crores | |
|--|---------------|--------|
| | 2016 | 2015 |
| Balance as at 1 st April..... | 370.18 | 338.54 |
| Add : Provision made during the year..... | 295.67 | 295.64 |
| Less : Utilisation during the year..... | 248.45 | 264.00 |
| Balance as at 31 st March | 417.40 | 370.18 |
| Out of the above, | | |
| Classified as Non Current | 216.76 | 176.84 |
| Classified as Current..... | 200.64 | 193.34 |
| | 417.40 | 370.18 |

33. The Company has allotted 55,24,219 Ordinary (Equity) Shares of Rs. 10 each, 10,00,000 Ordinary (Equity) Shares of Rs. 10 each, 1,73,53,034 Ordinary (Equity) Shares of Rs. 5 each, 19,11,628 Ordinary (Equity) Shares of Rs. 5 each and 52,00,000 Ordinary (Equity) Shares of Rs. 5 each in the years ended 31st March, 2002, 31st March, 2010, 31st March, 2011, 31st March, 2014 and 31st March, 2015 respectively to the Mahindra & Mahindra Employees' Stock Option Trust set up by the Company. The trust holds these shares for the benefit of the employees and issues them to the eligible employees as per the recommendation of the Compensation Committee.

Options granted under Mahindra & Mahindra Limited Employees Stock Option Scheme - 2000 ("2000 Scheme") vest in 4 equal installments on the expiry of 12 Months, 24 Months, 36 Months and 48 Months from the date of grant. The options may be exercised on any day over a period of five years from the date of vesting. Number of vested options exercisable is subject to a minimum of 50 or number of options vested whichever is lower.

Options granted under Mahindra & Mahindra Limited Employees Stock Option Scheme - 2010 ("2010 Scheme") vest in

- i) 5 equal instalments on the expiry of 12 Months, 24 Months, 36 Months, 48 Months and 60 Months from the date of grant or
- ii) 4 instalments bifurcated as 20% on the expiry of 18 months, 20% on the expiry of 30 months, 30% on the expiry of 42 months and 30% on the expiry of 54 months.

The options may be exercised on any day over a period of 5 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.

The compensation costs of stock options granted to employees are accounted by the Company using the intrinsic value method.

Summary of stock options

| | <u>No. of stock options</u> | <u>Weighted average exercise price (Rs.)</u> |
|--|-----------------------------|--|
| Options outstanding on 1 st April, 2015..... | 34,19,272 | 150.84 |
| Options granted during the year (including 27,61,957 options with 4 years vesting grants) ... | 29,20,567 | 5.00 |
| Options forfeited/lapsed during the year (including 39,591 options forfeited from 4 years vesting grants) | 1,80,930 | 167.82 |
| Options exercised during the year | 12,41,529 | 143.45 |
| Options outstanding on 31 st March, 2016 (including 2,722,366 options outstanding from 4 years vesting grants)..... | 49,17,380 | 65.46 |
| Options vested but not exercised on 31 st March, 2016..... | 15,04,649 | 200.41 |

Average share price on the date of exercise of the options are as under

| <u>Date of exercise</u> | <u>Weighted average share price (Rs.)</u> |
|---|---|
| 21 st April, 2015 - 23 rd March, 2016 | 1,241.24 |

Information in respect of options outstanding as at 31st March, 2016

| <u>Range of exercise price</u> | <u>Number of options</u> | <u>Weighted average remaining life</u> |
|--------------------------------|--------------------------|--|
| Rs. 5.00 | 39,68,252 | 7.04 Years |
| Rs. 250.00 | 4,78,506 | 1.37 Years |
| Rs. 381.00 | 3,18,746 | 0.33 Years |
| Rs. 362.00 | 1,31,876 | 2.59 Years |
| Rs. 662.00 | 20,000 | 3.98 Years |

The fair values of options granted during the year are as follows:

Grant dated 25th August, 2015 (4 years vesting) : Rs. 1173.49 per share

Grant dated 5th November, 2015 (5 years vesting) : Rs. 1186.77 per share

Grant dated 5th November, 2015 (4 years vesting) : Rs. 1184.56 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

| | 25th August 2015 (4 years vesting) | 5th Nov 2015 (4 years vesting) | Grant dated 5th Nov 2015 (5 years vesting) |
|-------------------------------|--|--|--|
| Risk free interest rate | 7.88% | 7.64% | 7.63% |
| Expected life | 5.71 years | 5.70 years | 5.50 years |
| Expected volatility | 31.53% | 30.92% | 31.05% |
| Expected dividend yield | 0.97% | 0.96% | 0.96% |
| Exercise Price (Rs.) | 5.00 | 5.00 | 5.00 |
| Stock Price (Rs.) | 1,243.25 | 1,254.30 | 1,254.30 |

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. 88.37 crores** (2015 : Rs. 35.07 crores) being the amortisation of deferred employee compensation, after adjusting for reversals on account of options lapsed. The amount excludes **Rs. 5.26 crores** (2015 : Rs. 2.68 crores) charged to its subsidiaries for options issued to their employees.

Had the Company adopted fair value method in respect of options granted on or after 1st April, 2005, the employee compensation cost would have been lower by **Rs. 5.01 crores**, Profit after tax higher by **Rs. 5.01 crores** and the basic and diluted earnings per share would have been higher by **Rs. 0.08** and **Rs. 0.08** respectively.

34. Contingent Liability & Commitments :

(A) Contingent Liability :

(a) Guarantees given by the Company :

| | Rupees crores | | | |
|---------------------------|----------------------|----------|--|----------|
| | Amount of guarantees | | Outstanding amounts against guarantees | |
| | 2016 | 2015 | 2016 | 2015 |
| For other companies | 1,455.26 | 1,344.48 | 1,389.01 | 1,281.98 |

(b) Claims against the Company not acknowledged as debts comprise of :

- (i) Excise Duty, Sales Tax and Service Tax claims disputed by the Company relating to issues of applicability and classification aggregating **Rs. 2,846.51 crores** before tax (2015 : Rs. 2,003.26 crores before tax).
- (ii) Other matters (excluding claims where amounts are not ascertainable) : **Rs. 27.65 crores** before tax (2015 : Rs. 28.53 crores before tax).

(c) Taxation matters :

(i) Demands against the Company not acknowledged as debts and not provided for, relating to issues of deductibility and taxability in respect of which the Company is in appeal and exclusive of the effect of similar matters in respect of assessments remaining to be completed :

– Income-tax : **Rs. 564.56 crores** (2015 : Rs. 526.49 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. 112.30 crores** (2015 : Rs. 153.65 crores).

– Surtax matters : **Rs. 0.13 crores** (2015 : Rs. 0.13 crores).

(d) 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. 304.10 crores in connection with the classification of Company's Commander range of vehicles, during the years 1991 to 1996. Whilst the Company had classified the Commander range of vehicles as 10-seater attracting a lower rate of excise duty, the Commissioner of Central Excise (Adjudication), Navi Mumbai, has held that these vehicles could not be classified as 10-seater as they did not fulfil the requirement of 10-seater vehicles, as provided under the Motor Vehicles Act, 1988 (MVA) read with Maharashtra Motor Vehicles Rules, 1989 (MMVR) and as such attracted a higher rate of excise duty. The Company has challenged the CESTAT order in the Supreme Court.

In earlier collateral proceedings on this issue, the CESTAT had, by an order dated 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. The Department had challenged the CESTAT order in the Supreme Court.

Without prejudice to the grounds raised in this appeal, the Company has paid an amount of Rs. 40.00 crores in January, 2010. The Supreme Court has admitted the Company's appeal and has stayed the recovery of the balance amount till further orders.

Both these orders of the Tribunals were heard and disposed off by the Honourable Supreme Court, in August 2014. Since contrary views were expressed by the Tribunals in two parallel proceedings, the Honourable Supreme Court directed that a larger bench of the Tribunal be constituted to hear the appeals without expressing any opinion on the issues. The Larger Bench of the CESTAT heard the matter in February, 2015 and by an order dated 27 February, 2015, remanded the matter to the Commissioner of Central Excise for consideration of the case afresh keeping all issues open. The company strongly believes, based on legal advice it has received, that it has a good case on merits so as to ultimately succeed in the matter.

In another case relating to Armada range of vehicles manufactured during the years 1992 to 1996, by the Company at its Nashik facility, the Commissioner of Central Excise, Nashik passed an order dated 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.

As such, the Company does not expect any liability on this account. However, in view of the CESTAT orders and subsequent proceedings, pending their final outcome, the Company has reflected the above amount aggregating **Rs. 328.85 crores** (2015 : Rs. 328.85 crores) and the interest of **Rs. 377.64 crores** (2015 : Rs. 341.44 crores) accrued on the same upto 31st March, 2016, under Note (b)(i) above.

(e) In respect of (b) & (c) above, it is not practicable for the Company to estimate the closure of these issues and the consequential timings of cash flows, if any.

(B) Commitments :

(a) Uncalled liability on equity shares partly paid **Rs. Nil crores** (2015 : 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, 2016 is **Rs. 924.74 crores** (2015 : Rs. 745.08 crores) and other commitment as at 31st March 2016 is **Rs. 8.50 crores** (2015: Rs. Nil crores)

35. Research and Development expenditure :

(a) In recognised Research and Development units :

(i) Debited to the Statement of Profit and Loss, including certain expenditure based on allocations made by the Company, aggregate **Rs. 730.93 crores** (2015 : Rs. 702.76 crores) [excluding depreciation and amortisation of **Rs. 287.02 crores** (2015 : Rs. 206.98 crores)].

(ii) Development expenditure incurred during the year **Rs. 905.41 crores** (2015 : Rs. 634.25 crores).

(iii) Capitalisation of assets **Rs. 104.65 crores** (2015 : Rs. 162.29 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. 68.27 crores** (2015 : Rs. 45.28 crores) [excluding depreciation and amortisation of **Rs. 9.78 crores** (2015 : Rs. 39.77 crores)].
- (ii) Development expenditure incurred during the year **Rs. 106.22 crores** (2015 : Rs. 41.64 crores).
- (iii) Capitalisation of assets **Rs. 22.38 crores** (2015 : Rs. 0.91 crores).

36. The net difference in foreign exchange loss debited to the Statement of Profit and Loss is a loss of **Rs. 109.01 crores** (2015 : Rs. 45.99 crores).

37. The Board of Directors of the Company during the year ended 31st March, 2014, approved entering into a transaction in the Auto Components business with CIE Automotive S.A., Spain (CIE). The transaction was to be completed in parts with the first part being completed in the financial year ended 31st March, 2014. During the year ended 31st March, 2015, the second (and final) part of the transaction involving the merger through a scheme of arrangement of Mahindra UGINE Steel Company Limited (MUSCO), Mahindra Gears International Limited (MGIL), Mahindra Investments (India) Private Limited (MIPL), Mahindra Hinoday Industries Limited, Mahindra Composites Limited and a CIE subsidiary with Mahindra CIE Automotive Limited (MCIE) was approved by the High Court of Bombay and became operative from the appointed date of 1st October, 2013 and came into effect (effective date) from 10th December, 2014. In terms of the scheme the company has received shares in MCIE which has been accounted for in accordance with AS 13 – Accounting for Investments. Having regard to the substance of the transaction, the excess of the fair value of MCIE Shares received and carrying cost of investment in MUSCO, MIPL and MGIL of Rs. 267.47 crores, has been credited to the Investment Fluctuation Reserve to offset the losses recognised in the year ended 31st March, 2015.

38. During the year ended 31st March, 2015, the Scheme of Arrangement (Scheme) between the Company's subsidiary Mahindra Engineering Services Limited (MESL) with Tech Mahindra Limited (TML), an associate of the Company, was approved by the High Court of Bombay. The scheme was operative from the appointed date of 1st April, 2013 and had come into effect (effective date) from 8th December, 2014. Consequently, during the year ended 31st March, 2015, MESL along with its subsidiaries Mahindra Engineering Services (Europe) Limited, Mahindra Engineering GmbH, Mahindra Technologies Services Inc. ceased to be subsidiaries of the Company. In accordance with AS 13 - Accounting for Investments, Rs. 299.34 crores, being the excess of fair value of TML shares received in terms of the scheme over the carrying cost of investments in MESL had been recorded as an exceptional item during the year ended 31st March, 2015.

39. Provision for diminution in the value of long term investments for the year comprises:

| | 2016 | 2015 |
|---|--------|--------|
| Provision for diminution in value of certain long term investments..... | 126.07 | 333.62 |
| Less : | | |
| Transfer from Investment Fluctuation Reserve pursuant to the Schemes of Arrangement/ Amalgamation approved by the Honourable High Courts | 126.07 | 333.62 |
| | — | — |
| In addition also refer note 40 below. | | |

40. Exceptional items of **Rs. 68.74 crores** (2015 : Rs. 335.72 crores) comprise of :

- (a) profit on sale of certain long term investments **Rs. 68.74 crores** (2015 : Rs. 36.38 crores). This includes **Rs. 62.75 crores** (net of Rs. 61.48 crores credited to Investment Fluctuation Reserve) on transfer of the Company's entire investments in certain subsidiaries and associate engaged in domestic automotive manufacturing and support business at fair values to Mahindra Vehicle Manufacturers Limited, a wholly owned subsidiary.
- (b) due to scheme of arrangement as referred to in Note 38 **Rs. Nil crores** (2015 : Rs. 299.34 crores)

41. Earnings per Share :

| | 2016 | 2015 |
|--|--------------|--------------|
| Profit for the year (Rupees crores)..... | 3,167.48 | 3,321.11 |
| Profit for the year for diluted earnings per share (Rupees crores)..... | 3,167.48 | 3,321.11 |
| Weighted average number of Ordinary (Equity) Shares used in computing basic earnings per share | 59,19,19,448 | 59,06,11,467 |
| Effect of potential Ordinary (Equity) Shares on conversion of bonds and employee stock options.. | 2,91,78,280 | 2,83,05,150 |
| Weighted average number of Ordinary (Equity) Shares used in computing diluted earnings per share | 62,10,97,728 | 61,89,16,617 |
| Basic Earnings per share (Rs.) (Face value of Rs. 5 per share)..... | 53.51 | 56.23 |
| Diluted Earnings per share (Rs.)..... | 51.00 | 53.66 |

42. 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 | 52 | Retail Initiative Holdings Limited |
| 2 | Mahindra Steel Service Centre Limited | 53 | Mahindra Retail Private Limited |
| 3 | Mahindra First Choice Wheels Limited | 54 | Mahindra Aerospace Australia Pty. Limited |
| 4 | Mahindra USA Inc. | 55 | Aerostaff Australia Pty. Limited |
| 5 | Mahindra Gujarat Tractor Limited | 56 | Bristlecone Consulting Limited |
| 6 | Mahindra and Mahindra South Africa (Proprietary) Limited | 57 | Anthurium Developers Limited |
| 7 | Mahindra Overseas Investment Company (Mauritius) Limited | 58 | Gippsaero Pty. Limited |
| 8 | Mahindra Europe S.r.l. | 59 | GA8 Airvan Pty. Limited |
| 9 | Mahindra-BT Investment Company (Mauritius) Limited | 60 | GA200 Pty. Limited |
| 10 | Mahindra Intertrade Limited | 61 | Airvan Flight Services Pty. Limited |
| 11 | Mahindra MiddleEast Electrical Steel Service Centre (FZC) | 62 | Gipp Aero Investments Pty. Limited |
| 12 | Mahindra Consulting Engineers Limited | 63 | Nomad TC Pty. Limited |
| 13 | Mahindra Holidays & Resorts India Limited | 64 | Mahindra Emirates Vehicle Armouring FZ-LLC |
| 14 | Mahindra Hotels and Residences India Limited | 65 | Mahindra Integrated Business Solutions Private Limited |
| 15 | Mahindra Holdings Limited | 66 | Mahindra Aerostructures Private Limited |
| 16 | NBS International Limited | 67 | Ssagyong Motor Company |
| 17 | Mahindra & Mahindra Financial Services Limited | 68 | Ssagyong European Parts Center B.V. |
| 18 | Mahindra Insurance Brokers Limited | 69 | Ssagyong Motor (Shanghai) Company Limited |
| 19 | Mahindra Rural Housing Finance Limited | 70 | Bristlecone International AG |
| 20 | Bristlecone Limited | 71 | EPC Industrie Limited |
| 21 | Bristlecone Inc. | 72 | Mahindra Telecommunications Investment Private Limited |
| 22 | Bristlecone UK Limited | 73 | Mahindra Sanyo Special Steel Private Limited |
| 23 | Bristlecone India Limited | 74 | Mahindra Racing S.p.A (Formerly known as Mahindra Racing S.r.l.) |
| 24 | Bristlecone (Singapore) Pte. Limited | 75 | Mahindra Defence Naval Systems Private Limited |
| 25 | Bristlecone GmbH | 76 | Mahindra Defence Systems Limited |
| 26 | Bristlecone (Malaysia) Sdn.Bhd. | 77 | Gables Promoters Private Limited |
| 27 | Mahindra Automobile Distributor Private Limited | 78 | 2 x 2 Logistics Private Limited |
| 28 | Mahindra Trucks and Buses Limited | 79 | Mahindra Tractor Assembly Inc. |
| 29 | Mahindra Lifespace Developers Limited | 80 | MH Boutique Hospitality Limited |
| 30 | Mahindra Infrastructure Developers Limited | 81 | Infinity Hospitality Group Company Limited |
| 31 | Mahindra World City (Jaipur) Limited | 82 | Mahindra Telephonics Integrated Systems Limited |
| 32 | Mahindra Integrated Township Limited | 83 | Mahindra Asset Management Company Private Limited |
| 33 | Mahindra Residential Developers Limited | 84 | Mahindra Trustee Company Private Limited |
| 34 | Mahindra World City Developers Limited | 85 | Cleansolar Renewable Energy Private Limited |
| 35 | Mahindra World City (Maharashtra) Limited | 86 | Brightsolar Renewable Energy Private Limited |
| 36 | Knowledge Township Limited | 87 | Mahindra Auto Steel Private Limited |
| 37 | Mahindra Vehicle Manufacturers Limited | 88 | Mahindra 'Electoral Trust' Company |
| 38 | Mahindra Logistics Limited | 89 | Peugeot Motocycles S.A.S. |
| 39 | Mahindra Aerospace Private Limited | 90 | Peugeot Motocycles Italia S.p.A |
| 40 | Heritage Bird (M) Sdn.Bhd. | 91 | Peugeot Motocycles Deutschland GmbH |
| 41 | Mahindra First Choice Services Limited | 92 | Divine Solren Private Limited (w.e.f. 8 th May, 2015) |
| 42 | Mahindra Graphic Research Design S.r.l. | 93 | Neo Solren Private limited (w.e.f. 1 st July, 2015) |
| 43 | Mahindra Bebanco Developers Limited | 94 | Mahindra Water Utilities Limited (w.e.f. 27 th July, 2015) |
| 44 | Industrial Township (Maharashtra) Limited | 95 | Are Semesterby A (w.e.f. 2 nd September, 2015) |
| 45 | Mahindra Two Wheelers Limited | 96 | Holiday Club Resorts Oy (w.e.f. 2 nd September, 2015) |
| 46 | Mahindra Automotive Australia Pty. Limited | 97 | HCR Management Oy (w.e.f. 2 nd September, 2015) |
| 47 | Mahindra Internet Commerce Private Limited | 98 | Holiday Club Sweden Ab Åre (w.e.f. 2 nd September, 2015) |
| 48 | Defence Land Systems India Limited | 99 | Ownership Services Ab (w.e.f. 2 nd September, 2015) |
| 49 | Mahindra Yueda (Yancheng) Tractor Company Limited | 100 | Holiday Club Canarias Investments S.L. (w.e.f. 2 nd September, 2015) |
| 50 | Mahindra Electrical Steel Private Limited | | |
| 51 | Raigad Industrial & Business Park Limited | | |

42. Related Party Disclosures : (contd.)

| Sl. No. | Name of the Company | Sl. No. | Name of the Company |
|---------|--|---------|---|
| 101 | Holiday Club Canarias Sales & Marketing S.L. (w.e.f. 2 nd September, 2015) | 140 | Himos Hillside Golf Oy (ceased w.e.f. 1 st October, 2015) |
| 102 | Holiday Club Canarias Resort Management S.L. (w.e.f. 2 nd September, 2015) | 141 | Kiinteistö Oy Pisterinniementie 2 (ceased w.e.f. 1 st October, 2015) |
| 103 | Suomen Vapaa-aikakiinteistöt Oy LKV (w.e.f. 2 nd September, 2015) | 142 | Holiday Club Katinkullan Villas Oy (ceased w.e.f. 1 st October, 2015) |
| 104 | Kiinteistö Oy Himos Gardens (w.e.f. 2 nd September, 2015) | 143 | Kiinteistö Oy Katinpalsta (ceased w.e.f. 1 st October, 2015) |
| 105 | Kiinteistö Oy Himoksen Tähti 2 (w.e.f. 2 nd September, 2015) | 144 | Kiinteistö Oy Rauhan Ranta 6 (ceased w.e.f. 1 st October, 2015) |
| 106 | Sallan Tunturipalvelut Oy (w.e.f. 2 nd September, 2015 & ceased w.e.f. 31 st March, 2016) | 145 | Kiinteistö Oy Rauhan Parkki (ceased w.e.f. 1 st October, 2015) |
| 107 | Kiinteistö Oy Tunturinrivi (w.e.f. 2 nd September, 2015) | 146 | Saimaan Palvelukiinteistöt Oy (ceased w.e.f. 1 st October, 2015) |
| 108 | Kiinteistö Oy Vanha Ykköstii (w.e.f. 2 nd September, 2015) | 147 | Kiinteistö Oy Paviljongin Pysäköinti (ceased w.e.f. 1 st October, 2015) |
| 109 | Kiinteistö Oy Katinkullan Villas Parkki (w.e.f. 2 nd September, 2015 & ceased w.e.f. 31 st March, 2016) | 148 | Oü Holiday Club Tallinn (ceased w.e.f. 1 st September, 2015) |
| 110 | Kiinteistö Oy Katinnurkka (w.e.f. 2 nd September, 2015) | 149 | Kiinteistö Oy Hakan Perusyhtiö 79 (ceased w.e.f. 1 st October, 2015) |
| 111 | Kiinteistö Oy Tenetinlahti (w.e.f. 2 nd September, 2015) | 150 | Swaraj Automotives Limited (ceased w.e.f. 1 st February, 2016) |
| 112 | Kiinteistö Oy Mällösnieniemi (w.e.f. 2 nd September, 2015) | 151 | Divine Heritage Hotels Private Limited (ceased w.e.f. 31 st March, 2016) |
| 113 | Holiday Club Golf Saimaa Oy (w.e.f. 2 nd September, 2015 & ceased w.e.f. 31 st March, 2016) | 152 | Competent Hotels Private Limited (ceased w.e.f. 31 st March, 2016) |
| 114 | Kiinteistö Oy Rauhan Ranta 1 (w.e.f. 2 nd September, 2015) | 153 | Holiday on Hills Resorts Private Limited (ceased w.e.f. 31 st March, 2016) |
| 115 | Kiinteistö Oy Rauhan Ranta 2 (w.e.f. 2 nd September, 2015) | 154 | Kiinteistö Oy Jalomella (ceased w.e.f. 31 st March, 2016) |
| 116 | Kiinteistö Oy Tiurunniemi (w.e.f. 2 nd September, 2015) | 155 | Kiinteistö Oy Outapalas (ceased w.e.f. 31 st March, 2016) |
| 117 | Kiinteistö Oy Rauhan Liikekiinteistöt 1 (w.e.f. 2 nd September, 2015) | 156 | Kiinteistö Oy Ulkuvuoma (ceased w.e.f. 31 st March, 2016) |
| 118 | Saimaa Action Park Oy (w.e.f. 2 nd September, 2015 & ceased w.e.f. 31 st March, 2016) | 157 | Mahindra Agri Solutions Limited (Formerly known as Mahindra Shubhlabh Services Limited) |
| 119 | Supermarket Capri Oy (w.e.f. 2 nd September, 2015) | 158 | Mahindra Heavy Engines Limited (Formerly known as Mahindra Heavy Engines Private Limited) |
| 120 | Kiinteistö Oy Kylpyläntorni 1 (w.e.f. 2 nd September, 2015) | 159 | Auto Digitech Private Limited (Formerly known as Mahindra Punjab Tractors Private Limited) |
| 121 | Kiinteistö Oy Spa Lofts 2 (w.e.f. 2 nd September, 2015) | 160 | Mahindra Namaste Private Limited |
| 122 | Kiinteistö Oy Spa Lofts 3 (w.e.f. 2 nd September, 2015) | 161 | Mahindra Reva Electric Vehicles Limited (Formerly known as Mahindra Reva Electric Vehicles Private Limited) |
| 123 | Kiinteistö Oy Kulennoinen (w.e.f. 2 nd September, 2015 & ceased w.e.f. 31 st March, 2016) | 162 | Mahindra Susten Private Limited (formerly known as Mahindra EPC Services Private Limited) |
| 124 | Kiinteistö Oy Kuusamon Pulkajärvi 1 (w.e.f. 2 nd September, 2015) | 163 | Industrial Cluster Private Limited |
| 125 | Kongressi- ja Kylpylähotelli Caribia Oy (w.e.f. 2 nd September, 2015 & ceased w.e.f. 31 st March, 2016) | 164 | Mahindra HZPC Private Limited |
| 126 | Caribia Service Oy (w.e.f. 2 nd September, 2015) | 165 | Mahindra eMarket Limited (formerly known as Mriyalguda Farm Solution Limited) |
| 127 | Marvel Solren Private Limited (w.e.f. 10 th October, 2015) | 166 | Holiday Club Sport and Spa AB (w.e.f. 1 st December, 2015) |
| 128 | Astra Solren Private Limited (w.e.f. 14 th October, 2015) | 167 | Mahindra Renewables Private Limited (formerly known as Mahindra Offgrid Services Private Limited) |
| 129 | Orizonte Business Solutions Limited (Formerly known as Mega One Stop Farm Services Limited) (w.e.f. 25 th November, 2015) | 168 | Mahindra North American Technical Center, Inc. |
| 130 | Airvan10 Pty. Ltd. (w.e.f. 10 th December, 2015) | 169 | Mahindra Racing UK Limited |
| 131 | SY Auto Capital Co., LTD (w.e.f. 28 th October, 2015) | 170 | Mahindra UNIVeG Private Limited |
| 132 | Mahindra International UK Ltd. (w.e.f. 13 th October, 2015) | 171 | MHR Holdings (Mauritius) Limited |
| 133 | MachinePulse Tech Private Limited (w.e.f. 5 th January, 2016) | 172 | Convington S.a.r.l. |
| 134 | Saimaa Gardens Arena Oy (w.e.f. 19 th January, 2016) | 173 | Lords Freight (India) Private Limited |
| 135 | Gateway Housing Company Limited (w.e.f. 10 th March, 2016) | 174 | Mahindra Two Wheelers Europe Holdings S.a.r.l. |
| 136 | Kiinteistö Oy Lappeenrannan Saimaan Kreivi (w.e.f. 2 nd September, 2015 & ceased w.e.f. 15 th September, 2015) | 175 | Mahindra Industrial Park Chennai Limited |
| 137 | Holiday Club Rus LLC (w.e.f. 2 nd September, 2015) | 176 | Are Semesterby B (w.e.f. 2 nd September, 2015) |
| 138 | Mahindra Business & Consulting Services Private Limited (ceased w.e.f. 18 th April, 2015) | 177 | Are Semesterby C (w.e.f. 2 nd September, 2015) |
| 139 | Saariselkä Resort Oy (ceased w.e.f. 1 st October, 2015) | 178 | Are Semesterby D (w.e.f. 2 nd September, 2015) |
| | | 179 | Are Villas 1 Ab (w.e.f. 2 nd September, 2015) |
| | | 180 | Are Villas 2 Ab (w.e.f. 2 nd September, 2015) |

42. Related Party Disclosures : (contd.)

(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 Construction Company Limited | 5. | Tech Mahindra Limited |
| 2. | Swaraj Engines Limited | 6. | Mahindra CIE Automotive Limited |
| 3. | Mahindra & Mahindra Contech Limited | 7. | PSL Media & Communications Limited |
| 4. | Kota Farm Services Limited | | |

(ii) Associate of a Subsidiary :

| Sl. No. | Name of the Company |
|---------|---|
| 1. | Mahindra Tsubaki Conveyor Systems Private Limited |

(iii) Joint Venture :

| Sl. No. | Name of the Company |
|---------|--|
| 1. | Mahindra Sona Limited |
| 2. | Mitsubishi Mahindra Agricultural Machinery Co., Limited (w.e.f. 1 st October, 2015) |

(iv) Joint Venture of a Subsidiary :

| Sl. No. | Name of the Company |
|---------|---|
| 1. | Mahindra Inframan Water Utilities Private Limited |
| 2. | Mahindra Solar One Private Limited |
| 3. | Mahindra Homes Private Limited |

(v) Key Management Personnel (KMP) :

| | |
|--|-----------------------|
| Chairman and Managing Director..... | Mr. Anand G. Mahindra |
| Executive Director and Group President (Auto & Farm Sector) | Dr. Pawan Goenka |

(vi) Enterprise over which KMP is able to exercise significant influence :

| Sl. No. | Name of the Company |
|---------|--|
| 1. | Prudential Management & Services Private Limited |

(vii) Welfare Funds :

| Sl. No. | Name of the Fund |
|---------|--|
| 1. | M&M Employees' Welfare Fund No. 1 (formerly known as M&M Employees' Welfare Fund) |
| 2. | M&M Employees' Welfare Fund No. 2 (formerly known as M&M Employees' Farm Equipment Sector Employees' Welfare Fund) |
| 3. | Mahindra World School Education Trust |
| 4. | M&M Benefit Trust |
| 5. | M&M Employees' Welfare Fund No. 3 (formerly known as Mahindra Spicer Limited Employees' Welfare Fund) |

(c) The related party transactions are as under :

Rupees crores

| Sl. No. | Nature of Transactions | Subsidiaries | Associates/ Associates of Subsidiaries | Joint Ventures/ Joint Ventures of Subsidiaries | KMP/KMP Exercising Significant influence | Welfare Funds |
|---------|---|-------------------------------|--|--|---|------------------|
| 1. | Purchases : | | | | | |
| | Goods..... | 9,303.03 (6,494.72) | 1,407.00 (1,422.54) | 177.26 (172.73) | — (—) | — (—) |
| | Fixed Assets..... | 32.59 (19.06) | 2.62 (22.98) | — (—) | — (—) | — (—) |
| | Services | 1,792.44 (1,659.36) | 118.22 (136.38) | — (—) | — (—) | — (—) |
| 2. | Sales : | | | | | |
| | Goods..... | 1,893.49 (1,990.87) | 10.96 (9.21) | 36.01 (—) | — (—) | — (—) |
| | Fixed Assets..... | 0.22 (0.84) | 0.43 (0.42) | — (—) | — (—) | — (—) |
| | Services | 72.48 (57.75) | 10.99 (3.11) | 0.09 (0.09) | — (—) | — (—) |
| 3. | Investments : | | | | | |
| | Purchases/Subscribed/Conversion..... | 3,297.53 (1,348.92) | — (885.60) | — (—) | — (—) | — (—) |
| | Sales/Redemption/Conversion | 3,677.51 (—) | — (318.79) | — (—) | — (—) | — (—) |
| 4. | Deputation of Personnel : | | | | | |
| | From Parties | 1.69 (1.45) | 0.79 (0.67) | — (—) | — (—) | — (—) |
| | To Parties..... | 19.89 (16.31) | 5.68 (7.80) | — (—) | — (—) | — (—) |
| 5. | Managerial Remuneration..... | — (—) | — (—) | — (—) | 12.97 (11.96) | — (—) |
| 6. | Stock Options..... | — (—) | — (—) | — (—) | # (#) | — (—) |
| 7. | Finance : | | | | | |
| | Inter Corporate Deposits given..... | 300.00 (1.53) | — (—) | — (—) | — (—) | — (—) |
| | Inter Corporate Deposits refunded by parties..... | 25.81 (274.65) | — (41.83) | — (—) | — (—) | — (—) |
| | Loan given..... | 1,200.00 (—) | — (—) | — (—) | 9.00 (—) | — (—) |
| | Refund of loan given | — (—) | — (—) | — (—) | 4.50 (—) | — (—) |
| | Interest Income..... | 39.58 (33.81) | — (1.78) | — (—) | 0.19 (0.03) | — (—) |
| | Interest Expense | — (0.03) | — (—) | — (—) | — (—) | — (—) |
| | Dividend Received | 246.04 (272.73) | 167.36 (135.80) | 3.55 (3.54) | — (—) | — (—) |
| | Security Deposits Paid..... | 0.35 (0.19) | 0.03 (—) | — (—) | — (—) | — (—) |
| | Security Deposits Received | 0.32 (0.06) | 0.01 (—) | — (—) | — (—) | — (—) |
| | Share Application Money Given/(Converted) (Net) | — (52.78) | — (—) | — (—) | — (—) | — (—) |

Refer Clause VI of Annexure VII to the Board's Report.
Previous year's figures are in brackets.

(c) The related party transactions are as under : (contd.)

| | | | | | | | Rupees crores |
|---------|--|-------------------------------|--|--|---|-------------------------|---------------|
| Sl. No. | Nature of Transactions | Subsidiaries | Associates/ Associates of Subsidiaries | Joint Ventures/ Joint Ventures of Subsidiaries | KMP/KMP Exercising Significant influence | Welfare Funds | |
| 8. | Dividends Distributed | — (—) | — (—) | — (—) | 85.98 (100.24) | 64.64 (75.29) | |
| 9. | Guarantees given on behalf of Subsidiaries during the year, absorbed | — (469.48) | — (—) | — (—) | — (—) | — (—) | |
| 10. | Other Transactions : | | | | | | |
| | Other Income | 18.03 (13.40) | 0.85 (1.79) | — (—) | — (—) | 62.19 (72.57) | |
| | Other Expenses | 20.42 (6.75) | 0.17 (0.12) | — (—) | — (—) | — (—) | |
| | Reimbursements received from parties | 72.81 (166.44) | 7.71 (49.62) | 0.21 (0.06) | — (—) | 0.75 (—) | |
| | Reimbursements made to parties | 20.85 (49.84) | 4.82 (7.16) | — (—) | — (—) | 0.08 (0.07) | |
| | Advances Received from parties, Refunded | — (0.59) | — (—) | — (—) | — (—) | — (—) | |
| | Advances Given to parties | — (5.94) | — (—) | — (—) | 0.02 (—) | — (—) | |
| | Advances given to parties Refunded/Converted | — (5.15) | — (—) | — (—) | — (—) | — (—) | |
| 11. | Outstandings : | | | | | | |
| | Payable | 1,185.74 (471.73) | 146.26 (130.21) | 41.80 (35.23) | 3.19 (2.86) | — (—) | |
| | Receivable | 1,972.77 (935.26) | 18.57 (30.14) | 4.83 (1.98) | 5.80 (1.09) | 17.00 (17.00) | |
| | Inter Corporate Deposits given | 479.77 (196.09) | 4.59 (4.59) | — (—) | — (—) | — (—) | |
| 12. | Share Application Money Outstanding (Net) | — (55.00) | — (—) | — (—) | — (—) | — (—) | |
| 13. | Provision for Doubtful debts/advances | 4.85 (4.85) | 6.80 (7.22) | — (—) | — (—) | 10.00 (10.00) | |
| 14. | Guarantees given on behalf of subsidiaries, absorbed. Amount of guarantees as on 31 st March | 1,455.26 (1,344.48) | — (—) | — (—) | — (—) | — (—) | |

Previous year's figures are in brackets.

The Significant related party transactions are as under : (contd.)

| Sl. No. | Nature of Transactions | Subsidiaries | Rupees crores | Associates/Associates of Subsidiaries | Rupees crores | Joint Ventures/ Joint Ventures of Subsidiaries | Rupees crores |
|---------|---|--|-------------------------------|---------------------------------------|---------------------------|--|---------------------------|
| 1. | Purchases — Goods | Mahindra Vehicle Manufacturers Limited | 8,974.51 (6,141.00) | Swaraj Engines Limited | 622.50 (626.14) | Mahindra Sona Limited | 175.12 (172.73) |
| | | | | Mahindra CIE Automotive Limited | 784.50 (796.31) | | |
| 2. | Purchases — Services | Mahindra Logistics Limited | 1,189.83 (1,212.98) | Tech Mahindra Limited | 113.58 (131.13) | | |
| | | Mahindra Vehicle Manufacturers Limited | 271.44 (—) | | | | |
| 3. | Sales — Goods | Mahindra Vehicle Manufacturers Limited | 810.66 (813.52) | Swaraj Engines Limited | 10.61 (5.22) | Mitsubishi Mahindra Agricultural Machinery Co., Ltd. | 36.01 (—) |
| | | Mahindra USA Inc. | 527.65 (653.55) | Tech Mahindra Limited | 0.14 (3.44) | | |
| | | NBS International Limited | 188.74 (—) | | | | |
| | | Mahindra and Mahindra South Africa (Proprietary) Limited | 163.85 (—) | | | | |
| 4. | Sales — Services | Mahindra Automobile Distributor Private Limited | 9.25 (9.44) | Mahindra CIE Automotive Limited | 4.19 (0.47) | Mahindra Sona Limited | 0.09 (0.09) |
| | | Mahindra & Mahindra Financial Services Limited | 13.03 (14.94) | Swaraj Engines Limited | 0.30 (—) | | |
| | | Mahindra Vehicle Manufacturers Limited | 12.81 (—) | Tech Mahindra Limited | 6.49 (2.42) | | |
| | | Mahindra Holidays & Resorts India Limited | 7.42 (9.46) | | | | |
| | | Mahindra Two Wheelers Limited | 5.77 (6.33) | | | | |
| 5. | Investments — Purchases/ Subscribed/ Conversion | Mahindra Holdings Limited | 5.71 (—) | Tech Mahindra Limited | — (359.30) | | |
| | | Mahindra Engineering and Chemical Products Limited | 168.00 (—) | Mahindra CIE Automotive Limited | — (526.30) | | |
| | | Mahindra Reva Electric Vehicles Limited | 209.00 (—) | | | | |
| | | Mahindra Two Wheelers Limited | 400.00 (748.59) | | | | |
| | | Mahindra Vehicle Manufacturers Limited | 2,200.00 (—) | | | | |
| | | Mahindra Heavy Engines Limited | — (180.00) | | | | |

The Significant related party transactions are as under : (contd.)

| Sl. No. | Nature of Transactions | Subsidiaries | Rupees crores | Associates/Associates of Subsidiaries | Rupees crores | Joint Ventures/ Joint Ventures of Subsidiaries | Rupees crores |
|---------|--|--|------------------------|---------------------------------------|---------------|---|---------------|
| 6. | Investments— Sales/Redemption/ Conversion | Mahindra Vehicle Manufacturers Limited | 3,677.51 (—) | Tech Mahindra Limited | — (59.96) | | |
| | | | | Mahindra CIE Automotive Limited | — (258.83) | | |
| 7. | Loan Given | Mahindra Vehicle Manufacturers Limited | 1,200.00 (—) | | | | |
| 8. | Advances Given | Mahindra Lifespace Developers Limited | — (5.94) | | | | |
| 9. | Inter Corporate Deposits Given | Mahindra & Mahindra Financial Services Limited | 300.00 (—) | | | | |
| | | Mahindra HZPC Private Limited | — (1.53) | | | | |
| 10. | Inter Corporate Deposits refunded by parties | Mahindra Two Wheelers Limited | — (235.50) | Mahindra CIE Automotive Limited | — (41.83) | | |
| | | Bristlecone Limited | 22.12 (—) | | | | |
| | | Mahindra Overseas Investment Company (Mauritius) Limited | 3.69 (—) | | | | |
| 11. | Guarantees Given | Mahindra Two Wheelers Limited | — (469.48) | | | | |

The Significant related party transactions with Key Management Personnel are as under :

| Sl. No. | Nature of Transaction | Name of KMP | Rupees crores |
|---------|-------------------------|--------------------|-----------------------|
| 1. | Managerial Remuneration | Mr. Anand Mahindra | 6.59 (5.98) |
| | | Dr. Pawan Goenka | 6.38 (5.98) |

Previous year's figures are in brackets.

Note:

- Consequent to the Scheme of Arrangement referred to in Note 37 transactions entered into from 1st April, 2014 to 9th December, 2014 with the companies mentioned below, have been disclosed as transactions entered into with Mahindra CIE Automotive Limited.
 - Mahindra UGINE Steel Company Limited
 - Mahindra Gears International Limited
 - Mahindra Investments (India) Private Limited
- Consequent to the Scheme of Arrangement referred to in Note 38 transactions entered into from 1st April 2014 to 7th December, 2014 with Mahindra Engineering Services Limited, have been disclosed as transactions entered into with Tech Mahindra Limited.

3. (a) Disclosure required under Section 186(4) of the Companies Act, 2013 for loans and guarantees:

(Rupees crores)

| Sl. No. | Name | Relation | Amount as at 31 st March, 2016 (Net of provision) | Amount as at 31 st March, 2015 (Net of provision) |
|---------|--|--------------|---|---|
| 1. | Inter Corporate deposits and Loans | | | |
| | Bristlecone Limited | Subsidiary | 96.73 | 113.38 |
| | Mahindra Overseas Investment Company (Mauritius) Limited | Subsidiary | 77.18 | 76.86 |
| | Mahindra Gujarat Tractors Limited | Subsidiary | 1.00 | 1.00 |
| | Mahindra Agri Solutions Limited (Formerly known as Mahindra Shubhlabh Services Ltd.) | Subsidiary | 0.68 | 0.68 |
| | Mahindra World School Education Trust | Welfare Fund | 7.00 | 7.00 |
| | Mahindra & Mahindra Financial Services Limited | Subsidiary | 300.00 | — |
| | Mahindra Vehicle Manufacturers Limited | Subsidiary | 1,200.00 | — |
| 2. | Guarantees | | | |
| | Mahindra Overseas Investment Company (Mauritius) Limited | Subsidiary | 927.57 | 875.00 |
| | Mahindra Two Wheelers Limited | Subsidiary | 527.69 | 469.48 |

Note: During the year inter corporate deposit of **Rs. Nil crores** (2015 : Rs. 1.53 crores) was given to Mahindra HZPC Private Limited (a subsidiary) and the same has been repaid during the year.

Above inter corporate deposits and loans have been given for general business purposes (including investment purposes) and guarantees have been given for meeting their investment purchase obligations.

(b) Refer Note 13(A) for investments.

43. **The outstanding derivative instruments and unhedged foreign currency exposures as on 31st March, 2016 :**

The Company has outstanding foreign exchange forward contracts to sell **US \$ 9.90 crores** (2015 : US \$ 13.30 crores), **EURO 0.60 crores** (2015 : EURO 0.50 crores), **AUD 0.90 crores** (2015 : Nil crores) & **ZAR 16.00 crores** (2015 : Nil crores). In addition, the Company has also taken foreign exchange forward contract for **US \$ 1.71 crores** to buy US \$ (2015 : Nil crores)

The foreign currency exposures not hedged by derivative instruments or otherwise as on 31st March, 2016 are – Receivables of **ZAR 11.80 crores, US \$ 4.68 crores, KRW 5.12 crores, AUD 0.72 crores, GBP 0.20 crores, EURO 0.12 crores** and Payables (excluding Borrowings, covered in the paragraph below) of **JPY 16.22 crores, SEK 0.01 crores and CHF * crores** (2015 : Receivables of US \$ 8.83 crores, AUD 0.58 crores, GBP 0.25 crores and Payables (excluding Borrowings, covered in the paragraph below) of JPY 33.46 crores, KRW 7.42 crores, EURO 0.46 crores, ZAR 0.15 crores, SEK 0.04 crores and CHF * crores).

The Company has outstanding foreign currency borrowings of **US \$ 15.50 crores** (2015 : US \$ 31.70 crores). Currency risk on US \$ liability of **US \$ 5.50 crores** has been hedged by way of forward contracts (2015 : US \$ 1.70 crores). The US \$ interest rate risk on borrowings worth **US \$ 15.00 crores** has been hedged using interest rate swaps.

* denotes amounts less than 50,000 of respective currency.

44. **Joint Venture Disclosure :**

(i) The Company's Jointly Controlled Entity is :

| Name of the Entity | Country of Incorporation | % of ownership interest | |
|---|--------------------------|-------------------------|--------|
| | | 2016 | 2015 |
| Mahindra Sona Limited | India | 29.77% | 29.77% |
| Mitsubishi Mahindra Agricultural Machinery Co., Limited (w.e.f. 1 st October, 2015)#..... | Japan | 33.33% | |

In addition to JPY 750 million Common Stock (which represents 33.33% of the Common Stock), the Company owns the entire JPY 2,250 million "Class A" shares (shares with no voting rights); "Class A" shares have rights over dividend and liquidation on an equal basis with Common Stock.

(ii) The Company's share of each of the Assets, Liabilities, Income and Expenses (each without elimination of the effect of transactions between the Company and the Joint Venture) with respect to its interest in this Jointly Controlled Entity is :

| | Rupees crores | |
|---|---------------|--------|
| | 2016 | 2015 |
| I. ASSETS | | |
| 1. Fixed Assets..... | 429.55 | 19.03 |
| 2. Non-Current Investments | 58.73 | — |
| 3. Long Term Loans and Advances | 1.93 | 1.18 |
| 4. Current Investments..... | 0.01 | 0.01 |
| 5. Inventories..... | 334.38 | 14.36 |
| 6. Trade Receivables | 515.59 | 30.20 |
| 7. Cash and Bank Balances | 312.03 | 5.08 |
| 8. Short Term Loans and Advances..... | 1.81 | 1.31 |
| 9. Other Current Assets | 28.67 | 2.46 |
| 10. Deferred Tax Assets..... | 6.90 | — |
| 11. Other Non-Current Assets..... | 57.44 | — |
| II. LIABILITIES | | |
| 1. Deferred Tax Liabilities | 2.95 | 1.67 |
| 2. Other Long Term Liabilities..... | 227.14 | 1.63 |
| 3. Long Term Provisions | 7.87 | 1.63 |
| 4. Short Term Borrowings..... | 122.79 | 2.23 |
| 5. Trade Payables | 686.87 | 16.83 |
| 6. Other Current Liabilities | 105.46 | 1.96 |
| 7. Short Term Provisions | 17.33 | 5.74 |
| 8. Long Term Borrowings..... | 2.88 | — |
| III. INCOME | | |
| 1. Revenue from Operations | 1,024.78 | 116.53 |
| 2. Other Income..... | 2.69 | 1.14 |
| IV. EXPENSES | | |
| 1. Materials consumed and changes in inventories..... | 797.22 | 74.43 |
| 2. Manufacturing, Selling expenses, Interest and Finance charges..... | 224.35 | 27.78 |
| 3. Depreciation and Amortisation Expense..... | 10.52 | 2.10 |
| 4. Exceptional Items | 1.34 | — |
| 5. Extraordinary (gain)/loss | (14.64) | — |
| 6. Provision for taxation | 17.59 | 4.13 |
| V. OTHER MATTERS | | |
| 1. Contingent Liabilities..... | 183.14 | 5.69 |
| 2. Capital Commitments | 5.74 | 1.20 |

45. Value of Imports on C.I.F. basis accounted for during the year :

| | Rupees crores | |
|---------------------------------------|---------------|---------------|
| | 2016 | 2015 |
| (i) Raw Materials | 3.97 | 5.27 |
| (ii) Components, Spare Parts etc..... | 431.06 | 461.76 |
| (iii) Capital Goods | 255.04 | 259.09 |
| (iv) Items imported for Resale..... | 3.53 | 1.03 |
| | 693.60 | 727.15 |

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. 0.25 crores** (2015 : Rs. 63.03 crores).
- (b) Imports on 'cost' basis **Rs. 479.45 crores** (2015 : Rs. 595.12 crores).

46. Expenditure in Foreign Currencies (Subject to deduction of tax where applicable) :

| | Rupees crores | |
|--|---------------|---------------|
| | 2016 | 2015 |
| (i) Professional and Consultancy fees [including Rs. 32.64 crores (2015 : Rs. 23.70 crores) capitalised] | 115.38 | 133.45 |
| (ii) Interest and Commitment charges | 67.97 | 70.46 |
| (iii) Royalty | 2.26 | 1.14 |
| (iv) Development Expenditure & Computer Software in Intangible Assets | 426.08 | 299.04 |
| (v) Others [including Rs. 8.78 crores (2015 : Rs. 21.85 crores) capitalised] | 184.31 | 205.77 |
| | 796.00 | 709.86 |

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 | | |
| 2016 : 1 | | 3,51,21,534 | 42.15 | Year ended 31 st March, 2015 |
| 2015 : 1 | | 3,21,15,429 | 44.96 | Year ended 31 st March, 2014 |

48. Earnings in foreign exchange :

| | Rupees crores | |
|---|-----------------|-----------------|
| | 2016 | 2015 |
| (i) Export of goods on F.O.B. basis | 2,341.80 | 2,224.79 |
| (ii) Interest | 13.90 | 15.64 |
| (iii) Consultancy fees | — | 4.19 |
| (iv) Others (freight etc.) | 72.22 | 91.38 |
| | 2,427.92 | 2,336.00 |

Note :

F.O.B. value of exports includes local sales which qualify for export benefits and for which payment is receivable in foreign currency and local/export sales under rupee credit which qualify for export benefits.

49. Segment Information :

Segment Report For the year ended 31st March, 2016

Primary Segment Disclosure - Business Segment :

| Particulars | Rupees crores | | | | | | | | | | | |
|---|------------------|------------------|--------------|------------------|----------------|------------------|------------------|------------------|--------------|------------------|----------------|------------------|
| | 2016 | | | | | 2015 | | | | | | |
| | Automotive | Farm Equipment | Other | Total Segment | Eliminations | Total | Automotive | Farm Equipment | Other | Total Segment | Eliminations | Total |
| Revenue | | | | | | | | | | | | |
| Net External Sales | 28,132.92 | 12,731.73 | 20.33 | 40,884.98 | — | 40,884.98 | 25,223.62 | 13,197.59 | 23.62 | 38,444.83 | — | 38,444.83 |
| Inter Segment Sales | 17.52 | 9.52 | — | 27.04 | (27.04) | — | 11.63 | 9.42 | — | 21.05 | (21.05) | — |
| Total Revenue | 28,150.44 | 12,741.25 | 20.33 | 40,912.02 | (27.04) | 40,884.98 | 25,235.25 | 13,207.01 | 23.62 | 38,465.88 | (21.05) | 38,444.83 |
| Result | | | | | | | | | | | | |
| Segment Result | 2,116.64 | 1,997.75 | 3.00 | 4,117.39 | — | 4,117.39 | 1,833.08 | 1,967.43 | 4.82 | 3,805.33 | — | 3,805.33 |
| Less : | | | | | | | | | | | | |
| Finance costs | | | | | | 155.29 | | | | | | 214.30 |
| Unallocated corporate income net of unallocated expense | | | | | | (199.06) | | | | | | (242.14) |
| Exceptional items unallocable to segments | | | | | | (68.74) | | | | | | (335.72) |
| Profit before tax | | | | | | 4,229.90 | | | | | | 4,168.89 |
| Income Taxes | | | | | | 1,062.42 | | | | | | 847.78 |
| Profit after tax | | | | | | 3,167.48 | | | | | | 3,321.11 |
| OTHER INFORMATION | | | | | | | | | | | | |
| Segment Assets | 12,195.80 | 5,375.71 | 54.07 | 17,625.58 | — | 17,625.58 | 10,874.43 | 5,366.78 | 11.89 | 16,253.10 | — | 16,253.10 |
| Unallocated Corporate Assets | | | | | | 18,786.76 | | | | | | 16,691.77 |
| Total Assets | 12,195.80 | 5,375.71 | 54.07 | 17,625.58 | — | 36,412.34 | 10,874.43 | 5,366.78 | 11.89 | 16,253.10 | — | 32,944.87 |
| Segment Liabilities | 6,605.84 | 2,111.58 | 13.54 | 8,730.96 | — | 8,730.96 | 5,171.51 | 1,846.32 | 7.04 | 7,024.87 | — | 7,024.87 |
| Unallocated Corporate Liabilities | | | | | | 5,974.19 | | | | | | 6,664.91 |
| Total Liabilities | 6,605.84 | 2,111.58 | 13.54 | 8,730.96 | — | 14,705.15 | 5,171.51 | 1,846.32 | 7.04 | 7,024.87 | — | 13,689.78 |
| Capital Expenditure | 1,883.88 | 335.31 | 17.02 | 2,236.21 | — | 2,236.21 | 1,654.99 | 336.39 | 1.14 | 1,992.52 | — | 1,992.52 |
| Depreciation and Amortisation Expense | 847.15 | 228.43 | 0.28 | 1,075.86 | — | 1,075.86 | 716.94 | 221.43 | 0.30 | 938.67 | — | 938.67 |
| Non cash expenses other than depreciation | 8.56 | — | — | 8.56 | — | 8.56 | 19.38 | — | — | 19.38 | — | 19.38 |

Secondary Segment Disclosure - Geographical Segment :

Rupees crores

| Particulars | 2016 | | | 2015 | | |
|-------------------------------------|-----------|----------|-----------|-----------|----------|-----------|
| | Domestic | Overseas | Total | Domestic | Overseas | Total |
| Revenue from External Customers.... | 37,916.06 | 2,968.92 | 40,884.98 | 35,645.94 | 2,798.89 | 38,444.83 |
| Segment Assets..... | 17,625.58 | — | 17,625.58 | 16,253.10 | — | 16,253.10 |
| Capital Expenditure | 2,236.21 | — | 2,236.21 | 1,992.52 | — | 1,992.52 |

Notes :

1 Business Segments :

The Company has considered business segments as the primary segment for disclosure.

The segment have been identified taking into account the organisational structure as well as the differing risks and returns of these segments.

Automotive Segment comprises of sale of automobiles, spare parts and related services.

Farm Equipment Segment comprises of sale of tractors, spare parts and related services.

2 Secondary Segments :

The geographical segments are considered for disclosure as secondary segment.

Domestic Segment includes sales to customers located in India and service income accrued in India.

Overseas Segment includes sales and services rendered to customers located outside India.

50. Previous year's figures have been regrouped/restated wherever necessary.

Signatures to Notes 1 to 50

Deepak S. Parekh
Nadir B. Godrej
M. M. Murugappan
R. K. Kulkarni
Anupam Puri
Vishakha N. Desai
Vikram Singh Mehta
S. B. Mainak

Directors

Anand G. Mahindra

Chairman & Managing Director

Dr. Pawan Goenka

Executive Director & Group President
(Auto and Farm Sector)

V. S. Parthasarathy

Group Chief Financial Officer, Group CIO &
President (Group Finance and M&A)

Narayan Shankar

Company Secretary

Mumbai, 30th May, 2016



Consolidated Accounts

Independent Auditors' Report to the members of Mahindra & Mahindra Limited

Report on the Consolidated Financial Statements

1. We have audited the accompanying consolidated financial statements of **Mahindra & Mahindra Limited** (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), its associates and jointly controlled entities, comprising of the Consolidated Balance Sheet as at 31st March, 2016, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Financial Statements").

Management's Responsibility for the Consolidated Financial Statements

2. The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group including its Associates and Jointly controlled entities in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed under Section 133 of the Act, as applicable. The respective Board of Directors of the companies included in the Group and of its associates and jointly controlled entities are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

3. Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.
4. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those

Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

5. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.
6. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in para 8 of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

7. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, its associates and jointly controlled entities as at 31st March, 2016, and their consolidated profit and their consolidated cash flows for the year ended on that date.

Other Matters

8. We did not audit the financial statements of one hundred and twenty two subsidiaries and six jointly controlled entities, whose financial statements reflect the Group's share of total assets of Rs. 66,428.38 crores as at 31 March, 2016, and the Group's share of total revenues of Rs. 36,037.68 crores and net cash outflows amounting to Rs. 171.41 crores for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net profit of Rs. 148.44 crores for the year ended 31 March, 2016, as considered in the consolidated financial statements, in respect of nine associates, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated

financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, jointly controlled entities and associates, based solely on the reports of the other auditors.

9. Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements.

Report on Other Legal and Regulatory Requirements

10. As required by Section 143(3) of the Act, we report, to the extent applicable, that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards prescribed under Section 133 of the Act, as applicable.
- (e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2016 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies, associate companies and jointly controlled companies incorporated in India, none of the directors of the Group companies, its associate companies and jointly controlled companies incorporated in India is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.

- (f) With respect to adequacy of internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in "Annexure A", which is based on auditors' reports of the Holding company, subsidiary companies, associate companies and jointly controlled companies incorporated in India, where applicable. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Holding company's, subsidiary company's, associate company's and jointly controlled company's (incorporated in India) internal financial controls over financial reporting.

- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, its associates and jointly controlled entities in accordance with the generally accepted accounting practice – also refer Note 33(A) to the consolidated financial statements.
- ii) The Group, its associates and jointly controlled entities has made provision where required under any law or accounting standards for material foreseeable losses on long-terms contracts including derivative contracts.
- iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies, associate companies and jointly controlled companies incorporated in India.

For DELOITTE HASKINS & SELLS

Chartered Accountants
(Firm's Registration No. 117364W)

Shyamak R Tata
Partner
(Membership No. 38320)

Mumbai, 30th May, 2016.

Annexure A to the Independent Auditor's Report

(Referred to in paragraph 10(f) under 'Report on Other Legal and Regulatory Requirements' of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31st March, 2016, we have audited the internal financial controls over financial reporting of Mahindra & Mahindra Limited (hereinafter referred to as "the Holding Company") and its subsidiary companies, its associate companies and jointly controlled companies, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Boards of Directors of the Holding Company, its subsidiary companies, its associate companies and jointly controlled companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the subsidiary companies, associate companies and joint controlled companies, which are companies incorporated in India, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion to the best of our information and according to the explanations given to us, the Holding Company, its subsidiary companies, its associate companies and jointly controlled companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to forty six subsidiary companies, eleven associate companies and two jointly controlled companies, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

For DELOITTE HASKINS & SELLS

Chartered Accountants
(Firm's Registration No. 117364W)

Shyamak R Tata
Partner
(Membership No. 38320)

Mumbai, 30th May, 2016.

Consolidated Balance Sheet as at 31st March, 2016

Rupees crores

| | Note | 2016 | 2015 |
|---|------|--------------------|------------------|
| I. EQUITY AND LIABILITIES | | | |
| SHAREHOLDERS' FUNDS : | | | |
| (a) Share Capital..... | 4 | 296.32 | 295.70 |
| (b) Reserves and Surplus..... | 5 | 28,323.32 | 25,560.68 |
| | | 28,619.64 | 25,856.38 |
| MINORITY INTEREST | | | |
| | | 6,327.03 | 5,892.23 |
| NON-CURRENT LIABILITIES : | | | |
| (a) Long Term Borrowings..... | 6 | 25,096.30 | 22,327.03 |
| (b) Deferred Tax Liabilities (Net)..... | 7A | 1,552.03 | 1,286.83 |
| (c) Other Long Term Liabilities..... | 8 | 2,980.44 | 2,508.76 |
| (d) Long Term Provisions..... | 9 | 3,590.33 | 3,239.95 |
| | | 33,219.10 | 29,362.57 |
| CURRENT LIABILITIES : | | | |
| (a) Short Term Borrowings..... | 10 | 8,250.69 | 7,177.44 |
| (b) Trade Payables : | 11 | | |
| – Micro and Small enterprises..... | | 168.59 | 112.45 |
| – Other than Micro and Small enterprises (including acceptances)..... | | 13,459.03 | 11,308.82 |
| | | 13,627.62 | 11,421.27 |
| (c) Other Current Liabilities..... | 12 | 15,868.23 | 12,771.87 |
| (d) Short Term Provisions..... | 13 | 2,310.58 | 2,362.22 |
| | | 40,057.12 | 33,732.80 |
| Total | | 1,08,222.89 | 94,843.98 |
| II. ASSETS | | | |
| NON-CURRENT ASSETS : | | | |
| (a) Fixed Assets : | | | |
| Tangible Assets..... | 14A | 19,578.42 | 17,247.09 |
| Intangible Assets..... | 14B | 2,171.49 | 1,035.38 |
| Capital Work-in-Progress..... | | 806.00 | 1,272.54 |
| Intangible Assets Under Development..... | | 1,630.03 | 1,759.60 |
| | | 24,185.94 | 21,314.61 |
| (b) Goodwill on Consolidation..... | | 779.46 | 764.27 |
| (c) Non Current Investments..... | 15A | 8,744.17 | 7,898.99 |
| (d) Deferred Tax Assets (Net)..... | 7B | 709.14 | 467.77 |
| (e) Long Term Loans and Advances..... | 16 | 26,604.06 | 24,066.47 |
| (f) Other Non Current Assets..... | 17 | 655.13 | 581.76 |
| | | 61,677.90 | 55,093.87 |
| CURRENT ASSETS : | | | |
| (a) Current Investments..... | 15B | 3,432.68 | 2,128.15 |
| (b) Inventories..... | 18 | 10,628.99 | 8,453.39 |
| (c) Trade Receivables..... | 19 | 6,419.04 | 5,476.16 |
| (d) Cash and Bank Balances..... | 20 | 4,906.48 | 4,911.83 |
| (e) Short Term Loans and Advances..... | 21 | 20,018.29 | 17,811.80 |
| (f) Other Current Assets..... | 22 | 1,139.51 | 968.78 |
| | | 46,544.99 | 39,750.11 |
| Total | | 1,08,222.89 | 94,843.98 |

The accompanying notes 1 to 43 are an integral part of the Financial Statements

In terms of our report attached.

For **Deloitte Haskins & Sells**
Chartered Accountants

Shyamak R Tata
Partner

Deepak S. Parekh
Nadir B. Godrej
M. M. Murugappan
R. K. Kulkarni
Anupam Puri
Vishakha N. Desai
Vikram Singh Mehta
S. B. Mainak

Directors

Anand G. Mahindra

Dr. Pawan Goenka

V. S. Parthasarathy

Narayan Shankar

Chairman & Managing Director

Executive Director & Group President
(Auto and Farm Sector)

Group Chief Financial Officer, Group CIO &
President (Group Finance and M&A)

Company Secretary

Mumbai, 30th May, 2016

Mumbai, 30th May, 2016

Consolidated Statement of Profit and Loss for the year ended 31st March, 2016

Rupees crores

| | Note | 2016 | 2015 |
|---|-----------|------------------|------------------|
| Revenue from Operations | 23 | | |
| Gross Revenue from Sale of Products and Services..... | | 74,436.05 | 66,903.19 |
| Less : Excise Duty | | 4,650.08 | 3,541.23 |
| Net Revenue from Sale of Products and Services..... | 23 | 69,785.97 | 63,361.96 |
| Other Operating Revenue | 23 | 8,229.63 | 8,086.04 |
| Revenue from Operations (Net) | | 78,015.60 | 71,448.00 |
| Other Income | 24 | 541.00 | 525.03 |
| Total Revenue | | 78,556.60 | 71,973.03 |
| EXPENSES : | | | |
| Cost of Materials Consumed..... | 25 | 43,173.41 | 40,386.83 |
| Purchases of Stock-in-Trade..... | | 2,690.53 | 2,188.73 |
| Changes in Inventories of Finished Goods, Work-in-Progress, Stock-in-Trade and Manufactured Components..... | 26 | (524.37) | 274.13 |
| Employee Benefits Expense..... | 27 | 7,992.24 | 7,202.49 |
| Finance Costs | 28 | 3,372.94 | 3,156.69 |
| Depreciation and Amortisation Expense..... | | 2,581.64 | 2,123.83 |
| Other Expenses..... | 29 | 15,524.95 | 12,887.31 |
| | | 74,811.34 | 68,220.01 |
| Less : Cost of Manufactured/Purchased Products Capitalised..... | | 488.55 | 284.78 |
| Total Expenses | | 74,322.79 | 67,935.23 |
| Profit Before Exceptional Items and Tax | | 4,233.81 | 4,037.80 |
| Add : Exceptional Items (Net)..... | 37 | 5.03 | 274.90 |
| Profit Before Tax..... | | 4,238.84 | 4,312.70 |
| (Add)/Less : Tax Expense | | | |
| Current Tax | | 1,879.38 | 1,770.11 |
| Less : MAT Credit Entitlement | | 54.42 | 92.72 |
| Net Current Tax..... | | 1,824.96 | 1,677.39 |
| Deferred Tax (Net)..... | | 38.69 | 42.63 |
| | | 1,863.65 | 1,720.02 |
| Profit for the year before share of Profit/(Loss) of Associates and Minority Interest..... | | 2,375.19 | 2,592.68 |
| Add/(Less) : Share of Profit/(Loss) of Associates for the year | | 975.93 | 788.70 |
| Profit before Minority Interest | | 3,351.12 | 3,381.38 |
| Minority Share in (Profit)/Loss..... | | (139.86) | (243.91) |
| Net Profit for the year | | 3,211.26 | 3,137.47 |
| Earnings per equity share | 38 | | |
| (Face value Rs. 5/- per share) (Rupees) | | | |
| Basic | | 54.25 | 53.12 |
| Diluted..... | | 51.70 | 50.69 |

The accompanying notes 1 to 43 are an integral part of the Financial Statements

In terms of our report attached.

For Deloitte Haskins & Sells
Chartered Accountants

Deepak S. Parekh
Nadir B. Godrej
M. M. Murugappan
R. K. Kulkarni
Anupam Puri
Vishakha N. Desai
Vikram Singh Mehta
S. B. Mainak

Directors

Anand G. Mahindra

Chairman & Managing Director

Dr. Pawan Goenka

Executive Director & Group President
(Auto and Farm Sector)

V. S. Parthasarathy

Group Chief Financial Officer, Group CIO &
President (Group Finance and M&A)

Narayan Shankar

Company Secretary

Mumbai, 30th May, 2016Mumbai, 30th May, 2016

Consolidated Cash Flow Statement for the year ended 31st March, 2016

Rupees crores

| | 2016 | 2015 |
|---|-------------------|-------------------|
| A. CASH FLOW FROM OPERATING ACTIVITIES : | | |
| Profit before exceptional items and tax | 4,233.81 | 4,037.80 |
| Adjustments for : | | |
| Depreciation, Amortisation and Impairment..... | 2,612.30 | 2,127.58 |
| Loss on Exchange (Net) | 164.10 | 83.51 |
| Investment and Interest Income [Excluding Rs. 0.19 crores (2015 : Rs. 0.12 crores) in respect of financial enterprises consolidated] | (347.70) | (398.66) |
| Interest, Commitment and Finance charges [Excluding Rs. 2,867.60 crores (2015 : Rs. 2,643.00 crores) in respect of financial enterprises consolidated] | 505.34 | 513.69 |
| Employee Stock Compensation Expense..... | 113.33 | 51.51 |
| Profit on sale of Investments (Net)..... | (59.80) | (21.31) |
| Loss on fixed assets sold/scrapped/written off (Net)..... | 24.02 | 24.72 |
| Write off of Intangible Assets Under Development | 9.44 | 19.38 |
| Provision for diminution in value of long term investment..... | — | 16.08 |
| Excess of cost over fair value of current investments, reversed (Net) | (2.90) | (0.76) |
| | 3,018.13 | 2,415.74 |
| Operating Profit before Working Capital changes..... | 7,251.94 | 6,453.54 |
| Changes in : | | |
| Trade and other receivables..... | (240.53) | (575.09) |
| Loans against Assets * | (4,966.82) | (4,228.64) |
| Inventories..... | (1,275.44) | (62.46) |
| Trade and other payables..... | 2,245.21 | 1,168.63 |
| | (4,237.58) | (3,697.56) |
| Cash generated from operations | 3,014.36 | 2,755.98 |
| Income Taxes paid (Net of refunds) | (2,043.67) | (1,701.12) |
| NET CASH FROM OPERATING ACTIVITIES | 970.69 | 1,054.86 |
| * In respect of financial enterprises consolidated. | | |
| B. CASH FLOW FROM INVESTING ACTIVITIES : | | |
| Purchase of fixed assets | (4,334.27) | (4,758.93) |
| Sale of fixed assets | 78.14 | 43.13 |
| Purchase of investments | (88,000.00) | (80,046.58) |
| Sale of investments..... | 86,749.00 | 79,737.21 |
| Interest received | 279.28 | 355.56 |
| Dividends received from Associate Companies | 192.15 | 155.89 |
| Dividends received from others | 12.05 | 12.98 |
| Bank deposits (Net) | (330.52) | (277.95) |
| Decrease in Earmarked & Margin account..... | 122.30 | 220.93 |
| Inter corporate deposits given | (4.00) | (26.50) |
| Inter corporate deposits refunded..... | 6.50 | 4.00 |
| Repayment of loan given..... | 14.95 | 35.15 |
| Purchase consideration paid on acquisition of holding interest in Subsidiaries & Joint Ventures (Net)..... | (239.88) | (60.96) |
| Subscription (Net) received on divesture of Interest in Subsidiaries/Sale proceeds on disposal of Subsidiaries | 199.95 | 400.78 |
| Exceptional Items : | | |
| Sale of Long Term Investments..... | 15.98 | 40.42 |
| NET CASH USED IN INVESTING ACTIVITIES..... | (5,238.37) | (4,164.87) |

Consolidated Cash Flow Statement (contd.)

| | Rupees crores | |
|--|--------------------|-------------|
| | 2016 | 2015 |
| C. CASH FLOW FROM FINANCING ACTIVITIES : | | |
| Proceeds from Issue of Share Capital (including Securities Premium)..... | — | 2.60 |
| Proceeds from borrowings..... | 98,427.10 | 47,957.34 |
| Repayments of borrowings..... | (94,097.75) | (44,328.40) |
| Net increase/(decrease) in Loans repayable on demand and cash credit..... | 1,250.64 | (273.75) |
| Dividends paid..... | (1,067.94) | (1,199.64) |
| Interest, Commitment and Finance charges paid | (540.59) | (488.77) |
| NET CASH FROM FINANCING ACTIVITIES..... | 3,971.46 | 1,669.38 |
| NET DECREASE IN CASH AND CASH EQUIVALENTS..... | (296.22) | (1,440.63) |
| OPENING CASH AND CASH EQUIVALENTS | 2,999.67 | 4,632.88 |
| CASH AND BANK BALANCE ON ACQUISITION/(DISPOSAL) OF SUBSIDIARIES (NET) | 88.57 | (192.58) |
| CLOSING CASH AND CASH EQUIVALENTS | 2,792.02 | 2,999.67 |

Notes to the Consolidated Cash Flow Statement for the year ended 31st March, 2016

| | Rupees crores | |
|--|-----------------|----------|
| | 2016 | 2015 |
| 1. The above Cash Flow Statement has been prepared under the 'indirect method' as set out in Accounting Standard 3 'Cash Flow Statement' | | |
| 2. Cash and Cash Equivalents | 2,792.02 | 2,999.67 |
| Unrealised Loss on foreign currency Cash and Cash Equivalents..... | (0.19) | (0.08) |
| | 2,791.83 | 2,999.59 |
| Other Bank Balances | 2,114.65 | 1,912.24 |
| Cash and Bank Balances..... | 4,906.48 | 4,911.83 |

In terms of our report attached.

For Deloitte Haskins & Sells
Chartered Accountants

Shyamak R Tata
Partner

Mumbai, 30th May, 2016

Deepak S. Parekh
Nadir B. Godrej
M. M. Murugappan
R. K. Kulkarni
Anupam Puri
Vishakha N. Desai
Vikram Singh Mehta
S. B. Mainak

Directors

Anand G. Mahindra

Dr. Pawan Goenka

V. S. Parthasarathy

Narayan Shankar

Chairman & Managing Director

Executive Director & Group President
(Auto and Farm Sector)

Group Chief Financial Officer, Group CIO &
President (Group Finance and M&A)

Company Secretary

Mumbai, 30th May, 2016

Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2016

1. The Consolidated Financial Statements relate to Mahindra & Mahindra Limited (M&M, the Company) and its subsidiaries, joint ventures and associates. The Consolidated Financial Statements have been prepared in accordance with Accounting Standard 21 (AS 21) "Consolidated Financial Statements", Accounting Standard 23 (AS 23) "Accounting for Investment in Associates in Consolidated Financial Statements" and Accounting Standard 27 (AS 27) "Financial Reporting of Interests in Joint Ventures" notified by the Companies (Accounting Standard) Rules, 2006. The Consolidated Financial Statements have been prepared on the following basis :

(a) Investments in Subsidiaries :

- (i) The Financial Statements of the Company and its subsidiary companies have been combined on a line by line basis by adding together the book values of like items of assets, liabilities, income and expenses. Intra group balances, intra group transactions and unrealised profits or losses have been fully eliminated.
- (ii) The difference between the costs of investment in the subsidiaries and the Company's share of equity at the time of acquisition of shares in the subsidiaries is recognised in the Financial Statements as Goodwill on consolidation or Capital Reserve on consolidation.
- (iii) The difference between the proceeds from disposal of investment in a subsidiary and the carrying amount of its assets less liabilities as of date of disposal is recognised in the Statement of Profit and Loss as profit or loss on disposal of investment in subsidiaries.
- (iv) Minority Interest in the net assets of consolidated subsidiaries consists :
 - (a) the amount of equity attributable to minorities at the date on which investment in a subsidiary is made; and
 - (b) the minorities' share of movements in equity since the date the parent subsidiary relationship comes into existence.
- (v) The Financial Statements of the subsidiaries are drawn up to 31st March, 2016.

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 31-03-2016 | as at 31-03-2015 | as at 31-03-2016 | as at 31-03-2015 |
| Indian Subsidiaries | | | | | |
| 1. Mahindra First Choice Wheels Limited | India | 45.50% | 45.50% | | |
| 2. Mahindra Lifespace Developers Limited | India | 50.80% | 50.83% | | |
| 3. Mahindra Consulting Engineers Limited | India | 59.01% | 54.16% | | |
| 4. Bristlecone India Limited | India | 76.87% | 77.71% | 100.00% | 100.00% |
| 5. Mahindra Engineering and Chemical Products Limited..... | India | 100.00% | 100.00% | | |
| 6. Mahindra Gujarat Tractor Limited..... | India | 60.00% | 60.00% | | |
| 7. Mahindra Holidays & Resorts India Limited..... | India | 75.62% | 75.64% | | |
| 8. Mahindra Infrastructure Developers Limited..... | India | 50.80% | 50.83% | 100.00% | 100.00% |
| 9. Mahindra Intertrade Limited | India | 100.00% | 100.00% | | |
| 10. Mahindra & Mahindra Financial Services Limited | India | 51.58% | 51.62% | | |
| 11. Mahindra Steel Service Centre Limited..... | India | 61.00% | 61.00% | | |
| 12. Mahindra Agri Solutions Limited (Formerly known as Mahindra Shubhlabh Services Limited) | India | 100.00% | 100.00% | | |
| 13. NBS International Limited | India | 100.00% | 100.00% | | |
| 14. Mahindra Insurance Brokers Limited | India | 43.84% | 43.88% | 85.00% | 85.00% |
| 15. Mahindra World City Developers Limited | India | 45.21% | 45.24% | 89.00% | 89.00% |
| 16. Mahindra Trucks and Buses Limited..... | India | 100.00% | 100.00% | | |
| 17. Mahindra World City (Maharashtra) Limited..... | India | 50.80% | 50.83% | 100.00% | 100.00% |
| 18. Mahindra Automobile Distributor Private Limited..... | India | 95.00% | 95.00% | | |
| 19. Mahindra World City (Jaipur) Limited | India | 37.59% | 37.61% | 74.00% | 74.00% |
| 20. Mahindra Integrated Township Limited | India | 48.92% | 48.95% | 99.14% | 99.14% |
| 21. Mahindra Vehicle Manufacturers Limited | India | 100.00% | 100.00% | | |
| 22. Mahindra Hotels and Residences India Limited..... | India | 75.62% | 75.64% | 100.00% | 100.00% |
| 23. Knowledge Township Limited..... | India | 50.80% | 50.83% | 100.00% | 100.00% |
| 24. Mahindra Holdings Limited..... | India | 100.00% | 100.00% | | |
| 25. Mahindra Logistics Limited | India | 84.01% | 84.01% | | |

| Name of the Subsidiary Company | Country of Incorporation | Proportion of ownership interest* | | Proportion of voting power where different | |
|--|--------------------------|-----------------------------------|------------------|--|------------------|
| | | as at 31-03-2016 | as at 31-03-2015 | as at 31-03-2016 | as at 31-03-2015 |
| 26. Mahindra Rural Housing Finance Limited | India | 45.13% | 45.17% | 87.50% | 87.50% |
| 27. Mahindra Residential Developers Limited..... | India | 48.92% | 48.95% | 100.00% | 100.00% |
| 28. Mahindra Aerospace Private Limited | India | 66.67% | 66.67% | | |
| 29. Mahindra First Choice Services Limited | India | 100.00% | 100.00% | | |
| 30. Mahindra Heavy Engines Limited (Formerly known as Mahindra Heavy Engines Private Limited)..... | India | 100.00% | 100.00% | | |
| 31. Mahindra Bebanco Developers Limited..... | India | 35.56% | 35.58% | 70.00% | 70.00% |
| 32. Industrial Township (Maharashtra) Limited | India | 50.80% | 50.83% | 100.00% | 100.00% |
| 33. Mahindra Two Wheelers Limited | India | 91.26% | 88.91% | | |
| 34. Defence Land Systems India Limited..... | India | 100.00% | 100.00% | | |
| 35. Mahindra Internet Commerce Private Limited..... | India | 98.96% | 96.22% | 100.00% | 100.00% |
| 36. Retail Initiative Holdings Limited | India | 100.00% | 100.00% | | |
| 37. Mahindra Retail Private Limited..... | India | 98.96% | 96.22% | | |
| 38. Mahindra Electrical Steel Private Limited..... | India | 100.00% | 100.00% | | |
| 39. Raigad Industrial & Business Park Limited | India | 50.80% | 50.83% | 100.00% | 100.00% |
| 40. Auto Digitech Private Limited (Formerly known as Mahindra Punjab Tractors Private Limited)..... | India | 100.00% | 100.00% | | |
| 41. Mahindra Namaste Private Limited..... | India | 59.01% | 100.00% | 100.00% | |
| 42. Mahindra Reva Electric Vehicles Limited (Formerly known as Mahindra Reva Electric Vehicles Private Limited)..... | India | 93.70% | 75.72% | | |
| 43. Anthurium Developers Limited..... | India | 50.80% | 50.83% | 100.00% | 100.00% |
| 44. Mahindra Integrated Business Solutions Private Limited | India | 100.00% | 100.00% | | |
| 45. Mahindra Aerostructures Private Limited..... | India | 66.67% | 66.67% | 100.00% | 100.00% |
| 46. Mahindra Susten Private Limited (formerly known as Mahindra EPC Services Private Limited) | India | 100.00% | 100.00% | | |
| 47. Mahindra Telecommunications Investment Private Limited..... | India | 100.00% | 100.00% | | |
| 48. Mahindra Sanyo Special Steel Private Limited..... | India | 51.00% | 51.00% | | |
| 49. Swaraj Automotive Limited (upto 1 st February, 2016) | India | | 71.19% | | |
| 50. EPC Industrie Limited..... | India | 54.76% | 54.78% | | |
| 51. Mahindra Defence Naval Systems Private Limited | India | 100.00% | 100.00% | | |
| 52. Mahindra Defence Systems Limited | India | 100.00% | 100.00% | | |
| 53. Divine Heritage Hotels Private Limited # | India | | 75.64% | | 100.00% |
| 54. Gables Promoters Private Limited | India | 75.62% | 75.64% | 100.00% | 100.00% |
| 55. 2 x 2 Logistics Private Limited..... | India | 46.20% | 46.20% | 55.00% | 55.00% |
| 56. Holiday on Hills Resorts Private Limited #..... | India | | 75.64% | | 100.00% |
| 57. Industrial Cluster Private Limited | India | 50.80% | 50.83% | 100.00% | 100.00% |
| 58. Mahindra Telephonic Integrated Systems Limited | India | 51.00% | 74.00% | | |
| 59. Mahindra HZPC Private Limited..... | India | 59.95% | 59.95% | | |
| 60. Mahindra Asset Management Company Private Limited | India | 51.58% | 51.62% | 100.00% | 100.00% |
| 61. Mahindra Renewables Private Limited (Formerly known as Mahindra Offgrid Services Private Limited) | India | 100.00% | 100.00% | | |
| 62. Mahindra Trustee Company Private Limited..... | India | 51.58% | 51.62% | 100.00% | 100.00% |
| 63. Brightsolar Renewable Energy Private Limited..... | India | 51.00% | 100.00% | | |
| 64. Cleansolar Renewable Energy Private Limited..... | India | 100.00% | 100.00% | | |
| 65. Mahindra Auto Steel Private Limited..... | India | 51.00% | 51.00% | | |
| 66. Mahindra 'Electoral Trust' Company..... | India | 100.00% | 100.00% | | |
| 67. Competent Hotels Private Limited # | India | | 75.64% | | 100.00% |
| 68. Mahindra UNIVeG Private Limited | India | 60.00% | 60.00% | | |
| 69. Lords Freight (India) Private Limited..... | India | 50.41% | 50.41% | 60.00% | 60.00% |
| 70. Mahindra eMarket Limited (formerly known as Mriyalguda Farm Solution Limited) | India | 69.00% | 69.00% | | |

| Name of the Subsidiary Company | Country of Incorporation | Proportion of ownership interest* | | Proportion of voting power where different | |
|---|--------------------------|-----------------------------------|------------------|--|------------------|
| | | as at 31-03-2016 | as at 31-03-2015 | as at 31-03-2016 | as at 31-03-2015 |
| 71. Mahindra Industrial Park Chennai Limited..... | India | 27.13% | 45.24% | 60.00% | 100.00% |
| 72. Mahindra Water Utilities Limited (w.e.f. 27 th July, 2015) | India | 50.29% | | 99.00% | |
| 73. Gateway Housing Company Limited (w.e.f. 10 th March, 2016) . | India | 100.00% | | | |
| 74. MachinePulse Tech Private Limited (w.e.f. 5 th January, 2016) ... | India | 100.00% | | | |
| 75. Divine Solren Private Limited (w.e.f. 8 th May, 2015)..... | India | 100.00% | | | |
| 76. Neo Solren Private Limited (w.e.f. 1 st July, 2015) | India | 100.00% | | | |
| 77. Marvel Solren Private Limited (w.e.f. 10 th October, 2015)..... | India | 100.00% | | | |
| 78. Astra Solren Private Limited (w.e.f. 14 th October, 2015)..... | India | 100.00% | | | |
| 79. Orizonte Business Solutions Limited (Formerly known as Mega One Stop Farm Services Limited) (w.e.f. 25 th November, 2015)..... | India | 100.00% | | | |
| Foreign Subsidiaries | | | | | |
| 80. Mahindra Automotive Australia Pty. Limited | Australia | 100.00% | 100.00% | | |
| 81. Mahindra Aerospace Australia Pty. Limited..... | Australia | 66.67% | 66.67% | 100.00% | 100.00% |
| 82. Aerostaff Australia Pty. Limited | Australia | 66.67% | 66.67% | 100.00% | 100.00% |
| 83. Gipp Aero Investments Pty. Limited..... | Australia | 50.07% | 50.07% | 75.10% | 75.10% |
| 84. Gippsaero Pty. Limited..... | Australia | 50.07% | 50.07% | 100.00% | 100.00% |
| 85. GA8 Airvan Pty. Limited | Australia | 50.07% | 50.07% | 100.00% | 100.00% |
| 86. GA200 Pty. Limited | Australia | 50.07% | 50.07% | 100.00% | 100.00% |
| 87. Airvan Flight Services Pty. Limited | Australia | 50.07% | 50.07% | 100.00% | 100.00% |
| 88. Nomad TC Pty. Limited | Australia | 50.07% | 50.07% | 100.00% | 100.00% |
| 89. Airvan10 Pty. Limited (w.e.f. 10 th December, 2015) | Australia | 50.07% | | 100.00% | |
| 90. Bristlecone Consulting Limited | Canada | 76.87% | 77.71% | 100.00% | 100.00% |
| 91. Bristlecone Limited..... | Cayman Islands | 76.87% | 77.71% | | |
| 92. Mahindra Yueda (Yancheng) Tractor Company Limited..... | China | 51.00% | 51.00% | | |
| 93. Ssangyong Motor (Shanghai) Company Limited | China | 73.23% | 73.23% | 100.00% | 100.00% |
| 94. Peugeot Motocycles S.A.S | France | 46.54% | 45.34% | 51.00% | 51.00% |
| 95. Bristlecone GmbH | Germany | 76.87% | 77.71% | 100.00% | 100.00% |
| 96. Peugeot Motocycles Deutschland GmbH..... | Germany | 46.54% | 45.34% | 100.00% | 100.00% |
| 97. Mahindra Europe S.r.l. | Italy | 100.00% | 100.00% | | |
| 98. Mahindra Graphic Research Design S.r.l. | Italy | 100.00% | 100.00% | | |
| 99. Mahindra Racing S.p.A. (formerly known as Mahindra Racing S.r.l.)... | Italy | 100.00% | 100.00% | | |
| 100. Peugeot Motocycles Italia S.p.A..... | Italy | 46.54% | 45.34% | 100.00% | 100.00% |
| 101. Ssangyong Motor Company | South Korea | 73.23% | 73.23% | | |
| 102. SY Auto Capital Co., LTD. (w.e.f. 28 th October, 2015) | South Korea | 37.35% | | 51.00% | |
| 103. Convington S.a.r.l. | Luxemburg | 75.62% | 75.64% | 100.00% | 100.00% |
| 104. Mahindra Two Wheelers Europe Holdings S.a.r.l. | Luxemburg | 91.26% | 88.91% | 100.00% | 100.00% |
| 105. Mahindra Overseas Investment Company (Mauritius) Limited. | Mauritius | 100.00% | 100.00% | | |
| 106. Mahindra-BT Investment Company (Mauritius) Limited..... | Mauritius | 57.00% | 57.00% | | |
| 107. MHR Holdings (Mauritius) Limited..... | Mauritius | 75.62% | 75.64% | 100.00% | 100.00% |
| 108. Bristlecone (Malaysia) Sdn. Bhd. | Malaysia | 76.87% | 77.71% | 100.00% | 100.00% |
| 109. Heritage Bird (M) Sdn. Bhd. | Malaysia | 75.62% | 75.64% | 100.00% | 100.00% |
| 110. Ssangyong European Parts Center B.V. | Netherlands | 73.23% | 73.23% | 100.00% | 100.00% |
| 111. Bristlecone (Singapore) Pte. Limited..... | Singapore | 76.87% | 77.71% | 100.00% | 100.00% |
| 112. Mahindra and Mahindra South Africa (Proprietary) Limited..... | South Africa | 100.00% | 100.00% | | |
| 113. Bristlecone International AG..... | Switzerland | 76.87% | 77.71% | 100.00% | 100.00% |
| 114. Mahindra MiddleEast Electrical Steel Service Centre (FZC) | U.A.E. | 90.00% | 90.00% | | |
| 115. Mahindra Emirates Vehicle Armouring FZ-LLC..... | U.A.E. | 51.00% | 51.00% | | |
| 116. Bristlecone UK Limited | U.K. | 76.87% | 77.71% | 100.00% | 100.00% |

| Name of the Subsidiary Company | Country of Incorporation | Proportion of ownership interest* | | Proportion of voting power where different | |
|---|--------------------------|-----------------------------------|------------------|--|------------------|
| | | as at 31-03-2016 | as at 31-03-2015 | as at 31-03-2016 | as at 31-03-2015 |
| 117. Mahindra Racing UK Limited | U.K. | 100.00% | 100.00% | | |
| 118. Mahindra International UK Ltd (w.e.f. 13 th October, 2015)..... | U.K. | 100.00% | | | |
| 119. Mahindra USA Inc. | U.S.A. | 100.00% | 100.00% | | |
| 120. Bristlecone Inc. | U.S.A. | 76.87% | 77.71% | 100.00% | 100.00% |
| 121. Mahindra Tractor Assembly Inc. | U.S.A. | 100.00% | 100.00% | | |
| 122. Mahindra North American Technical Center, Inc. | U.S.A. | 100.00% | 100.00% | | |
| 123. Infinity Hospitality Group Company Limited | Thailand | 55.94% | 55.97% | 100.00% | 100.00% |
| 124. MH Boutique Hospitality Limited..... | Thailand | 37.05% | 37.07% | 49.00% | 49.00% |
| 125. Holiday Club Resort Oy (w.e.f. 2 nd September, 2015)..... | Finland | 64.73% | | 85.61% | |
| 126. HCR Management Oy (w.e.f. 2 nd September, 2015)..... | Finland | 75.62% | | 100.00% | |
| 127. Kiinteistö Oy Himos Gardens (w.e.f. 2 nd September, 2015)..... | Finland | 64.73% | | 100.00% | |
| 128. Suomen Vapaa-aikakiinteistöt Oy LKV (w.e.f. 2 nd September, 2015) | Finland | 64.73% | | 100.00% | |
| 129. Kiinteistö Oy Himoksen Tähti 2 (w.e.f. 2 nd September, 2015) ... | Finland | 64.73% | | 100.00% | |
| 130. Kiinteistö Oy Vanha Ykköstii (w.e.f. 2 nd September, 2015)..... | Finland | 64.73% | | 100.00% | |
| 131. Kiinteistö Oy Katinnurkka (w.e.f. 2 nd September, 2015) | Finland | 64.73% | | 100.00% | |
| 132. Kiinteistö Oy Tenetinlahti (w.e.f. 2 nd September, 2015)..... | Finland | 64.73% | | 100.00% | |
| 133. Kiinteistö Oy Mällösnieniemi (w.e.f. 2 nd September, 2015)..... | Finland | 64.73% | | 100.00% | |
| 134. Kiinteistö Oy Rauhan Ranta 1 (w.e.f. 2 nd September, 2015) | Finland | 64.73% | | 100.00% | |
| 135. Kiinteistö Oy Rauhan Ranta 2 (w.e.f. 2 nd September, 2015) | Finland | 64.73% | | 100.00% | |
| 136. Kiinteistö Oy Tiurunniemi (w.e.f. 2 nd September, 2015)..... | Finland | 64.73% | | 100.00% | |
| 137. Kiinteistö Oy Rauhan Liikekiinteistöt 1 (w.e.f. 2 nd September, 2015)..... | Finland | 64.73% | | 100.00% | |
| 138. Supermarket Capri Oy (w.e.f. 2 nd September, 2015)..... | Finland | 64.73% | | 100.00% | |
| 139. Kiinteistö Oy Kylpyläntorni 1 (w.e.f. 2 nd September, 2015) | Finland | 64.73% | | 100.00% | |
| 140. Kiinteistö Oy Spa Lofts 2 (w.e.f. 2 nd September, 2015) | Finland | 64.73% | | 100.00% | |
| 141. Kiinteistö Oy Spa Lofts 3 (w.e.f. 2 nd September, 2015) | Finland | 64.73% | | 100.00% | |
| 142. Kiinteistö Oy Tunturinrivi (w.e.f. 2 nd September, 2015)..... | Finland | 64.73% | | 100.00% | |
| 143. Caribia Service Oy (w.e.f. 2 nd September, 2015)..... | Finland | 64.73% | | 100.00% | |
| 144. Kiinteistö Oy Kuusamon Pulkajärvi 1 (w.e.f. 2 nd September, 2015) | Finland | 64.73% | | 100.00% | |
| 145. Saimaa Gardens Arena Oy (w.e.f. 19 th January, 2016) | Finland | 64.73% | | 100.00% | |
| 146. Ownership Services Ab (w.e.f. 2 nd September, 2015)..... | Sweden | 64.73% | | 100.00% | |
| 147. Are Semesterby A (w.e.f. 2 nd September, 2015)..... | Sweden | 64.73% | | 100.00% | |
| 148. Are Semesterby B (w.e.f. 2 nd September, 2015) | Sweden | 64.73% | | 100.00% | |
| 149. Are Semesterby C (w.e.f. 2 nd September, 2015) | Sweden | 64.73% | | 100.00% | |
| 150. Are Semesterby D (w.e.f. 2 nd September, 2015) | Sweden | 64.73% | | 100.00% | |
| 151. Are Villas 1 Ab (w.e.f. 2 nd September, 2015) | Sweden | 64.73% | | 100.00% | |
| 152. Are Villas 2 Ab (w.e.f. 2 nd September, 2015) | Sweden | 64.73% | | 100.00% | |
| 153. Holiday Club Sweden Ab Åre (w.e.f. 2 nd September, 2015)..... | Sweden | 64.73% | | 100.00% | |
| 154. Holiday Club Sport and Spa AB (w.e.f. 1 st December, 2015) | Sweden | 33.01% | | 51.00% | |
| 155. Holiday Club Rus LLC (w.e.f. 2 nd September, 2015) | Russia | 64.73% | | 100.00% | |
| 156. Holiday Club Canarias Investments S.L.(w.e.f. 2 nd September, 2015).. | Spain | 64.73% | | 100.00% | |
| 157. Holiday Club Canarias Sales & Marketing S.L. (w.e.f. 2 nd September, 2015)..... | Spain | 64.73% | | 100.00% | |
| 158. Holiday Club Canarias Resort Management S.L. (w.e.f. 2 nd September, 2015) | Spain | 64.73% | | 100.00% | |

* excluding shares issued to ESOP Trusts of the respective entities/their holding companies but not allotted to employees as per the Guidance Note on Accounting for Employee Share Based Payments issued by 'The Institute of Chartered Accountants of India'.

represents companies which ceased to be subsidiaries during the year as per scheme of arrangement. The appointed date and effective date is 1st April, 2015 and 31st March, 2016 respectively.

(b) Interests in Joint Ventures :

The Group's interests in jointly controlled entities of the Group are :

| Name of the Entity | Country of Incorporation | Percentage of ownership interest as at 31-03-2016 | Percentage of ownership interest as at 31-03-2015 |
|--|--------------------------|---|---|
| 1. Mahindra Sona Limited | India | 29.77% | 29.77% |
| 2. Mahindra Water Utilities Limited** (upto 26 th July, 2015) | India | | 50.00% |
| 3. Mahindra Inframan Water Utilities Private Limited** | India | 50.00% | 50.00% |
| 4. Mahindra Solar One Private Limited # \$ | India | 26.00% | 26.00% |
| 5. Mahindra Homes Private Limited ^ | India | 50.00% | 50.00% |
| 6. Mahindra Finance USA LLC @ | U.S.A. | 49.00% | 49.00% |
| 7. Arabian Dreams Hotel Apartments LLC £ | U.A.E. | 49.00% | 49.00% |
| 8. Jinan Qingqi Peugeot Motocycles Company Limited € | China | 50.00% | 50.00% |
| 9. Mitsubishi Mahindra Agricultural Machinery Co., Ltd (w.e.f 1 st October, 2015) § | Japan | 33.33% | |

** Shareholding is through a subsidiary, Mahindra Infrastructure Developers Limited.

Shareholding is through a subsidiary, Mahindra Holdings Limited.

@ Shareholding is through a subsidiary, Mahindra & Mahindra Financial Services Limited.

^ Shareholding is through a subsidiary, Mahindra Lifespace Developers Limited.

£ Shareholding is through a subsidiary, Mahindra Holidays & Resorts India Limited.

\$ Mahindra Solar One Private Limited has two subsidiaries; Mahindra Suryaprakash Private Limited where it holds 69.90% and Mahindra Suryaurja Private Limited where it holds 100%.

€ Shareholding is through a subsidiary, Peugeot Motocycles S.A.S.

§ In addition to JPY 750 million Common Stock (which represents 33.33% of the Common stock), the Company owns the entire JPY 2,250 million "Class A" shares (shares with no voting rights); "Class A" shares have rights over dividend and liquidation on an equal basis with Common Stock.

The financial statements of the Joint Ventures are drawn up to 31st March, 2016

(c) Investments in Associates :

The Group's Associates are :

| Name of the Entity | Country of Incorporation | Percentage of ownership interest as at 31-03-2016 | Percentage of ownership interest as at 31-03-2015 |
|---|--------------------------|---|---|
| 1. Mahindra Construction Company Limited..... | India | 37.49% | 37.49% |
| 2. Officemartindia.com Limited | India | 50.00% | 50.00% |
| 3. Rathna Bhoomi Enterprises Private Limited ** | India | 25.40% | 25.41% |
| 4. Kota Farm Services Limited | India | 45.00% | 45.00% |
| 5. Mega One Stop Farm Services Limited (upto 24 th November, 2015) | India | | 45.00% |
| 6. Swaraj Engines Limited..... | India | 33.22% | 33.22% |
| 7. Mahindra & Mahindra Contech Limited #..... | India | 46.66% | 46.66% |
| 8. PSL Media & Communications Limited # | India | 36.11% | 36.11% |
| 9. Tech Mahindra Limited ##..... | India | 26.51% | 26.71% |
| 10. Mahindra CIE Automotive Limited..... | India | 20.18% € | 20.21% |
| 11. CIE Automotive, S.A. @..... | Spain | 12.44% | 12.44% |
| 12. Kismat Developers Private Limited ^ | India | 42.86% | 42.86% |
| 13. Topical Builders Private Limited ^ | India | 50.00% | 50.00% |
| 14. Mahindra Tsubaki Conveyor Systems Private Limited † | India | 49.00% | 49.00% |
| 15. Holiday Club Resort Oy (upto 1 st September, 2015) £..... | Finland | | 22.34% |
| 16. Koy Sallan Kylpyla (w.e.f. 2 nd September 2015) ≤ | Finland | 41.95% | |
| 17. Kiinteistö Oy Seniori-Saimaa (w.e.f. 2 nd September 2015) ≤..... | Finland | 26.67% | |
| 18. Holiday Club Adventures Oy (w.e.f. 2 nd September 2015) ≤..... | Finland | 25.68% | |

The financial statements of the Associates are drawn upto 31st March, 2016, other than for CIE Automotive, S.A. where it is upto 31st December, 2015.

** Shareholding is through a subsidiary, Mahindra Infrastructure Developers Limited.

Shareholding is through the Company and its subsidiary, Mahindra Holdings Limited.

^ Shareholding is through a subsidiary, Mahindra Lifespace Developers Limited.

@ Shareholding is through a subsidiary, Mahindra Overseas Investment Company (Mauritius) Limited.

£ Shareholding is through a subsidiary, Convington S.à.r.l.

† Shareholding is through a subsidiary, Mahindra Engineering and Chemical Products Limited.

Shareholding is through the Company and its subsidiaries, Mahindra Holdings Limited and Mahindra-BT Investment Company (Mauritius) Limited.

€ Shareholding is through a subsidiary, Mahindra Vehicle Manufacturers Limited

≤ Shareholding is through a subsidiary, Holiday Club Resort Oy.

2. Significant Accounting Policies :

(A) Basis of Accounting :

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

(B) Tangible Assets :

(a) (i) Tangible assets are carried at cost less depreciation except as stated in (ii) below. Cost includes financing cost relating to borrowed funds attributable to the construction or acquisition of qualifying tangible assets upto the date the assets are ready for use. Where the acquisition of depreciable tangible assets are financed through long term foreign currency loans (having a term of 12 months or more at the time of their origination) the exchange differences on such loans are added to or subtracted from the cost of such depreciable tangible assets.

When an asset is scrapped or otherwise disposed off, the cost and related depreciation are removed from the books of account and resultant profit (including capital profit) or loss, if any, is reflected in the Statement of Profit and Loss.

(ii) Land and Buildings, of the parent company had been revalued as at 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 over its useful life estimated by management/the Company's expected usage pattern supported by technical assessment or on the basis of depreciation rates/useful lives prescribed under respective local laws.

(C) Intangible Assets :

Intangible Assets are initially measured at cost and amortised so as to reflect the pattern in which the asset's economic benefits are consumed.

(a) Technical Knowhow :

The expenditure incurred is amortised over the estimated period of benefit, not exceeding six years commencing with the year of purchase of the technology.

(b) Development Expenditure :

The expenditure incurred on technical services and other project/product related expenses are amortised over the estimated period of benefit, not exceeding five years.

(c) Software Expenditure :

The expenditure incurred is amortised over three financial years equally commencing from the year in which the expenditure is incurred.

(d) Websites :

The expenditure incurred is amortised over the estimated period of benefit, not exceeding five years.

(e) Vacation Ownership :

The expenditure incurred on vacation ownership is amortised over a period of ten years.

(f) Trademarks :

The expenditure incurred is amortised over the estimated period of benefit, not exceeding ten years.

(g) Non-Compete Fees :

Non-Compete payments are amortised equally over the estimated period of benefit, not exceeding ten years.

(D) Impairment of Assets :

The carrying value of assets/cash generating units at each balance sheet date are reviewed for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and impairment is recognised, if the carrying amount of these assets exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life to their present value based on an appropriate discount factor. When there is indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss, except in case of revalued assets.

(E) Investments :

Long term investments, other than in Associates, are carried at cost. However, provision for diminution in value is made to recognise a decline other than temporary, in the value of investments. Current investments are valued at the lower of cost and fair value, determined by category of investment. Investments in Associates are accounted using the equity method.

(F) Inventories :

Inventories are stated at cost or net realisable value, whichever is lower. Cost is arrived at on a weighted average method and includes, where appropriate, manufacturing overheads and excise duty. Cost of the inventory, includes interest, where appropriate, for long term projects.

(G) Foreign Exchange Transactions :

Transactions in foreign currencies (other than firm commitments and highly probable forecast transactions) are recorded at the exchange rates prevailing on the date of transaction. Monetary items are translated at the year-end rates. The exchange difference between the rate prevailing on the date of transaction and on the date of settlement as also on translation of monetary items at the end of the year (other than those relating to long term foreign currency monetary items) is recognised as income or expense, as the case may be.

Exchange differences relating to long term foreign currency monetary items, to the extent they are used for financing the acquisition of depreciable assets are added to or subtracted from the cost of such depreciable assets and the balance accumulated in 'Foreign Currency Monetary Item Translation Difference Account', under Reserves and Surplus, and amortised over the balance term of the long term monetary item.

Any premium or discount arising at the inception of a forward exchange contract is recognised as income or expense over the life of the contract, except in the case where the contract is designated as a cash flow hedge.

(H) Derivative Instruments and Hedge Accounting :

The Company uses foreign currency forward contracts and currency options to hedge its risks associated with foreign currency fluctuations relating to certain firm commitments and highly probable forecast transactions. The Company does not hold derivative financial instruments for speculative purposes. The Company has applied to such contracts the hedge accounting principles set out in Accounting Standard 30 'Financial Instruments : Recognition and Measurement' (AS 30) by marking them to market at each reporting date.

Changes in the fair value of the contracts that are designated and effective as hedges of future cash flows are recognised directly in Hedging Reserve Account and the ineffective portion is recognised immediately in the Statement of Profit and Loss.

(I) Revenue Recognition :

(a) Sale of products and services including export benefits thereon are recognised when the products are shipped or services rendered. Excise duty recovered on sales is included in "Revenue from Operations".

(b) Long Term Contracts and Property Development Activity :

Income from real estate sales is recognised on the transfer of all significant risks and rewards of ownership to the buyers and it is not unreasonable to expect ultimate collection and no significant uncertainty exists regarding the amount of consideration. However if, at the time of transfer substantial acts are yet to be performed under the contract, revenue is recognised on proportionate basis as the acts are performed, i.e. on the percentage of completion basis.

In accordance with the Guidance Note on Accounting for Real Estate Transactions (Revised 2012) issued by the Institute of Chartered Accountants of India, in case of projects commencing on or after 1st April, 2012 or in case of projects which have already commenced but where revenue is being recognised for the first time on or after 1st April, 2012, revenues will be recognised from these real estate projects only when;

- i. the actual construction and development cost incurred is at least 25% of the total construction and development cost (without considering land cost) and
- ii. when at least 10% of the sales consideration is realised and
- iii. where 25% of the total saleable area of the project is secured by contracts of agreement with buyers.

Income from long term contracting assignments is also recognised on the percentage of completion basis. As the long term contracts necessarily extend beyond one year, revision in costs and revenues estimated during the course of the contract are reflected in the accounting period in which the facts requiring the revision become known. Any expected loss on a project is recognised in the year in which costs incurred together with the balance costs to completion are likely to be in excess of the estimated revenues from project. Unbilled costs are carried as construction work-in-progress.

Determination of revenues under the percentage of completion method necessarily involves making estimates by the Company, some of which are of a technical nature, concerning, where relevant, the percentages of completion, costs to completion, the expected revenues from the project/activity and the foreseeable losses to completion.

Project Management Fees receivable on fixed period contracts is accounted over the tenure of the contract/agreement. Where the management fee is linked to the input costs, revenue is recognised as a proportion of the work completed based on progress claims submitted. Where the fee is linked to the revenue generation from the project, revenue is recognised on the percentage of completion basis.

(c) Lease and Rental Income :

Land lease premium is recognised as income upon creation of leasehold rights in favour of the Lessee or upon an agreement to create leasehold rights with handing over of possession.

Property lease rental, income from operation and maintenance charges and water charges are recognised on an accrual basis as per terms of the agreement with the lessees.

(d) Income from Loan :

Interest Income from loan transactions is accounted for by applying the interest rate implicit in such contracts. Service charges, documentation charges and other fees on loan transactions are recognised at the commencement of the contract. Subvention received from dealers/manufacturers on retail cases is booked over the period of the contract.

(e) Income from Assignment :

Receivables under the assignment transactions are de-recognized in the Balance Sheet when they are sold subject to the portion of loan assets which is required under the Minimum Retention Criteria and reflected as Loans and Advances. The amount of profit in cash on such transactions is held under an accounting head styled as "Cash profit on loan transfer transactions pending recognition" maintained on an individual transaction basis. The amortisation of cash profit arising out of loan assignment transaction is done at the end of every financial year based on the prescribed formula.

(f) Vacation Ownership Business :

The activity of selling vacation ownership and providing holiday facilities to members for a specified period each year, over a number of years, for which membership fee is collected either in full up front, or on a deferred payment basis. Admission fee, which is non-refundable, is recognised as income on admission of a member. Entitlement fee (disclosed under Deferred Income – Entitlement fee), which entitles the vacation ownership member for the vacation ownership facilities is recognised as income equally over the period of membership commencing from the year of admission of each member. Requests for cancellation of membership is accounted for when it is accepted. In respect of instalments considered doubtful of recovery by the management, the same is treated as a cancellation and related revenues are de-recognised.

Revenue from timeshare weeks is recognised when the Company has transferred the property in goods to the buyer for a consideration, which coincides with transfer of significant risks and rewards of ownership.

Income from Villas apartments is recognised by using the percentage of completion method. Under the percentage of completion method, contract revenue is recognised as revenue in the Statement of Profit and Loss in the accounting periods in which the work is performed. Contract costs are usually recognised as an expense in the Statement of Profit and Loss in the accounting periods in which the work to which they relate is performed. However, any expected excess of total contract costs over total contract revenue for the contract is recognised as an expense immediately.

(g) Dividends from investments are recognised in the Statement of Profit and Loss when the right to receive payment is established.

(J) Government Grants :

The Company, directly or indirectly through a consortium of Mahindra Group Companies, is entitled to various incentives from government authorities in respect of manufacturing units located in developing regions. The Company accounts for its entitlement as income on accrual basis.

(K) Employee Benefits :

In respect of Defined Contribution Plan/Defined Benefit Plan/Long Term Compensated Absences.

Group's contributions paid/payable during the year to Superannuation Fund, ESIC and Labour Welfare Fund are recognised in the Statement of Profit and Loss.

Contributions to Provident Fund are made to Trusts administered by Group Companies or Regional Provident Fund Commissioners and are charged to Statement of Profit and Loss as incurred. The group companies are liable for the contribution and any shortfall in interest between the amount of interest realised by the investments and the interest payable to members at the rate declared by the Government of India in respect of the Trusts administered by the group companies.

The Group's liability towards gratuity, long term compensated absences, post retirement medical benefit and post retirement housing allowance schemes are determined by independent actuaries, using the projected unit credit method. Past services are recognised on a straight line basis over the average period until the benefits become vested. Actuarial gains and losses are recognised immediately in the Statement of Profit and Loss as income or expense. Obligation is measured at the present value of estimated future cash flows using a discounted rate that is determined by reference to the market yields at the Balance Sheet date on Government Bonds where the currency and terms of the Government Bonds are consistent with the currency and estimated terms of the defined benefit obligation.

In respect of Employee Stock Option Scheme :

The compensation cost of stock options granted to employees is measured by the Intrinsic Value Method. The intrinsic value, which is the excess of the market price of the underlying equity shares as of the date of the grant over the exercise price of the option, is recognised and amortised on straight line basis over the vesting period.

(L) Borrowing Costs :

All borrowing costs are charged to the Statement of Profit and Loss except :

- (i) Borrowing costs that are attributable to the acquisition or construction of qualifying tangible and intangible assets that necessarily take a substantial period of time to get ready for their intended use, which are capitalised as part of the cost of such assets.
- (ii) Expenses incurred on raising long term borrowings are amortised over the period of borrowings. On early buyback, conversion or repayment of borrowings, any unamortised expenditure is fully written off in that year.

(M) Product Warranty :

In respect of warranties given by the Company on sale of certain products, the estimated costs of these warranties are accrued at the time of sale. The estimates for accounting of warranties are reviewed and revisions are made as required.

(N) Leases :

The Company's significant leasing arrangements are in respect of operating leases for premises (residential, office, stores, godowns, computer hardware etc.). The leasing arrangements, which are not non-cancellable, range between eleven months and five years generally, and are usually renewable by mutual consent on agreed terms. The aggregate lease rentals payable are charged as rent.

(O) Taxes on Income :

Current Tax is determined as the amount of tax payable in respect of taxable income for the year. Deferred Tax is recognised, subject to consideration of prudence, on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred Tax Assets arising on account of unabsorbed depreciation or carry forward of tax losses are recognised only to the extent that there is virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such Deferred Tax Assets can be realised.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax against which the MAT paid will be adjusted.

(P) Segment Reporting :

The accounting policies adopted for segment reporting are in line with the accounting policies of the Group. Segments are identified having regard to the dominant source and nature of risks and returns and internal organisation and management structure.

Revenues and expenses have been identified to the segments based on their relationship to the business activity of the segment.

Income/Expenses relating to the enterprise as a whole and not allocable on a reasonable basis to business segments are reflected as unallocated corporate income/expenses. Inter-segment transfers are at prices which are generally market led.

3. **Certain changes in Group Structure** : During the year ended 31st March, 2016, the following changes in Group structure have taken place and the same have been appropriately dealt with in the Consolidated Financial Statements.

- (i) **Holiday Club Resorts Oy, Finland (HCR) & HCR Management Oy (HCRM)** : From September 2, 2015, Holiday Club Resorts Oy, Finland (HCR) and HCR Management Oy (HCRM) and its subsidiaries and associates became the subsidiaries and associates of the MHRIL and in turn of the Company.
- (ii) **Mitsubishi Mahindra Agricultural Machinery Co., Ltd** : During the year the Company has acquired JPY 750 million Common Stock (which represents 33.33% of the Common stock), and also acquired entire JPY 2,250 million "Class A" shares (shares with no voting rights); "Class A" shares have rights over dividend and liquidation on an equal basis with Common Stock, resulting in Joint venture of the Company.
- (iii) **Swaraj Automotives Limited** : During the year, the Company has sold its entire stake in Swaraj Automotive Limited on February 2, 2016, consequently ceased to be subsidiary of the company.
- (iv) **Mahindra Water Utilities Limited** : During the year, Mahindra Infrastructure Developers Limited (MIDL) a subsidiary of the Company has acquired further stake in Mahindra Water Utilities Limited resulting in increase in voting power from 50.00% to 99.00%.

The current year's figures are to that extent not strictly comparable to those of the previous year.

4. Share Capital :

| | 2016 | 2015 |
|---|---------------|---------------|
| | | Rupees crores |
| 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 : | | |
| 62,10,92,384 (2015 : 62,10,92,384) Ordinary (Equity) Shares of Rs. 5 each fully paid up | 310.55 | 310.55 |
| Less : | | |
| 2,84,58,577 (2015 : 2,97,00,106) Ordinary (Equity) Shares of Rs. 5 each fully paid up issued to ESOP Trust but not allotted to employees | 14.23 | 14.85 |
| Adjusted : Issued and Subscribed Share Capital..... | 296.32 | 295.70 |

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

| | 2016 | | 2015 | |
|---|---------------------|---------------|---------------|---------------|
| | No. of shares | Rupees crores | No. of shares | Rupees crores |
| Issued and Subscribed : | | | | |
| Balance as at the beginning of the year | 62,10,92,384 | 310.55 | 61,58,92,384 | 307.95 |
| Add : | | | | |
| Shares issued to ESOP Trust | — | — | 52,00,000 | 2.60 |
| Balance as at the end of the year | 62,10,92,384 | 310.55 | 62,10,92,384 | 310.55 |
| Less : | | | | |
| Shares issued to ESOP Trust but not allotted to Employees [Note 5(O)] | 2,84,58,577 | 14.23 | 2,97,00,106 | 14.85 |
| Adjusted : Issued and Subscribed Share Capital..... | 59,26,33,807 | 296.32 | 59,13,92,278 | 295.70 |

(B) The Ordinary (Equity) Shares of the Company rank *pari-passu* in all respects including voting rights and entitlement to dividend.

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

| Name of the Shareholder | 2016 | | 2015 | |
|--|--------------------|----------------|---------------|----------------|
| | No. of shares | % shareholding | No. of shares | % shareholding |
| (i) Life Insurance Corporation of India..... | 7,72,50,271 | 12.44 | 7,82,03,359 | 12.59 |
| (ii) Prudential Management and Services Pvt. Ltd. | 7,07,60,970 | 11.39 | 7,07,60,970 | 11.39 |
| (iii) M&M Benefit Trust | 5,18,35,214 | 8.35 | 5,18,35,214 | 8.35 |
| (iv) The Bank of New York Mellon (for GDR holders) ... | 3,45,30,583 | 5.56 | 3,34,13,833 | 5.38 |

(D) Issued and Subscribed Share Capital includes an aggregate of **40,647** (2015 : 40,647) Ordinary (Equity) Shares of Rs. 5 each allotted as fully paid-up pursuant to schemes of arrangement without payment having been received in cash, for a period of five years immediately preceding the end of the financial year.

5. Reserves and Surplus :

| | Rupees crores | |
|---|-----------------|-----------------|
| | 2016 | 2015 |
| (A) Capital Reserve : | | |
| Balance as at the beginning of the year..... | 23.52 | 23.54 |
| Less : | | |
| Consequent to change in Group's Interest..... | — | 0.02 |
| Balance as at the end of the year..... | <u>23.52</u> | <u>23.52</u> |
| (B) Capital Reserve on Consolidation : | | |
| Balance as at the beginning of the year..... | 1,204.15 | 1,204.15 |
| Add : | | |
| Consequent to change in Group's Interest..... | 23.05 | — |
| On acquisition during the year | 334.50 | — |
| Balance as at the end of the year..... | <u>1,561.70</u> | <u>1,204.15</u> |
| (C) Securities Premium Account : | | |
| Balance as at the beginning of the year..... | 2,579.70 | 2,533.93 |
| Add : | | |
| On account of exercise of employee stock options..... | 52.09 | 45.77 |
| Consequent to change in Group's Interest..... | — | 0.07 |
| | <u>2,631.79</u> | <u>2,579.77</u> |
| Less : | | |
| Writing-off of debenture issue expenses [Net of Tax of Rs. 0.02 crores (2015 : Rs. 0.03 crores)] | 0.03 | 0.07 |
| | <u>2,631.76</u> | <u>2,579.70</u> |
| Less : | | |
| Premium on shares issued to ESOP Trust but not allotted to employees [Note 5(O)] | 256.78 | 258.30 |
| Balance as at the end of the year..... | <u>2,374.98</u> | <u>2,321.40</u> |
| (D) Revaluation Reserve : | | |
| Balance as at the beginning of the year..... | 13.67 | 13.67 |
| Balance as at the end of the year..... | <u>13.67</u> | <u>13.67</u> |
| (E) General Reserve : | | |
| Balance as at the beginning of the year..... | 2,938.94 | 2,875.28 |
| Add : | | |
| Transfer from Surplus in Statement of Profit and Loss | 44.54 | 72.27 |
| On account of employee stock options*..... | — | 24.00 |
| On account of employee stock options lapsed | 0.23 | 0.08 |
| | <u>2,983.71</u> | <u>2,971.63</u> |
| Less : | | |
| Consequent to change in Group's Interest..... | 0.22 | 32.69 |
| Consequent to sale/disposal of subsidiary..... | 1.42 | — |
| | <u>2,982.07</u> | <u>2,938.94</u> |
| Add : | | |
| Bonus shares issued to ESOP Trust but not allotted to employees [Note 5(O)] | 0.50 | 0.81 |
| Balance as at the end of the year..... | <u>2,982.57</u> | <u>2,939.75</u> |

*relating to shares other than those allotted by the Company to the ESOP Trust.

5. Reserves and Surplus : (contd.)

| | Rupees crores | |
|---|-----------------|----------------|
| | 2016 | 2015 |
| (F) Debenture Redemption Reserve : | | |
| Balance as at the beginning of the year..... | 277.45 | 263.61 |
| Add : | | |
| Transfer from Surplus in Statement of Profit and Loss..... | 42.84 | 81.35 |
| | 320.29 | 344.96 |
| Less : | | |
| Transfer to Surplus in Statement of Profit and Loss..... | 167.50 | 67.51 |
| Balance as at the end of the year..... | 152.79 | 277.45 |
| (G) Investment Fluctuation Reserve : | | |
| Balance as at the beginning of the year..... | 56.29 | 122.44 |
| Add : | | |
| Transfer from Surplus in Statement of Profit and Loss..... | 61.48 | — |
| Provision no longer required written back..... | — | 267.47 |
| | 117.77 | 389.91 |
| Less : | | |
| Utilisation during the year [Note 36]..... | 82.37 | 184.52 |
| Transfer to Surplus in Statement of Profit and Loss..... | 35.40 | 149.10 |
| Balance as at the end of the year..... | — | 56.29 |
| (H) Capital Redemption Reserve : | | |
| Balance as at the beginning of the year | 73.69 | 90.32 |
| Add : | | |
| Transfer from Surplus in Statement of Profit and Loss..... | 29.41 | — |
| | 103.10 | 90.32 |
| Less : | | |
| Consequent to change in Group's Interest..... | 0.04 | 16.63 |
| Balance as at the end of the year..... | 103.06 | 73.69 |
| (I) Statutory Reserve (under regulatory compliances) : | | |
| Balance as at the beginning of the year..... | 584.64 | 491.33 |
| Add : | | |
| Transfer from Surplus in Statement of Profit and Loss..... | 80.25 | 93.69 |
| | 664.89 | 585.02 |
| Less : | | |
| Consequent to change in Group's Interest..... | 0.40 | 0.38 |
| Balance as at the end of the year..... | 664.49 | 584.64 |
| (J) Hedging Reserve Account : | | |
| Balance as at the beginning of the year | (15.13) | (71.86) |
| Net movement, on hedging instruments, designated and effective as hedges and transfers to Statement of Profit and Loss on occurrence of forecasted hedge transactions (Net of Tax)..... | 70.55 | 56.73 |
| Balance as at the end of the year..... | 55.42 | (15.13) |
| (K) Foreign Currency Translation Reserve : | | |
| Balance as at the beginning of the year..... | 997.27 | 936.64 |
| Add : | | |
| On currency translation during the year (Net)..... | 23.90 | 60.63 |
| Balance as at the end of the year..... | 1,021.17 | 997.27 |

5. Reserves and Surplus : (contd.)

Rupees crores

| | 2016 | 2015 |
|---|-----------|-----------|
| (L) Employee Stock Options Outstanding : | | |
| Balance as at the beginning of the year..... | 142.79 | 223.11 |
| Add : | | |
| On account of options granted during the year..... | 357.05 | — |
| | 499.84 | 223.11 |
| Less : | | |
| Transfer to Securities Premium Account on exercise of options during the year | 52.09 | 45.77 |
| Transfer to General Reserve on account of employee stock options* | — | 24.00 |
| For options lapsed/forfeited during the year | 3.76 | 10.55 |
| Balance as at the end of the year..... | 443.99 | 142.79 |
| Less : | | |
| Deferred Employee Compensation Expense | 296.07 | 36.20 |
| Balance as at the end of the year..... | 147.92 | 106.59 |
| * relating to shares other than those allotted by the Company to the ESOP Trust. | | |
| (M) Foreign Currency Monetary Items Translation Difference Account : | | |
| Balance as at the beginning of the year..... | (79.58) | (121.01) |
| Add : | | |
| Arising on revaluation of long term monetary assets and liabilities (Net) | (82.41) | (41.86) |
| | (161.99) | (162.87) |
| Less : | | |
| Amortisation during the year..... | 157.04 | 83.29 |
| Balance as at the end of the year..... | (4.95) | (79.58) |
| (N) Surplus in Statement of Profit and Loss : | | |
| Balance as at the beginning of the year..... | 17,056.97 | 14,769.49 |
| Add : | | |
| Profit for the year | 3,211.26 | 3,137.47 |
| Consequent to change in Group's Interest | — | 229.35 |
| Reversal of income tax on dividend paid for 2013-14..... | — | 2.80 |
| Transfer from Investment Fluctuation Reserve..... | 35.40 | 149.10 |
| Transfer from Debenture Redemption Reserve..... | 167.50 | 67.51 |
| | 20,471.13 | 18,355.72 |
| Less : | | |
| Transfer to Debenture Redemption Reserve | 42.84 | 81.35 |
| Transfer to General Reserve | 44.54 | 72.27 |
| Transfer to Statutory Reserve..... | 80.25 | 93.69 |
| Transfer to Capital Redemption Reserve | 29.41 | — |
| Transfer to Investment Fluctuation Reserve | 61.48 | — |
| Consequent to change in Group's Interest..... | 51.18 | 72.83 |
| Group's share of subsidiaries and associates' dividend tax | 92.71 | 72.56 |
| Proposed Dividend [Rs. 12.00 per share (2015 : Rs. 12.00 per share)] | 745.31 | 745.31 |
| Income-tax on Proposed Dividend..... | 96.37 | 101.58 |
| Income-tax on Dividend Paid for 2014-15..... | 0.06 | — |
| Depreciation on transitional provision specified in Schedule II to the Companies Act, 2013 [Net of Tax of Rs. Nil crores (2015 : Rs. 27.09 crores)]** | — | 52.10 |
| Deferred tax on Special Reserve | — | 7.06 |
| | 1,244.15 | 1,298.75 |
| Balance as at the end of the year..... | 19,226.98 | 17,056.97 |
| Total Reserves and Surplus * | 28,323.32 | 25,560.68 |

* [including Group Share of Joint Ventures Rs. 68.09 crores (2015 : Rs. 46.63 crores)]

** excluding share attributable to minority interest of Rs. Nil crores (2015 : Rs. 6.31 crores).

(O) The Guidance Note on Accounting for Employee Share-based Payments issued by The Institute of Chartered Accountants of India requires that shares allotted to a Trust but not transferred to employees be reduced from Share Capital and Reserves and Surplus. Accordingly, the Company has reduced the Share Capital by **Rs. 13.73 crores** (2015 : Rs. 14.04 crores) and Securities Premium Account by **Rs. 256.78 crores** (2015 : Rs. 258.30 crores) for the **2,74,61,619** shares of Rs. 5 each (2015 : 2,80,82,384 shares of Rs. 5 each) held by the Trust pending transfer to the eligible employees.

The Share Capital of the Company has also been reduced and the General Reserve increased by **Rs. 0.50 crores** (2015 : Rs. 0.81 crores) for the **9,96,958** bonus shares of Rs. 5 each (2015 : 16,17,722 bonus shares of Rs. 5 each) issued by the Company in September, 2005 to the Trust but not yet transferred by the Trust to the employees.

The above monies which are treated as advance received from the Trust, is included under Other Current Liabilities and Other Long Term Liabilities.

6. Long Term Borrowings :

| | Rupees crores | |
|---|------------------|------------------|
| | 2016 | 2015 |
| (A) Secured : | | |
| (i) Debentures/Bonds..... | 8,418.90 | 4,595.40 |
| (ii) Term Loan from Banks..... | 8,799.96 | 8,419.98 |
| (iii) Term Loan from Other Parties..... | 559.66 | 461.72 |
| (iv) Other Loans..... | 74.73 | 121.25 |
| | 17,853.25 | 13,598.35 |
| Group Share of Joint Ventures..... | 1,289.51 | 820.13 |
| | 19,142.76 | 14,418.48 |
| (B) Unsecured : | | |
| (i) Debentures/Bonds..... | 1,744.10 | 1,509.10 |
| (ii) Term Loan from Banks..... | 63.91 | 1,873.86 |
| (iii) Fixed Deposits..... | 2,878.51 | 3,238.63 |
| (iv) Other Loans..... | 1,106.93 | 1,126.87 |
| | 5,793.45 | 7,748.46 |
| Group Share of Joint Ventures..... | 160.09 | 160.09 |
| | 5,953.54 | 7,908.55 |
| | 25,096.30 | 22,327.03 |

Secured borrowings are secured by a *pari-passu* charge on immovable properties of certain entities both present and future, subject to certain exclusions and are also secured by *pari-passu* charge on the movable properties of certain entities including movable machinery, machinery spares, tools and accessories, both present and future, subject to certain exclusions.

The borrowings carry varying rates of interest ranging from 0% to 12.30% and have maturities starting from 2016 and ending with 2063.

| | Rupees crores | |
|--|------------------|------------------|
| | 2016 | 2015 |
| Borrowings repayable schedule : | | |
| (a) Secured * : | | |
| (i) In the first year [Note 12]..... | 8,578.61 | 7,469.89 |
| (ii) In the second year..... | 6,274.67 | 6,312.52 |
| (iii) In the third to fifth year..... | 10,854.44 | 7,328.78 |
| (iv) Above five years..... | 2,013.65 | 777.18 |
| | 27,721.37 | 21,888.37 |
| (b) Unsecured * : | | |
| (i) In the first year [Note 12]..... | 2,604.60 | 1,301.22 |
| (ii) In the second year..... | 1,957.64 | 2,694.49 |
| (iii) In the third to fifth year..... | 1,950.86 | 3,012.30 |
| (iv) Above five years..... | 2,045.04 | 2,201.76 |
| | 8,558.14 | 9,209.77 |

* Above amount includes current maturities of long term debt in note 12 and Group Share of Joint Ventures.

7A. Deferred Tax Liabilities (Net) :

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

| | Rupees crores | |
|--|-----------------|-----------------|
| | 2016 | 2015 |
| Deferred Tax Liabilities : | | |
| (i) On fiscal allowances on fixed assets..... | 1,884.59 | 1,583.95 |
| (ii) Others..... | 43.28 | 91.59 |
| | 1,927.87 | 1,675.54 |
| Group Share of Joint Ventures | 3.69 | 3.55 |
| Total Deferred Tax Liabilities | 1,931.56 | 1,679.09 |
| Deferred Tax Assets : | | |
| (i) On provision for employee benefits..... | 197.59 | 209.52 |
| (ii) On provision for doubtful debts/advances..... | 45.30 | 33.22 |
| (iii) Others..... | 135.91 | 148.87 |
| | 378.80 | 391.61 |
| Group Share of Joint Ventures | 0.73 | 0.65 |
| Total Deferred Tax Assets | 379.53 | 392.26 |
| Net Deferred Tax Liabilities | 1,552.03 | 1,286.83 |

7B. Deferred Tax Assets (Net) :

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

| | Rupees crores | |
|--|---------------|---------------|
| | 2016 | 2015 |
| Deferred Tax Liabilities : | | |
| (i) On fiscal allowances on fixed assets..... | 13.01 | 1.80 |
| (ii) Others..... | 21.18 | 11.12 |
| Total Deferred Tax Liabilities | 34.19 | 12.92 |
| Deferred Tax Assets : | | |
| (i) On provision for employee benefits..... | 12.32 | 11.07 |
| (ii) On provision for doubtful debts/advances..... | 602.91 | 417.57 |
| (iii) Others..... | 111.32 | 46.48 |
| | 726.55 | 475.12 |
| Group Share of Joint Ventures | 16.78 | 5.57 |
| Total Deferred Tax Assets | 743.33 | 480.69 |
| Net Deferred Tax Assets | 709.14 | 467.77 |

8. Other Long Term Liabilities :

| | Rupees crores | |
|--|-----------------|-----------------|
| | 2016 | 2015 |
| (i) Trade Payables | 83.03 | 48.83 |
| (ii) Deferred Income – Entitlement Fee | 1,689.32 | 1,508.66 |
| (iii) Interest accrued but not due on borrowings | 314.69 | 197.92 |
| (iv) Others..... | 798.32 | 751.05 |
| | 2,885.36 | 2,506.46 |
| Group Share of Joint Ventures | 95.08 | 2.30 |
| | 2,980.44 | 2,508.76 |

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

9. Long Term Provisions :

| | Rupees crores | |
|---|-----------------|-----------------|
| | 2016 | 2015 |
| (i) Provision for Employee Benefits | 2,597.19 | 2,363.74 |
| (ii) Provision for Warranty [Note 31]..... | 748.62 | 663.99 |
| (iii) Provision for Standard assets [Note 31] | 84.13 | 75.05 |
| (iv) Provision others..... | 67.59 | 135.43 |
| | 3,497.53 | 3,238.21 |
| Group Share of Joint Ventures : Includes Provision for Warranty Rs. 0.14 crores (2015 : Rs. 0.13 crores)..... | 92.80 | 1.74 |
| | 3,590.33 | 3,239.95 |

10. Short Term Borrowings :

| | Rupees crores | |
|---|-----------------|-----------------|
| | 2016 | 2015 |
| (A) Secured : | | |
| (i) Loans repayable on demand from banks and cash credit accounts from banks..... | 1,745.60 | 1,250.78 |
| (ii) Term Loan from Bank | 781.58 | 977.35 |
| (ii) Debentures and Bonds | 50.00 | — |
| (iv) Other loans and advances..... | 704.56 | 583.26 |
| | 3,281.74 | 2,811.39 |
| Group Share of Joint Ventures..... | 553.69 | 362.90 |
| | 3,835.43 | 3,174.29 |
| (B) Unsecured : | | |
| (i) Loans repayable on demand from banks..... | 683.45 | 268.49 |
| (ii) Term Loan from Bank | 466.64 | 158.25 |
| (iii) Fixed Deposits..... | 161.55 | 69.43 |
| (iv) Commercial Papers | 2,979.55 | 3,475.00 |
| (v) Other loans and advances..... | 2.24 | 31.90 |
| | 4,293.43 | 4,003.07 |
| Group Share of Joint Ventures..... | 121.83 | 0.08 |
| | 4,415.26 | 4,003.15 |
| | 8,250.69 | 7,177.44 |

Loans and Advances from Banks are secured by a first charge on certain current assets namely inventories, certain book debts, outstanding monies, receivables, claims, etc. both present and future.

11. Trade Payables :

| | Rupees crores | |
|-------------------------------------|------------------|------------------|
| | 2016 | 2015 |
| (i) Acceptances | 1,916.00 | 2,629.33 |
| (ii) Other Trade Payables | 10,986.44 | 8,768.64 |
| | 12,902.44 | 11,397.97 |
| Group Share of Joint Ventures | 725.18 | 23.30 |
| | 13,627.62 | 11,421.27 |

12. Other Current Liabilities :

| | Rupees crores | |
|---|------------------|------------------|
| | 2016 | 2015 |
| (i) Current maturities of long term debt | 10,622.74 | 8,406.99 |
| (ii) Interest accrued but not due on borrowings | 655.01 | 481.04 |
| (iii) Interest accrued and due on borrowings | 7.18 | 6.95 |
| (iv) Deferred Income – Entitlement Fee | 191.41 | 166.91 |
| (v) Dividend Payable | 15.48 | 14.59 |
| (vi) Unclaimed matured deposits and interest accrued thereon | 0.97 | 0.84 |
| (vii) Other payables | 3,681.30 | 3,223.96 |
| | 15,174.09 | 12,301.28 |
| Group Share of Joint Ventures: Includes Current maturity of long term debt Rs. 560.47 crores (2015 : Rs. 364.12 crores) | 694.14 | 470.59 |
| | 15,868.23 | 12,771.87 |

Other payables mainly include advance from customers, capital creditors, government dues and taxes payable, gratuity payable and salary deductions payable.

13. Short Term Provisions :

| | Rupees crores | |
|---|-----------------|-----------------|
| | 2016 | 2015 |
| (i) Provision for Employee Benefits | 309.85 | 351.27 |
| (ii) Proposed Dividend | 745.31 | 745.31 |
| (iii) Provision for Tax on Proposed Dividend | 96.37 | 101.58 |
| (iv) Provision for Warranty [Note 31] | 582.53 | 563.36 |
| (v) Provision for Estimated Loss/Expenses on Assignment | — | 67.57 |
| (vi) Provision for Standard assets [Note 31] | 68.37 | 59.69 |
| (vii) Provision for Taxation | 225.92 | 269.83 |
| (viii) Others | 256.84 | 201.88 |
| | 2,285.19 | 2,360.49 |
| Group Share of Joint Ventures : Includes Provision for Warranty Rs. 16.43 crores (2015 : Rs. 0.26 crores) | 25.39 | 1.73 |
| | 2,310.58 | 2,362.22 |

14. Fixed Assets :

| Description of Assets | Rupees crores | | | | | | | | | | | |
|--|---|---------------------------------|--|--|---|--|-------------------------------|--|--|--|---|---|
| | Cost/ Professional valuation as at 31 st March, 2015 | Additions during the year | Other Adjustments during the year | Deductions and Adjustments during the year | Cost/ Professional valuation as at 31 st March, 2016 | Depreciation upto 31 st March, 2015 | Depreciation for 2015-2016 | Deductions and Adjustments of Depreciation | Depreciation upto 31 st March, 2016 | Net Balance before Impairment as at 31 st March, 2016 | Impairment as at 31 st March, 2016 | Net Balance after Impairment as at 31 st March, 2016 |
| A : Tangible Assets | | | | | | | | | | | | |
| Land – Freehold..... | 3,120.10 | 49.36 | 80.67 | 4.61 | 3,245.52 | — | — | — | — | 3,245.52 | — | 3,245.52 |
| | 2,907.19 | 213.84 | 24.57 | 25.50 | 3,120.10 | — | — | — | — | 3,120.10 | — | 3,120.10 |
| Land – Leasehold | 573.26 | 61.77 | 10.97 | 12.83 | 633.17 | 50.61 | 29.20 | (0.61) | 80.42 | 552.75 | — | 552.75 |
| | 513.70 | 71.07 | 3.13 | 14.64 | 573.26 | 37.87 | 13.02 | 0.28 | 50.61 | 522.65 | — | 522.65 |
| Buildings – Freehold..... | 7,595.50 | 606.42 | 121.65 | 14.41 | 8,309.16 | 2,180.12 | 226.54 | (53.69) | 2,460.35 | 5,848.81 | 1,077.15 | 4,771.66 |
| | 7,121.44 | 740.05 | 43.55 | 309.54 | 7,595.50 | 1,885.78 | 333.97 | 39.63 | 2,180.12 | 5,415.38 | 1,048.35 | 4,367.03 |
| Buildings – Leasehold | 70.63 | 69.74 | 0.30 | 11.16 | 129.51 | 39.51 | 51.03 | 7.55 | 82.99 | 46.52 | 2.13 | 44.39 |
| | 70.83 | 6.90 | 0.04 | 7.14 | 70.63 | 31.98 | 11.11 | 3.58 | 39.51 | 31.12 | 1.00 | 30.12 |
| Plant and Equipment – Freehold | 25,264.99 | 2,964.57 | 502.05 | 396.00 | 28,335.61 | 15,528.19 | 1,699.70 | (25.92) | 17,253.81 | 11,081.80 | 1,536.57 | 9,545.23 |
| | 22,887.48 | 3,048.89 | 141.46 | 812.84 | 25,264.99 | 14,055.95 | 2,343.47 | 871.23 | 15,528.19 | 9,736.80 | 1,483.79 | 8,253.01 |
| Plant and Equipment – Leasehold | 20.39 | 0.28 | 0.63 | 5.20 | 16.10 | 4.13 | 2.17 | 2.13 | 4.17 | 11.93 | — | 11.93 |
| | 138.96 | 14.00 | (1.70) | 130.87 | 20.39 | 87.25 | 2.14 | 85.26 | 4.13 | 16.26 | — | 16.26 |
| Office Equipment..... | 268.19 | 77.62 | 1.23 | 19.62 | 327.42 | 165.62 | 47.00 | (1.06) | 213.68 | 113.74 | 0.61 | 113.13 |
| | 229.48 | 51.13 | 0.25 | 12.67 | 268.19 | 97.03 | 59.13 | (9.46) | 165.62 | 102.57 | 0.30 | 102.27 |
| Furniture and Fixtures..... | 909.22 | 115.25 | 13.04 | 63.58 | 973.93 | 508.54 | 99.60 | 44.99 | 563.15 | 410.78 | 26.07 | 384.71 |
| | 1,109.38 | 78.14 | 3.77 | 282.07 | 909.22 | 650.54 | 97.90 | 239.90 | 508.54 | 400.68 | 28.42 | 372.26 |
| Aircraft | 103.46 | — | — | — | 103.46 | 17.01 | 4.81 | — | 21.82 | 81.64 | — | 81.64 |
| | 103.46 | — | — | — | 103.46 | 12.20 | 4.81 | — | 17.01 | 86.45 | — | 86.45 |
| Vehicles..... | 511.17 | 146.93 | 2.20 | 71.99 | 588.31 | 255.65 | 89.02 | 54.37 | 290.30 | 298.01 | 6.14 | 291.87 |
| | 469.34 | 88.53 | 0.22 | 46.92 | 511.17 | 204.07 | 81.24 | 29.66 | 255.65 | 255.52 | 7.65 | 247.87 |
| Batteries | 6.68 | 10.62 | — | — | 17.30 | 0.56 | 1.69 | — | 2.25 | 15.05 | — | 15.05 |
| | 0.49 | 6.19 | — | — | 6.68 | 0.22 | 0.34 | — | 0.56 | 6.12 | — | 6.12 |
| Sub Total | 38,443.59 | 4,102.56 | 732.74 | 599.40 | 42,679.49 | 18,749.94 | 2,250.76 | 27.76 | 20,972.94 | 21,706.55 | 2,648.67 | 19,057.88 |
| | 35,551.75 | 4,318.74 | 215.29 | 1,642.19 | 38,443.59 | 17,062.89 | 2,947.13 | 1,260.08 | 18,749.94 | 19,693.65 | 2,569.51 | 17,124.14 |
| Group Share of Joint Ventures ... | 150.11 | 1,286.33 | 0.01 | 55.11 | 1,381.34 | 27.16 | 875.67 | 42.03 | 860.80 | 520.54 | — | 520.54 |
| | 136.06 | 14.31 | — | 0.26 | 150.11 | 17.96 | 9.11 | (0.09) | 27.16 | 122.95 | — | 122.95 |
| Sub Total A | 38,593.70 | 5,388.89 | 732.75 | 654.51 | 44,060.83 | 18,777.10 | 3,126.43 | 69.79 | 21,833.74 | 22,227.09 | 2,648.67 | 19,578.42 |
| | 35,687.81 | 4,333.05 | 215.29 | 1,642.45 | 38,593.70 | 17,080.85 | 2,956.24 | 1,259.99 | 18,777.10 | 19,816.60 | 2,569.51 | 17,247.09 |

14. Fixed Assets : (contd.)

Rupees crores

| Description of Assets | Cost/ Professional valuation as at 31 st March, 2015 | Additions during the year | Other Adjustments during the year | Deductions and Adjustments during the year | Cost/ Professional valuation as at 31 st March, 2016 | Depreciation/ Amortisation upto 31 st March, 2015 | Depreciation/ Amortisation for 2015-2016 | Deductions and Adjustments of Depreciation/ Amortisation | Depreciation/ Amortisation upto 31 st March, 2016 | Net Balance before Impairment as at 31 st March, 2016 | Impairment as at 31 st March, 2016 | Net Balance after Impairment as at 31 st March, 2016 |
|---|---|---------------------------------|--|--|---|---|--|---|---|--|---|---|
| B : Intangible Assets | | | | | | | | | | | | |
| Technical Knowhow..... | 101.51 104.80 | — — | — — | — 3.29 | 101.51 101.51 | 94.92 79.00 | 6.13 18.99 | — 3.07 | 101.05 94.92 | 0.46 6.59 | — — | 0.46 6.59 |
| Development Expenditure..... | 1,626.99 1,351.87 | 1,478.07 587.67 | 24.71 (8.05) | 246.61 304.50 | 2,883.16 1,626.99 | 737.48 585.02 | 358.61 215.93 | 239.40 63.47 | 856.69 737.48 | 2,026.47 889.51 | 4.20 — | 2,022.27 889.51 |
| Computer Software..... | 430.28 417.17 | 99.84 64.10 | 4.72 0.13 | 22.04 51.12 | 512.80 430.28 | 314.39 282.98 | 102.93 86.43 | 17.90 55.02 | 399.42 314.39 | 113.38 115.89 | — — | 113.38 115.89 |
| Websites..... | 4.34 4.11 | 0.42 0.23 | — — | — — | 4.76 4.34 | 4.14 4.06 | 0.07 0.06 | — (0.02) | 4.21 4.14 | 0.55 0.20 | — — | 0.55 0.20 |
| Non-Compete Fees..... | 0.55 2.23 | 0.43 0.32 | — — | — 2.00 | 0.98 0.55 | — 2.00 | 0.06 — | — 2.00 | 0.06 — | 0.92 0.55 | — — | 0.92 0.55 |
| Trademarks..... | 24.57 29.94 | 5.18 5.24 | 0.55 0.47 | — 11.08 | 30.30 24.57 | 11.59 17.91 | 3.64 2.88 | (0.32) 9.20 | 15.55 11.59 | 14.75 12.98 | 0.29 0.29 | 14.46 12.69 |
| Other Intangibles..... | 16.35 65.01 | 3.20 2.80 | 0.42 (0.05) | — 51.41 | 19.97 16.35 | 2.83 21.87 | 1.11 0.62 | (0.08) 19.66 | 4.02 2.83 | 15.95 13.52 | 4.01 3.76 | 11.94 9.76 |
| Sub Total..... | 2,204.59 1,975.13 | 1,587.14 660.36 | 30.40 (7.50) | 268.65 423.40 | 3,553.48 2,204.59 | 1,165.35 992.84 | 472.55 324.91 | 256.90 152.40 | 1,381.00 1,165.35 | 2,172.48 1,039.24 | 8.50 4.05 | 2,163.98 1,035.19 |
| Group Share of Joint Ventures..... | 0.61 0.63 | 19.80 0.03 | — — | — 0.05 | 20.41 0.61 | 0.42 0.26 | 12.35 0.17 | (0.13) 0.01 | 12.90 0.42 | 7.51 0.19 | — — | 7.51 0.19 |
| Sub Total B..... | 2,205.20 1,975.76 | 1,606.94 660.39 | 30.40 (7.50) | 268.65 423.45 | 3,573.89 2,205.20 | 1,165.77 993.10 | 484.90 325.08 | 256.77 152.41 | 1,393.90 1,165.77 | 2,179.99 1,039.43 | 8.50 4.05 | 2,171.49 1,035.38 |
| Grand Total (A+B)..... | 40,798.90 37,663.57 | 6,995.83 4,993.44 | 763.15 207.79 | 923.16 2,065.90 | 47,634.72 40,798.90 | 19,942.87 18,073.95 | 3,611.33 3,281.32 | 326.56 1,412.40 | 23,227.64 19,942.87 | 24,407.08 20,856.03 | 2,657.17 2,573.56 | 21,749.91 18,282.47 |

14. Fixed Assets : (contd.)

The above includes following assets given on operating lease :

Rupees crores

| Particulars | As at 31 st March, 2016 | | | 2016 |
|-------------------------------------|------------------------------------|--------------------------|-------------------------|----------------------------------|
| | Gross Block | Accumulated Depreciation | Net Block | Depreciation charge for the year |
| Buildings – Freehold..... | 111.15 111.05 | 14.62 12.21 | 96.53 98.84 | 2.40 2.46 |
| Plant and Equipment – Freehold..... | 11.93 11.86 | 4.75 3.45 | 7.18 8.41 | 1.31 1.18 |
| Furniture and Fixtures..... | 13.91 13.91 | 10.48 8.98 | 3.43 4.93 | 1.49 1.65 |
| Batteries | 17.30 6.68 | 2.25 0.56 | 15.05 6.12 | 1.69 0.34 |
| Total | 154.29 143.50 | 32.10 25.20 | 122.19 118.30 | 6.89 5.63 |

Current year figures are in Bold.

(a) Other Adjustments during the year includes translation difference of opening balance, difference in exchange and Interest capitalised.

(b) Depreciation charge for the year excludes :

(i) An amount of **Rs. 0.13 crores** (2015 : 0.14 crores), representing depreciation on the assets used for development work transferred to Capital Work-in-Progress.(ii) In accordance with the requirements of Companies Act, 2013, the parent company, its Indian subsidiaries and joint ventures has effective 1st April, 2014 reviewed and revised the estimated useful lives of its fixed assets generally in accordance with the provisions of Schedule II of the Companies Act, 2013. Consequently, in respect of assets, whose useful life is exhausted as at 1st April, 2014, the related carrying amount aggregating to **Rs. Nil crores** (2015 : Rs 85.50 crores) was adjusted against opening balance of Surplus in the Statement of Profit and Loss in the previous year.

(c) Impairment charge for the year to Statement of Profit & Loss is given below :

Rupees crores

| Particulars | Charge for the year |
|-------------------------------------|---------------------|
| Building – Leasehold..... | 2.13 |
| Plant and Equipment – Freehold..... | 22.71 |
| Office Equipment..... | 0.61 |
| Furniture and Fixtures..... | 0.78 |
| Vehicles..... | 0.10 |
| Development Expenditure..... | 4.32 |
| Other Intangibles..... | 0.01 |
| Total | 30.66 |

(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 and joint ventures :

Rupees crores

| Description of Assets | As at 31 st March, 2016 | | As at 31 st March, 2015 | |
|--------------------------------------|------------------------------------|---------------------------------------|------------------------------------|---------------------------------------|
| | Cost | Accumulated Depreciation/Amortisation | Cost | Accumulated Depreciation/Amortisation |
| Land – Freehold..... | 160.75 | — | 0.26 | — |
| Land – Leasehold..... | 49.05 | 21.70 | 10.99 | 5.21 |
| Buildings – Freehold..... | 421.53 | 154.20 | 167.44 | 165.46 |
| Buildings – Leasehold..... | 56.98 | 37.60 | — | — |
| Plant and Equipment – Freehold..... | 503.99 | 375.74 | 973.35 | 971.98 |
| Plant and Equipment – Leasehold..... | 140.63 | 67.56 | — | — |
| Furniture and Fixtures..... | 369.36 | 344.05 | 2.35 | 1.79 |
| Vehicles..... | 5.40 | 4.85 | 0.07 | 0.05 |
| Office Equipment..... | 0.09 | 0.08 | 10.43 | 10.27 |
| Trademarks..... | 0.47 | 0.06 | — | — |
| Computer Software..... | 50.19 | 23.64 | 0.64 | 0.39 |
| Other Intangibles..... | 0.21 | 0.08 | 2.28 | 2.19 |
| Total | 1,758.65 | 1,029.56 | 1,167.81 | 1,157.34 |

15. (A) Non Current Investments (At Cost, unless otherwise specified)

Rupees crores

| | 2016 | 2015 |
|--|-----------------|-----------------|
| | Long Term | Long Term |
| Investments in Equity Instruments : (Trade and fully paid-up) | | |
| Unquoted : | | |
| (i) In Associate Companies..... | 34.92 | 146.50 |
| (ii) In Other Companies..... | 9.38 | 9.38 |
| | 44.30 | 155.88 |
| Quoted : | | |
| (i) In Associate Companies..... | 6,177.71 | 5,377.59 |
| | 6,222.01 | 5,533.47 |
| Investments in Equity Instruments : (Non-trade and fully paid-up) | | |
| Unquoted : | | |
| (i) In Other Companies..... | 132.08 | 127.69 |
| Quoted : | | |
| (i) In Other Companies..... | 2.35 | 2.35 |
| Investment in Equity Instruments..... | 6,356.44 | 5,663.51 |
| Investment in Preference Shares : (Trade and fully paid-up) | | |
| Unquoted : | | |
| (i) In Associate Companies..... | 5.53 | 5.53 |
| (ii) In Other Companies..... | 11.82 | 11.82 |
| | 17.35 | 17.35 |
| Investment in Preference Shares : (Non-trade and fully paid-up) | | |
| Unquoted : | | |
| (i) In Other Companies..... | 35.36 | 36.00 |
| Investment in Preference Shares..... | 52.71 | 53.35 |
| Investment in Government/Trust Securities | | |
| Unquoted : | | |
| (i) Trust Securities | 1,574.10 | 1,574.10 |
| Quoted : | | |
| (i) Government Securities | 632.21 | 506.13 |
| Investment in Government/Trust Securities | 2,206.31 | 2,080.23 |
| Investment in Debentures/Bonds : (Trade and fully paid-up) | | |
| Unquoted : | | |
| (i) In Joint Venture Companies | 160.09 | 160.09 |
| Quoted : | | |
| (i) In Other Companies..... | 20.00 | 53.54 |
| Investment in Debentures/Bonds : (Trade and fully paid-up) | 180.09 | 213.63 |
| Other Investments : | | |
| Unquoted : | | |
| (i) In Other Companies..... | 4.80 | 3.21 |
| | 8,800.35 | 8,013.93 |
| Group Share of Joint Ventures | 58.74 | — |
| | 8,859.09 | 8,013.93 |
| Less : Provision for diminution in value of Long Term Investments..... | 114.92 | 114.94 |
| | 8,744.17 | 7,898.99 |
| Other Disclosures : | | |
| (i) Aggregate amount of quoted Investments (Gross)..... | 6,832.27 | 5,886.07 |
| Market Value of quoted Investments..... | 15,566.22 | 19,997.59 |
| (ii) Aggregate amount of unquoted Investments (Gross) | 2,026.82 | 2,127.86 |

15. (B) Current Investments (At Cost, unless otherwise specified)

| | Rupees crores | |
|---|-----------------|-----------------|
| | 2016 | 2015 |
| | Current | Current |
| Investment in Equity Instruments (Unquoted) | — | 0.10 |
| Investment in Government Securities (Quoted) | 1.91 | 12.78 |
| Investment in Debentures/Bonds (Quoted) | 135.16 | 126.12 |
| Other Investments (Unquoted) : | | |
| (i) Units of Mutual Funds..... | 2,271.21 | 1,703.86 |
| (ii) Certificate of Deposits..... | 860.44 | 273.16 |
| (iii) Commercial Paper | 150.00 | 15.00 |
| | 3,418.72 | 2,131.02 |
| Group Share of Joint Ventures | 14.00 | 0.07 |
| | 3,432.72 | 2,131.09 |
| Less : Aggregate excess of cost over fair value, by category..... | 0.04 | 2.94 |
| | 3,432.68 | 2,128.15 |
| Other Disclosures : | | |
| (i) Aggregate amount of quoted Investments (Gross)..... | 137.07 | 138.90 |
| Market Value of quoted Investments..... | 137.46 | 136.84 |
| (ii) Aggregate amount of unquoted Investments (Gross) | 3,295.65 | 1,992.19 |

16. Long Term Loans and Advances :

| | Rupees crores | |
|---|------------------|------------------|
| | 2016 | 2015 |
| (A) Capital Advances : | | |
| Unsecured, considered good | 445.93 | 671.12 |
| Doubtful..... | 2.75 | 3.21 |
| | 448.68 | 674.33 |
| Less : Provision for doubtful Capital Advances | 2.75 | 3.21 |
| | 445.93 | 671.12 |
| (B) Security Deposits : | | |
| Unsecured, considered good | 270.77 | 265.00 |
| Doubtful..... | 1.81 | 1.71 |
| | 272.58 | 266.71 |
| Less : Provision for doubtful Security Deposits | 1.81 | 1.71 |
| | 270.77 | 265.00 |
| (C) Loans and Advances to Related Parties : | | |
| Unsecured, considered good | 12.81 | 8.04 |
| Doubtful..... | 10.00 | 10.00 |
| | 22.81 | 18.04 |
| Less : Provision for doubtful Loans and Advances to Related Parties.... | 10.00 | 10.00 |
| | 12.81 | 8.04 |
| (D) Loans and Advances against Assets : | | |
| Secured, considered good..... | 20,133.92 | 17,907.23 |
| Doubtful..... | 779.36 | 519.59 |
| | 20,913.28 | 18,426.82 |
| Less : Provision for doubtful Loans and Advances against Assets | 384.22 | 257.75 |
| | 20,529.06 | 18,169.07 |

16. Long Term Loans and Advances : (contd.)

Rupees crores

| | 2016 | 2015 |
|--|------------------|------------------|
| (E) Other Loans and Advances : | | |
| Secured, considered good..... | 5.60 | 6.85 |
| Unsecured, considered good | 3,341.40 | 3,600.10 |
| Doubtful..... | 19.05 | 7.89 |
| | 3,366.05 | 3,614.84 |
| Less : Provision for doubtful Other Loans and Advances | 19.05 | 7.89 |
| | 3,347.00 | 3,606.95 |
| | 24,605.57 | 22,720.18 |
| Group Share of Joint Ventures..... | 1,998.49 | 1,346.29 |
| | 26,604.06 | 24,066.47 |

Other Loans and Advances includes VAT receivable, payment towards income-tax & surtax, MAT Credit entitlement, other recoverable expenses and advances to employees.

17. Other Non-Current Assets :

Rupees crores

| | 2016 | 2015 |
|--|---------------|---------------|
| (A) Long Term Trade Receivables: | | |
| Unsecured, considered good..... | 561.64 | 444.35 |
| Doubtful..... | 6.67 | 0.49 |
| | 568.31 | 444.84 |
| Less : Provision for doubtful Long Term Trade Receivables..... | 6.67 | 0.49 |
| | 561.64 | 444.35 |
| (B) Others: | 92.04 | 121.86 |
| | 653.68 | 566.21 |
| Group Share of Joint Ventures..... | 1.45 | 15.55 |
| | 655.13 | 581.76 |

18. Inventories :

Rupees crores

| | 2016 | 2015 |
|---|------------------|-----------------|
| (i) Raw Materials and Bought-out Components [includes in transit Rs. 748.66 crores (2015 : Rs. 798.89 crores)] | 3,477.89 | 3,159.83 |
| (ii) Contracts and Work-in-Progress..... | 507.28 | 462.36 |
| (iii) Work-in-Progress – Property Development Activity and Long Term Contracts | 2,583.77 | 1,735.99 |
| (iv) Manufactured Components..... | 119.47 | 125.33 |
| (v) Finished Products produced | 2,526.59 | 2,109.62 |
| (vi) Stock-in-Trade [includes in transit Rs. 66.66 crores (2015 : Rs. 40.11 crores)] | 738.48 | 541.54 |
| (vii) Stores and Spares..... | 133.25 | 122.30 |
| (viii) Loose Tools | 46.79 | 47.77 |
| (ix) Food, Beverages, Smokes and Operating Supplies | 11.32 | 5.84 |
| | 10,144.84 | 8,310.58 |
| Group Share of Joint Ventures | 484.15 | 142.81 |
| | 10,628.99 | 8,453.39 |

19. Trade Receivables :

| | Rupees crores | |
|--|-----------------|-----------------|
| | 2016 | 2015 |
| (A) Secured, considered good | | |
| Outstanding for a period exceeding six months from the date they are due for payment | 6.86 | 6.74 |
| Others..... | 389.76 | 194.07 |
| | 396.62 | 200.81 |
| (B) Unsecured, considered good | | |
| Outstanding for a period exceeding six months from the date they are due for payment | 645.05 | 647.75 |
| Others..... | 5,004.91 | 4,603.35 |
| | 5,649.96 | 5,251.10 |
| (C) Doubtful | | |
| Outstanding for a period exceeding six months from the date they are due for payment | 167.04 | 122.44 |
| Others..... | 1.54 | 2.22 |
| | 168.58 | 124.66 |
| Less : Provision for doubtful Trade Receivables | 168.58 | 124.66 |
| | — | — |
| | 6,046.58 | 5,451.91 |
| Group Share of Joint Ventures..... | 372.46 | 24.25 |
| | 6,419.04 | 5,476.16 |

20. Cash and Bank Balances :

| | Rupees crores | |
|---|-----------------|-----------------|
| | 2016 | 2015 |
| (A) Cash and Cash Equivalents : | | |
| Balances with Banks : | | |
| (i) On Current Accounts..... | 1,352.11 | 951.88 |
| (ii) Fixed Deposits with original maturity less than 3 months..... | 673.97 | 1,599.96 |
| | 2,026.08 | 2,551.84 |
| Cheques, drafts on hand..... | 399.00 | 398.36 |
| Cash on hand | 31.14 | 22.55 |
| Group Share of Joint Ventures..... | 335.61 | 26.84 |
| | 2,791.83 | 2,999.59 |
| (B) Other Bank Balances : | | |
| Earmarked Balances with Banks..... | 24.25 | 26.59 |
| Balances with Banks : | | |
| (i) On Margin Accounts | 126.27 | 244.66 |
| (ii) Fixed Deposits with original maturity greater than 3 months* ... | 1,960.65 | 1,635.96 |
| | 2,086.92 | 1,880.62 |
| Group Share of Joint Ventures..... | 3.48 | 5.03 |
| | 2,114.65 | 1,912.24 |
| | 4,906.48 | 4,911.83 |

* Includes deposits of **Rs. 18.32 crores** (2015 : Rs. 48.73 crores) with maturity greater than 12 months from Balance Sheet date.

21. Short Term Loans and Advances :

| | Rupees crores | |
|--|------------------|-----------|
| | 2016 | 2015 |
| (A) Loans and Advances to Related Parties : | | |
| Unsecured, considered good..... | 6.38 | 4.55 |
| Doubtful..... | 5.35 | 5.80 |
| | 11.73 | 10.35 |
| Less : Provision for doubtful Loans and Advances to Related Parties... | 5.35 | 5.80 |
| | 6.38 | 4.55 |
| (B) Loans and Advances against Assets : | | |
| Secured, considered good..... | 14,962.68 | 13,445.37 |
| Doubtful..... | 2,152.97 | 1,361.03 |
| | 17,115.65 | 14,806.40 |
| Less : Provision for doubtful Loans and Advances against Assets..... | 1,135.12 | 709.88 |
| | 15,980.53 | 14,096.52 |
| (C) Other Loans and Advances : | | |
| Secured, considered good..... | 10.64 | 60.69 |
| Unsecured, considered good..... | 3,297.04 | 3,101.57 |
| Doubtful..... | 75.21 | 66.90 |
| | 3,382.89 | 3,229.16 |
| Less : Provision for doubtful other Loans and Advances..... | 75.21 | 66.90 |
| | 3,307.68 | 3,162.26 |
| | 19,294.59 | 17,263.33 |
| Group Share of Joint Ventures..... | 723.70 | 548.47 |
| | 20,018.29 | 17,811.80 |

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 | |
|---|-----------------|--------|
| | 2016 | 2015 |
| (i) Government Grant Receivable..... | 319.54 | 302.11 |
| (ii) Others..... | 751.05 | 644.22 |
| | 1,070.59 | 946.33 |
| Less : Provision for doubtful other current assets..... | 3.87 | 3.88 |
| | 1,066.72 | 942.45 |
| Group Share of Joint Ventures..... | 72.79 | 26.33 |
| | 1,139.51 | 968.78 |

23. Revenue from Operations :

| | | 2016 | 2015 |
|---|----------|-----------|---------------|
| | | | Rupees crores |
| Sale of Products..... | | 70,318.11 | 64,552.74 |
| Sale of Services | | 3,275.63 | 2,251.59 |
| Group Share of Joint Ventures | | 842.31 | 98.86 |
| Gross Revenue from Sale of Products and Services..... | | 74,436.05 | 66,903.19 |
| Other Operating Revenues | | | |
| (i) Income from long term contracts..... | 643.15 | | 878.88 |
| (ii) Lease and rental income..... | 48.94 | | 141.83 |
| (iii) Scrap Sales | 168.59 | | 210.60 |
| (iv) Interest income of financial enterprises consolidated..... | 6,326.40 | | 5,840.21 |
| (v) Dividend Income of Investment enterprises consolidated..... | 0.19 | | 0.12 |
| (vi) Government Grant and Incentives..... | 363.95 | | 462.24 |
| (vii) Others..... | 567.70 | | 469.94 |
| Group Share of Joint Ventures | 110.71 | | 82.22 |
| | | 8,229.63 | 8,086.04 |
| | | 82,665.68 | 74,989.23 |
| Less: Excise Duty attributable to products sold..... | | 4,650.08 | 3,541.23 |
| | | 78,015.60 | 71,448.00 |

24. Other Income :

| | | 2016 | 2015 |
|---|--------|--------|---------------|
| | | | Rupees crores |
| (i) Interest Income : | | | |
| (a) Interest – Current Investments..... | 40.93 | | 17.98 |
| (b) Interest – others | 243.11 | | 284.29 |
| | | 284.04 | 302.27 |
| (ii) Dividend on long term Investments..... | | 0.15 | 0.17 |
| (iii) Dividend on current Investments..... | | 61.44 | 94.94 |
| (iv) Profit on sale of current Investments (Net)..... | | 59.80 | 21.31 |
| (v) Other non operating Income | | 117.86 | 105.05 |
| | | 523.29 | 523.74 |
| Group Share of Joint Ventures | | 17.71 | 1.29 |
| | | 541.00 | 525.03 |

25. Cost of Materials Consumed :

| | | 2016 | 2015 |
|--|--|-----------|---------------|
| | | | Rupees crores |
| Opening Stock | | 3,159.83 | 2,988.12 |
| Add : Purchases | | 42,748.22 | 40,403.40 |
| | | 45,908.05 | 43,391.52 |
| Add : Stock on Acquisition/(Disposal)..... | | (2.55) | 65.58 |
| | | 45,905.50 | 43,457.10 |
| Less : Closing Stock..... | | 3,477.89 | 3,159.83 |
| | | 42,427.61 | 40,297.27 |
| Foreign currency translation | | 83.25 | 15.51 |
| Group Share of Joint Ventures | | 662.55 | 74.05 |
| | | 43,173.41 | 40,386.83 |

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

Rupees crores

| | 2016 | 2015 |
|---|-----------------|-----------------|
| Opening Stock : | | |
| (i) Finished Products Produced..... | 2,109.62 | 2,256.48 |
| (ii) Contracts and Work-in-Progress..... | 462.36 | 544.21 |
| (iii) Stock-in-Trade..... | 541.54 | 572.93 |
| (iv) Manufactured Components..... | 125.33 | 144.43 |
| | 3,238.85 | 3,518.05 |
| Add : Stock on Acquisition/(Disposal) : | | |
| (i) Finished Products Produced..... | (0.79) | 100.49 |
| (ii) Contracts and Work-in-Progress..... | (1.32) | (103.37) |
| (iii) Manufactured Components..... | — | (2.18) |
| | (2.11) | (5.06) |
| Less : Closing Stock : | | |
| (i) Finished Products Produced..... | 2,526.59 | 2,109.62 |
| (ii) Contracts and Work-in-Progress..... | 507.28 | 462.36 |
| (iii) Stock-in-Trade..... | 738.48 | 541.54 |
| (iv) Manufactured Components..... | 119.47 | 125.33 |
| | 3,891.82 | 3,238.85 |
| | (655.08) | 274.14 |
| Excise Duty paid on changes in inventories of finished goods..... | 66.87 | 28.25 |
| Foreign currency translation..... | 32.59 | (26.54) |
| Group Share of Joint Ventures | 31.25 | (1.72) |
| (Increase)/decrease in Stock..... | (524.37) | 274.13 |

27. Employee Benefits Expense :

Rupees crores

| | 2016 | 2015 |
|--|-----------------|-----------------|
| (i) Salaries, Wages, Bonus, etc. | 6,350.15 | 5,551.01 |
| (ii) Contribution to Provident and other funds | 599.00 | 915.32 |
| (iii) Employee Stock Compensation Expense | 113.33 | 51.51 |
| (iv) Welfare..... | 782.01 | 668.51 |
| | 7,844.49 | 7,186.35 |
| Group Share of Joint Ventures | 147.75 | 16.14 |
| | 7,992.24 | 7,202.49 |

28. Finance Costs :

Rupees crores

| | 2016 | 2015 |
|-------------------------------------|-----------------|-----------------|
| (i) Interest Expense..... | 3,221.35 | 3,017.42 |
| (ii) Other Borrowing Costs..... | 104.36 | 107.15 |
| | 3,325.71 | 3,124.57 |
| Group Share of Joint Ventures | 47.23 | 32.12 |
| | 3,372.94 | 3,156.69 |

29. Other Expenses :

| | | 2016 | 2015 |
|---|--------|-----------|---------------|
| | | | Rupees crores |
| (i) Stores consumed | | 330.96 | 358.14 |
| (ii) Tools consumed | | 49.53 | 48.65 |
| (iii) Power and Fuel..... | | 780.73 | 786.96 |
| (iv) Rent including lease rentals..... | | 496.25 | 375.18 |
| (v) Rates and Taxes | | 115.62 | 116.58 |
| (vi) Insurance | | 115.94 | 89.06 |
| (vii) Repairs and Maintenance : | | | |
| (a) Buildings | 108.87 | | 79.07 |
| (b) Machinery..... | 296.89 | | 274.62 |
| (c) Others | 241.58 | | 220.40 |
| | | 647.34 | 574.09 |
| (viii) Advertisement | | 871.55 | 668.02 |
| (ix) Commission on sales/contracts (Net) | | 1,113.09 | 893.10 |
| (x) Freight outward | | 2,094.65 | 1,961.78 |
| (xi) Sales Promotion Expenses | | 1,264.61 | 957.18 |
| (xii) Dealer and other sales incentives | | 576.34 | 533.08 |
| (xiii) Travelling and Conveyance Expenses | | 464.79 | 396.64 |
| (xiv) Cost of Projects, Property etc..... | | 589.57 | 490.38 |
| (xv) Subcontracting, Hire and Service Charges | | 1,171.23 | 1,082.13 |
| (xvi) Provision for doubtful trade and other receivables, loans and advances..... | | 619.30 | 372.31 |
| (xvii) Donations and contributions | | 100.29 | 96.11 |
| (xviii) Excess of carrying cost over fair value of current investments, reversed (Net)..... | | (2.90) | (0.76) |
| (xix) Miscellaneous expenses | | 3,889.98 | 3,030.80 |
| | | 15,288.87 | 12,829.43 |
| Group Share of Joint Ventures | | 236.08 | 57.88 |
| | | 15,524.95 | 12,887.31 |

30. During the year, Mahindra & Mahindra Financial Services Limited (MMFSL) has without recourse securitised on "at par" basis vide PTC route loan receivables of **30,940 contracts** (2015: 27,907 contracts) amounting to **Rs. 855.87 crores** (2015 : Rs. 722.30 crores) for a consideration of **Rs. 855.87 crores** (2015: Rs. 722.30 crores) and de-recognised the assets from the books.

31. (a) Provision for warranty relates to warranty provision made in respect of sale of certain products, the estimated costs of which are accrued at the time of sale.
- (b) Provision on standard assets relates to those created under regulatory compliances of certain financial enterprises consolidated. The movement in above provisions is as follows :

| Rupees crores | | | | |
|---|-----------------|-----------------|-----------------|---------------|
| | Warranty | | Standard Assets | |
| | 2016 | 2015 | 2016 | 2015 |
| Balance as at 1 st April..... | 1,227.74 | 1,149.23 | 134.74 | 121.43 |
| Add : | | | | |
| Provision made during the year | 605.21 | 563.27 | 17.76 | 13.31 |
| Subsidiaries acquired during the year..... | 13.63 | 16.43 | — | — |
| | 1,846.58 | 1,728.93 | 152.50 | 134.74 |
| Less : | | | | |
| Utilisation during the year | 520.68 | 506.40 | — | — |
| | 1,325.90 | 1,222.53 | 152.50 | 134.74 |
| Add : | | | | |
| Adjustments due to Exchange Difference..... | 21.82 | 5.21 | — | — |
| Balance as at 31 st March | 1,347.72 | 1,227.74 | 152.50 | 134.74 |
| Out of the above,* | | | | |
| Classified as Current..... | 598.96 | 563.62 | 68.37 | 59.69 |
| Classified as Non-Current | 748.76 | 664.12 | 84.13 | 75.05 |
| Total | 1,347.72 | 1,227.74 | 152.50 | 134.74 |

* Includes Group Share of Joint Ventures

32. Employee Defined Benefits :

General description of defined benefit plans:

Gratuity

Some of the group entities operate a gratuity plan covering qualifying employees. The benefit payable is the greater of the amount calculated as per the Payment of Gratuity Act or the Company scheme applicable to the employee. The benefit vests upon completion of five years of continuous service and once vested it is payable to employees on retirement or on termination of employment. In case of death while in service, the gratuity is payable irrespective of vesting. Some entities make annual contribution to the group gratuity scheme administered by the Life Insurance Corporation of India through its Gratuity Trust Fund.

Ssangyong Motor Company provides certain severance benefit to employees on leaving service. The benefit is payable after one year of service and is one month's salary for every completed year of service. Additionally based on number of years of service an additional benefit is provided on normal retirement.

Post Retirement medical

Few entities in the group provide post retirement medical cover to select grade of employees to cover the retiring employee and their spouse upto a specified age through mediclaim policy on which the premiums are paid by the Company. The eligibility of the employee for the benefit as well as the amount of medical cover purchased is determined by the grade of the employee at the time of retirement.

Post Retirement housing allowance

The Company operates a post retirement benefit scheme for a certain grade of employees in which a monthly allowance determined on the basis of the last drawn basic salary at the time of retirement, is paid to the retiring employee in lieu of housing.

Defined Benefit Plans – as per Actuarial valuation on 31st March, 2016

Rupees crores

| | Funded Plan | | Unfunded Plan | | | | | |
|---|-------------|----------|---------------|------------|----------------------------------|---------|-----------------------------------|---------|
| | Gratuity | | Gratuity | | Post Retirement Medical Benefits | | Post Retirement Housing Allowance | |
| | 2016 | 2015 | 2016 | 2015 | 2016 | 2015 | 2016 | 2015 |
| A. Expense recognised in the Statement of Profit and Loss for the year ended 31st March | | | | | | | | |
| 1. Current Service Cost..... | 74.42 | 54.98 | 259.91 | 214.71 | 1.17 | 0.98 | 2.64 | 2.04 |
| 2. Interest Cost..... | 58.23 | 55.34 | 41.06 | 45.33 | 1.74 | 1.54 | 3.54 | 3.05 |
| 3. Expected return on Plan Assets..... | (35.22) | (31.40) | — | — | — | — | — | — |
| 4. Actuarial (Gains)/Losses..... | (14.28) | 35.79 | (2.98) | 179.56 | 2.38 | 2.62 | (0.87) | 5.79 |
| 5. Past Service Cost..... | — | — | 0.13 | 166.71 | — | — | — | — |
| 6. Payments on account of employees transferred | 0.05 | (1.86) | 0.03 | — | — | — | — | — |
| 7. Effect of the limit in Para 59(b) of the Revised AS 15..... | — | (0.01) | — | — | — | — | — | — |
| 8. Total expense recognised in Employees Benefits Expense | 83.20 | 112.84 | 298.15 | 606.31 | 5.29 | 5.14 | 5.31 | 10.88 |
| 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 | 932.12 | 782.63 | 2,013.82 | 1,711.43 | 25.57 | 20.94 | 45.44 | 42.00 |
| 2. Fair value of Plan Assets as at 31 st March | 646.78 | 500.91 | — | — | — | — | — | — |
| 3. Trust Fund Receivable..... | — | — | 7.28 | 8.03 | — | — | — | — |
| 4. Net Asset/(Liability) as at 31 st March | (285.34) | (281.72) | (2,006.54) | (1,703.40) | (25.57) | (20.94) | (45.44) | (42.00) |
| 5. Current Portion of the above | (64.25) | (60.23) | (3.18) | (2.67) | (0.81) | (0.65) | (1.88) | (1.01) |
| 6. Non Current Portion of the above..... | (221.09) | (221.49) | (2,003.36) | (1,700.73) | (24.76) | (20.29) | (43.56) | (40.99) |
| C. Change in the obligations during the year ended 31st March | | | | | | | | |
| 1. Present Value of Defined Benefit Obligation at the beginning of the year..... | 782.63 | 636.96 | 1,711.43 | 1,162.75 | 20.94 | 16.37 | 42.00 | 32.13 |
| 2. Adjustment to the opening balance/ exchange rate variation..... | 7.81 | 0.40 | 56.89 | (1.32) | — | — | — | — |
| 3. Obligations arising on account of acquisitions/Change in group interest during the year..... | 98.38 | 58.34 | 86.91 | 0.22 | — | — | — | — |
| 4. Consequent to sale/disposal of the subsidiaries..... | (5.27) | (16.42) | — | (0.06) | — | — | — | — |
| 5. Current Service Cost..... | 74.42 | 54.98 | 259.91 | 214.71 | 1.17 | 0.98 | 2.64 | 2.04 |
| 6. Interest Cost..... | 58.23 | 55.34 | 41.06 | 45.33 | 1.74 | 1.54 | 3.54 | 3.05 |
| 7. Actuarial (Gains)/Losses..... | (10.20) | 43.74 | (2.98) | 179.56 | 2.38 | 2.62 | (0.87) | 5.79 |
| 8. Benefits paid..... | (73.88) | (50.71) | (139.53) | (56.47) | (0.66) | (0.57) | (1.87) | (1.01) |
| 9. Past Service Cost..... | — | — | 0.13 | 166.71 | — | — | — | — |
| 10. Present Value of Defined Benefit Obligation at the end of the year | 932.12 | 782.63 | 2,013.82 | 1,711.43 | 25.57 | 20.94 | 45.44 | 42.00 |

| | Funded Plan | | Unfunded Plan | | | | | |
|---|----------------|----------------|----------------|----------------|----------------------------------|---------------|-----------------------------------|--------|
| | Gratuity | | Gratuity | | Post Retirement Medical Benefits | | Post Retirement Housing Allowance | |
| | 2016 | 2015 | 2016 | 2015 | 2016 | 2015 | 2016 | 2015 |
| 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 | 500.91 | 448.30 | — | — | — | — | — | — |
| 2. Adjustment to the opening balance/ exchange rate variation..... | 2.95 | 0.69 | — | — | — | — | — | — |
| 3. Fair value of Plan Assets arising on account of acquisitions during the year..... | 77.43 | 18.06 | — | — | — | — | — | — |
| 4. Fair value of Plan Assets transferred on disposal/sale of subsidiaries..... | (2.40) | (13.29) | — | — | — | — | — | — |
| 5. Expected return on Plan Assets..... | 35.22 | 31.40 | — | — | — | — | — | — |
| 6. Actuarial Gains/(Losses)..... | 4.08 | 7.95 | — | — | — | — | — | — |
| 7. Contributions by employer | 102.47 | 58.51 | — | — | 0.66 | 0.57 | 1.87 | 1.01 |
| 8. Actual Benefits paid..... | (73.88) | (50.71) | — | — | (0.66) | (0.57) | (1.87) | (1.01) |
| 9. Fair value of Plan Assets at the end of the year | 646.78 | 500.91 | — | — | — | — | — | — |
| 10. Actual return on Plan Assets | 39.30 | 38.94 | — | — | — | — | — | — |
| E. Major category of Plan Assets as a percentage of total plan | | | | | | | | |
| Insurer Managed Funds* | 100.00% | 100.00% | — | — | — | — | — | — |
| F. Actuarial Assumptions | | | | | | | | |
| 1. Discount Rate..... | 0.99% - 8.40% | 0.84% - 9.00% | 1.87% - 8.10% | 2.28% - 9.10% | 7.81% - 8.00% | 8.00% - 8.05% | 7.85% | 8.00% |
| 2. Expected rate of return on plan assets..... | 1.85% - 9.50% | 1.85% - 9.30% | — | — | — | — | — | — |
| 3. Attrition rate..... | 1.00% - 35.76% | 1.00% - 43.91% | 1.00% - 25.00% | 1.00% - 25.00% | 1.00% - 9.00% | 1.00% - 9.00% | — | — |
| 4. Medical premium inflation..... | — | — | — | — | 3.00% - 7.00% | 3.00% - 7.00% | — | — |

* In the absence of detailed information regarding plan assets which is funded with Insurance Companies, the composition of each major category of plan assets, the percentage or amount for each category to the fair value of plan assets has not been disclosed.

| | One percentage point increase in medical inflation rate | | One percentage point decrease in medical inflation rate | |
|--|---|------|---|--------|
| | 2016 | 2015 | 2016 | 2015 |
| G. Effect of one percentage point change in the assumed medical inflation rate | | | | |
| Effect on the aggregate service and interest cost of Post Employment Medical benefits..... | 0.60 | 0.48 | (0.52) | (0.39) |
| Effect on the accumulated Post Employment Medical benefit obligations | 3.60 | 2.99 | (3.12) | (2.50) |

Rupees crores

| H. Experience Adjustments | Period ended | | | | |
|---|---|------------|------------|----------|------------|
| | 2016 | 2015 | 2014 | 2013 | 2012 |
| | Gratuity (Funded) | | | | |
| Defined Benefit Obligation..... | 932.12 | 782.63 | 636.96 | 569.32 | 500.99 |
| Fair value of plan assets | 646.78 | 500.91 | 448.30 | 425.19 | 384.51 |
| Surplus/(Deficit)..... | (285.34) | (281.72) | (188.70) | (144.14) | (116.48) |
| Experience adjustment on plan liabilities [(Gain)/Loss]..... | (14.88) | (7.61) | 74.10 | 7.86 | 20.90 |
| Experience adjustment on plan assets [Gain/(Loss)]..... | 5.47 | 9.01 | 6.50 | 10.89 | 8.97 |
| | Gratuity (Unfunded) | | | | |
| Defined Benefit Obligation..... | 2,006.54 | 1,703.40 | 1,154.54 | 857.05 | 1,024.92 |
| Surplus/(Deficit)..... | (2,006.54) | (1,703.40) | (1,154.54) | (857.05) | (1,024.92) |
| Experience adjustment on Plan Liabilities [(Gain)/Loss] | 39.54 | 0.08 | (1.20) | 21.38 | 4.10 |
| | Post Retirement Medical Benefits (Unfunded) | | | | |
| Defined Benefit Obligation..... | 25.57 | 20.94 | 16.37 | 15.53 | 13.87 |
| Surplus/(Deficit)..... | (25.57) | (20.94) | (16.37) | (15.53) | (13.87) |
| Experience adjustment on Plan Liabilities [(Gain)/Loss] | 1.91 | 0.09 | 1.07 | (0.67) | (0.16) |
| | Post Retirement Housing Allowance (Unfunded) | | | | |
| Defined Benefit Obligation..... | 45.44 | 42.00 | 32.13 | 31.46 | 24.95 |
| Surplus/(Deficit)..... | (45.44) | (42.00) | (32.13) | (31.46) | (24.95) |
| Experience adjustment on Plan Liabilities [(Gain)/Loss] | (1.55) | 1.56 | 0.75 | 2.55 | 6.28 |

33. Contingent Liability and Commitments :**(A) Contingent Liability**

(i) 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. 3,085.97 crores** before tax (2015 : Rs. 2,100.10 crores before tax).
- (b) Other matters (excluding claims where amounts are not ascertainable) : **Rs. 332.31 crores** before tax (2015 : Rs. 410.96 crores before tax).
- (c) Claims on capital account : **Rs. 2.50 crores** (2015 : Rs. 1.37 crores).
- (d) Group Share of Joint Ventures : **Rs. 1.49 crores** before tax (2015 : Rs. 1.19 crores before tax).

(ii) 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. 869.08 crores** (2015 : Rs. 922.28 crores).
 - Group Share of Joint Ventures : **Rs. 4.19 crores** (2015 : Rs. 1.48 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. 385.74 crores** (2015 : Rs. 353.94 crores).
 - Surtax matters : **Rs. 0.13 crores** (2015 : Rs. 0.13 crores).
 - Group Share of Joint Ventures : **Rs. 1.09 crores** (2015 : Rs. Nil crores).

(iii) Bills discounted not matured **Rs. 6.45 crores** (2015 : Rs. 19.78 crores).

- (iv) Corporate undertaking on assignment by Mahindra & Mahindra Financial Services Limited **Rs. 325.28 crores** (2015 : Rs. 396.46 crores).
- (v) 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. 304.10 crores in connection with the classification of Company's Commander range of vehicles, during the years 1991 to 1996. Whilst the Company had classified the Commander range of vehicles as 10-seater attracting a lower rate of excise duty, the Commissioner of Central Excise (Adjudication), Navi Mumbai, has held that these vehicles could not be classified as 10-seater as they did not fulfil the requirement of 10-seater vehicles, as provided under the Motor Vehicles Act, 1988 (MVA) read with Maharashtra Motor Vehicles Rules, 1989 (MMVR) and as such attracted a higher rate of excise duty. The Company has challenged the CESTAT order in the Supreme Court.

In earlier collateral proceedings on this issue, the CESTAT had, by an order dated 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. The Department had challenged the CESTAT order in the Supreme Court.

Without prejudice to the grounds raised in this appeal, the Company has paid an amount of Rs. 40.00 crores in January, 2010. The Supreme Court has admitted the Company's appeal and has stayed the recovery of the balance amount till further orders.

Both these orders of the Tribunals were heard and disposed off by the Honourable Supreme Court, in August 2014. Since contrary views were expressed by the Tribunals in two parallel proceedings, the Honourable Supreme Court directed that a larger bench of the Tribunal be constituted to hear the appeals without expressing any opinion on the issues. The Larger Bench of the CESTAT heard the matter in February, 2015 and by an order dated 27 February, 2015, remanded the matter to the Commissioner of Central Excise for consideration of the case afresh keeping all issues open.

The Company strongly believes, based on legal advice it has received, that it has a good case on merits so as to ultimately succeed in the matter.

In another case relating to Armada range of vehicles manufactured during the years 1992 to 1996, by the Company at its Nashik facility, the Commissioner of Central Excise, Nashik passed an order dated 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.

As such, the Company does not expect any liability on this account. However, in view of the CESTAT orders and subsequent proceedings, pending their final outcome, the Company has reflected the above amount aggregating **Rs. 328.85 crores** (2015 : Rs. 328.85 crores) and the interest of **Rs. 377.64 crores** (2015 : Rs. 341.44 crores) accrued on the same upto 31st March, 2016, under Note (i)(a) above.

- (vi) In respect (i) and (ii) of the above, It is not practicable for the Company to estimate the closure of these issues and the consequential timings of cash flows, if any.

(B) Commitments

The estimated amount of contracts remaining to be executed on capital account and not provided for as at 31st March, 2016 is **Rs. 1,008.89 crores** (2015 : Rs. 1,345.07 crores) and other commitment as at 31st March 2016 is **Rs. 8.50 crores** (2015: Rs. Nil crores).

Group Share of Joint Ventures : **Rs. 6.34 crores** (2015 : Rs. 2.01 crores).

34. Research and Development Expenditure debited to the Statement of Profit and Loss, including certain expenditure based on allocations made aggregate **Rs. 1,442.66 crores** (2015 : Rs. 1,419.16 crores).

Group Share of Joint Ventures : **Rs. 14.83 crores** (2015 : Rs. 0.37 crores).

35. The net difference in foreign exchange loss debited to the Statement of Profit and Loss is **Rs. 350.74 crores** (2015 : gain of Rs. 66.82 crores).

36. Investment fluctuation reserve utilised during the year comprises :

| | Rupees crores | |
|---|---------------|--------|
| | 2016 | 2015 |
| (i) Provision for diminution in value of certain long term investments..... | — | 7.50 |
| (ii) Impairment of goodwill on consolidation..... | 82.37 | 177.02 |
| | 82.37 | 184.52 |

37. Exceptional items (net) of **Rs. 5.03 crores** (credit) [2015 : Rs. 274.90 crores (credit)], comprise :

| | Rupees crores | |
|--|---------------|--------|
| | 2016 | 2015 |
| Profit on change in ownership interest in subsidiaries / disposal of subsidiaries (Net)..... | 5.03 | 274.90 |
| | 5.03 | 274.90 |

38. **Earnings per Share :**

| | 2016 | 2015 |
|--|--------------|--------------|
| Profit for the year (Rupees crores)..... | 3,211.26 | 3,137.47 |
| Profit for the year for diluted earnings per share (Rupees crores)..... | 3,211.26 | 3,137.47 |
| Weighted average number of Ordinary (Equity) Shares used in computing basic earnings per share | 59,19,19,448 | 59,06,11,467 |
| Effect of potential Ordinary (Equity) Shares on conversion of bonds and employee stock options | 2,91,78,280 | 2,83,05,150 |
| Weighted average number of Ordinary (Equity) Shares used in computing diluted earnings per share | 62,10,97,728 | 61,89,16,617 |
| Basic Earnings per share (Rs.) (Face value of Rs. 5 per share) | 54.25 | 53.12 |
| Diluted Earnings per share (Rs.)..... | 51.70 | 50.69 |

39. **Related Party Disclosures :**

(a) Names of related parties where transactions have taken place during the year :

(i) **Associates :**

| Sl. No. | Name of Company | Sl. No. | Name of Company |
|---------|---------------------------------------|---------|---|
| 1. | Mahindra Construction Company Limited | 7. | Topical Builders Private Limited |
| 2. | Mahindra & Mahindra Contech Limited | 8. | CIE Automotive, S.A. |
| 3. | Swaraj Engines Limited | 9. | Mahindra Tsubaki Conveyor Systems Private Limited |
| 4. | Mahindra CIE Automotive Limited | 10. | PSL Media & Communications Limited |
| 5. | Tech Mahindra Limited | 11. | Kota Farm Services Limited |
| 6. | Kismat Developers Private Limited | | |

(ii) **Joint Ventures :**

| Sl. No. | Name of the Company |
|---------|---|
| 1. | Mahindra Sona Limited |
| 2. | Mitsubishi Mahindra Agricultural Machinery Co., Ltd |

(iii) **Joint Ventures of a Subsidiary :**

| Sl. No. | Name of Company | Sl. No. | Name of Company |
|---------|-------------------------------------|---------|---|
| 1. | Mahindra Solar One Private Limited | 4. | Mahindra Homes Private Limited |
| 2. | Mahindra Finance USA LLC | 5. | Jinan Qingqi Peugeot Motorcycles Company Limited |
| 3. | Arabian Dreams Hotel Apartments LLC | 6. | Mahindra Inframan Water Utilities Private Limited |

(iv) **Key Management Personnel (KMP) :**

| | | |
|----|--|-----------------------|
| 1. | Chairman and Managing Director..... | Mr. Anand G. Mahindra |
| 2. | Executive Director and Group President (Auto & Farm Sector)..... | Dr. Pawan Goenka |

(v) **Enterprise over which KMP is able to exercise significant influence :**

| Sl. No. | Name of the Company |
|---------|--|
| 1. | Prudential Management & Services Private Limited |

(vi) **Welfare Funds :**

| Sl. No. | Name of the Funds |
|---------|--|
| 1. | M&M Benefit Trust |
| 2. | M&M Employees' Welfare Fund No. 1 (formerly known as M&M Employees' Welfare Fund) |
| 3. | M&M Employees' Welfare Fund No. 2 (formerly known as M&M Employees' Farm Equipment Sector Employees' Welfare Fund) |
| 4. | Mahindra World School Education Trust |
| 5. | M&M Employees' Welfare Fund No. 3 (formerly known as Mahindra Spicer Limited Employees' Welfare Fund) |

(b) The related party transactions are as under :

| Rupees crores | | | | | |
|---------------|---|-------------------------------|--|--|-------------------------|
| Sl. No. | Nature of Transactions | Associate Companies | Joint Ventures/Joint Ventures of Subsidiaries ** | KMP/KMP Exercising Significant Influence | Welfare Funds |
| 1. | Purchases : | | | | |
| | Goods..... | 1,410.90 (1,459.50) | 719.80 (176.54) | — (—) | — (—) |
| | Fixed Assets..... | 3.22 (23.74) | — (—) | — (—) | — (—) |
| | Services..... | 135.90 (157.93) | 21.15 (8.75) | — (0.29) | — (—) |
| 2. | Sales : | | | | |
| | Goods..... | 148.49 (326.69) | 38.54 (9.50) | — (—) | — (—) |
| | Fixed Assets..... | 0.43 (0.42) | — (—) | — (—) | — (—) |
| | Services..... | 31.12 (39.81) | 0.71 (3.81) | — (—) | — (*) |
| 3. | Investments : | | | | |
| | Purchases/Subscribed/Conversion..... | — (890.96) | — (—) | — (—) | — (—) |
| | Sales/Redemption/Conversion..... | — (322.98) | — (—) | — (—) | — (—) |
| 4. | Deputation of Personnel : | | | | |
| | From Parties..... | 1.11 (1.00) | — (—) | — (—) | — (—) |
| | To Parties..... | 5.68 (7.80) | — (—) | — (—) | — (—) |
| 5. | Managerial Remuneration..... | — (—) | — (—) | 12.97 (11.96) | — (—) |
| 6. | Stock Options..... | — (—) | — (—) | # (#) | — (—) |
| 7. | Finance : | | | | |
| | Inter Corporate Deposits given..... | — (0.30) | — (3.11) | — (—) | — (—) |
| | Inter Corporate Deposits Refunded by parties..... | 0.55 (41.83) | — (0.28) | — (—) | — (—) |
| | Loan given..... | — (—) | — (—) | 9.00 (—) | — (—) |
| | Refund of loan given..... | — (—) | — (—) | 4.50 (—) | — (—) |
| | Interest Income..... | 0.28 (2.10) | 58.11 (58.02) | 0.19 (0.03) | — (—) |
| | Dividend received..... | 192.15 (155.89) | 3.55 (3.54) | — (—) | — (—) |
| | Dividend distributed..... | — (—) | — (—) | 86.17 (100.89) | 64.64 (75.29) |

Previous year's figures are in brackets

* Denotes amounts less than Rs. 50,000.

** Transactions with Joint Ventures/Joint Ventures of Subsidiaries has been reported at full value.

Refer Clause VI of Annexure VII to the Board's Report.

(b) The related party transactions are as under : (contd.)

| Rupees crores | | | | | |
|---------------|---|---------------------------|--|--|-------------------------|
| Sl. No. | Nature of Transactions | Associate Companies | Joint Ventures/Joint Ventures of Subsidiaries ** | KMP/KMP Exercising Significant Influence | Welfare Funds |
| 8. | Other Transactions : | | | | |
| | Other Income | 0.85 (1.79) | 0.59 (1.46) | — (—) | 62.19 (72.57) |
| | Other Expenses..... | 0.24 (0.17) | 0.01 (*) | — (—) | — (—) |
| | Reimbursements received from parties | 7.71 (49.62) | 0.21 (0.06) | — (—) | 0.75 (—) |
| | Reimbursements made to parties..... | 4.82 (7.24) | — (—) | — (—) | 0.08 (0.07) |
| 9. | Outstandings : | | | | |
| | Payable | 148.18 (140.21) | 98.72 (36.84) | 3.19 (2.86) | — (—) |
| | Receivable | 32.33 (76.32) | 64.33 (106.77) | 5.80 (1.09) | 17.00 (17.00) |
| | Debenture/Bonds issued by parties | — (—) | 320.17 (320.17) | — (—) | — (—) |
| | Inter Corporate Deposits Given | 7.80 (8.35) | 14.36 (12.79) | — (—) | — (—) |
| 10. | Provision for Doubtful debts/advances | 11.24 (11.70) | — (—) | — (—) | 10.00 (10.00) |
| 11. | Security Deposit paid..... | 0.05 (0.02) | — (—) | — (—) | — (—) |
| 12. | Advances given..... | 1.73 (—) | — (—) | 0.02 (—) | — (—) |
| 13. | Advances Refunded..... | 0.16 (—) | — (—) | — (—) | — (—) |
| 14. | Security Deposit received | 0.01 (—) | — (—) | — (—) | — (—) |

Previous year's figures are in brackets

* Denotes amounts less than Rs. 50,000.

** Transactions with Joint Ventures/Joint Ventures of Subsidiaries has been reported at full value.

The Significant related party transaction are as under :

Rupees crores

| Sl. No. | Nature of Transactions | Associate Companies | Amount | Joint Ventures/Joint Ventures of Subsidiaries ** | Amount |
|---------|---|---|---------------------------|---|---------------------------|
| 1. | Purchases – Goods | Swaraj Engines Limited | 622.50 (626.14) | Mitsubishi Mahindra Agricultural Machinery Co., Ltd | 372.31 (—) |
| | | Mahindra CIE Automotive Limited | 788.40 (827.35) | Mahindra Sona Limited | 199.08 (176.54) |
| | | | | Jinan Qingqi Peugeot Motocycles Company Limited | 148.41 (—) |
| 2. | Purchases – Fixed Assets | Tech Mahindra Limited | 1.19 (13.76) | | |
| | | Mahindra Tsubaki Conveyor Systems Private Limited | 0.44 (3.16) | | |
| | | Mahindra CIE Automotive Limited | 1.60 (6.82) | | |
| 3. | Purchases – Services | Tech Mahindra Limited | 131.26 (152.56) | Mahindra Homes Private Limited | 11.71 (3.62) |
| | | | | Arabian Dreams Hotel Apartments LLC | 9.44 (5.14) |
| 4. | Sales – Goods | Mahindra CIE Automotive Limited | 126.49 (316.49) | Mahindra Solar One Private Limited | — (9.50) |
| | | | | Mitsubishi Mahindra Agricultural Machinery Co., Ltd | 36.01 (—) |
| 5. | Sales – Fixed Assets | Mahindra CIE Automotive Limited | 0.43 (0.39) | | |
| 6. | Sales – Services | Tech Mahindra Limited | 18.08 (28.49) | Mahindra Solar One Private Limited | 0.62 (3.10) |
| | | Mahindra CIE Automotive Limited | 12.28 (10.47) | Mahindra Sona Limited | 0.09 (0.70) |
| 7. | Purchases/Subscribed/Conversion – Investments | Tech Mahindra Limited | — (364.66) | | |
| | | Mahindra CIE Automotive Limited | — (526.30) | | |
| 8. | Sales/Redemption/Conversion – Investments | Tech Mahindra Limited | — (64.15) | | |
| | | Mahindra CIE Automotive Limited | — (258.83) | | |
| 9. | Deputation of Personnel from related parties | Mahindra & Mahindra Contech Limited | 0.32 (0.33) | | |
| | | Swaraj Engines Limited | 0.79 (0.67) | | |

The Significant related party transaction are as under : (contd.)

| | | | | | Rupees crores |
|---------|--|----------------------------------|--------------------|--|------------------|
| Sl. No. | Nature of Transactions | Associate Companies | Amount | Joint Ventures/Joint Ventures of Subsidiaries ** | Amount |
| 10. | Deputation of Personnel to related parties | Swaraj Engines Limited | 4.53 (4.53) | | |
| | | Mahindra CIE Automotive Limited | — (1.71) | | |
| | | Tech Mahindra Limited | 1.10 (1.52) | | |
| 11. | Inter Corporate Deposits Given | Topical Builders Private Limited | — (0.30) | Arabian Dreams Hotel Apartments LLC | — (3.09) |
| 12. | Inter Corporate Deposits refunded by parties | Mahindra CIE Automotive Limited | — (41.83) | Mahindra Water Utilities Limited | — (0.30) |
| | | Topical Builders Private Limited | 0.55 (—) | | |
| 13. | Interest Income | Mahindra CIE Automotive Limited | — (1.78) | Mahindra Homes Private Limited | 56.51 (56.51) |
| | | Topical Builders Private Limited | 0.28 (0.32) | | |
| 14. | Dividend Received | Tech Mahindra Limited | 153.87 (121.35) | Mahindra Sona Limited | 3.55 (3.54) |
| | | CIE Automotive, S.A. | 24.45 (19.11) | | |
| 15. | Other Income | Tech Mahindra Limited | 0.75 (0.52) | Mahindra Solar One Private Limited | 0.59 (1.46) |
| | | Mahindra CIE Automotive Limited | 0.10 (1.27) | | |
| 16. | Other Expenses | Mahindra CIE Automotive Limited | 0.06 (0.06) | Mahindra Sona Limited | 0.01 (*) |
| | | Swaraj Engines Limited | 0.17 (0.12) | | |
| 17. | Reimbursement received from parties | Mahindra CIE Automotive Limited | 4.84 (12.29) | Mahindra Sona Limited | 0.04 (0.04) |
| | | Tech Mahindra Limited | 2.54 (37.20) | Mahindra Water Utilities Limited | — (0.02) |
| | | | | Mahindra Homes Private Limited | 0.17 (—) |
| 18. | Reimbursement made to parties | Mahindra CIE Automotive Limited | 1.27 (2.33) | | |
| | | Tech Mahindra Limited | 3.55 (4.90) | | |

Previous year's figures are in brackets

* denotes amounts less than Rs. 50,000.

** Transactions with Joint Ventures/Joint Ventures of Subsidiaries has been reported at full value

The Significant related party transactions with Key Management Personnel are as under :

| | | | | Rupees crores |
|---------|-------------------------|-----------------------|----------------|---------------|
| Sl. No. | Nature of Transaction | Name of KMP | Amount | Amount |
| 1. | Managerial Remuneration | Mr. Anand G. Mahindra | 6.59 (5.98) | |
| | | Dr. Pawan Goenka | 6.38 (5.98) | |
| | | | | |

Previous year's figures are in brackets

40. Investment in Associates :

Rupees crores

| | No. of Equity shares held | % of Holding | Cost of Investments (Equity Shares) | Goodwill/ Capital Reserve | Share in accumulated Profit/(Loss)/ Reserves | Carrying Cost |
|---|---------------------------------|-----------------|--|---------------------------------|---|-----------------------------|
| Unquoted : | | | | | | |
| Mahindra Construction Company Limited..... | 9,00,000 | 37.49% | 0.97 | — | (0.97) | — |
| | 9,00,000 | 37.49% | 0.97 | — | (0.97) | — |
| Officemartindia.com Limited | 7,49,997 | 50.00% | 0.22 | — | (0.22) | — |
| | 7,49,997 | 50.00% | 0.22 | — | (0.22) | — |
| Rathna Bhoomi Enterprises Private Limited | 500 | 25.40% | * | — | * | — |
| | 500 | 25.41% | * | — | * | — |
| Kota Farm Services Limited | 2,73,420 | 45.00% | 0.27 | — | (0.27) | — |
| | 2,73,420 | 45.00% | 0.27 | — | (0.27) | — |
| Mega One Stop Farm Services Limited | — | — | — | — | — | — |
| | 3,51,000 | 45.00% | 0.35 | 0.03 | (0.35) | — |
| Mahindra & Mahindra Contech Limited | 70,000 | 46.66% | 1.73 | — | 2.64 | 4.37 |
| | 70,000 | 46.66% | 1.73 | — | 2.31 | 4.04 |
| PSL Media & Communications Limited | 39,498 | 36.11% | 0.01 | — | (0.01) | — |
| | 39,498 | 36.11% | 0.01 | — | (0.01) | — |
| Kismat Developers Private Limited..... | 15 | 42.86% | * | — | * | — |
| | 15 | 42.86% | * | — | * | — |
| Topical Builders Private Limited..... | 175 | 50.00% | * | — | * | — |
| | 175 | 50.00% | * | — | * | — |
| Mahindra Tsubaki Conveyor Systems Private Limited..... | 1,53,76,025 | 49.00% | 18.31 | — | 11.02 | 29.33 |
| | 1,53,76,025 | 49.00% | 18.31 | — | 10.63 | 28.94 |
| Holiday Club Resorts Oy | — | — | — | — | — | — |
| | 7,07,777 | 22.34% | 114.28 | 28.10 | (0.76) | 113.52 |
| Kiinteistö Oy Seniori-Saimaa | 9,50,000 | 26.67% | 7.12 | — | (5.90) | 1.22 |
| | — | — | — | — | — | — |
| Koy Sallan Kylpylä | 49 | 41.95% | 3.23 | — | (3.23) | — |
| | — | — | — | — | — | — |
| Holiday Club Adventures Oy | 30 | 25.68% | 0.01 | — | (0.01) | — |
| | — | — | — | — | — | — |
| Total - Unquoted | | | | | | 34.92 146.50 |
| Quoted: | | | | | | |
| Swaraj Engines Limited..... | 41,26,417 | 33.22% | 1.63 | (10.33) | 60.75 | 62.38 |
| | 41,26,417 | 33.22% | 1.63 | (10.33) | 60.13 | 61.76 |
| Tech Mahindra Limited | 25,66,93,512 | 26.51% | 2,691.53 | 496.31 | 1,954.07 | 4,645.60 |
| | 25,66,93,512 | 26.71% | 2,691.53 | 496.31 | 1,261.20 | 3,952.73 |
| Mahindra CIE Automotive Limited..... | 6,52,71,407 | 20.18% | 531.48 | 131.58 | 21.15 | 552.63 |
| | 6,52,71,407 | 20.21% | 531.48 | 131.58 | (18.65) | 512.83 |
| CIE Automotive, S.A. (Quoted on a stock exchange outside India)..... | 1,60,40,706 | 12.44% | 870.26 | 294.23 | 46.84 | 917.10 |
| | 1,60,40,706 | 12.44% | 821.60 | 312.30 | 28.67 | 850.27 |
| Total - Quoted | | | | | | 6,177.71 5,377.59 |
| Total | | | | | | 6,212.63 5,524.09 |

Current Years Figures are in Bold

* denotes amount less than Rs. 50,000

Share of Profit/(Loss) for Associates for the year **Rs. 975.93 crores** (2015 : Rs. 788.70 crores) includes Group Share of Joint Ventures **(Rs. 0.79 crores)** (2015 : Rs. Nil crores)

41. Segment Information (Contd.)

| | Rupees crores | | | | | | | | | | | | |
|---------------------------------------|------------------|------------------|------------------|--------------------|------------------------------|----------------|-----------------|---------------|---------------|---------------|------------------|--------------|--------------------|
| | Automotive | Farm Equipment | IT Services | Financial Services | Steel Trading and Processing | Infrastructure | Hospitality | Systech | Two Wheelers | Others | Total | Eliminations | Consolidated Total |
| OTHER INFORMATION | | | | | | | | | | | | | |
| Segment Assets | 27,309.18 | 8,969.48 | 385.08 | 41,666.58 | 851.05 | 3,750.06 | 3,649.53 | 1,005.18 | 1,170.91 | 2,836.37 | 91,593.42 | — | 91,593.42 |
| Unallocable Corporate Assets | 26,121.04 | 7,035.17 | 336.11 | 36,493.64 | 757.28 | 3,133.50 | 2,446.43 | 1,041.03 | 1,098.67 | 2,247.37 | 80,710.24 | — | 80,710.24 |
| Total Assets | 13,561.32 | 3,961.46 | 82.69 | 36,317.46 | 234.73 | 646.20 | 2,339.25 | 253.29 | 825.22 | 814.93 | 59,036.55 | — | 59,036.55 |
| Segment Liabilities | 12,565.95 | 2,618.99 | 62.26 | 31,345.69 | 204.31 | 564.74 | 1,865.71 | 292.86 | 585.29 | 625.10 | 50,730.90 | — | 50,730.90 |
| Unallocable Corporate Liabilities | | | | | | | | | | | | | |
| Total Liabilities | 14,239.67 | 12,364.47 | 73,276.22 | 63,095.37 | | | | | | | | | |
| Capital Expenditure | 3,106.39 | 383.93 | 12.43 | 55.47 | 35.50 | 22.77 | 134.89 | 64.49 | 66.85 | 393.06 | 4,275.78 | | |
| | 3,687.47 | 358.43 | 2.44 | 44.70 | 56.02 | 38.01 | 135.07 | 54.77 | 97.31 | 241.33 | 4,715.55 | | |
| Depreciation and Amortisation Expense | 1,927.36 | 280.48 | 5.72 | 45.70 | 19.29 | 19.40 | 94.59 | 38.79 | 69.51 | 48.05 | 2,548.89 | | |
| | 1,563.76 | 243.70 | 5.62 | 45.51 | 16.45 | 13.35 | 66.35 | 35.05 | 45.42 | 52.39 | 2,087.60 | | |

41. Segment Information (Contd.) :**Secondary Segment Disclosure - Geographical Segment**

| | Rupees crores | | |
|---------------------------------------|---------------|-----------|-----------|
| | Domestic | Overseas | Total |
| Revenue From External Customers | 54,042.74 | 28,622.94 | 82,665.68 |
| | 50,418.86 | 24,570.37 | 74,989.23 |
| Segment Assets..... | 70,623.37 | 20,970.05 | 91,593.42 |
| | 63,190.12 | 17,520.12 | 80,710.24 |
| Capital Expenditure | 3,095.79 | 1,179.99 | 4,275.78 |
| | 2,980.73 | 1,734.82 | 4,715.55 |

Notes :**1. Business Segments :**

The Group has considered business segments as the primary segment for disclosure.

The segments have been identified taking into account the organisational structure as well as the differing risks and returns of these segments.

Automotive Segment comprises of sale of automobiles, spare parts and related services.

Farm Equipment Segment comprises of sale of tractors, spare parts and related services.

IT Services comprise of Business Consulting, Software Implementation and related support activities.

Financial Services comprise of services relating to financing, leasing and hire purchase of automobiles and tractors.

Steel Trading and Processing comprises of trading and processing of steel.

Infrastructure comprise of operating of commercial complexes, project management and development.

Hospitality comprises of sale of Timeshare.

Systech comprises of automotive components and other related products and services.

Two wheelers comprises of sale of two wheelers, spare parts and related services.

Others comprise of Logistics, After-market, 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 | |
|---|------------------|------------------|
| | 2016 | 2015 |
| Sale of Products..... | 71,078.84 | 64,648.01 |
| Sale of Services..... | 3,357.20 | 2,255.18 |
| Income from long term contracts | 643.15 | 887.12 |
| Lease and rental income | 48.94 | 141.83 |
| Interest income of Financial Enterprises Consolidated | 6,426.89 | 5,906.23 |
| Other allocable income* | 1,110.66 | 1,150.86 |
| Total | 82,665.68 | 74,989.23 |

| | Rupees crores | |
|---|-----------------|-----------------|
| | 2016 | 2015 |
| * Other allocable income includes : | | |
| Scrap Sales..... | 169.27 | 211.44 |
| Commission | 8.94 | 10.28 |
| Dividend Income of Investment Enterprises Consolidated..... | 0.19 | 0.12 |
| Others | 932.26 | 929.02 |
| Total | 1,110.66 | 1,150.86 |

42. Additional information as required by Schedule III to the Companies Act, 2013

Additional information as required under Schedule III to the Companies Act, 2013, of enterprises consolidated as Subsidiaries / Associates / Joint Ventures

Rupees crores

| Name of the Enterprise | Net assets, i.e., total assets minus total liabilities | | Share of profit or loss | |
|--|--|-----------|-------------------------------------|----------|
| | As % of consolidated net assets | Amount | As % of consolidated profit or loss | Amount |
| PARENT | | | | |
| Mahindra and Mahindra Limited | 75.85% | 21,707.19 | 98.64% | 3,167.48 |
| SUBSIDIARIES | | | | |
| Mahindra Automobile Distributor Private Limited | 0.03% | 9.01 | 0.44% | 14.23 |
| Mahindra Heavy Engines Limited | 0.76% | 217.06 | -0.67% | (21.47) |
| Mahindra Vehicle Manufacturers Limited | 13.63% | 3,899.67 | 8.67% | 278.52 |
| Mahindra Reva Electric Vehicles Limited | 0.53% | 151.76 | -2.85% | (91.55) |
| NBS International Limited | -0.01% | (2.40) | -0.08% | (2.42) |
| Mahindra Trucks and Buses Limited | 0.10% | 28.87 | 0.29% | 9.32 |
| Mahindra Gujarat Tractor Limited | 0.01% | 4.27 | 0.02% | 0.74 |
| Swaraj Automotive Limited (upto 1st February 2016) | 0.00% | - | 0.05% | 1.62 |
| Mahindra Agri Solutions Limited | 0.09% | 25.70 | 0.14% | 4.42 |
| EPC Industrie Limited | 0.43% | 124.02 | 0.29% | 9.18 |
| Mahindra UNIVeG Private Limited | 0.03% | 8.54 | -0.06% | (1.89) |
| Mahindra HZPC Private Limited | 0.05% | 15.57 | 0.00% | 0.02 |
| Auto Digitech Private Limited | 0.00% | (0.01) | 0.00% | * |
| Mahindra & Mahindra Financial Services Limited | 21.27% | 6,088.11 | 20.95% | 672.60 |
| Mahindra Rural Housing Finance Limited | 0.96% | 275.77 | 1.95% | 62.68 |
| Mahindra Insurance Brokers Limited | 0.75% | 215.73 | 1.51% | 48.49 |
| Mahindra Asset Management Company Private Limited | 0.20% | 56.04 | -0.14% | (4.45) |
| Mahindra Trustee Company Private Limited | 0.00% | 0.08 | 0.00% | (0.05) |
| Mahindra Lifespace Developers Limited | 4.90% | 1,400.94 | 3.25% | 104.49 |
| Mahindra World City (Jaipur) Limited | 0.92% | 262.74 | 0.40% | 12.86 |
| Mahindra Water Utilities Limited | 0.18% | 50.18 | 0.18% | 5.66 |
| Mahindra World City Developers Limited | 0.42% | 119.74 | 0.09% | 2.81 |
| Mahindra Residential Developers Limited | 0.32% | 92.66 | 0.14% | 4.52 |
| Mahindra Consulting Engineers Limited | 0.04% | 12.55 | 0.07% | 2.22 |
| Mahindra Bebanco Developers Limited | 0.03% | 8.35 | 0.06% | 1.92 |
| Anthurium Developers Limited | 0.00% | 0.10 | 0.00% | 0.05 |
| Industrial Township (Maharashtra) Limited | 0.02% | 4.86 | 0.00% | * |
| Knowledge Township Limited | 0.07% | 20.55 | 0.00% | (0.01) |
| Industrial Cluster Private Limited | 0.00% | 0.03 | 0.00% | * |
| Mahindra Infrastructure Developers Limited | 0.01% | 1.83 | 0.00% | (0.10) |
| Mahindra Industrial Park Chennai Limited | 0.62% | 177.66 | -0.04% | (1.33) |
| Mahindra Integrated Township Limited | 0.28% | 78.75 | 0.16% | 4.99 |
| Mahindra World City (Maharashtra) Limited | 0.00% | 0.03 | 0.00% | * |
| Raigad Industrial & Business Park Limited | 0.00% | - | 0.00% | - |
| Bristlecone India Limited | 0.21% | 61.53 | 0.67% | 21.37 |
| Mahindra Susten Private Limited | 0.78% | 221.93 | 0.66% | 21.06 |
| Mahindra Renewables Private Limited | 0.39% | 112.28 | 0.11% | 3.67 |
| Marvel Solren Private Limited | 0.00% | (0.01) | 0.00% | (0.02) |
| Neo Solren Private Limited | 0.04% | 12.25 | -0.02% | (0.49) |

42. Additional information as required by Schedule III to the Companies Act, 2013 (Contd.)

Additional information as required under Schedule III to the Companies Act, 2013, of enterprises consolidated as Subsidiaries / Associates / Joint Ventures

Rupees crores

| Name of the Enterprise | Net assets, i.e., total assets minus total liabilities | | Share of profit or loss | |
|--|--|----------|-------------------------------------|----------|
| | As % of consolidated net assets | Amount | As % of consolidated profit or loss | Amount |
| Astra Solren Private Limited | 0.00% | – | 0.00% | (0.01) |
| Brightsolar Renewable Energy Private Limited | 0.07% | 20.74 | 0.02% | 0.55 |
| Cleansolar Renewable Energy Private Limited | 0.21% | 60.01 | -0.02% | (0.55) |
| Divine Solren Private Limited | 0.05% | 14.46 | -0.02% | (0.72) |
| Mahindra Engineering and Chemical Products Limited | 1.83% | 522.52 | -4.25% | (136.53) |
| Mahindra Retail Private Limited | 0.05% | 13.19 | -2.90% | (93.07) |
| Retail Initiative Holdings Limited | -0.48% | (136.95) | -4.86% | (156.06) |
| Mahindra Internet Commerce Private Limited | 0.00% | 1.10 | -0.89% | (28.69) |
| Mahindra Logistics Limited | 1.06% | 303.75 | 1.16% | 37.30 |
| 2 x 2 Logistics Private Limited | 0.01% | 4.04 | 0.00% | (0.07) |
| Lords Freight (India) Private Limited | 0.01% | 2.79 | -0.04% | (1.37) |
| Mahindra Two Wheelers Limited | 0.95% | 272.22 | -19.16% | (615.17) |
| Mahindra Defence Systems Limited | 0.35% | 99.04 | -0.08% | (2.41) |
| Defence Land Systems India Limited | 0.31% | 89.01 | -0.29% | (9.31) |
| Mahindra Defence Naval Systems Private Limited | 0.05% | 14.88 | -0.05% | (1.66) |
| Mahindra Telephonics Integrated Systems Limited | 0.12% | 35.27 | -0.15% | (4.75) |
| Mahindra Telecommunications Investment Private Limited | 0.02% | 6.74 | 0.02% | 0.50 |
| Mahindra First Choice Services Limited | 0.03% | 8.60 | -2.09% | (67.15) |
| Mahindra First Choice Wheels Limited | 0.25% | 72.52 | -0.33% | (10.58) |
| Mahindra eMarket Limited | 0.00% | (0.04) | 0.00% | (0.04) |
| Mahindra Namaste Private Limited | 0.00% | 0.06 | -0.07% | (2.26) |
| Mahindra Holdings Limited | 0.70% | 201.40 | -0.04% | (1.17) |
| Mahindra Integrated Business Solutions Private Limited | 0.02% | 5.86 | 0.01% | 0.44 |
| Mahindra 'Electoral Trust' Company | 0.00% | 0.04 | 0.00% | – |
| Gateway Housing Company Limited | 0.01% | 1.89 | 0.00% | 0.09 |
| MachinePulse Tech Private Limited | 0.00% | – | 0.00% | – |
| Orizonte Business Solutions Limited | 0.01% | 2.68 | -0.06% | (1.77) |
| Mahindra Intertrade Limited | 1.52% | 436.09 | 1.94% | 62.38 |
| Mahindra Electrical Steel Private Limited | -0.01% | (1.89) | 0.01% | 0.43 |
| Mahindra Steel Service Centre Limited | 0.34% | 97.43 | 0.17% | 5.49 |
| Mahindra Auto Steel Private Limited | 0.26% | 74.83 | 0.20% | 6.54 |
| Mahindra Aerospace Private Limited | 1.03% | 294.80 | -4.36% | (140.08) |
| Mahindra Aerostructures Private Limited | 0.11% | 30.52 | -1.63% | (52.27) |
| Mahindra Sanyo Special Steel Private Limited | 0.61% | 174.52 | -1.62% | (52.09) |
| Mahindra Holidays & Resorts India Limited | 2.42% | 691.86 | 3.65% | 117.35 |
| Gables Promoters Private Limited | 0.17% | 49.14 | -0.02% | (0.49) |
| Mahindra Hotels and Residences India Limited | 0.00% | (0.09) | 0.00% | (0.01) |
| Foreign | | | | |
| Ssangyong Motor Company ≈ | 14.23% | 4,073.51 | -5.06% | (162.44) |
| Ssangyong European Parts Center B.V. € | -0.07% | (20.89) | 0.02% | 0.61 |
| Ssangyong Motor (Shanghai) Company Limited > | 0.06% | 17.84 | -0.42% | (13.61) |
| SY Auto Capital Co., Ltd. ≈ | 0.41% | 116.74 | 0.01% | 0.34 |

42. Additional information as required by Schedule III to the Companies Act, 2013 (Contd.)

Additional information as required under Schedule III to the Companies Act, 2013, of enterprises consolidated as Subsidiaries / Associates / Joint Ventures

Rupees crores

| Name of the Enterprise | Net assets, i.e., total assets minus total liabilities | | Share of profit or loss | |
|---|--|---------|-------------------------------------|----------|
| | As % of consolidated net assets | Amount | As % of consolidated profit or loss | Amount |
| Mahindra Automotive Australia Pty. Limited ^ | 0.05% | 15.43 | 0.20% | 6.36 |
| Mahindra Europe S.r.l. € | 0.05% | 14.91 | 0.13% | 4.16 |
| Mahindra Graphic Research Design S.r.l. € | 0.02% | 6.41 | 0.00% | 0.07 |
| Mahindra International UK Ltd. £ | 0.04% | 10.86 | -0.11% | (3.42) |
| Mahindra and Mahindra South Africa (Proprietary) Limited » | 0.26% | 74.67 | 0.41% | 13.18 |
| Mahindra North American Technical Center, Inc. \$ | 0.05% | 13.50 | 0.08% | 2.69 |
| Mahindra Tractor Assembly Inc. \$ | 0.01% | 2.03 | -2.99% | (96.12) |
| Mahindra USA Inc. \$ | 0.38% | 109.78 | 1.10% | 35.43 |
| Mahindra Yueda (Yancheng) Tractor Company Limited > | 0.85% | 242.14 | -4.24% | (136.13) |
| Bristlecone Limited \$ | 0.15% | 43.56 | 0.32% | 10.24 |
| Bristlecone GmbH € | 0.07% | 20.96 | 0.27% | 8.60 |
| Bristlecone Inc. \$ | 0.41% | 118.35 | 1.56% | 50.10 |
| Bristlecone Consulting Limited @ | 0.01% | 3.62 | 0.00% | (0.03) |
| Bristlecone (Malaysia) Sdn.Bhd. ** | 0.02% | 5.54 | 0.09% | 2.78 |
| Bristlecone (Singapore) Pte. Limited ++ | 0.00% | 0.10 | 0.00% | (0.14) |
| Bristlecone (UK) Limited £ | 0.01% | 2.99 | -0.04% | (1.16) |
| Bristlecone International AG < | 0.02% | 6.26 | 0.13% | 4.03 |
| Mahindra-BT Investment Company (Mauritius) Limited \$ | 0.56% | 160.58 | 0.01% | 0.40 |
| Mahindra Two Wheelers Europe Holdings S.a.r.l. € | 0.39% | 111.35 | -0.01% | (0.35) |
| Peugeot Motocycles S.A.S. € | -0.33% | (94.96) | -5.82% | (186.82) |
| Peugeot Motocycles Italia S.p.A € | 0.01% | 1.93 | 0.00% | 0.13 |
| Peugeot Motocycles Deutschland GmbH € | 0.01% | 1.80 | 0.02% | 0.75 |
| Mahindra Emirates Vehicle Armouring FZ-LLC • | 0.06% | 17.41 | 0.23% | 7.36 |
| Mahindra Overseas Investment Company (Mauritius) Limited \$ | 1.91% | 545.42 | -0.15% | (4.92) |
| Mahindra Racing S.p.A. € | 0.02% | 5.41 | 0.00% | 0.01 |
| Mahindra Racing UK Limited £ | 0.00% | (0.04) | 0.00% | (0.15) |
| Mahindra MiddleEast Electrical Steel Service Centre (FZC) • | 0.11% | 31.47 | 0.01% | 0.37 |
| Aerostaff Australia Pty. Limited ^ | -0.01% | (2.86) | -0.03% | (1.06) |
| Airvan Flight Services Pty. Limited ^ | 0.00% | (0.02) | 0.00% | (0.02) |
| Airvan10 Pty. Limited ^ | 0.00% | (0.02) | 0.00% | (0.02) |
| Gipp Aero Investments Pty. Limited ^ | 0.33% | 94.91 | -3.01% | (96.78) |
| GA8 Airvan Pty. Limited ^ | 0.00% | (0.02) | 0.00% | (0.02) |
| GA200 Pty. Limited ^ | 0.00% | (0.02) | 0.00% | (0.02) |
| Gippaero Pty. Limited ^ | -0.13% | (38.58) | -2.17% | (69.59) |
| Mahindra Aerospace Australia Pty. Limited ^ | 0.33% | 93.90 | -4.20% | (134.73) |
| Nomad TC Pty. Limited ^ | 0.00% | (0.03) | 0.00% | (0.03) |
| Convington S.a.r.l. € | 0.58% | 167.29 | -0.18% | (5.76) |
| HCR Management Oy € | 0.01% | 4.21 | -0.01% | (0.18) |
| Infinity Hospitality Group Company Limited # | 0.03% | 7.92 | 0.00% | 0.09 |
| MH Boutique Hospitality Limited # | 0.00% | 0.17 | -0.02% | (0.51) |
| Heritage Bird (M) Sdn. Bhd. ** | 0.00% | (0.79) | 0.00% | (0.14) |
| MHR Holdings (Mauritius) Limited € | -0.03% | (8.10) | -0.25% | (7.99) |
| Holiday Club Resorts Oy € | 1.44% | 411.40 | -0.87% | (27.80) |

42. Additional information as required by Schedule III to the Companies Act, 2013 (Contd.)

Additional information as required under Schedule III to the Companies Act, 2013, of enterprises consolidated as Subsidiaries / Associates / Joint Ventures

Rupees crores

| Name of the Enterprise | Net assets, i.e., total assets minus total liabilities | | Share of profit or loss | |
|---|--|--------|-------------------------------------|--------|
| | As % of consolidated net assets | Amount | As % of consolidated profit or loss | Amount |
| Holiday Club Sweden Ab Åre << | 0.40% | 113.25 | -0.21% | (6.77) |
| Kiinteistö Oy Himos Gardens € | 0.03% | 7.96 | 0.00% | 0.10 |
| Holiday Club Rus LLC >> | -0.03% | (7.73) | -0.08% | (2.46) |
| Suomen Vapaa-aikakiinteistöt Oy LKV << | 0.00% | 0.15 | 0.00% | (0.01) |
| Kiinteistö Himoksen Tähti 2 Oy € | 0.02% | 5.02 | 0.00% | (0.06) |
| Kiinteistö Oy Vanha Ykköstii € | 0.00% | 0.39 | 0.00% | (0.01) |
| Kiinteistö Oy Katinnurkka € | 0.01% | 2.32 | 0.00% | (0.01) |
| Kiinteistö Oy Tenetinlahti € | 0.00% | 0.82 | 0.00% | (0.01) |
| Kiinteistö Oy Mällönsniemi € | 0.01% | 2.25 | -0.13% | (4.06) |
| Kiinteistö Oy Rauhan Ranta 1 € | 0.00% | 0.94 | 0.00% | (0.03) |
| Kiinteistö Oy Rauhan Ranta 2 € | 0.01% | 1.55 | 0.00% | (0.05) |
| Kiinteistö Oy Tiurunniemi € | 0.01% | 2.73 | -0.14% | (4.38) |
| Kiinteistö Oy Rauhan Liikekiinteistöt 1 € | 0.05% | 14.65 | -0.05% | (1.65) |
| Supermarket Capri Oy € | 0.00% | 0.88 | -0.02% | (0.59) |
| Kiinteistö Oy Kylpyläntorni 1 € | 0.01% | 1.89 | 0.00% | 0.01 |
| Kiinteistö Oy Spa Lofts 2 € | 0.00% | 1.09 | 0.00% | (0.02) |
| Kiinteistö Oy Spa Lofts 3 € | 0.00% | 1.07 | 0.00% | (0.03) |
| Kiinteistö Oy Kuusamon Pulkajärvi 1 € | 0.01% | 2.05 | 0.00% | 0.05 |
| Saimaa Gardens Arena Oy € | 0.00% | 0.02 | 0.00% | * |
| Ownership Services Ab << | 0.01% | 1.69 | 0.00% | (0.04) |
| Holiday Club Canarias Investments S.L. € | 0.00% | - | 0.00% | (0.01) |
| Holiday Club Sport and Spa AB << | 0.04% | 12.06 | 0.04% | 1.43 |
| Holiday Club Canarias Sales & Marketing S.L. € | 0.10% | 28.89 | -0.04% | (1.37) |
| Holiday Club Canarias Resort Management S.L. € | 0.07% | 20.64 | 0.06% | 2.05 |
| Kiinteistö Oy Tunturinrivi € | 0.00% | 0.86 | 0.00% | (0.04) |
| Caribia Service Oy € | 0.00% | 0.03 | 0.00% | (0.01) |
| Are Semesterby A << | 0.00% | 0.07 | 0.00% | * |
| Are Semesterby B << | 0.00% | 0.07 | 0.00% | * |
| Are Semesterby C << | 0.00% | 0.07 | 0.00% | * |
| Are Semesterby D << | 0.00% | 0.07 | 0.00% | * |
| Are Villas 1 Ab << | 0.01% | 1.46 | 0.03% | 0.95 |
| Are Villas 2 Ab << | 0.00% | 1.21 | 0.03% | 0.95 |
| Associates (Investment as per the equity method) | | | | |
| Indian | | | | |
| Mahindra Construction Company Limited | 0.00% | - | 0.00% | - |
| Officemartindia.com Limited | 0.00% | - | 0.00% | - |
| Rathna Bhoomi Enterprises Private Limited | 0.00% | - | 0.00% | - |
| Kota Farm Services Limited | 0.00% | - | 0.00% | - |
| Mega One Stop Farm Services Limited (Up to 24 th November, 2015) | 0.00% | - | 0.00% | - |
| Swaraj Engines Limited | 0.22% | 62.38 | 0.53% | 17.01 |
| Mahindra & Mahindra Contech Limited | 0.02% | 4.37 | 0.01% | 0.34 |
| PSL Media & Communications Limited | 0.00% | - | 0.00% | - |

42. Additional information as required by Schedule III to the Companies Act, 2013 (Contd.)

Additional information as required under Schedule III to the Companies Act, 2013, of enterprises consolidated as Subsidiaries / Associates / Joint Ventures

Rupees crores

| Name of the Enterprise | Net assets, i.e., total assets minus total liabilities | | Share of profit or loss | |
|--|--|------------------|-------------------------------------|-----------------|
| | As % of consolidated net assets | Amount | As % of consolidated profit or loss | Amount |
| Tech Mahindra Limited | 16.23% | 4,645.60 | 25.74% | 826.65 |
| Kismat Developers Private Limited | 0.00% | – | 0.00% | – |
| Topical Builders Private Limited | 0.00% | – | 0.00% | – |
| Mahindra Tsubaki Conveyor Systems Private Limited | 0.10% | 29.33 | 0.03% | 0.85 |
| Mahindra CIE Automotive Limited | 1.93% | 552.63 | 0.88% | 28.40 |
| Foreign | | | | |
| CIE Automotive, S.A. € | 3.20% | 917.10 | 3.57% | 114.66 |
| Holiday Club Resort Oy € (up to 1 st September, 2015) | 0.00% | – | -0.35% | (11.19) |
| Koy Sallan Kylpyla € | 0.00% | – | 0.00% | – |
| Kiinteistö Oy Seniori-Saimaa € | 0.01% | 2.87 | 0.00% | – |
| Holiday Club Adventures Oy € | 0.00% | 0.01 | 0.00% | – |
| Joint Ventures (as per proportionate consolidation) | | | | |
| Indian | | | | |
| Mahindra Sona Limited | 0.16% | 46.40 | 0.27% | 8.71 |
| Mahindra Water Utilities Limited (up to 26 th July, 2015) | 0.00% | – | 0.00% | – |
| Mahindra Inframan Water Utilities Private Limited | 0.00% | 0.04 | 0.00% | (0.01) |
| Mahindra Solar One Private Limited | 0.10% | 28.36 | 0.02% | 0.60 |
| Mahindra Homes Private Limited | -0.01% | (3.18) | 0.10% | 3.31 |
| Foreign | | | | |
| Mahindra Finance USA LLC \$ | 0.80% | 229.64 | 0.57% | 18.39 |
| Arabian Dreams Hotel Apartments LLC • | -0.01% | (3.72) | 0.00% | (0.07) |
| Jinan Qingqi Peugeot Motorcycles Co. Limited > | 0.16% | 46.48 | 0.15% | 4.72 |
| Mitsubishi Mahindra Agricultural Machinery Co., Ltd § | 1.83% | 523.15 | -0.55% | (17.63) |
| Minority Interest | -22.11% | (6,327.03) | -4.36% | (139.86) |
| Inter Company Adjustments | -61.73% | (17,668.21) | -0.29% | (9.24) |
| Total | 100.00% | 28,619.64 | 100.00% | 3,211.26 |

* denotes amounts less than Rs. 50,000.

Converted into Indian Rupees at the exchange rate, 1THB = Rs. 1.89 as on 31st March, 2016

\$ Converted into Indian Rupees at the exchange rate, 1USD = Rs. 66.35 as on 31st March, 2016

• Converted into Indian Rupees at the exchange rate, 1 AED = Rs. 18.03 as on 31st March, 2016

** Converted into Indian Rupees at the exchange rate, 1MYR = Rs. 17.09 as on 31st March, 2016

@ Converted into Indian Rupees at the exchange rate, 1CAD = Rs. 50.96 as on 31st March, 2016

^ Converted into Indian Rupees at the exchange rate, 1AUD = Rs. 49.10 as on 31st March, 2016

£ Converted into Indian Rupees at the exchange rate, 1GBP = Rs. 95.21 as on 31st March, 2016

€ Converted into Indian Rupees at the exchange rate, 1EUR = Rs. 74.97 as on 31st March, 2016

++ Converted into Indian Rupees at the exchange rate, 1SGD = Rs. 49.10 as on 31st March, 2016

< Converted into Indian Rupees at the exchange rate, 1CHF = Rs. 68.67 as on 31st March, 2016

> Converted into Indian Rupees at the exchange rate, 1CNY = Rs. 10.27 as on 31st March, 2016

» Converted into Indian Rupees at the exchange rate, 1ZAR = Rs. 4.44 as on 31st March, 2016

≈ Converted into Indian Rupees at the exchange rate, 1KRW = Rs. 0.0582 as on 31st March, 2016

§ Converted into Indian Rupees at the exchange rate, 1 JPY = Rs. 0.5904 as on 31st March, 2016

>> Converted into Indian Rupees at the exchange rate, 1 RUB = Rs. 0.98 as on 31st March, 2016

<< Converted into Indian Rupees at the exchange rate, 1 SEK = Rs. 8.17 as on 31st March, 2016

43. Previous years figures have been regrouped/restated where ever necessary.

FORM AOC-1
Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014
Statement Containing salient features of the financial statements of subsidiaries/associate companies/joint ventures as included in the Consolidated Financial Statements

| Sr. No. | Name of Subsidiary | Reporting Currency | Exchange Rate | Capital (including Preference Capital) | Reserves & Surplus | Total Assets | Total Liabilities | Investments (excluding investments in subsidiaries) | Gross Turnover | Profit/ (Loss) before Tax | Provision for Tax | Profit/ (Loss) after Tax | Proposed Dividend and Tax thereon | Proportion of ownership interest @ | Proportion of voting power where different | Rupees Crores | |
|---------|--|--------------------|---------------|--|--------------------|--------------|-------------------|---|----------------|---------------------------|-------------------|--------------------------|-----------------------------------|------------------------------------|--|---------------|--|
| | | | | | | | | | | | | | | | | | |
| 1 | Mahindra Automobile Distributor Private Limited | INR | 1.00 | 1.00 | 8.01 | 33.90 | 24.89 | 4.98 | 84.24 | 21.66 | 7.43 | 14.23 | 14.20 | 95.00% | | | |
| 2 | Mahindra Heavy Engines Limited | INR | 1.00 | 548.40 | (331.34) | 490.38 | 273.32 | - | 441.02 | (21.47) | - | (21.47) | - | 100.00% | | | |
| 3 | Mahindra Vehicle Manufacturers Limited | INR | 1.00 | 3,162.25 | 737.42 | 8,297.33 | 4,397.66 | 1,711.97 | 9,121.83 | 432.69 | 154.17 | 278.52 | 99.40 | 100.00% | | | |
| 4 | Mahindra Reva Electric Vehicles Limited | INR | 1.00 | 138.55 | 13.21 | 273.47 | 121.71 | 8.69 | 67.83 | (91.55) | - | (91.55) | - | 93.70% | | | |
| 5 | NBS International Limited | INR | 1.00 | 9.55 | (11.95) | 37.12 | 39.52 | - | 188.86 | (2.42) | - | (2.42) | - | 100.00% | | | |
| 6 | Mahindra Trucks and Buses Limited | INR | 1.00 | 22.96 | 5.91 | 63.89 | 35.02 | 5.50 | 117.88 | 13.82 | 4.50 | 9.32 | 6.91 | 100.00% | | | |
| 7 | Mahindra Automotive Australia Pty. Limited | AUD | 49.10 | 22.46 | (7.03) | 61.38 | 45.95 | - | 110.35 | 4.94 | (1.42) | 6.36 | - | 100.00% | | | |
| 8 | Mahindra Europe S.r.l. | EUR | 74.97 | 10.65 | 4.26 | 68.59 | 53.68 | - | 119.78 | 3.01 | (1.15) | 4.16 | - | 100.00% | | | |
| 9 | Mahindra Graphic Research Design S.r.l. | EUR | 74.97 | 7.20 | (0.79) | 16.73 | 10.32 | - | 31.26 | 0.42 | 0.35 | 0.07 | - | 100.00% | | | |
| 10 | Mahindra International UK Ltd*** | GBP | 95.21 | 14.28 | (3.42) | 13.26 | 2.40 | - | - | (3.42) | - | (3.42) | - | 100.00% | | | |
| 11 | Mahindra and Mahindra South Africa (Proprietary) Limited | ZAR | 4.44 | 23.09 | 51.58 | 165.82 | 91.15 | - | 319.37 | 20.81 | 7.63 | 13.18 | - | 100.00% | | | |
| 12 | Mahindra North American Technical Center, Inc. | USD | 66.35 | * | 13.50 | 13.90 | 0.40 | - | 0.64 | (0.09) | (2.78) | 2.69 | - | 100.00% | | | |
| 13 | Mahindra Tractor Assembly Inc. | USD | 66.35 | 103.56 | (101.53) | 78.82 | 76.79 | - | 5.11 | (95.89) | 0.23 | (96.12) | - | 100.00% | | | |
| 14 | Ssangyong Motor Company# | KRW | 0.0582 | 3,972.36 | 101.15 | 11,312.87 | 7,239.36 | - | 20,080.83 | (162.44) | - | (162.44) | - | 73.23% | | | |
| 15 | Ssangyong European Parts Center B.V.# | EUR | 74.97 | 5.25 | (26.14) | 51.37 | 72.26 | - | 92.66 | 0.73 | 0.12 | 0.61 | - | 73.23% | 100.00% | | |
| 16 | Ssangyong Motor (Shanghai) Company Limited# | CNY | 10.27 | 30.80 | (12.96) | 22.62 | 4.78 | - | 5.49 | (13.54) | 0.07 | (13.61) | - | 73.23% | 100.00% | | |
| 17 | SY Auto Capital Co., Ltd.# | KRW | 0.0582 | 116.40 | 0.34 | 256.24 | 139.50 | - | 36.99 | 1.51 | 1.17 | 0.34 | - | 37.35% | 51.00% | | |
| 18 | Mahindra Gujarat Tractor Limited | INR | 1.00 | 20.30 | (16.03) | 63.68 | 59.41 | - | 92.95 | 1.54 | 0.80 | 0.74 | - | 60.00% | | | |
| 19 | Mahindra Agri Solutions Limited | INR | 1.00 | 13.41 | 12.29 | 100.95 | 75.25 | - | 153.98 | 6.76 | 2.34 | 4.42 | - | 100.00% | | | |
| 20 | EPC Industrie Limited | INR | 1.00 | 27.66 | 96.36 | 168.85 | 44.83 | - | 207.35 | 10.94 | 1.76 | 9.18 | - | 54.76% | | | |
| 21 | Mahindra UNIVEG Private Limited | INR | 1.00 | 5.55 | 2.99 | 19.07 | 10.53 | - | 46.58 | (1.89) | - | (1.89) | - | 60.00% | | | |
| 22 | Mahindra HZPC Private Limited | INR | 1.00 | 7.89 | 7.68 | 26.53 | 10.96 | - | 22.22 | 0.02 | - | 0.02 | - | 59.95% | | | |
| 23 | Auto Digitech Private Limited | INR | 1.00 | 0.01 | (0.02) | * | 0.01 | - | * | - | * | - | - | 100.00% | | | |
| 24 | Mahindra USA Inc. | USD | 66.35 | 92.89 | 16.89 | 1,349.28 | 1,239.50 | - | 3,345.31 | 41.39 | 5.96 | 35.43 | 1.86 | 100.00% | | | |
| 25 | Mahindra Yueda (Yancheng) Tractor Company Limited# | CNY | 10.27 | 527.88 | (285.74) | 878.22 | 636.08 | - | 520.62 | (136.13) | - | (136.13) | - | 51.00% | | | |
| 26 | Mahindra & Mahindra Financial Services Limited | INR | 1.00 | 112.92 | 5,975.19 | 39,579.48 | 33,491.37 | 1,296.39 | 5,905.10 | 1,038.18 | 365.58 | 672.60 | 271.27 | 51.58% | | | |
| 27 | Mahindra Rural Housing Finance Limited | INR | 1.00 | 75.73 | 200.04 | 3,301.24 | 3,025.47 | - | 495.45 | 96.70 | 34.02 | 62.68 | - | 45.13% | 87.50% | | |
| 28 | Mahindra Insurance Brokers Limited | INR | 1.00 | 2.58 | 213.15 | 239.39 | 23.66 | 133.90 | 149.20 | 75.20 | 26.71 | 48.49 | 4.65 | 43.84% | 85.00% | | |

| Sr. No. | Name of Subsidiary | Reporting Currency | Exchange Rate | Capital (including Preference Capital) | Reserves & Surplus | Total Assets | Total Liabilities | Investments (excluding investments in subsidiaries) | Gross Turnover | Profit/ (Loss) before Tax | Provision for Tax | Profit/ (Loss) after Tax | Proposed Dividend and Tax thereon | Proportion of ownership interest @ | Proportion of voting power where different | Rupees Crores | |
|---------|---|--------------------|---------------|--|--------------------|--------------|-------------------|---|----------------|---------------------------|-------------------|--------------------------|-----------------------------------|------------------------------------|--|---------------|--|
| | | | | | | | | | | | | | | | | | |
| 29 | Mahindra Asset Management Company Private Limited** | INR | 1.00 | 60.55 | (4.51) | 57.23 | 1.19 | 55.70 | 1.20 | (4.45) | - | (4.45) | - | 51.58% | 100.00% | | |
| 30 | Mahindra Trustee Company Private Limited** | INR | 1.00 | 0.15 | (0.07) | 0.09 | 0.01 | - | - | (0.05) | - | (0.05) | - | 51.58% | 100.00% | | |
| 31 | Mahindra Lifespace Developers Limited | INR | 1.00 | 41.03 | 1,359.91 | 2,572.06 | 1,171.12 | 524.16 | 600.16 | 141.74 | 37.25 | 104.49 | 27.99 | 50.80% | 74.00% | | |
| 32 | Mahindra World City (Jaipur) Limited | INR | 1.00 | 200.00 | 62.74 | 671.02 | 408.28 | 4.22 | 86.76 | 20.44 | 7.58 | 12.86 | 10.23 | 37.59% | 74.00% | | |
| 33 | Mahindra Water Utilities Limited | INR | 1.00 | 0.10 | 50.08 | 56.20 | 6.02 | 0.03 | 18.95 | 8.70 | 3.04 | 5.66 | - | 50.29% | 99.00% | | |
| 34 | Mahindra World City Developers Limited | INR | 1.00 | 20.00 | 99.74 | 560.12 | 440.38 | - | 213.55 | 4.86 | 2.05 | 2.81 | - | 45.21% | 89.00% | | |
| 35 | Mahindra Residential Developers Limited | INR | 1.00 | 0.26 | 92.40 | 134.49 | 41.83 | - | 33.83 | 5.66 | 1.14 | 4.52 | - | 48.92% | 100.00% | | |
| 36 | Mahindra Consulting Engineers Limited | INR | 1.00 | 1.95 | 10.60 | 17.45 | 4.90 | - | 25.39 | 3.32 | 1.10 | 2.22 | 0.59 | 59.01% | | | |
| 37 | Mahindra Bebanco Developers Limited | INR | 1.00 | 0.05 | 8.30 | 150.18 | 141.83 | - | 57.21 | 2.87 | 0.95 | 1.92 | - | 35.56% | 70.00% | | |
| 38 | Anthurium Developers Limited | INR | 1.00 | 0.05 | 0.05 | 2.40 | 2.30 | - | 0.08 | 0.07 | 0.02 | 0.05 | - | 50.80% | 100.00% | | |
| 39 | Industrial Township (Maharashtra) Limited | INR | 1.00 | 5.00 | (0.14) | 5.17 | 0.31 | - | 0.01 | * | - | * | - | 50.80% | 100.00% | | |
| 40 | Knowledge Township Limited | INR | 1.00 | 21.00 | (0.45) | 44.95 | 24.40 | - | - | (0.01) | - | (0.01) | - | 50.80% | 100.00% | | |
| 41 | Industrial Cluster Private Limited | INR | 1.00 | 0.05 | (0.02) | 0.04 | 0.01 | - | - | * | - | * | - | 50.80% | 100.00% | | |
| 42 | Mahindra Infrastructure Developers Limited | INR | 1.00 | 18.00 | (16.17) | 3.11 | 1.28 | 0.03 | 0.04 | (0.10) | - | (0.10) | - | 50.80% | 100.00% | | |
| 43 | Mahindra Industrial Park Chennai Limited | INR | 1.00 | 170.00 | 7.66 | 235.25 | 57.59 | - | - | (1.33) | - | (1.33) | - | 27.13% | 60.00% | | |
| 44 | Mahindra Integrated Township Limited | INR | 1.00 | 50.44 | 28.31 | 223.51 | 144.76 | - | 58.29 | 6.43 | 1.44 | 4.99 | - | 48.92% | 99.14% | | |
| 45 | Mahindra World City (Maharashtra) Limited | INR | 1.00 | 1.17 | (1.14) | 0.04 | 0.01 | - | * | * | - | * | - | 50.80% | 100.00% | | |
| 46 | Raigad Industrial & Business Park Limited | INR | 1.00 | 0.11 | (0.11) | 0.06 | 0.06 | - | - | - | - | - | - | 50.80% | 100.00% | | |
| 47 | Bristlecone India Limited | INR | 1.00 | 19.05 | 42.48 | 98.54 | 37.01 | - | 222.14 | 35.06 | 13.69 | 21.37 | - | 76.87% | 100.00% | | |
| 48 | Bristlecone Limited | USD | 66.35 | 0.16 | 43.40 | 212.83 | 169.27 | - | 29.26 | 10.24 | - | 10.24 | - | 76.87% | 100.00% | | |
| 49 | Bristlecone GmbH | EUR | 74.97 | 0.37 | 20.59 | 32.39 | 11.43 | - | 87.14 | 11.79 | 3.19 | 8.60 | - | 76.87% | 100.00% | | |
| 50 | Bristlecone Inc. | USD | 66.35 | 45.45 | 72.90 | 168.07 | 49.72 | - | 258.41 | 19.68 | (30.42) | 50.10 | - | 76.87% | 100.00% | | |
| 51 | Bristlecone Consulting Limited | CAD | 50.96 | - | 3.62 | 3.67 | 0.05 | - | - | (0.04) | (0.01) | (0.03) | - | 76.87% | 100.00% | | |
| 52 | Bristlecone (Malaysia) Sdn.Bhd. Limited | MYR | 17.09 | 0.17 | 5.37 | 9.96 | 4.42 | - | 18.77 | 3.73 | 0.95 | 2.78 | - | 76.87% | 100.00% | | |
| 53 | Bristlecone (Singapore) Pte. Limited | SGD | 49.10 | 8.20 | (8.10) | 0.12 | 0.02 | - | 0.17 | (0.14) | - | (0.14) | - | 76.87% | 100.00% | | |
| 54 | Bristlecone (UK) Limited | GBP | 95.21 | 22.37 | (19.38) | 3.29 | 0.30 | - | * | (1.16) | - | (1.16) | - | 76.87% | 100.00% | | |
| 55 | Bristlecone International AG | CHF | 68.67 | 0.34 | 5.92 | 14.75 | 8.49 | - | 21.29 | 4.05 | 0.02 | 4.03 | - | 76.87% | 100.00% | | |
| 56 | Mahindra-BT Investment Company (Mauritius) Limited | USD | 66.35 | 78.82 | 81.76 | 160.64 | 0.06 | 11.54 | 0.94 | 0.40 | - | 0.40 | - | 57.00% | | | |
| 57 | Mahindra Susten Private Limited | INR | 1.00 | 70.27 | 151.66 | 530.97 | 309.04 | 1.18 | 1,009.67 | 32.50 | 11.44 | 21.06 | - | 100.00% | | | |
| 58 | Mahindra Renewables Private Limited | INR | 1.00 | 108.91 | 3.37 | 112.85 | 0.57 | 12.30 | 6.06 | 3.67 | - | 3.67 | - | 100.00% | | | |
| 59 | Marvel Solren Private Limited | INR | 1.00 | 0.01 | (0.02) | * | 0.01 | - | - | (0.02) | - | (0.02) | - | 100.00% | | | |
| 60 | Neo Solren Private Limited | INR | 1.00 | 1.86 | 10.39 | 12.27 | 0.02 | 12.00 | 0.13 | (0.49) | - | (0.49) | - | 100.00% | | | |
| 61 | Astra Solren Private Limited | INR | 1.00 | 0.01 | (0.01) | 0.01 | 0.01 | - | - | (0.01) | - | (0.01) | - | 100.00% | | | |

Part "A" : Subsidiaries (Contd.)

| Sr. No. | Name of Subsidiary | Reporting Currency | Exchange Rate | Capital (including Preference Capital) | Reserves & Surplus | Total Assets | Total Liabilities | Investments (excluding investments in subsidiaries) | Gross Turnover | Profit/ (Loss) before Tax | Provision for Tax | Profit/ (Loss) after Tax | Proposed Dividend and Tax thereon | Proportion of ownership interest @ | Proportion of voting power where different |
|---------|--|--------------------|---------------|--|--------------------|--------------|-------------------|---|----------------|---------------------------|-------------------|--------------------------|-----------------------------------|------------------------------------|--|
| | | | | | | | | | | | | | | | |
| 62 | Brightsolar Renewable Energy Private Limited | INR | 1.00 | 9.52 | 11.22 | 87.90 | 67.16 | - | 3.30 | 0.61 | 0.06 | 0.55 | - | 51.00% | |
| 63 | Cleansolar Renewable Energy Private Limited | INR | 1.00 | 9.62 | 50.39 | 219.33 | 159.32 | 1.50 | 1.02 | (0.54) | 0.01 | (0.55) | - | 100.00% | |
| 64 | Divine Solren Private Limited | INR | 1.00 | 2.42 | 12.04 | 17.67 | 3.21 | 1.40 | 0.02 | (0.72) | - | (0.72) | - | 100.00% | |
| 65 | Mahindra Engineering and Chemical Products Limited | INR | 1.00 | 65.30 | 457.22 | 524.08 | 1.56 | 23.43 | 2.49 | (136.08) | 0.45 | (136.53) | - | 100.00% | |
| 66 | Mahindra Retail Private Limited | INR | 1.00 | 688.46 | (675.27) | 142.85 | 129.66 | - | 203.97 | (93.07) | - | (93.07) | - | 98.96% | |
| 67 | Retail Initiative Holdings Limited | INR | 1.00 | 20.55 | (157.50) | 357.51 | 494.46 | - | - | (156.06) | - | (156.06) | - | 100.00% | |
| 68 | Mahindra Internet Commerce Private Limited | INR | 1.00 | 33.00 | (31.90) | 20.36 | 19.26 | - | 25.22 | (28.69) | - | (28.69) | - | 98.96% | 100.00% |
| 69 | Mahindra Logistics Limited | INR | 1.00 | 100.71 | 203.04 | 556.23 | 252.48 | 68.04 | 2,027.35 | 56.87 | 19.57 | 37.30 | - | 84.01% | |
| 70 | Lords Freight (India) Private Limited | INR | 1.00 | 2.36 | 0.43 | 15.60 | 12.81 | 0.01 | 75.02 | (1.45) | (0.08) | (1.37) | - | 50.41% | 60.00% |
| 71 | 2 x 2 Logistics Private Limited | INR | 1.00 | 4.01 | 0.03 | 30.04 | 26.00 | - | 16.00 | (0.10) | (0.03) | (0.07) | - | 46.20% | 55.00% |
| 72 | Mahindra Two Wheelers Limited | INR | 1.00 | 2,658.39 | (2,386.17) | 758.29 | 486.07 | - | 704.18 | (615.17) | - | (615.17) | - | 91.26% | |
| 73 | Peugeot Motorcycles S.A.S.# | EUR | 74.97 | 73.54 | (168.50) | 411.60 | 506.56 | - | 707.00 | (186.82) | - | (186.82) | - | 46.54% | 51.00% |
| 74 | Peugeot Motorcycles Italia S.p.A.# | EUR | 74.97 | 1.98 | (0.05) | 40.04 | 38.11 | - | 54.12 | 0.13 | - | 0.13 | - | 46.54% | 100.00% |
| 75 | Peugeot Motorcycles Deutschland GmbH# | EUR | 74.97 | 0.19 | 1.61 | 11.88 | 10.08 | - | 121.02 | 0.75 | - | 0.75 | - | 46.54% | 100.00% |
| 76 | Mahindra Two Wheelers Europe Holdings S.a.r.l. | EUR | 74.97 | 111.71 | (0.36) | 195.96 | 84.61 | - | - | (0.35) | - | (0.35) | - | 91.26% | 100.00% |
| 77 | Mahindra Defence Systems Limited | INR | 1.00 | 8.46 | 90.58 | 124.68 | 25.64 | 45.90 | 40.11 | (3.51) | (1.10) | (2.41) | - | 100.00% | |
| 78 | Defence Land Systems India Limited | INR | 1.00 | 179.00 | (89.99) | 105.63 | 16.62 | - | 23.40 | (9.31) | - | (9.31) | - | 100.00% | |
| 79 | Mahindra Defence Naval Systems Private Limited | INR | 1.00 | 15.03 | (0.15) | 21.36 | 6.48 | - | 9.08 | (2.46) | (0.80) | (1.66) | - | 100.00% | |
| 80 | Mahindra Telephonics Integrated Systems Limited | INR | 1.00 | 50.78 | (15.51) | 38.16 | 2.89 | - | 5.39 | (4.75) | - | (4.75) | - | 51.00% | |
| 81 | Mahindra Telecommunications Investment Private Limited | INR | 1.00 | 0.47 | 6.27 | 6.86 | 0.12 | - | 0.70 | 0.66 | 0.16 | 0.50 | - | 100.00% | |
| 82 | Mahindra Emirates Vehicle Armouring FZ-LLC | AED | 18.03 | 18.03 | (0.62) | 33.39 | 15.98 | - | 47.82 | 7.36 | - | 7.36 | - | 51.00% | |
| 83 | Mahindra First Choice Services Limited | INR | 1.00 | 234.30 | (225.70) | 39.01 | 30.41 | - | 60.60 | (67.15) | - | (67.15) | - | 100.00% | |
| 84 | Mahindra First Choice Wheels Limited | INR | 1.00 | 73.84 | (1.32) | 113.60 | 41.08 | 7.01 | 62.44 | (10.58) | - | (10.58) | - | 45.50% | |
| 85 | Mahindra eMarket Limited | INR | 1.00 | 0.80 | (0.84) | 0.10 | 0.14 | - | - | (0.04) | - | (0.04) | - | 69.00% | |
| 86 | Mahindra Namaste Private Limited | INR | 1.00 | 9.01 | (8.95) | 0.22 | 0.16 | - | 1.87 | (2.26) | - | (2.26) | - | 59.01% | 100.00% |
| 87 | Mahindra Holdings Limited | INR | 1.00 | 179.19 | 22.21 | 201.59 | 0.19 | 46.16 | 2.87 | (1.17) | - | (1.17) | - | 100.00% | |
| 88 | Mahindra Overseas Investment Company (Mauritius) Limited | USD | 66.35 | 766.26 | (220.84) | 1,523.29 | 977.87 | 1,259.33 | 27.91 | (4.92) | - | (4.92) | - | 100.00% | |
| 89 | Mahindra Integrated Business Solutions Private Limited | INR | 1.00 | 1.50 | 4.36 | 10.91 | 5.05 | 2.69 | 15.01 | 1.13 | 0.69 | 0.44 | 0.24 | 100.00% | |
| 90 | Mahindra Racing S.p.A. | EUR | 74.97 | 6.01 | (0.60) | 14.13 | 8.72 | - | 42.54 | 0.40 | 0.39 | 0.01 | - | 100.00% | |
| 91 | Mahindra Racing UK Limited | GBP | 95.21 | 0.19 | (0.23) | 13.13 | 13.17 | - | 56.30 | 0.07 | 0.22 | (0.15) | - | 100.00% | |
| 92 | Mahindra 'Electoral Trust' Company | INR | 1.00 | 0.05 | (0.01) | 0.04 | * | - | - | - | - | - | - | 100.00% | |
| 93 | Gateway Housing Company Limited | INR | 1.00 | 1.76 | 0.13 | 1.94 | 0.05 | - | 0.14 | 0.13 | 0.04 | 0.09 | - | 100.00% | |

| Sr. No. | Name of Subsidiary | Reporting Currency | Exchange Rate | Capital (including Preference Capital) | Reserves & Surplus | Total Assets | Total Liabilities | Investments (excluding investments in subsidiaries) | Gross Turnover | Profit/ (Loss) before Tax | Provision for Tax | Profit/ (Loss) after Tax | Proposed Dividend and Tax thereon | Proportion of ownership interest @ | Rupees Crores | |
|---------|---|--------------------|---------------|--|--------------------|--------------|-------------------|---|----------------|---------------------------|-------------------|--------------------------|-----------------------------------|------------------------------------|--|--|
| | | | | | | | | | | | | | | | Proportion of voting power where different | Proportion of voting power where different |
| 94 | MachinePulse Tech Private Limited** ^ | INR | 1.00 | - | - | - | - | - | - | - | - | - | - | 100.00% | 100.00% | |
| 95 | Orizonte Business Solutions Limited | INR | 1.00 | 5.78 | (3.10) | 4.84 | 2.16 | - | 0.59 | (1.77) | - | (1.77) | - | 100.00% | 100.00% | |
| 96 | Mahindra Intertrade Limited | INR | 1.00 | 16.60 | 419.49 | 604.37 | 168.28 | 35.57 | 1,110.17 | 95.02 | 32.64 | 62.38 | 23.98 | 100.00% | 100.00% | |
| 97 | Mahindra Electrical Steel Private Limited** | INR | 1.00 | 0.05 | (1.94) | 7.40 | 9.29 | - | 0.75 | 0.53 | 0.10 | 0.43 | - | 100.00% | 100.00% | |
| 98 | Mahindra Steel Service Centre Limited | INR | 1.00 | 16.54 | 80.89 | 215.71 | 118.28 | - | 215.71 | 8.12 | 2.63 | 5.49 | 1.39 | 61.00% | 61.00% | |
| 99 | Mahindra MiddleEast Electrical Steel Service Centre (FZC) | AED | 18.03 | 3.64 | 27.83 | 47.11 | 15.64 | - | 37.57 | 0.37 | - | 0.37 | - | 90.00% | 90.00% | |
| 100 | Mahindra Auto Steel Private Limited | INR | 1.00 | 68.50 | 6.33 | 134.77 | 59.94 | 0.47 | 69.67 | 6.00 | (0.54) | 6.54 | 0.41 | 51.00% | 51.00% | |
| 101 | Mahindra Aerospace Private Limited | INR | 1.00 | 235.29 | 59.51 | 297.29 | 2.49 | 3.74 | 3.03 | (139.87) | 0.21 | (140.08) | - | 66.67% | 66.67% | |
| 102 | Mahindra Aerostructures Private Limited | INR | 1.00 | 160.36 | (129.84) | 187.20 | 156.68 | - | 7.64 | (52.27) | - | (52.27) | - | 66.67% | 100.00% | |
| 103 | Aerostaff Australia Pty. Limited | AUD | 49.10 | 24.30 | (27.16) | 4.55 | 7.41 | - | 9.78 | (1.06) | - | (1.06) | - | 50.07% | 100.00% | |
| 104 | Airvan Flight Services Pty. Limited | AUD | 49.10 | * | (0.02) | * | 0.02 | - | - | (0.02) | - | (0.02) | - | 50.07% | 100.00% | |
| 105 | Airvan10 Pty. Limited | AUD | 49.10 | * | (0.02) | * | 0.02 | - | - | (0.02) | - | (0.02) | - | 50.07% | 100.00% | |
| 106 | Gipp Aero Investments Pty. Limited | AUD | 49.10 | 34.45 | 60.46 | 94.99 | 0.08 | - | - | (96.78) | - | (96.78) | - | 50.07% | 75.10% | |
| 107 | GA8 Airvan Pty. Limited | AUD | 49.10 | * | (0.02) | * | 0.02 | - | - | (0.02) | - | (0.02) | - | 50.07% | 100.00% | |
| 108 | GA200 Pty. Limited | AUD | 49.10 | * | (0.02) | * | 0.02 | - | - | (0.02) | - | (0.02) | - | 50.07% | 100.00% | |
| 109 | Gippsaero Pty. Limited | AUD | 49.10 | 167.19 | (205.77) | 224.34 | 262.92 | - | 48.97 | (69.59) | - | (69.59) | - | 50.07% | 100.00% | |
| 110 | Mahindra Aerospace Australia Pty. Limited | AUD | 49.10 | 223.59 | (129.69) | 215.69 | 121.79 | - | 5.08 | (134.73) | - | (134.73) | - | 66.67% | 100.00% | |
| 111 | Nomad TC Pty. Limited | AUD | 49.10 | 0.05 | (0.08) | * | 0.03 | - | - | (0.03) | - | (0.03) | - | 50.07% | 100.00% | |
| 112 | Mahindra Sanyo Special Steel Private Limited | INR | 1.00 | 10.85 | 163.67 | 583.90 | 409.38 | 14.00 | 852.11 | (52.09) | - | (52.09) | - | 51.00% | 51.00% | |
| 113 | Mahindra Holidays & Resorts India Limited | INR | 1.00 | 88.06 | 603.80 | 2,900.53 | 2,208.67 | 58.43 | 962.61 | 172.09 | 54.74 | 117.35 | 53.43 | 75.62% | 75.62% | |
| 114 | Gables Promoters Private Limited** | INR | 1.00 | 49.68 | (0.54) | 57.05 | 7.91 | - | * | (0.49) | - | (0.49) | - | 75.62% | 100.00% | |
| 115 | Infinity Hospitality Group Company Limited# | THB | 1.89 | 28.35 | (20.43) | 40.01 | 32.09 | 0.08 | 8.21 | 0.09 | - | 0.09 | - | 55.94% | 100.00% | |
| 116 | Mahindra Hotels and Residences India Limited | INR | 1.00 | 0.05 | (0.14) | * | 0.09 | - | - | (0.01) | - | (0.01) | - | 75.62% | 100.00% | |
| 117 | Convington S.a.r.l. | EUR | 74.97 | 0.09 | 167.20 | 401.05 | 233.76 | - | - | (5.76) | - | (5.76) | - | 75.62% | 100.00% | |
| 118 | MH Boutique Hospitality Limited | THB | 1.89 | 1.89 | (1.72) | 7.19 | 7.02 | - | * | (0.51) | - | (0.51) | - | 37.05% | 49.00% | |
| 119 | Heritage Bird (M) Sdn. Bhd. | MYR | 17.09 | 0.51 | (1.30) | 7.39 | 8.18 | - | 1.55 | (0.13) | 0.01 | (0.14) | - | 75.62% | 100.00% | |
| 120 | MHR Holdings (Mauritius) Limited | EUR | 74.97 | 1.09 | (9.19) | 330.27 | 338.37 | - | 3.26 | (7.99) | - | (7.99) | - | 75.62% | 100.00% | |
| 121 | HCR Management Oy | EUR | 74.97 | 0.02 | 4.19 | 15.71 | 11.50 | - | - | (0.18) | - | (0.18) | - | 75.62% | 100.00% | |
| 122 | Holiday Club Resorts Oy | EUR | 74.97 | 89.66 | 321.74 | 896.60 | 485.20 | 2.59 | 1,239.55 | (27.83) | (0.03) | (27.80) | 7.13 | 64.73% | 85.61% | |
| 123 | Holiday Club Sweden Ab Åre | SEK | 8.17 | 0.08 | 113.17 | 222.16 | 108.91 | - | 50.65 | (6.77) | - | (6.77) | 0.11 | 64.73% | 100.00% | |
| 124 | Kiinteistö Oy Himos Gardens | EUR | 74.97 | 0.02 | 7.94 | 7.97 | 0.01 | - | - | 0.12 | 0.02 | 0.10 | - | 64.73% | 100.00% | |
| 125 | Holiday Club Rus LLC# | RUB | 0.98 | 0.03 | (7.76) | 4.07 | 11.80 | - | 0.91 | (3.04) | (0.58) | (2.46) | - | 64.73% | 100.00% | |
| 126 | Suomen Vapaa-aikakiinteistö Oy LKV | SEK | 8.17 | 0.02 | 0.13 | 0.15 | - | - | - | (0.01) | - | (0.01) | - | 64.73% | 100.00% | |

Part "A" : Subsidiaries (Contd.)

| Sr. No. | Name of Subsidiary | Reporting Currency | Exchange Rate | Capital (including Preference Capital) | Reserves & Surplus | Total Assets | Total Liabilities | Investments (excluding investments in subsidiaries) | Gross Turnover | Profit/ (Loss) before Tax | Provision for Tax | Profit/ (Loss) after Tax | Proposed Dividend and Tax thereon | Proportion of ownership interest @ | Proportion of voting power where different |
|---------|--|--------------------|---------------|--|--------------------|--------------|-------------------|---|----------------|---------------------------|-------------------|--------------------------|-----------------------------------|------------------------------------|--|
| | | | | | | | | | | | | | | | |
| 127 | Kiinteistö Himoksen Tähti 2 Oy | EUR | 74.97 | 0.02 | 5.00 | 5.03 | 0.01 | - | - | (0.06) | - | (0.06) | - | 64.73% | 100.00% |
| 128 | Kiinteistö Oy Vanha Ykköstii | EUR | 74.97 | 0.02 | 0.37 | 0.39 | - | - | - | (0.01) | - | (0.01) | - | 64.73% | 100.00% |
| 129 | Kiinteistö Oy Katinnurkka | EUR | 74.97 | 0.02 | 2.30 | 2.32 | - | - | - | (0.01) | - | (0.01) | - | 64.73% | 100.00% |
| 130 | Kiinteistö Oy Tenetilahti | EUR | 74.97 | 0.02 | 0.80 | 0.82 | * | - | - | (0.01) | - | (0.01) | - | 64.73% | 100.00% |
| 131 | Kiinteistö Oy Mällöniemi | EUR | 74.97 | 0.07 | 2.18 | 2.26 | 0.01 | - | 0.06 | (4.06) | - | (4.06) | - | 64.73% | 100.00% |
| 132 | Kiinteistö Oy Rauhan Ranta 1 | EUR | 74.97 | 0.02 | 0.92 | 0.95 | 0.01 | - | - | (0.03) | - | (0.03) | - | 64.73% | 100.00% |
| 133 | Kiinteistö Oy Rauhan Ranta 2 | EUR | 74.97 | 0.02 | 1.53 | 1.57 | 0.02 | - | - | (0.05) | - | (0.05) | - | 64.73% | 100.00% |
| 134 | Kiinteistö Oy Tiuruniemi | EUR | 74.97 | 0.02 | 2.71 | 2.73 | * | - | - | (4.38) | - | (4.38) | - | 64.73% | 100.00% |
| 135 | Kiinteistö Oy Rauhan Liikekiinteistö 1 | EUR | 74.97 | 0.02 | 14.63 | 77.01 | 62.36 | - | 9.83 | (1.65) | - | (1.65) | - | 64.73% | 100.00% |
| 136 | Supermarket Capri Oy | EUR | 74.97 | 0.75 | 0.13 | 1.18 | 0.30 | - | 5.51 | (0.59) | - | (0.59) | - | 64.73% | 100.00% |
| 137 | Kiinteistö Oy Kylpyläntorni 1 | EUR | 74.97 | 0.02 | 1.87 | 1.89 | * | - | 0.02 | 0.01 | - | 0.01 | - | 64.73% | 100.00% |
| 138 | Kiinteistö Oy Spa Lofts 2 | EUR | 74.97 | 0.02 | 1.07 | 1.10 | 0.01 | - | - | (0.02) | - | (0.02) | - | 64.73% | 100.00% |
| 139 | Kiinteistö Oy Spa Lofts 3 | EUR | 74.97 | 0.02 | 1.05 | 1.08 | 0.01 | - | - | (0.03) | - | (0.03) | - | 64.73% | 100.00% |
| 140 | Kiinteistö Oy Kuusamon Puikkajärvi 1 | EUR | 74.97 | 0.02 | 2.03 | 2.73 | 0.68 | - | 0.17 | 0.06 | 0.01 | 0.05 | - | 64.73% | 100.00% |
| 141 | Saimaa Gardens Arena Oy | EUR | 74.97 | 0.02 | * | 1.38 | 1.36 | - | 1.34 | * | - | * | - | 64.73% | 100.00% |
| 142 | Ownership Services Ab | SEK | 8.17 | 0.08 | 1.61 | 7.92 | 6.23 | - | - | (0.04) | - | (0.04) | 1.61 | 64.73% | 100.00% |
| 143 | Holiday Club Canarias Investments S.L. | EUR | 74.97 | 0.02 | (0.02) | 1.04 | 1.04 | - | - | (0.01) | - | (0.01) | - | 64.73% | 100.00% |
| 144 | Holiday Club Sport and Spa AB | SEK | 8.17 | 0.82 | 11.24 | 39.94 | 27.88 | - | 45.40 | 1.84 | 0.41 | 1.43 | 11.24 | 33.01% | 51.00% |
| 145 | Holiday Club Canarias Sales & Marketing S.L. | EUR | 74.97 | 0.02 | 28.87 | 142.87 | 113.98 | - | 39.02 | (2.18) | (0.81) | (1.37) | - | 64.73% | 100.00% |
| 146 | Holiday Club Canarias Resort Management S.L. | EUR | 74.97 | 0.02 | 20.62 | 64.97 | 44.33 | - | 18.77 | 2.85 | 0.80 | 2.05 | - | 64.73% | 100.00% |
| 147 | Kiinteistö Oy Tunturinrivi | EUR | 74.97 | 0.12 | 0.74 | 0.86 | - | - | - | (0.04) | - | (0.04) | - | 64.73% | 100.00% |
| 148 | Caribia Service Oy | EUR | 74.97 | 0.06 | (0.03) | 0.03 | - | - | - | (0.01) | - | (0.01) | - | 64.73% | 100.00% |
| 149 | Are Semesterby A# | SEK | 8.17 | 0.08 | (0.01) | 0.07 | - | - | - | * | - | * | - | 64.73% | 100.00% |
| 150 | Are Semesterby B# | SEK | 8.17 | 0.08 | (0.01) | 0.07 | - | - | - | * | - | * | - | 64.73% | 100.00% |
| 151 | Are Semesterby C# | SEK | 8.17 | 0.08 | (0.01) | 0.07 | - | - | - | * | - | * | - | 64.73% | 100.00% |
| 152 | Are Semesterby D# | SEK | 8.17 | 0.08 | (0.01) | 0.07 | - | - | - | * | - | * | - | 64.73% | 100.00% |
| 153 | Are Villas 1 Ab | SEK | 8.17 | 0.04 | 1.42 | 1.47 | 0.01 | - | 10.15 | 0.95 | - | 0.95 | - | 64.73% | 100.00% |
| 154 | Are Villas 2 Ab | SEK | 8.17 | 0.04 | 1.17 | 1.22 | 0.01 | - | 10.15 | 0.95 | - | 0.95 | - | 64.73% | 100.00% |

Notes :

* denotes amounts less than Rs. 50,000.

** denotes companies yet to commence operations

*** Mahindra International UK Ltd. was incorporated on 13th October, 2015 and will prepare its first statutory accounts for the year ending March 31, 2017.^ MachinePulse Tech Private Limited was incorporated on 5th January, 2016 and will prepare its first statutory accounts for the year ending March 31, 2017.

@ excluding shares issued to ESOP Trusts of the respective entities/their holding companies but not allotted to employees as per the Guidance Note on Accounting for Employee Share Based Payments issued by 'The Institute of Chartered Accountants of India'.

denotes companies where reporting period is 1st January, 2015 to 31st December, 2015. The financial year for all other subsidiaries is 1st April, 2015 to 31st March, 2016.

Names of subsidiaries which have ceased to exist during the year on account of Liquidation/Sale/Merger through scheme of arrangement are as under (also refer note 1 of Consolidated Financial Statements):

Saariselkä Resort Oy

Kiinteistö Oy Jalomella

Kiinteistö Oy Outapalas

Kiinteistö Oy Ulkuvuoma

Himos Hillside Golf Oy

Sailan Tunturipalvelut Oy

Kiinteistö Oy Pisterinnientie 2

Holiday Club Katinkullan Villas Oy

Kiinteistö Oy Katinkullan Villas Parkki

Kiinteistö Oy Katinpaista

Holiday Club Golf Saimaa Oy

Kiinteistö Oy Rauhalla Ranta 6

Kiinteistö Oy Rauhan Parkki

Saimaan Palvelukiinteistö Oy

Kiinteistö Oy Paviljongin Pysäköinti

Saimaa Action Park Oy

Kiinteistö Oy Lappeenrannan Saimaan Kreivi

Kiinteistö Oy Kullennoinen

Kongressi- ja Kympylähotelli Caribia Oy

Où Holiday Club Tallinn

Kiinteistö Oy Hakan Perusyhtiö 79

Swaraj Automotives Limited

Divine Heritage Hotels Private Limited

Holiday on Hills Resorts Private Limited

Competent Hotels Private Limited

Mahindra & Mahindra Limited

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Part "B" Details of Associates / Joint Ventures

Rupees crores

| Name of Associates / Joint Ventures | Audited Balance Sheet Date | No. of Equity shares held | % of Holding | Cost of Investments (Equity Shares) | Networth attributable to Shareholding as per latest audited Balance Sheet | Profit / (Loss) for the year | |
|--|----------------------------|---------------------------|--------------|-------------------------------------|---|------------------------------|---------------------------------|
| | | | | | | Considered in Consolidation | Not considered in consolidation |
| Associates ~ | | | | | | | |
| Mahindra Construction Company Limited | 31/03/2014 | 9,00,000 | 37.49% | 0.97 | (3.55) | - | (7.13) |
| Officemartindia.com Limited | 31/03/2015 | 7,49,997 | 50.00% | 0.22 | (0.12) | - | * |
| Rathna Bhoomi Enterprises Private Limited ** | 31/03/2016 | 500 | 25.40% | * | 0.06 | - | * |
| Kota Farm Services Limited | 31/03/2016 | 2,73,420 | 45.00% | 0.27 | (0.14) | - | 0.01 |
| Mega One Stop Farm Services Limited (upto 24 th November, 2015) | | - | - | - | - | - | - |
| Swaraj Engines Limited | 31/03/2016 | 41,26,417 | 33.22% | 1.63 | 71.11 | 17.01 | 34.19 |
| Mahindra & Mahindra Contech Limited # | 31/03/2016 | 70,000 | 46.66% | 1.73 | 3.30 | 0.34 | 0.39 |
| PSL Media & Communications Limited # | 31/03/2016 | 39,498 | 36.11% | 0.01 | 0.74 | - | 0.11 |
| Tech Mahindra Limited ## | 31/03/2016 | 25,66,93,512 | 26.51% | 2,691.53 | 3,808.86 | 826.65 | 2,291.39 |
| Mahindra CIE Automotive Limited *** | 31/12/2015 | 6,52,71,407 | 20.18% | 531.48 | 405.77 | 28.40 | 112.32 |
| CIE Automotive, S.A. @ | 31/12/2015 | 1,60,40,706 | 12.44% | 870.26 | 520.63 | 114.66 | 807.45 |
| Kismat Developers Private Limited ^ | 31/03/2016 | 15 | 42.86% | * | (0.22) | - | * |
| Topical Builders Private Limited ^ | 31/03/2016 | 175 | 50.00% | * | (2.86) | - | (0.20) |
| Mahindra Tsubaki Conveyor Systems Private Limited † | 31/03/2016 | 1,53,76,025 | 49.00% | 18.31 | 28.72 | 0.85 | 0.88 |
| Holiday Club Resort Oy (upto 1 st September, 2015) £ | | - | - | - | - | (11.19) | (55.00) |
| Koy Sallan Kylpyla €£ | | \$ 49 | 41.95% | 3.23 | - | - | (0.29) |
| Kiinteistö Oy Seniori-Saimaa €£ | 31/12/2015 | 9,50,000 | 26.67% | 7.12 | 2.87 | - | (9.93) |
| Holiday Club Adventures Oy €£ | 31/12/2015 | 30 | 25.68% | 0.01 | 0.01 | - | - |
| Joint Ventures | | | | | | | |
| Mahindra Sona Limited | 31/03/2016 | 32,75,000 | 29.77% | 1.64 | 46.40 | 8.71 | 20.55 |
| Mahindra Water Utilities Limited ** (upto 26th July, 2015) | | - | - | - | - | - | - |
| Mahindra Inframan Water Utilities Private Limited ** | 31/03/2016 | 25,000 | 50.00% | 0.03 | 0.04 | (0.01) | (0.01) |
| Mahindra Solar One Private Limited \$\$ | 31/03/2016 | 27,81,640 | 26.00% | 27.73 | 28.36 | 0.60 | 1.73 |
| Mahindra Homes Private Limited ^ | 31/03/2016 | 2,06,017 | 50.00% | 0.21 | (3.18) | 3.31 | 3.31 |
| Mahindra Finance USA LLC @@ | 31/03/2016 | 2,69,17,323 | 49.00% | 153.17 | 229.64 | 18.39 | 19.14 |
| Arabian Dreams Hotel Apartments LLC > | 31/03/2016 | 147 | 49.00% | 0.52 | (3.72) | (0.07) | (0.07) |
| Jinan Qingqi Peugeot Motorcycles Company Limited € | 31/12/2015 | 1 | 50.00% | 46.25 | 46.48 | 4.72 | 4.72 |
| Mitsubishi Mahindra Agricultural Machinery Co., Ltd § | 31/03/2016 | 4 | 33.33% | 170.13 | 523.15 | (17.63) | (8.81) |

* denotes amounts less than Rs. 50,000.

~ Significant influence is exercised through shareholding except CIE Automotive, S.A. where it is through contractual representation on the board of the company

** Shareholding is through a subsidiary, Mahindra Infrastructure Developers Limited.

Shareholding is through the Company and its subsidiary, Mahindra Holdings Limited.

^ Shareholding is through a subsidiary, Mahindra Lifespace Developers Limited.

@ Shareholding is through a subsidiary, Mahindra Overseas Investment Company (Mauritius) Limited.

*** Shareholding is through a subsidiary, Mahindra Vehicle Manufacturers Limited

£ Shareholding is through a subsidiary, Convington S.à.r.l.

† Shareholding is through a subsidiary, Mahindra Engineering and Chemical Products Limited.

Shareholding is through the Company and its subsidiaries, Mahindra Holdings Limited and Mahindra-BT Investment Company (Mauritius) Limited.

@@ Shareholding is through a subsidiary, Mahindra & Mahindra Financial Services Limited.

\$\$ Shareholding is through a subsidiary, Mahindra Holdings Limited.

€£ Shareholding is through a subsidiary, Holiday Club Resort Oy.

> Shareholding is through a subsidiary, Mahindra Holidays & Resorts India Limited.

\$ Koy Sallan Kylpyla was incorporated during the year and will prepare its first statutory accounts for the period ending December 31, 2016.

€ Shareholding is through a subsidiary, Peugeot Motorcycles S.A.S.

§ In addition to JPY750 million Common Stock (which represents 33.33% of the Common stock), the Company owns the entire JPY 2,250 million "Class A" shares (shares with no voting rights); "Class A" shares have rights over dividend and liquidation on an equal basis with Common Stock."

Notes :

1. No associates/ Joint ventures are yet to commence operations.

2. No associates/ Joint ventures have been liquidated or sold during the year.

Deepak S. Parekh
Nadir B. Godrej
M. M. Murugappan
R. K. Kulkarni
Anupam Puri
Vishakha N. Desai
Vikram Singh Mehta
S. B. Mainak

Directors

Anand G. Mahindra

Chairman & Managing Director

Dr. Pawan Goenka

Executive Director & Group President
(Auto and Farm Sector)

V. S. Parthasarathy

Group Chief Financial Officer, Group CIO & President (Group Finance and M&A)

Narayan Shankar

Company Secretary

Mumbai, 30th May, 2016

Mahindra & Mahindra Limited

Registered Office: Gateway Building, Apollo Bunder, Mumbai – 400 001.

CIN: L65990MH1945PLC004558

website: www.mahindra.com • email: investors@mahindra.com • Tel: +91 22 22895500 • Fax: +91 22 22875485

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, Karvy Computershare Private Limited at Karvy Selenium, Tower B, Plot No. 31 & 32, Gachibowli, Financial District, Nanakramguda, Hyderabad, Telangana – 500 032 on or before 25th July, 2016.

I hereby record my presence at the SEVENTIETH ANNUAL GENERAL MEETING of the Company being held at Birla Matushri Sabhagar, 19, Sir Vithaldas Thackersey Marg (New Marine Lines), Mumbai – 400 020 on 10th August, 2016 at 3.00 pm.

Name(s) of the Shareholder(s)/Proxy (IN BLOCK LETTERS)

Signature(s) of Shareholder(s) or Proxy

Note: You are requested to bring your copy of the Annual Report to the Meeting.

(To be retained throughout the Meeting)

Mahindra & Mahindra Limited

Registered Office: Gateway Building, Apollo Bunder, Mumbai – 400 001.

CIN: L65990MH1945PLC004558

website: www.mahindra.com • email: investors@mahindra.com • Tel: +91 22 22895500 • Fax: +91 22 22875485

ELECTRONIC VOTING PARTICULARS

| EVEN (E-Voting Event Number) | USER ID | PASSWORD/PIN |
|---|----------------|---------------------|
| 2430 | | |

- Note:**
1. The remote e-voting period will commence on Friday, 5th August, 2016 (9:00 a.m. IST) and will end on Tuesday, 9th August, 2016 (5:00 p.m. IST).
 2. Please read instructions given overleaf before voting electronically.

Instructions for e-voting :

Members are requested to follow the instructions given below before they cast their votes through remote e-voting:

1. New Users

- (i) User ID and password/PIN for e-voting is provided in the table overleaf. Please note that the password is an initial password.
- (ii) Launch internet browser by typing the URL: <https://www.evoting.karvy.com>
- (iii) Enter the login credentials (i.e. User ID and password). In case of physical folio, User ID will be EVEN (E-Voting Event Number) followed by folio number. In case of Demat account, User ID will be your DP ID and Client ID.
- (iv) You will now reach password change menu wherein you are required to mandatorily change your password/PIN with a new password of your choice with minimum 8 characters. The system will prompt you to change your password and update your contact details like mobile number, email ID etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (v) You need to login again with the new credentials.
- (vi) On successful login, the system will prompt you to select the "EVENT" i.e. Mahindra & Mahindra Limited.
- (vii) Now you are ready for e-voting as voting page opens.
- (viii) You may then cast your vote by selecting an appropriate option and click on "Submit" and also click on "OK" to confirm else "CANCEL" to modify.
- (ix) Once you have voted on the resolution, you will not be allowed to modify your vote.
- (x) Corporate/Institutional Members (i.e. other than individuals, HUF, NRI etc.) are required to send scanned certified true copy (PDF Format) of the Board Resolution/Authority letter etc. together with attested specimen signature(s) of the duly authorized representative(s), to the Scrutinizer at e-mail ID sbhagwatcs@yahoo.co.in with a copy marked to evoting@karvy.com. The scanned image of the above mentioned documents should be in the naming format "Corporate Name_EVEN."

2. Existing Users

If you are already registered with Karvy Computershare Private Limited ("Karvy") for e-voting then you can use your existing user ID and password/PIN for casting your vote. Please follow the steps from Sl. No. (vi) to (x).

Voting at the General Meeting:

The facility for voting through e-voting system of Karvy shall also be made available at the Annual General Meeting ("AGM") and Members attending the AGM who have not already cast their vote through 'remote e-voting' shall be able to exercise their right to vote at the AGM. Members who have cast their vote through 'remote e-voting' may also attend the meeting but shall not be entitled to cast their vote again.

General Instructions :

- I. In case of any queries and/or grievances, in respect of voting by electronic means, Members may refer to the Help & Frequently Asked Questions (FAQs) and E-voting user manual available at the download section of <https://evoting.karvy.com> (Karvy Website) or contact investors@mahindra.com or evoting@karvy.com or call 040 – 6716 1500 or Karvy's toll free No. 1800-3454-001 for any further clarifications.
- II. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently.
- III. The voting rights of Members shall be in proportion to their share in the paid up equity share capital of the Company as on the cut-off date i.e. 3rd August, 2016.
- IV. Mr. Sachin Bhagwat, Practicing Company Secretary (Membership No. ACS10189) has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.

**PROXY FORM**

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Mahindra & Mahindra Limited

Registered Office: Gateway Building, Apollo Bunder, Mumbai – 400 001.

CIN: L65990MH1945PLC004558

website: www.mahindra.com • email: investors@mahindra.com • Tel: +91 22 22895500 • Fax: +91 22 22875485

| | | |
|-----------------------|---|--|
| Name of the member(s) | : | |
| Registered address | : | |
| E-mail Id | : | |
| Folio No./Client Id | : | |
| DP ID | : | |

I/We, being the member(s) of _____ shares of the above named company, hereby appoint:

- Name: _____ E-mail Id: _____
Address: _____
Signature: , or failing him
- Name: _____ E-mail Id: _____
Address: _____
Signature: , or failing him
- Name: _____ E-mail Id: _____
Address: _____
Signature:

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 70th Annual General Meeting of the Company, to be held on the 10th day of August, 2016 at 3.00 p.m. at Birla Matushri Sabhagar, 19, Sir Vithaldas Thackersey Marg (New Marine Lines), Mumbai - 400 020 and at any adjournment thereof in respect of such resolutions as are indicated below:

| Resolution No. | Description | For | Against |
|----------------|---|-----|---------|
| 1. | To receive, consider and adopt the Audited Financial Statement (including Audited Consolidated Financial Statement) of the Company for the Financial Year ended 31 st March, 2016 and the Reports of the Board of Directors and Auditors thereon. | | |
| 2. | Declaration of Dividend on Ordinary (Equity) Shares. | | |
| 3. | Re-appointment of Mr. S. B. Mainak (DIN: 02531129) as a Director, who retires by rotation and, being eligible, offers himself for re-appointment. | | |
| 4. | Ratification of appointment of Messrs Deloitte Haskins & Sells, Chartered Accountants, (ICAI Firm Registration Number 117364W) as Auditors of the Company until the conclusion of the Seventy-First Annual General Meeting of the Company to be held in the year 2017 and approve their remuneration. | | |

| Resolution No. | Description | For | Against |
|----------------|--|-----|---------|
| 5. | Ratification of the remuneration payable to Messrs D. C. Dave & Co., Cost Accountants, (Firm Registration Number 000611), appointed as the Cost Auditors of the Company. | | |
| 6. | Borrow by way of securities, including but not limited to, secured/unsecured redeemable Non-Convertible Debentures and/or Commercial Paper to be issued under Private Placement basis upto Rs. 5,000 crores. | | |
| 7. | Approval for change in the place of keeping the Registers and Index of Members, Debenture Holders and other security holders, if any, and copies of Annual Returns of the Company. | | |

Signed this _____ day of _____ 2016.

| |
|---------------------------|
| Affix Revenue Stamp |
|---------------------------|

Signature of Shareholder

Signature of Proxy holder(s)

Note:

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
2. A person can act as proxy on behalf of Members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. Further, a Member holding more than ten percent, of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other Member.

Mahindra *Rise.*

Registered Office: Mahindra & Mahindra Limited
Gateway Building, Apollo Bunder, Mumbai - 400 001.
www.mahindra.com