

Q4 Operating profit up by 42%

Mumbai, May 30, 2013: The Board of Directors of Mahindra and Mahindra Limited today announced the financial results for the quarter ended 31st March 2013 of the company and the audited results for the year ended 31st March 2013 for the company and the consolidated Mahindra Group.

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

Q4 F2013 – M&M + MVML Results

The Gross Revenues and other income of Mahindra & Mahindra Ltd. and MVML (Entity) during the quarter ended 31st March 2013 is **Rs. 11342.3 crore** as against Rs. 10333.6 crore in the previous year – **a growth of 9.8%**. The Profit before exceptional items and tax for the current quarter is **Rs. 1230.4 crore** as against Rs.868.0 crore in Q4 previous year - **a growth of 41.8%**. **The Operating Margin for the combined entity in the current quarter is 14.4% as compared to 12.0% in last Q4.** The good growth in the operating margin and profits of the entity during the quarter is due to a strong sales performance by its Automotive Sector and its relentless focus on cost control.

During the current Q4 there was an exceptional profit of Rs. 90.6 crore arising from the sale of 34 lakh shares in M&M's subsidiary Mahindra Holdings and Resorts India Ltd. In Q4 last year too, there was an exceptional profit of Rs. 108.3 crore arising from the merger with M&M of the automotive business of an M&M subsidiary - Mahindra Automotive Distributors Private Ltd (MADPL). Also due to this merger, the past unabsorbed tax losses related to automotive business of MADPL became available to M&M and there was a one time tax saving of Rs. 148.5 crore during Q4 last year. The Net Profit after exceptional items and tax is Rs. 962.9 crore against Rs. 911.3 crore in Q4 last year – a growth of 5.7%.

In the Passenger Utility Vehicle segment, the Entity sold 72076 vehicles in the current quarter - a growth of 23% over the numbers sold in Q4 last year. All the products of the entity's UV portfolio continued to do well and the Entity continued its leadership position with a market share of 47.8%. In the Cars segment, the Entity sold 3747 Verito Cars. The Entity also exported 7766 Vehicles in the current quarter

The domestic tractor industry registered a de-growth of 1.7% in the current quarter. In this quarter, the company sold 46107 tractors under the *Mahindra & Swaraj* brands as against 48517 tractors sold in Q4 last year. The company's market share during the quarter was 37.2%. The company exported 3767 tractors in Q4. The Powerol business revenue grew by 20.8% to Rs. 283.6 Crore in Q4 F2013 against Rs. 234.9 Crore in Q4 last year.

Q4 F2013 – M&M Standalone results

The Gross Revenues and Other Income of Mahindra & Mahindra Ltd. for the quarter ended 31st March 2013 is **Rs.11365.8 crore** as against Rs. 10288.4 crore during the corresponding period last year – **a growth of 10.5%**. The Profit before exceptional items and tax for the current Q4 is **Rs. 1112.2 crore** as against Rs.

794.3 crore in the same period last year – **a growth of 40.0%**. After considering exceptional items and tax, the net profit for the current quarter is Rs 889.2 crore against Rs. 874.5 crore in Q4 last year – a growth of 1.7%.

F2013 – M&M + MVML Results

The Gross Revenues and other income of Mahindra & Mahindra Ltd. and MVML during the year ended 31st March 2013 is **Rs. 43655.3 crore** as against Rs. 35005.2 crore in the previous year – **a growth of 24.7%**. The Profit before exceptional items and tax for the current year is **Rs. 4784.8 crore** as against Rs.3677.5 crore in the previous year – **a growth of 30.1%**. After exceptional items and tax, the same is **Rs. 3634.4 crore** against Rs. 2997.0 crore in the previous year - **a growth of 21.3%**. **The Operating Margin for the combined entity in the current year is 13.9% as compared to 13.2% last year.**

F2013 - M&M Standalone results

The Gross Revenues and other income of Mahindra & Mahindra Ltd. during the year ended 31st March 2013 is **Rs. 43961.8 crore** as against Rs. 34820.3 crore in the previous year – **a growth of 26.3%**. The Net Profit after exceptional items and tax for the current year is **Rs. 3352.8 crore** against Rs. 2878.9 crore in the previous year - **a growth of 16.5%**.

While the above results are quite encouraging, the Government of India in the Union Budget 2013 has introduced an additional 3% excise duty on SUVs which impinges largely on the company's product range. This may, going forward, affect margins. Also, the auto industry is witnessing a general slowdown which again calls for some caution in the future.

The Board of Directors has recommended a dividend of Rs. 12.50 (250%) per share and a special dividend of Rs. 0.50 (10%) per share of face value Rs. 5 aggregating Rs. 13.00 (260%) which will absorb a sum of Rs. 891.15 crore inclusive of tax (previous year Rs. 12.50 (250%) per share of face value Rs.5.00 each which absorbed an amount of Rs. 886.61 crore inclusive of tax) and will be paid to those shareholders whose names stand registered in the books of the company as on the book closure date.

F2013 – Group Consolidated Results

The consolidated Gross Revenues and Other Income for the year ended 31st March 2013 **grew by 17.4 %** to **Rs. 74403.0 crore (USD 13.7 billion)** from Rs.63357.8 crore (USD 11.7 billion) in last year. On account of a change in the status of Tech Mahindra from a Joint Venture to an Associate effective 31st Aug 2012, the revenues reported above include M&M's share of Tech Mahindra revenue only till end Aug 2012. **On a like to like basis the growth in the consolidated revenues in the current year is 20.6% over the previous year.** The consolidated profit after tax and after deducting minority interests for the year is **Rs. 4099.2 crore (USD 756.0 million)** as compared to Rs. 3126.7 crore (USD 576.7 million) in the previous year – **a growth of 31.1%**.

During the year, some of the major group companies like Mahindra Finance, Mahindra Lifespace Developers and Tech Mahindra significantly improved their performance over the previous year. The performance of Mahindra Finance with a 41% growth in consolidated revenues and a 44% increase in profits, and that of Tech Mahindra with a 22% growth in consolidated revenues and a 18% growth in profits, were particularly noteworthy. There was significant improvement in the performance of Ssangyong Motors, the group's South Korean subsidiary, with a 29% reduction in its losses. During the current year there was also a deemed divestiture profit of Rs 277 crore arising from the Qualified Institutional Placement of Shares by Mahindra & Mahindra Financial Services Ltd.

The Group at the end of the year comprised of 123 Subsidiaries, 5 Joint Ventures and 12 Associates. A full summation of Gross Revenues and other income of all the group companies taken together for the whole year F2013 is **Rs. 88093 crore (USD 16.2 billion)**.

Outlook:

The tight macroeconomic constraints that had tethered the Indian economy for the past several quarters seem to have eased somewhat in the last few months. Looking forward, we expect the Indian economy to stage a mild, consumption-led recovery in F2014. Subject to a normal monsoon, as forecast by the Indian Meteorological Department, agricultural growth is likely to see considerable improvement in F2014, leading to a steady moderation in inflation and a bounce back in rural incomes, and consumer demand. At the same time, with the advanced economies expected to witness a recovery this year, exports are likely to maintain the momentum witnessed in Q4. Private investment demand, however, is likely to remain weak. It may show a significant pick up in case there is a concerted policy action by the government. Overall, our outlook on the economy, while more positive than six months ago, remains cautious and watchful.

Note: Translation of rupee to dollar is a convenience translation at the average exchange rate for the year ended 31st March 2013.

About Mahindra

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

A USD 16.2 billion multinational group based in Mumbai, India, Mahindra employs more than 155,000 people in over 100 countries. Mahindra operates in the key industries that drive economic growth, enjoying a leadership position in [tractors](#), [utility vehicles](#), [after-market](#), [information technology](#) and [vacation ownership](#). In addition, Mahindra enjoys a strong presence in the agribusiness, aerospace, components, consulting services, [defence](#), energy, [financial services](#), industrial equipment, logistics, [real estate](#), retail, steel, [commercial vehicles](#) and [two wheeler](#) industries.

In 2012, Mahindra featured on the Forbes Global 2000 list, a listing of the biggest and most powerful listed companies in the world. In 2013, the Mahindra Group received the Financial Times 'Boldness in Business' Award in the 'Emerging Markets' category.

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