



Mahindra

ANALYST CONFERENCE

30th May, 2011

Uday Phadke

Environmental Scan



- ❑ **Global**
 - ❑ Positive growth prospects

- ❑ **Domestic**
 - ❑ GDP growth around 8%
 - ❑ High savings rate
 - ❑ High investment rate
 - ❑ Demographic advantage



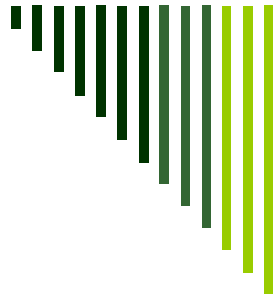
- ❑ **Global**
 - ❑ 'New Normal'
 - ❑ MENA crisis
 - ❑ Sovereign default threats

- ❑ **Domestic**
 - ❑ Interest rates – upward bias
 - ❑ Inflation – Threat to growth
 - ❑ Uncertain Regulatory & Fiscal framework
 - ❑ Governance Issues



Decades Ahead

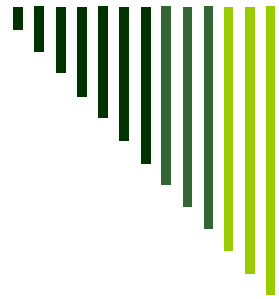
- 
- The world economy could experience a 'Super Cycle'
 - Rebalancing of Global Economic order
 - Emerging markets to drive growth and consumption



Multipolarity: A New Global Economy

- Multipolarity: The concurrent existence of more than two global growth poles
- Multinationals from EMs to be increasingly important sources and drivers of global investment flows
- International monetary system will move toward a multi-currency regime

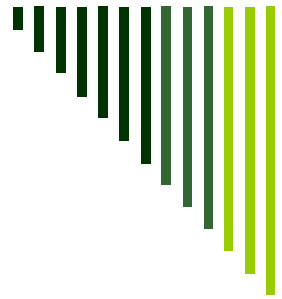
Source: World Bank



M&M FINANCIAL PERFORMANCE

(Rs. Crores)

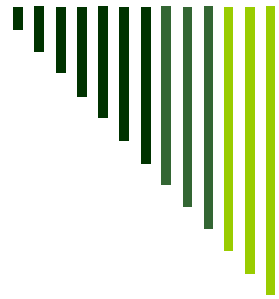
| | F-2011 | F-2010 | Incr / (Decr)% |
|--|---------|---------|-------------------|
| Net Revenue | 23803.2 | 18801.5 | 26.6 |
| PBIT | 3351.8 | 2783.8 | 20.4 |
| PAT | 2662.1 | 2087.8 | 27.5 |
| PAT excluding Exceptional & Special Items | 2561.9 | 2019.0 | 26.9 |
| Operating Margin | 14.71 | 15.89 | |
| Operating Margin (M&M+MVML) | 15.29 | 15.94 | |



M&M BALANCE SHEET

(Rs. Crores)

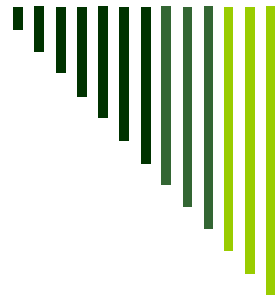
| | March 2011 | March 2010 |
|------------------------|---------------|---------------|
| Sources of Funds | | |
| Shareholders' Funds | 10313.4 | 7826.8 |
| Loan Funds | 2405.3 | 2880.1 |
| Deferred Tax Liability | 354.4 | 240.3 |
| FCMITDA | - | 3.5 |
| Total | 13073.1 | 10950.7 |



M&M BALANCE SHEET

(Rs. Crores)

| | March 2011 | March 2010 |
|----------------------------|---------------|---------------|
| Application of Funds | | |
| Fixed Assets | 4371.9 | 3702.7 |
| Current Investments | 720.3 | 1036.8 |
| Long Term Investments | 8605.0 | 5361.2 |
| Cash & Bank Balance | 614.6 | 1743.2 |
| Proposed Dividend | (802.6) | (623.8) |
| Other Current Assets (Net) | (436.1) | (269.4) |
| Total | 13073.1 | 10950.7 |



M&M

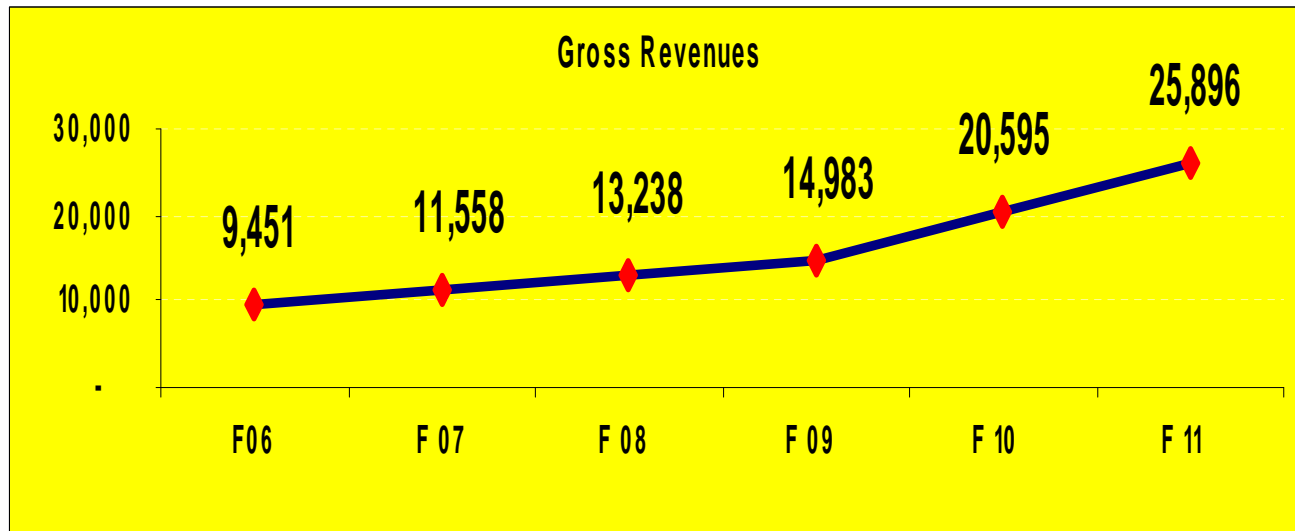
Gearing & Coverage Ratios

| GEARING RATIOS | |
|---------------------|------------|
| | March 2011 |
| Total Debt / Equity | 0.23 |
| Total Debt / EBIDTA | 0.64 |

| GEARING RATIOS | |
|------------------------------|------------|
| | March 2011 |
| Interest Coverage Ratio* | 36.34 |
| Debt Service Coverage Ratio* | 6.34 |

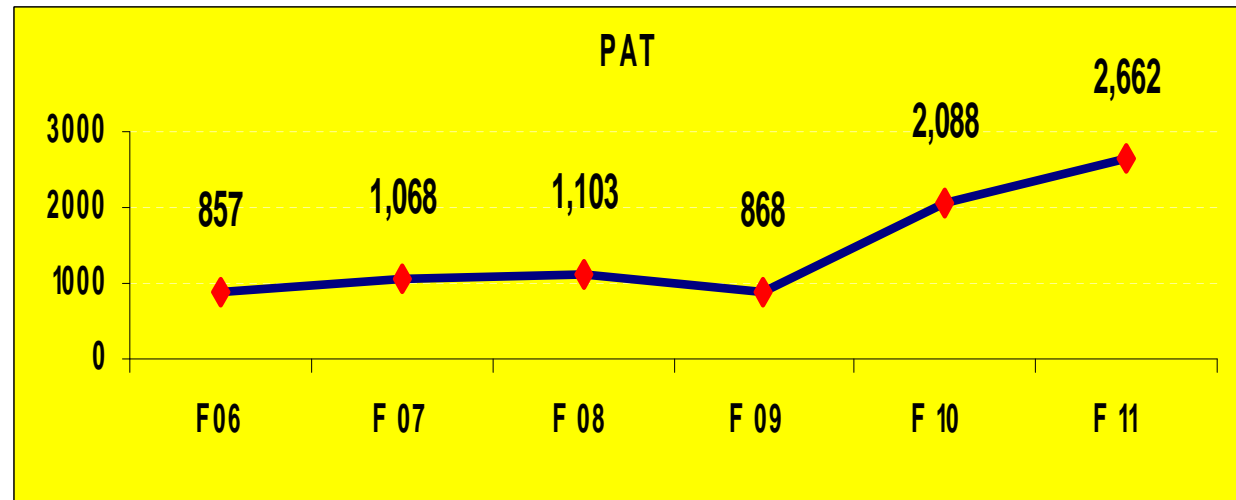
* As per definition suggested in the Listing Agreement for debt securities

Trend in Revenue & Profits



**Gross Revenues
have registered a CAGR
of 22.3%**

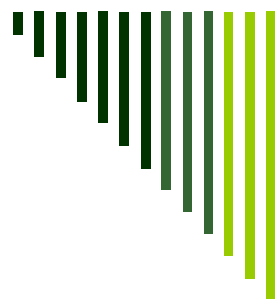
**PAT has
registered a CAGR
of 25.4%**





FINANCIAL HIGHLIGHTS

F-2011 CONSOLIDATED RESULTS



M&M Group Consolidated Results

(Rs. Crores)

| | CONSO. F11 | CONSO. F10 | % Incr |
|--|---------------|---------------|--------|
| Net Revenue | 37026.4 | 31688.0 | 16.9 |
| Profit After Tax # | 3174.8 | 2891.1 | 9.8 |
| PAT After MI | 3079.7 | 2478.6 | 24.3 |
| PAT After MI excluding exceptional & earlier period items | 3023.2 | 2228.3 | 35.7 |

includes share in profits of Associates

Group Companies Top 4 PAT Earners

(Rs. Crores)

| Name of Company | F 11 | F 10 | Variance % |
|--|-------|-------|------------|
| Tech Mahindra | 644.2 | 700.5 | (8.0) |
| Mahindra & Mahindra Financial Services | 492.8 | 355.8 | 38.5 |
| Mahindra Lifespace Developers | 108.2 | 78.5 | 37.8 |
| Mahindra Holidays & Resorts | 100.3 | 117.1 | (14.4) |

Big Swing

| | | | |
|------------------------------|-------------|-----------------|--|
| Mahindra Forgings Ltd | 3.76 | (184.49) | |
|------------------------------|-------------|-----------------|--|

PAT is on consolidated basis post minority interests

Group Companies Top 4 PAT Earners

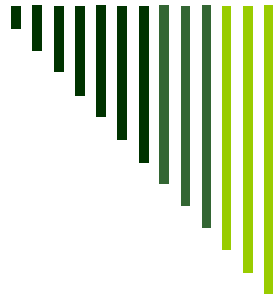
(Rs. Crores)

| Name of Company | F 11 | F 10 | Variance % |
|---|--------------|-------|------------|
| Tech Mahindra - without considering the results of Satyam Computer Services Limited | 743.7 | 700.5 | 6.2 |
| Mahindra & Mahindra Financial Services | 492.8 | 355.8 | 38.5 |
| Mahindra Lifespace Developers | 108.2 | 78.5 | 37.8 |
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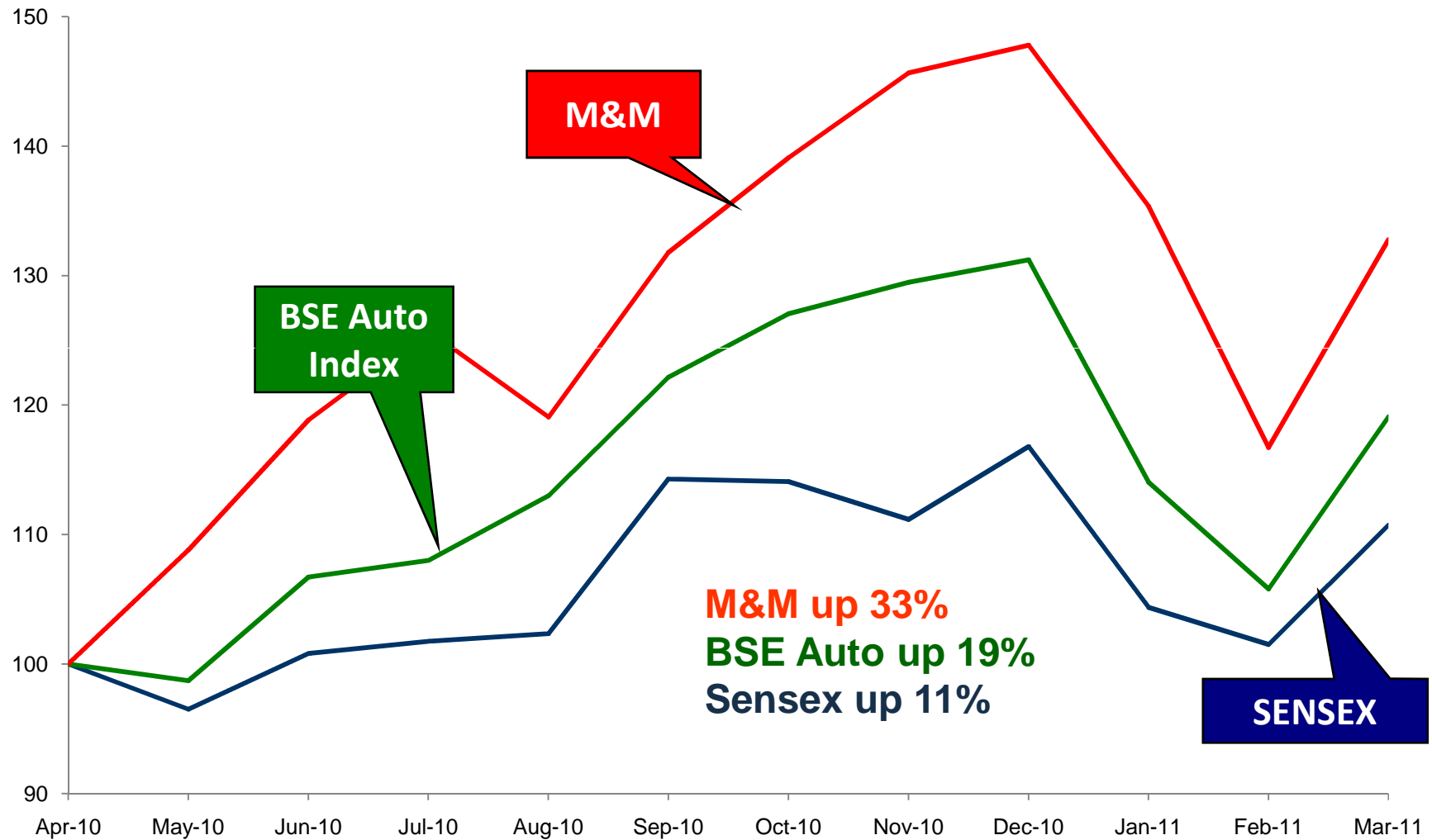


Finance & M&A Milestones

- Exercised call on outstanding FCCBs (US\$141 mn) resulting in nearly full conversion
- Crisil Credit rating upgraded from “AA” to “AA+”
- Raised US\$ 150 million ECB at benchmark pricing
- Inorganic growth
 - Global presence – Ssangyong
 - Alternate fuel & green technology – Reva
 - Farm Tech Prosperity (Samridhhi) – EPC and Vayugrid
 - Defense – JV with Middle East Company
- Fund raising & debt restructuring for group co's

Stock Appreciation

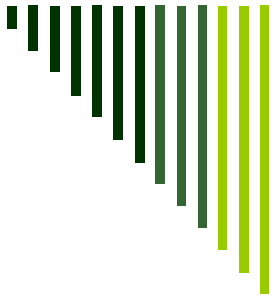
1st April 2010 to 31st March 2011



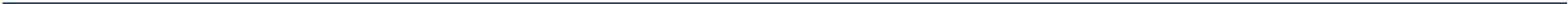


Reward on Risk Capital

- PAT
- RONW
- Dividend Payout
- Stock Appreciation



360° Analysis



The House of Mahindra

CORE PURPOSE

To challenge conventional thinking and use all the resources at our disposal to drive positive change in our stakeholders' lives and communities – to enable them to RISE

Brand Pillar

**Accepting
No Limits**

- Think big, think global
- Challenge conventional thinking
- Be adaptable and agile
- Take well reasoned risks
- Seek breakthrough solutions

-Rise by daring to disturb the universe

Brand Pillar

**Alternative
Thinking**

- Pursue new approaches
- Celebrate diversity
- Focus innovation on customer needs
- Invent your way to growth

- Rise with your ingenuity

Brand Pillar

**Driving Positive
Change**

- Step into your customer's shoes
- Build quality to delight customers
- Forge strong relationships
- Work hard. Have fun.

-Rise by shaping destinies

CORE VALUES : Good Corporate Citizenship | Professionalism | Customer First | Quality Focus | Dignity of the Individual



Sustainability

- Released 3 annual sustainability reports (2008, 2009, 2010) to map triple bottom line performance
 - Social Performance – People
 - Environment Performance – Planet
 - Economic Performance – Profit
- Received A+ rating which is externally assured
- Amongst top 10 list of the Carbon Disclosure Leadership Index - 2010 and The S&P's ESG India Index-2010
- Integrated sustainability into the business profile through hybrid technology vehicle

GOOD GOVERNANCE



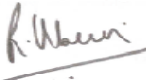
— CRISIL Governance and Value Creation Ratings —

MAHINDRA & MAHINDRA LIMITED



The capability of firms rated CRISIL “GVC Level 1” with regard to corporate governance and value creation for all stakeholders is **the highest**.

This CRISIL GVC rating is valid upto August 31, 2011.


Raman Uberoi
Senior Director

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Organizational Culture



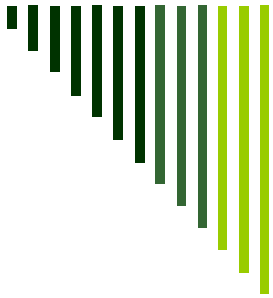


On Discounts & Premiums

➤ 'Conglomerate' Discount?

Or

➤ Governance Premium?



THANK YOU

