



# **Mahindra**

*Rise.*

***November, 2011***

# India - Fast, Sustained and Stable Growth Story

- GDP growth

*F10* – **8.0%**

*F11* - **8.5%**

*F12E* – **7.6%** (Source – RBI Policy, Oct 26, '11)

- An exponential increase in the consumer class
- Maturing Economy

Shift from Agriculture & Manufacturing to Services

Stable: Forex reserves at US\$ 314.7 billion (As on Nov. 4, '11 – RBI)

# The Indian Story

## Recent Developments

### Positives

- 2011 Rainfall 102% of LPA
  - Best in last 5 years in terms of Spatial Distribution
  - Good rains augur well for Rabi season ahead
- National Manufacturing policy – a positive development
- Political stability

### Concerns

- Steadily deteriorating global macro environment
- High Inflation,
- Rising interest rates
- Business confidence

# Mahindra Group : A USD 14.4 bn Conglomerate with interests across the economic spectrum



# Mahindra Group

## Business Leadership

- Market leader in Utility Vehicles in India
- Market leader in Agricultural Tractors in India.
  - Number One global manufacturer (Single legal entity)
- Mahindra Finance : Leader in rural financing
- Tech Mahindra : Leader in Telecom Software
- Mahindra Holidays : Leader in ‘Time Share’

**“Mahindra” - amongst India’s most innovative companies**

*- Robert Tucker, Innovation Guru & President of The Innovation Resource (TIR)  
June 2011*

# Mahindra & Mahindra Ltd.

## Company at a Glance

Equity Structure	26.9% Promoter & Promoter Group, 73.1% Public (28.2% Foreign) <i>As at Sept 30, 2011</i>
Gross Revenue	FY11 – US\$ 5.7 bn, Q2FY12 – US\$ 1.81 bn
Net Profit	FY11 – US\$ 585 mn, Q2FY12 – US\$ 162 mn
Sales (incl exports), vol.	FY11 4W+3W–364,8341 (27.21%)↑ Tractors–213,653 (22.3%)↑ H1FY12 4W+3W–195,589 (25.4%)↑ Tractors–115,510 (23.9%)↑
Market Share	FY11 – Passenger UV – 52.6%, Tractors – 41.4% H1FY12 Passenger UV – 55.0%, Tractors – 42.1%
Plants	Auto – 6, Tractors – 6
Manpower	Around 26,000
Subsidiaries	<i>As of Sept. '11</i> – Total – 130, Operational – 59

# Financials

For translation of ₹ to US\$ a convenience translation at average of closing exchange rates for 12 months period ended 30<sup>th</sup> Sept 2011 has been applied.

# Six Months ending 30<sup>th</sup> Sept. 2011

## Mahindra Group

- **Gross Revenue**

Rs. 29,506 crores (US\$ 6.5 bn)

↑ 31%

- **PAT after Minority Interest**

Rs. 1,344 crores (US\$ 296.8 mn)

↑ 10%

## Mahindra Standalone

- **Gross Revenue**

Rs. 15,493 crores (US\$ 3.4 bn)

↑ 31%

- **Profit after Tax**

Rs. 1,342 crores (US\$ 296.3 mn)

↑ 2%

- **Operating margin**

12.6%

- **Gearing Ratio**

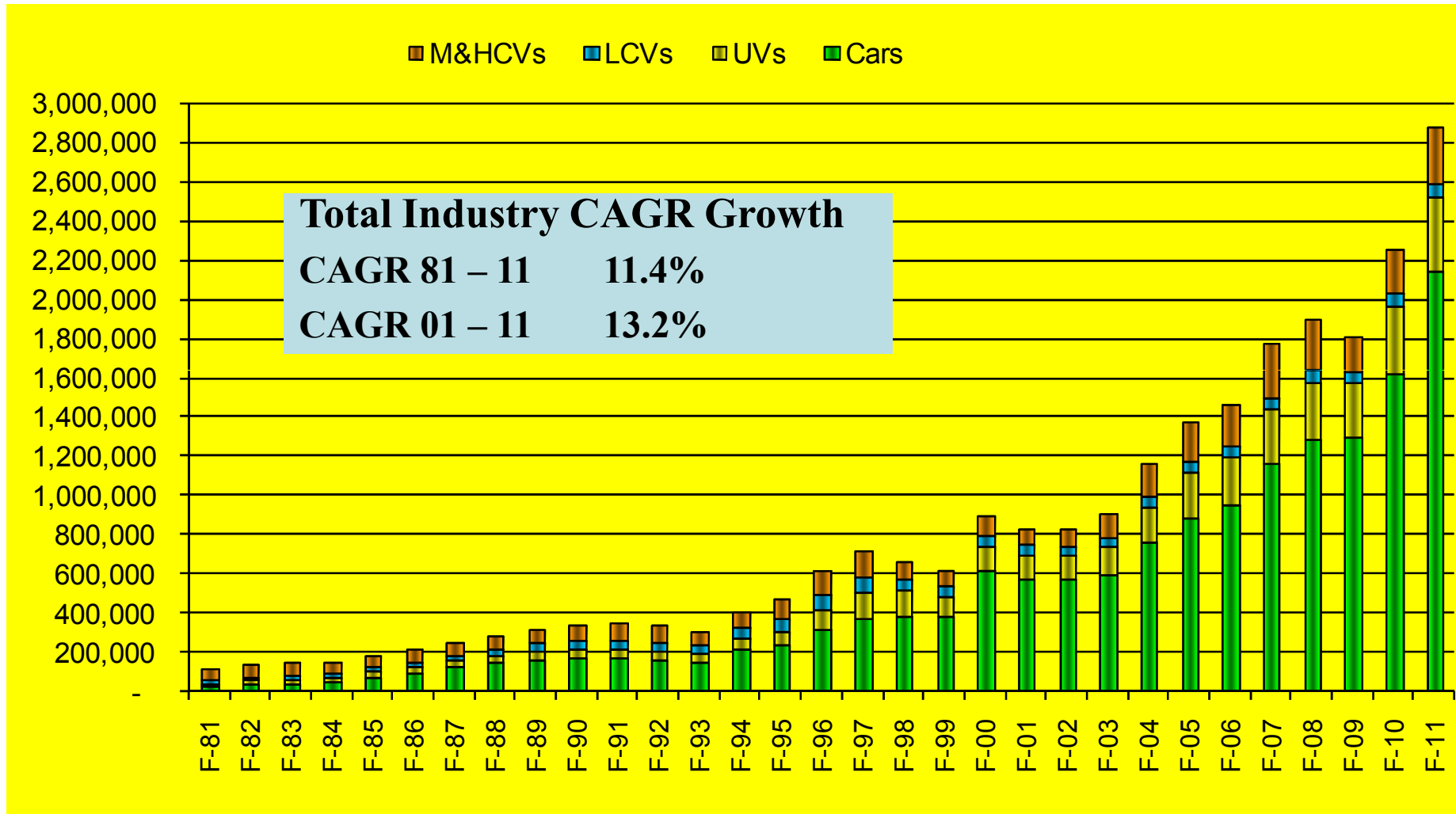
Debt : Equity

0.29



# **Automotive Sector**

# Indian Auto Industry *Vehicle Sales*



Source : SIAM



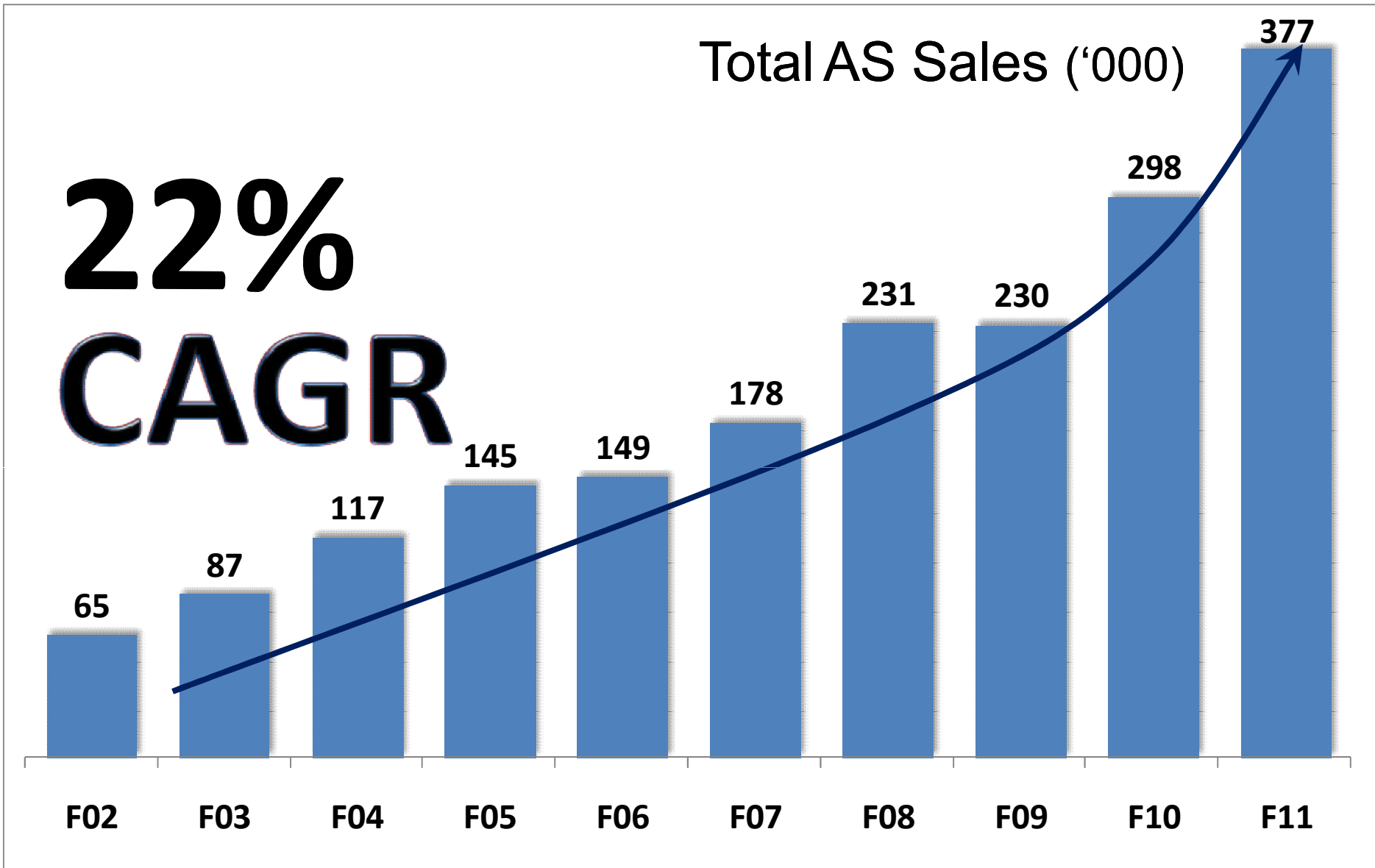
**No.**

**1**



**Utility  
Vehicle  
Player in  
India**

*\*M&M Ltd. is the largest utility vehicle company in India,*

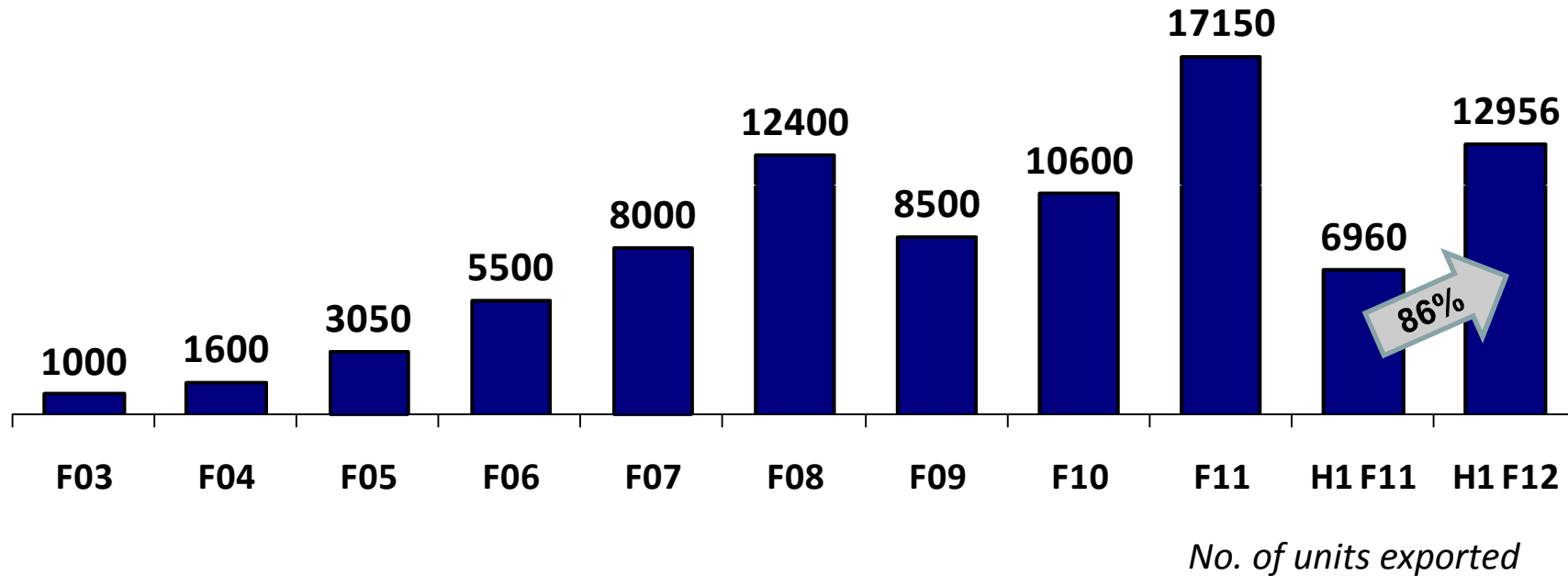


# FY12 H1 M&M – Industry Performance

M&M Participating Segments	Industry		M&M			Market Share	
	H1 F12	Growth	H1 F12	H1 F11	Growth	H1 F12	H1 F11
UVs	167,009	9.8%	91,930	80,467	14.2%	● 55.0%	52.9%
MPVs	119,079	19.2%	11,752	10	NM	9.9%	0.0%
LCV < 2T	116,181	38.9%	25,253	16,705	51.2%	21.7%	20.0%
LCV > 2T and < 3.5T	46,474	22.4%	33,505	30,120	11.2%	72.1%	79.3%
3W	248,976	0.0%	33,149	28,665	15.6%	13.3%	11.5%
<b>AD Total</b>	<b>697,719</b>	<b>12.1%</b>	<b>195,589</b>	<b>155,967</b>	<b>25.4%</b>	● <b>28.0%</b>	<b>25.1%</b>
LCVs > 3.5T	48,711	14.4%	5,121	5,875	-12.8%	10.5%	13.8%
MHCV (Goods)	137,818	8.9%	1,078	51	NA	0.8%	NA
Cars (Super Compact)	82,184	32.4%	8,707	3,869	NA	10.6%	6.2%
<b>AS (Domestic)</b>	<b>966,432</b>	<b>13.2%</b>	<b>210,495</b>	<b>165,762</b>	<b>27.0%</b>	● <b>21.8%</b>	<b>19.4%</b>
<b>Non Participating</b>	<b>849,816</b>	<b>-3.9%</b>					
<b>Total Industry (Dom)</b>	<b>1,816,248</b>	<b>4.5%</b>	<b>210,495</b>	<b>165,762</b>	<b>27.0%</b>	<b>11.6%</b>	<b>9.5%</b>
<b>AD (Exports)</b>			<b>12,956</b>	<b>6,960</b>	● <b>86.1%</b>		
Logan (Exports)			-	1,500	NA		
<b>AS Total</b>			<b>223,451</b>	<b>174,222</b>	● <b>28.3%</b>		

# International Markets Outperformance

**43 % CAGR (F03 to F11)**



# New Launches

**GENIO DC**



**NEW BOLERO**



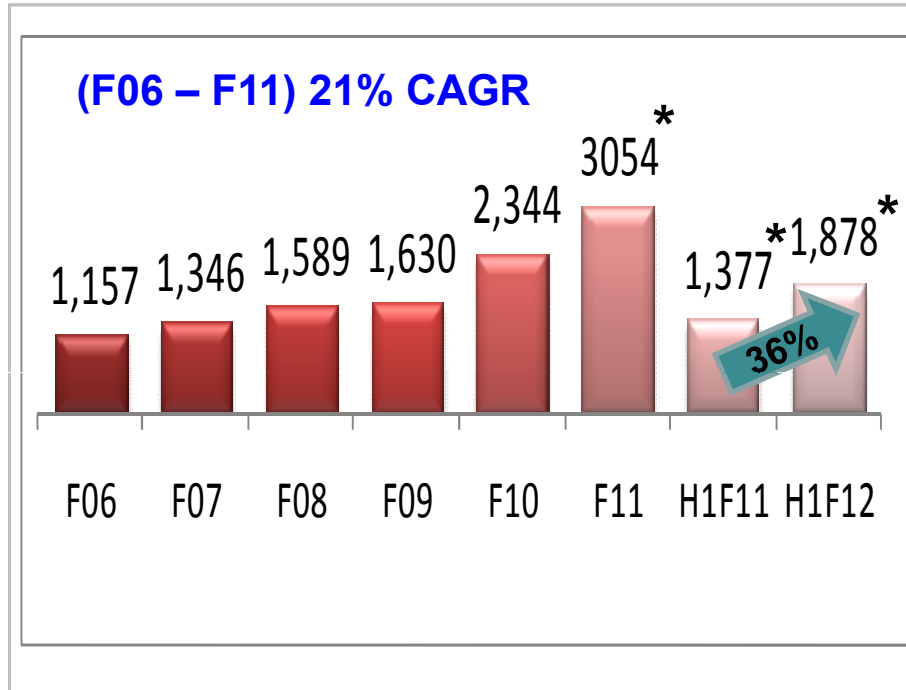
**XUV500**



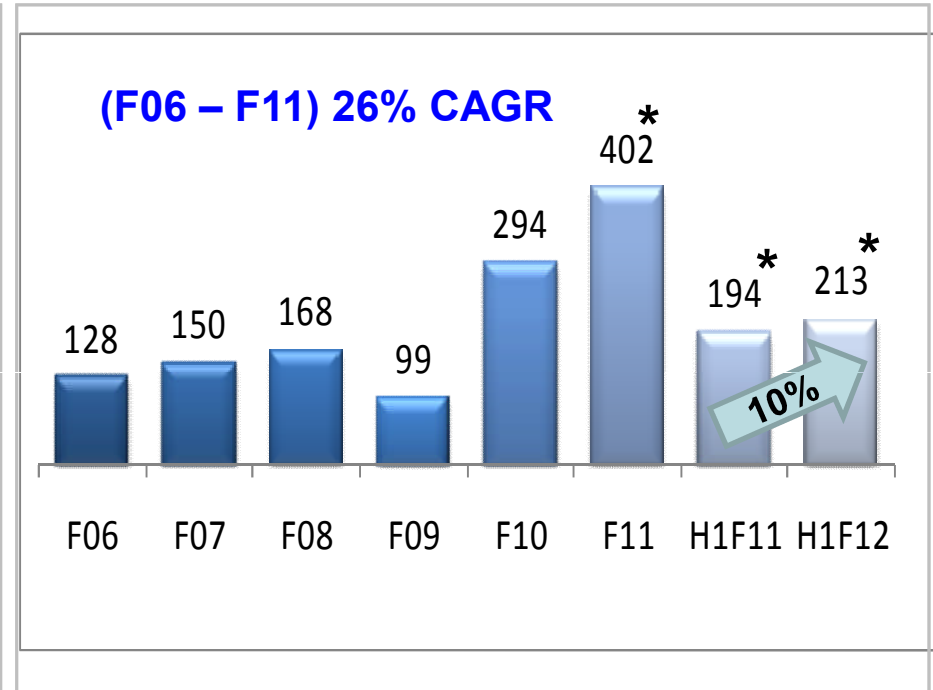
# Financial Performance

Automotive Div. + MVML\*

USD mn



Segment Revenue



Segment Result



# Going Forward...

## Key Challenges

- General Sentiment about economy
  - High inflation
  - High financing rates
  - Fall in IIP
- Uncertainty of global environment
  - Volatility of Crude prices
  - Commodity prices
- Fuel price hikes
- Fuel policy of Government
- Currency movements

# Going Forward...

## M&M Initiatives - Auto

- New launches
- Synergies with Ssangyong
- Ramp up MHCV
- Development of EV at Mahindra Reva
- Customer satisfaction
- Capacity Management
- Cost management initiatives

# SIAM F12 Outlook

Segment	F12 Growth (Oct-11 Est.)
Cars	2-4%
UVs	9-11%
Vans	13-15%
<b>PV Total</b>	<b>4-6%</b>
LCV Goods	20-23%
MHCV Goods	5-7%
Passenger Buses	4-6%
<b>Total CV</b>	<b>13-15%</b>
<b>2W</b>	<b>13-15%</b>
3 W Goods	9-11%
3W Passenger	3-6%
<b>3W Total</b>	<b>4-6%</b>
<b>Auto Total</b>	<b>11-14%</b>

Source: SIAM Data

# Going Forward...

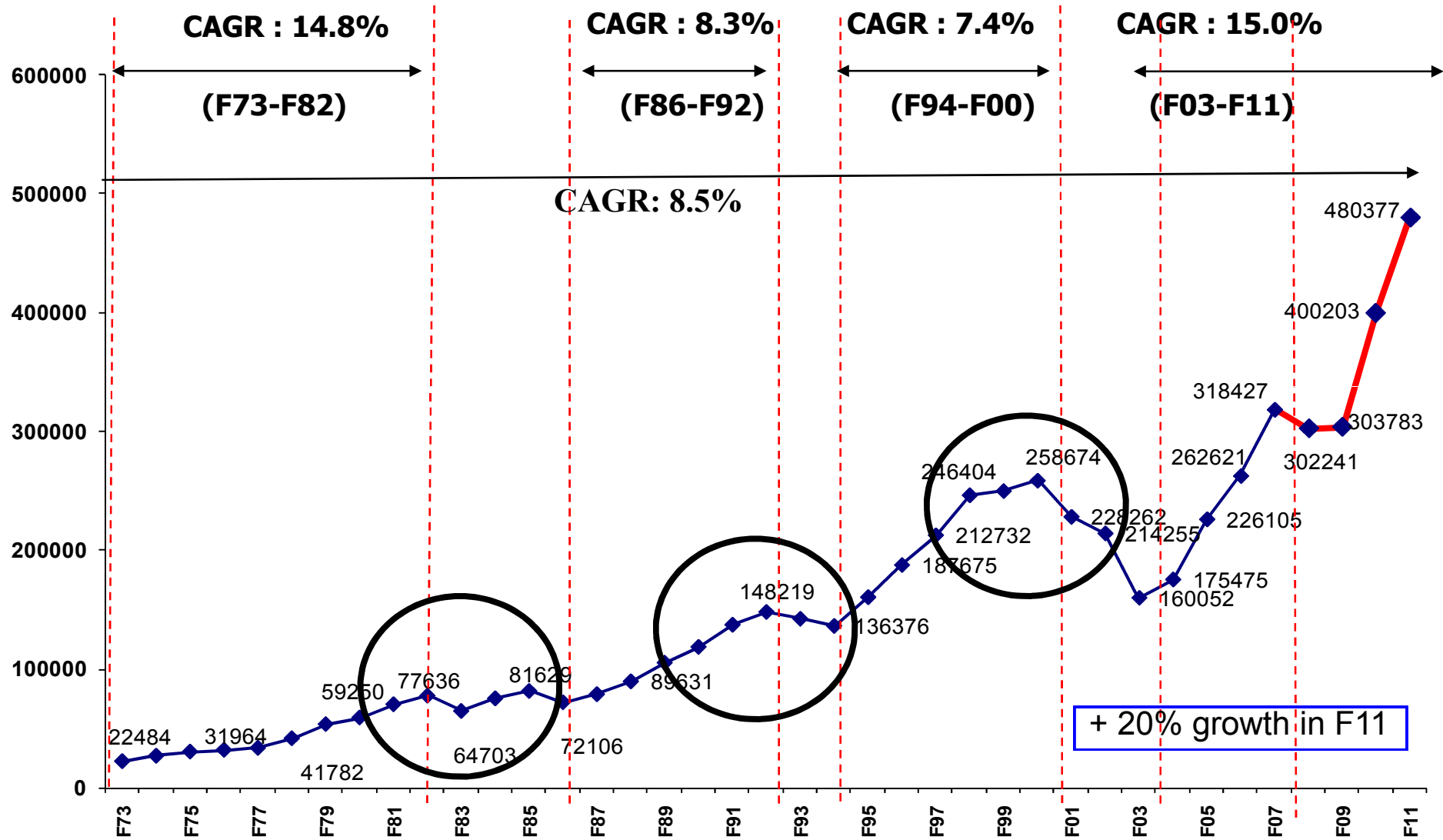
## M&M Initiatives - Auto

- New launches
- Ramp up MHCV
- Ssangyong
- Mahindra Reva
- Customer satisfaction
- Manage capacities

# Farm Equipment Sector

# Domestic Industry Historical Volumes

No. of tractors





No.

1



Tractor  
Company  
In the  
World

\*  
*M&M Ltd. is the largest tractor company in the world, by volume*

# Market Share

Total no. of Tractors 302,241

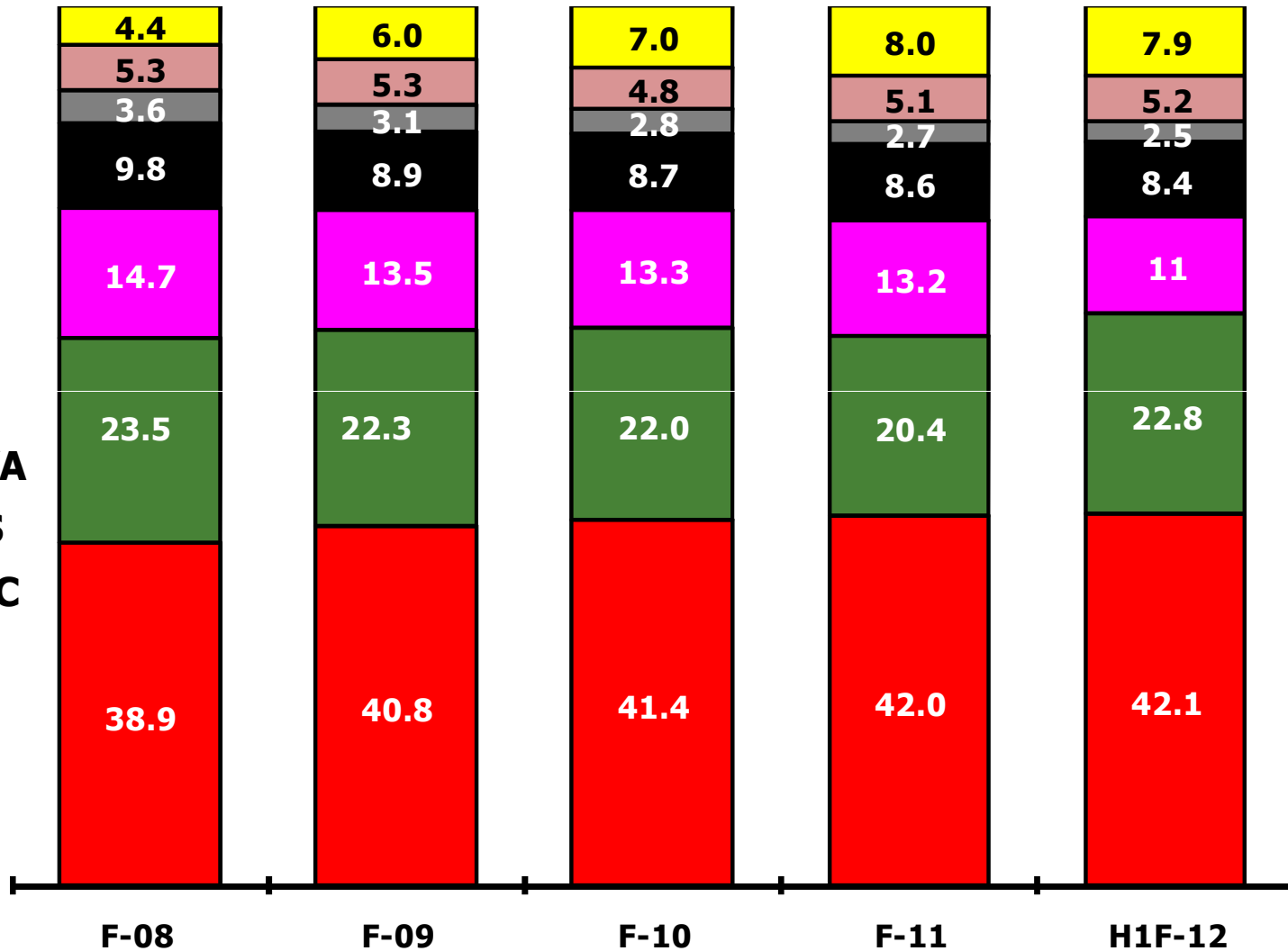
303,921

400,203

480,377

264,799

- JD
- FNH
- OTHERS
- SONALIKA
- ESCORTS
- TAFE+EIC
- M&M



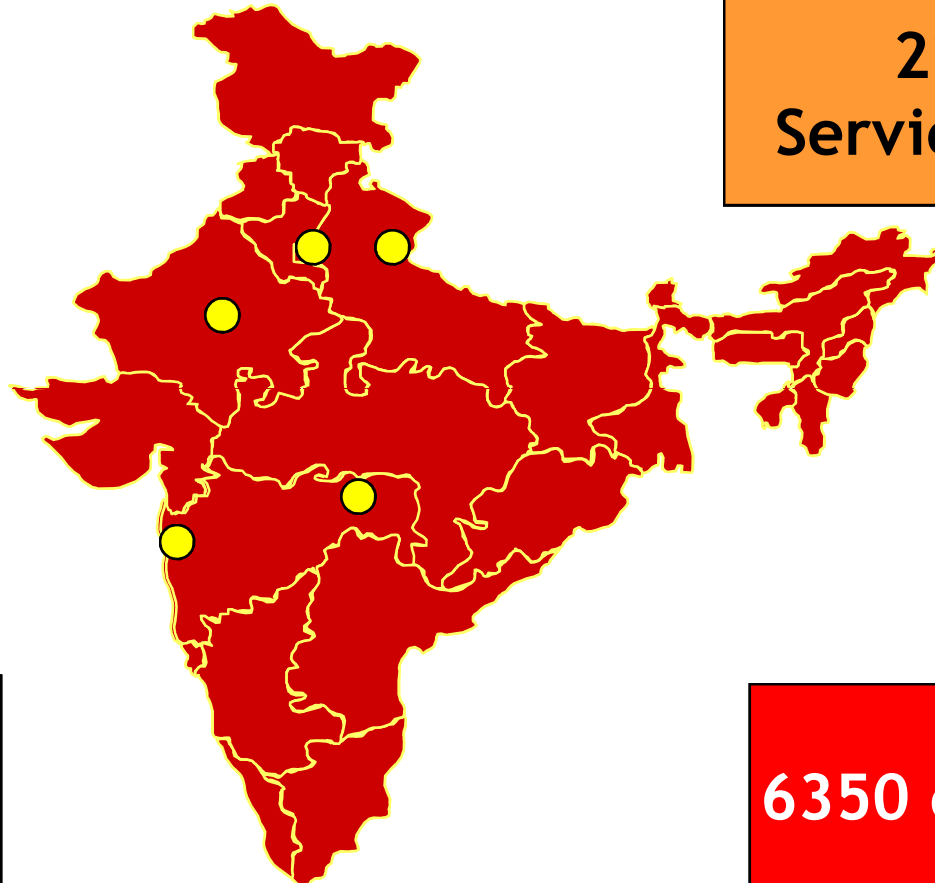
Source : TMA



# Combined 'Mahindra & Swaraj'

**1300 Dealers**

**2200+  
Service points**



**7 Mfg. Plants**  
• 6 tractor plants  
• 1 foundry

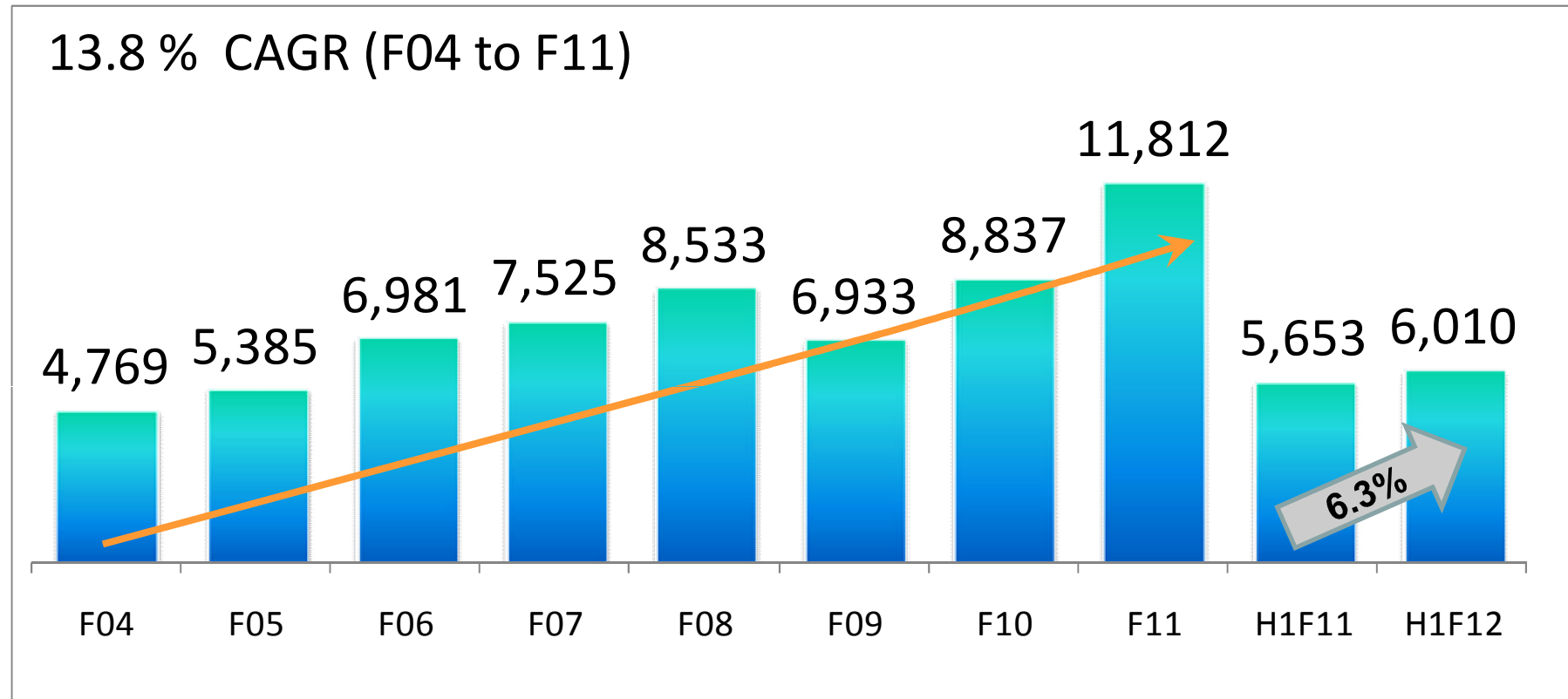
**6350 employees**

# New Launch

Mahindra  
**Arjun** INTERNATIONAL



# M&M Export Performance



# Beyond Agriculture....



# Range Expansion: *5kVA to 320 kVA*

**320 kVA DG set**



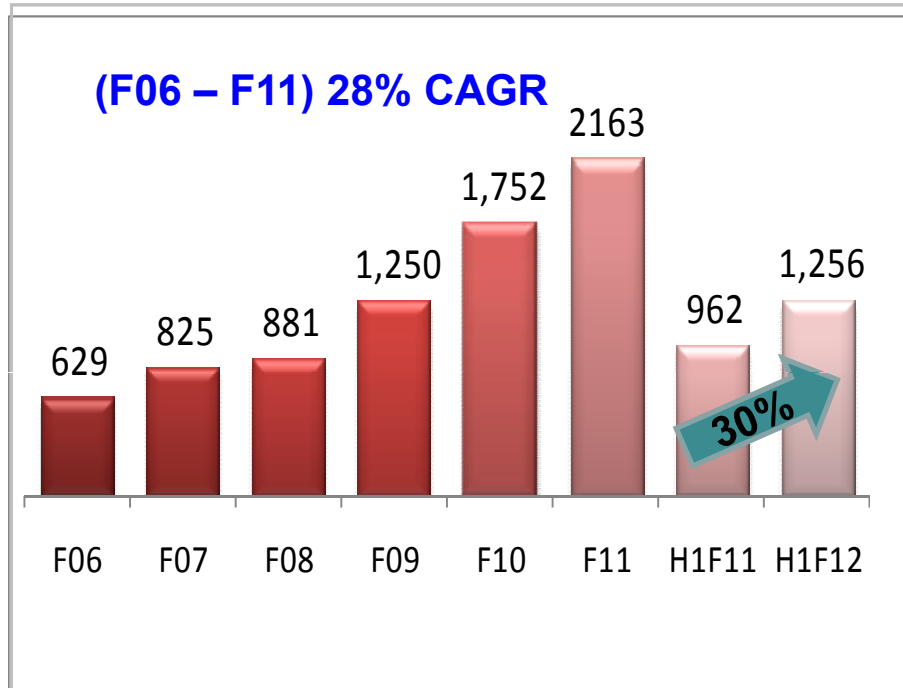
**5kVA Nano DG set**



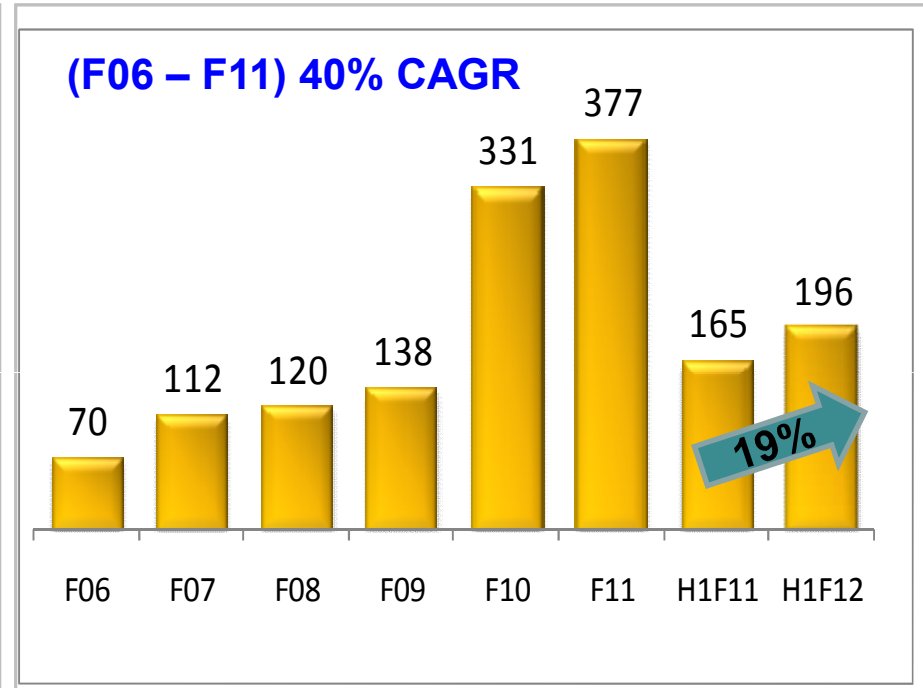
# Financial Performance

Farm Equipment Sector (Stand alone)

USD mn



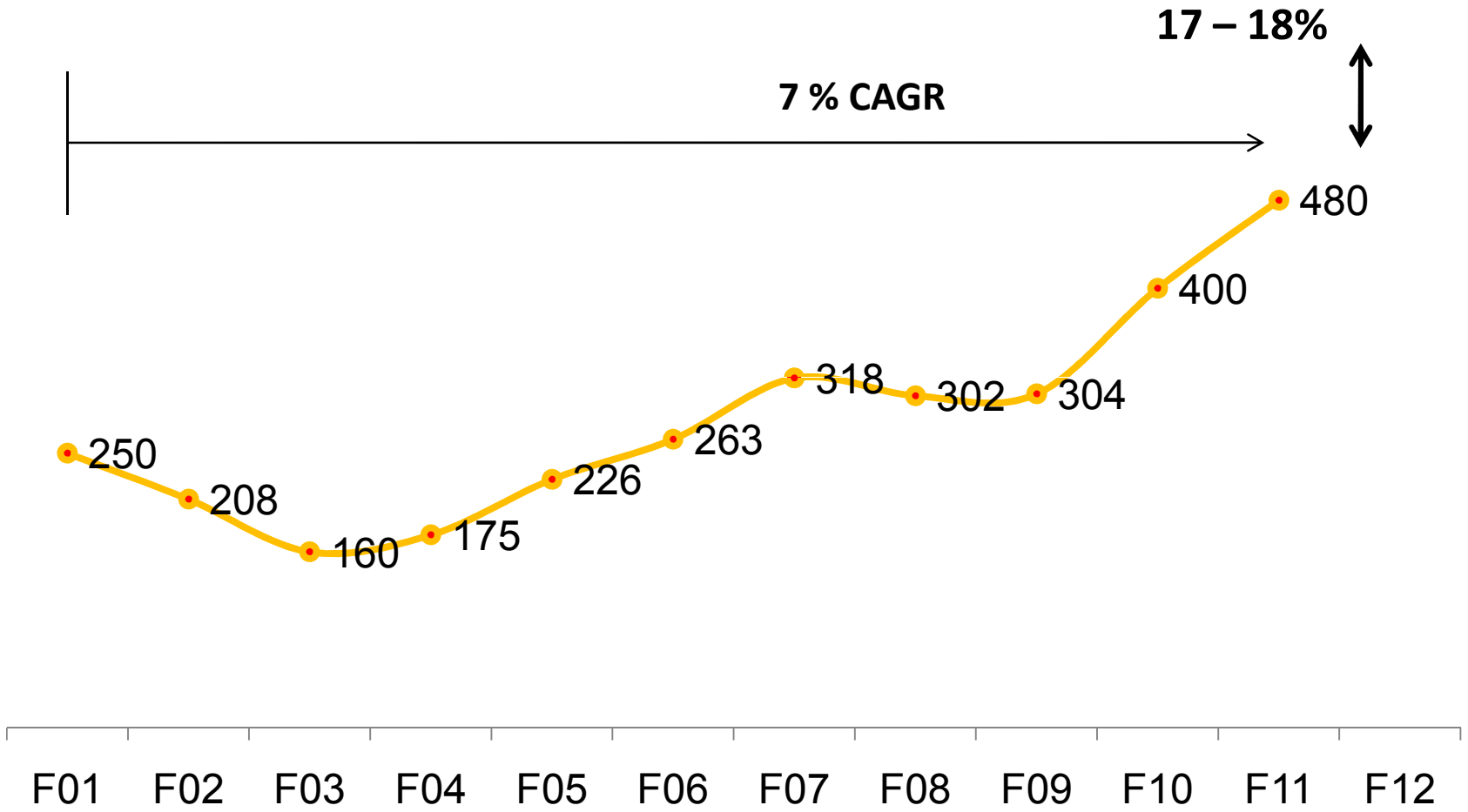
Segment Revenue



Segment Result

# F12 Outlook

## Tractor Industry



# Going Forward...

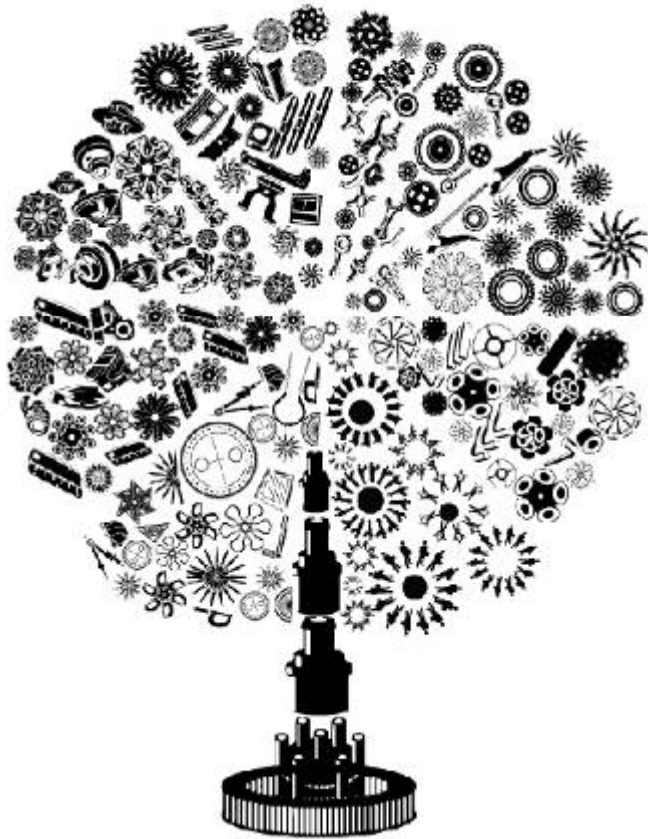
## M&M Initiatives

- New launches
- Focus on agri business
- Grow Construction Equipment business
- Manage capacities



# **M&M Group**

## Key Sectors



 **Mahindra Systech**

*Building a Global Business*

# Mahindra Systech: Origin

Formed in 2004 - objective of becoming a global auto-component player

## Background

- Around 2004-2005, European and US auto component manufacturers were going through tough times –
  - 35+ auto part makers filed for bankruptcy protection; S&P downgraded 25 US-based auto component suppliers
- Auto components was increasingly being looked at as a global business out of low-cost countries
  - Rapid increase in exports from India and China with India being recognized for expertise in engine components

## M&A to fill in strategic gaps

### Key Considerations

- Technology
- Market Access
- Quality of Management
- Location: Europe
- Complementary product portfolio
- No auction
- Optimal size: 75-100 mn Euros

### Acquisitions

**Mahindra Forgings**

**Casting**

**Gears**

**MES**

# Mission Statement

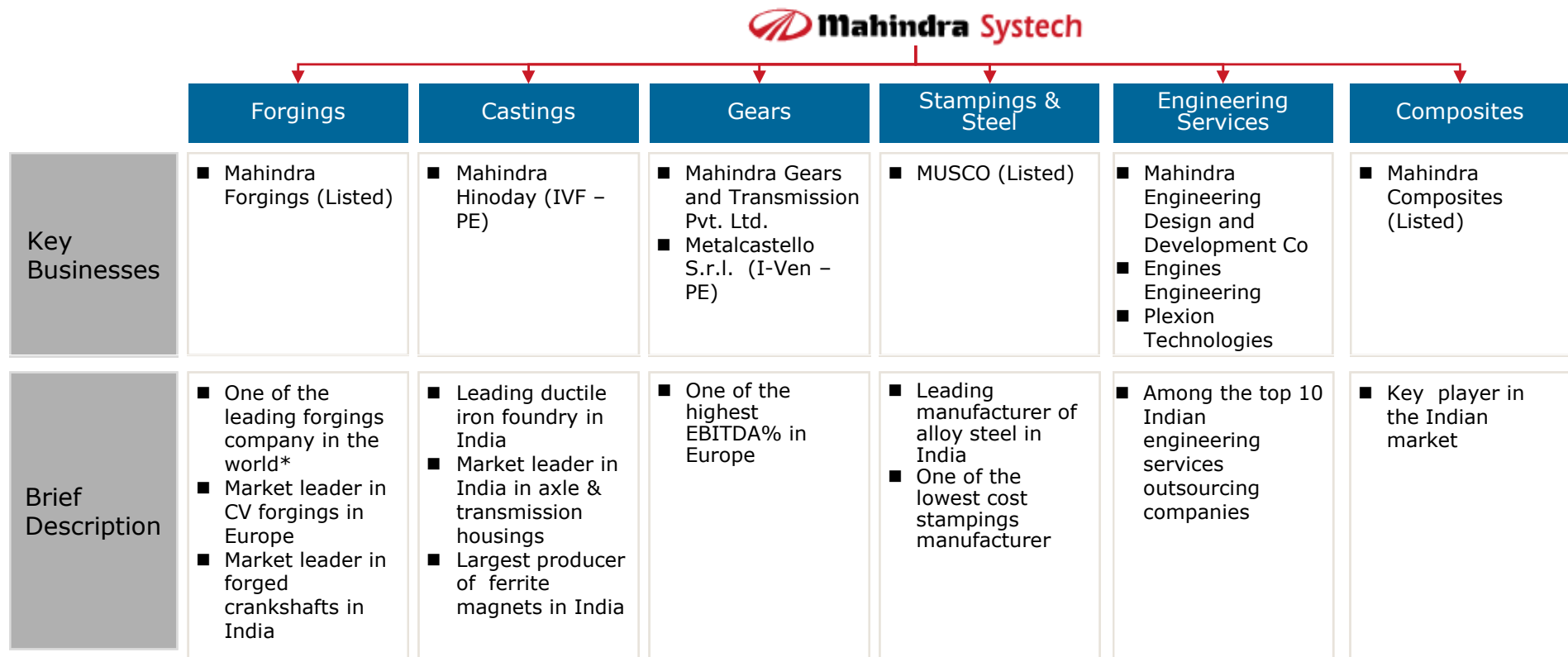
– To Become Global “Art to Part” Player

To create India’s most Valuable,  
Innovative, “Art to Part” auto component  
entity that partners with its global  
customers to meet & surpass their  
business needs



# Mahindra Systech: Overview

## Snapshot of key verticals

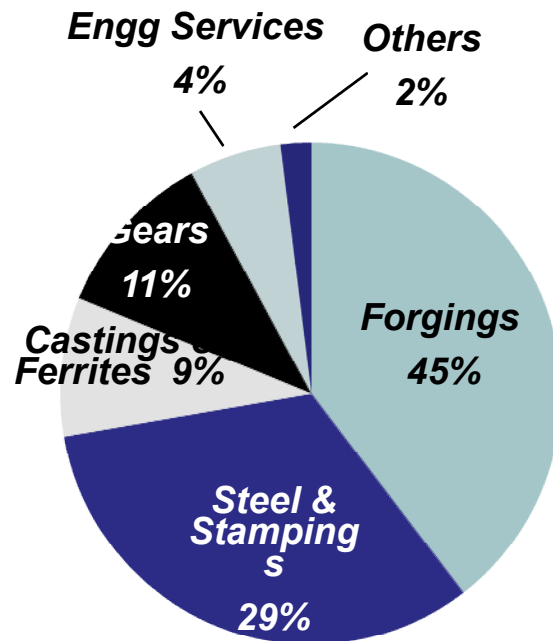


**Combined Systech offers single window offering to clients, superior cost efficiencies and high bargaining power**

# Mahindra Systech: Overview

Diversified presence across products, customers & geographies

## Products (% of Revenue – FY11)



100% = US\$929 mn

## Key Customers



## Plant Locations

India



Germany



UK



Italy



Note: 1. Others include businesses like Mahindra Composites

2. % of revenue calculated without considering intercompany transfer & HQ costs

# Mahindra Systech : Vertical wise Focus

<b>Business</b>	<b>Product/Service Focus</b>	<b>Segment Focus</b>
Steel	Specialty Microalloy Steels	Automotive, Oil&Gas, Mining, Engineering
Castings	Turbocharger Housings (Global), Axle and Transmission Components (India)	Automotive, Construction Engg
Forgings	Crankshafts (IN), Truck Forgings(EU)	Automotive, Rail, Defense
Stampings	Skin Panels and value added products like Fuel Tanks, Pedal Box	Automotive
Gears	Higher Precision Gears like CWP & Synchros, Sub-Assemblies, Product Development Capability	Off Road, Construction
Composites	Pipes/Sheets, CNG Tanks, Automotive Parts, Windmill Parts	Infrastructure & Cold Chain, Electrical, Automotive & Alternative Energy
Magnetics	Magnets for auto industry; Forward integrate (lighting, cooktops)	Automotive (P/M); Industrial/Retail (New Products)
Engineering Services	Increase domain knowledge in auto engg; diversify outsourcing services into aero & defence	Automotive, Construction, Aero, Defence (India)

# SYSTECH Sector Results

(US\$ Mn)

	H1FY12	H1FY11	%YoY
<b>Segment Rev</b>	<b>565</b>	<b>426</b>	<b>33</b>
<b>Segment Result</b>	<b>21</b>	<b>15</b>	<b>35</b>



# Financial Services Sector



**No.**

**1**



**Rural  
NBFC  
in  
India**

*\* MMSFL is the largest rural NBFC company in India, by number of rural branches and being largest financier of UVs & Tractors in India*

# Introduction

- MMFSL is one of India's leading non-bank finance companies focused on the rural and semi-urban sector
- MMFSL is primarily in the business of financing purchase of new & pre-owned auto & utility vehicles, tractors, cars and commercial vehicles
- M&MFSL's goal is to be the preferred provider of financing services in the rural and semi-urban areas of India
- The Company has 570 offices covering 24 states and 4 union territories in India with over 1.7 million vehicle finance customer contracts since inception, as of September 30, 2011
- CRISIL has assigned a AA+/Stable rating and FITCH has assigned AA+(ind)/Positive rating and Brickwork has assigned AA+/ Positive rating to the Company's long term and subordinated debt

# Segment wise - Break down of AUM

Segments	As on Sept-11	As on Sept-10	As on March-11
Auto/ Utility vehicles (M&M)	32%	34%	31%
Tractors (M&M)	20%	22%	23%
Cars and other (including non M&M vehicles)	31%	30%	31%
Commercial vehicles and Construction equipments	11%	8%	9%
Pre-owned vehicles and others	6%	6%	6%

# MMFSL Consolidated Results

(US\$ Mn)

	H1FY12	H1FY11	%YoY
<b>Income from Operations</b>	<b>276</b>	<b>197</b>	<b>40</b>
<b>PAT<sup>#</sup></b>	<b>54</b>	<b>45</b>	<b>19</b>

*# After Minority interest*

# Ratio Analysis

*Figures on standalone basis*

	Quarter ended Sept – 11	Quarter ended Sept – 10	Year ended March – 11
PBT/Total Income	<b>28.7%</b>	32.4%	34.9%
PBT/Total Assets	<b>4.3%</b>	4.8%	5.2%
RONW (Avg. Net Worth)	<b>18.0%</b>	19.4%	22.0%
Overheads/Total Assets	<b>3.5%</b>	4.0%	3.6%
Debt / Equity	<b>4.55:1</b>	4.28:1	3.88:1
Capital Adequacy	<b>17.3%</b>	16.5%	20.3%

# IT Services Sector

**No.**

**1**



**In  
Telecom  
Software  
in  
India**

*\*  
Tech Mahindra is the largest Telecom focused IT services  
& Solutions provider in India – by “Voice & Data 2009”*



# Tech Mahindra Overview

## Leadership position in Outsourcing services to the Telecom Industry

- India's one of the leading Telecom Focused IT Services and Solutions Provider for global communication industry
  - Presence across Telecom value chain
  - Leading provider of integrated services to the global telecom ecosystem
- Global presence with 17 regional offices and 15 delivery centers
- Long term relationship with marquee customers
- Talent pool of approx 38,000 professionals and growing

**TM is a focused play on the Telecom sector and is the largest offshore pureplay**

# Comprehensive Coverage of the Telecom Space

## Telecom Service Providers (TSP)

(TM having largest TSP practice among offshore pure plays)

- Application Development & Management
- System Integration
- Program and Delivery Management
- Process Consulting
- BPO
- Managed Services
- Remote Infrastructure Management
- End to End Business Results

## Telecom Equipment Vendors (TEM)

- Product Engineering
- Product sustenance
- Technology Transformation
- Product Testing and certification
- Joint Go-to-market

## Independent Software vendors (ISV)

(Strategic relationship with ISVs expands portfolio of and positioned TM for winning large SI deals)

- Product Development
- Engineering services
- Solution Integration services
- Partnering system Integration

**Expertise across the Telecom value chain**

# Acquisition of Satyam



## Service Offerings

- Application Development and Maintenance
- Infrastructure Management Services
- IT Enabled Services
- Consulting and Enterprise Business Solution
- Extended Engineering Solutions

- Application Development and Maintenance
- Infrastructure Management Services
- IT Enabled Services
- Business Process Management
- Security Services
- CRM
- Billing

## Verticals

- BFSI\*
- Manufacturing
- Retail, Travel, Logistics
- Healthcare

- Telecom

*\*Banking, Financial Services and Insurance*

# Tech Mahindra Consolidated Results

(US\$ Mn)

	H1FY12	H1FY11	%YoY
<b>Income from Operations</b>	<b>580</b>	<b>589</b>	<b>-2</b>
<b>PAT<sup>#</sup></b>	<b>70</b>	<b>73</b>	<b>-4</b>

*# After Minority interest and before share of profit in Associate*

# **Hospitality, Real Estate & Infrastructure Sector**

## Mahindra Holidays & Resorts India Limited

- ❖ *Leading leisure hospitality provider*
- ❖ *Fully Integrated Vacation Ownership (VO) Company*
- ❖ *Multi Product for Multiple customer*



## Mahindra Lifespace Developers Limited

- ❖ *Building Destinations thru'*
  - *Integrated Developments - SEZ, Industrial Parks.*
  - *Residential & Commercial developments*



**No.**

**1**



**India's  
Holiday  
Company**

*\* Mahindra Holidays has the largest member base as time-share holiday provider in India*



fun. family. forever.

# Mahindra Holidays & Resorts India Limited

With **around 133,000** Vacation ownership members as on Sept 30, 2011



# Performance: Milestones

- Leading Industry position
  - Over 133,000 Vacation Ownership (VO) members as at Sept 30, 2011
  - Operates 36 resorts across India & Thailand
- 10 RCI Gold Crown Resorts for the year 2010 – 2011, making the company one having the largest number of Gold Crown resorts in the Country
- 10 consecutive years of RCI Gold Crown for Munnar and Goa
- The company is at advanced stage of acquiring new properties . It is already in the process of carrying out due diligence in some of them. The properties are running resorts that will result in immediate increase in total room capacity.

# Mahindra Holidays Standalone Results

(US\$ Mn)

	H1FY12	H1FY11	%YoY
<b>Income from Operations</b>	<b>56</b>	<b>45</b>	<b>25</b>
<b>PAT</b>	<b>9</b>	<b>7</b>	<b>30</b>



# MLDL: Pre-eminent Real Estate Corporate



Standalone Real Estate

- › Focus on Tier I/II cities
- › Residential and Commercial
- › Derive Brand Premium



Integrated Development

- › Destination building
- › SEZ, Industrial parks, logistics zones, etc
- › Multi-format development

Company with Transparent Business Systems

Promoter of India's First Integrated Business City

Corporate India's First Operational SEZ

Promoter of the Two Largest IT SEZs in India

Over 6.60 million sq. ft of residential and commercial projects completed in Mumbai, Pune, NCR, Chennai, and Bangalore

9.35 million sq. ft of new projects under construction / to be launched in the near term and 12.59 million sq ft of land bank across Mumbai, NCR, Chennai, Pune, Nasik and Nagpur

*Standalone real estate development undertaken by Mahindra Lifespaces; Integrated development undertaken through Mahindra World Cities ( Subsidiaries/SPVs)*



# MLDL Consolidated Results

*(US\$ mn)*

	H1FY12	H1FY11	%YoY
<b>Income from Operations</b>	<b>58</b>	<b>47</b>	<b>25</b>
<b>PAT</b>	<b>10.2</b>	<b>9.7</b>	<b>5</b>

# Mahindra Group : A USD 14.4 bn Conglomerate with interests across the economic spectrum



# 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

# Commitment to Society

The Mahindra Group  
has pledged to dedicate  
1% of its Profit after Tax to CSR initiatives

**THANK YOU**