Mahindra

Mahindra & Mahindra Ltd.
Mahindra Towers,
Dr. G. M. Bhosale Marg, Worli,
Mumbai 400 018 India

Tel: +91 22 24901441
Fax: +91 22 24975081

REF:NS:SEC:
10th February, 2017

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.

Dear Sirs,

Sub: **SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015 – Presentation made to the Analyst/Institutional Investor**

This is further to our letter being REF:NS:SEC dated 25th January, 2017 wherein we had given you an advance intimation of the upcoming Analyst or Institutional Investor Interactions on 25-01-2017 in terms of Regulation 30(6) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

We wish to inform that the Company today conducted M&M Q3 FY2017 Earnings Con-Call with several Funds/Investors/Analysts, at Mumbai and the Presentation which was sent to the Stock Exchanges vide letter bearing REF:NS:SEC dated 10th February, 2017 has been uploaded on the Company's website with the link http://www.mahindra.com/resources/investor-reports/FY17/Earnings%20Update/MM-IR-Investor-Presentation-Handout-Q3-F2017.pdf

Further, an IR Flash being issued based on the discussions on the above Con-call is attached.

Kindly take the same on record and acknowledge receipt.

Yours faithfully,
For MAHINDRA & MAHINDRA LIMITED

NARAYAN SHANKAR
COMPANY SECRETARY

Encl: a/a.

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Mahindra & Mahindra Limited

IR Flash – Q3FY17 – Earnings Call

Date & Time	February 10, 2017; 5.00 p.m.
Event	Earnings Call – Q3FY17
Participants from M&M	Dr. Pawan Goenka - Managing Director; Mr. V.S. Parthasarathy - Group CFO, Group CIO, President (Group Finance & M&A); Senior Management Team
Audio playback details	+91 22 30652322 / +91 22 61813322 Playback Code: 46655 Available till February 28, 2017

In Q3FY17, auto industry was impacted due to Demonetisation, with all segments of Auto and Tractor industry showing substantial drop in demand during November & December' 16. The excise duty benefit from Haridwar plant, which was available during Q2FY16 was not available in this quarter. Despite these negative factors, the company was able to maintain operating margins.

Demonetisation:

- The demonetisation impacted rural sales more than urban sales.
  - PV was the least affected with about 10% loss in volume in Nov & Dec '17 compared to the first seven months of FY17; the impact on tractor & 2wheeler industry during the same period was about 30% (compared to the first seven months growth rate);
  - While Auto has recovered fully, other segments are likely to recover fully by the end of FY17.

- The revised Industry growth rates for FY17 post demonetization are:
  - PV industry is likely to grow at more than 10%
  - LCV industry is likely to see single digit growth
  - The minitruck (<1ton) segment is likely to be flat.
  - 3 wheeler could end with de-growth.
  - Tractor industry is likely to end the year with 16-17% growth

Auto:

- Auto segment Revenue was down 8.3% YOY at Rs 6,359 Crs, similar to the drop in volume of 7.7% YoY.
- However, due to strict cost control and efficiency improvements, both fixed and variable expenses were in line with volume of sales.

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- In spite of this, the expiry of fiscal benefits at Haridwar Plant impacted the segment margin by around 200bp (partly compensated by IPS benefit of Rs.26cr);
- Bolero Power+ has received good response from customers. With the continued loyalty towards original Bolero, overall Bolero sales have been good. Bolero Power+ contributes to 50% of the total Bolero volume
- TUV300 and KUV100, which had slowed down after a good start, has started showing signs of improvement.
- M&M has robust new product plans for the next four financial years –a new product every year till FY21, beginning FY18.
    - An investment of Rs 1500 Crs is planned in Nashik & Igatpuri, which will qualify as 'Ultra Mega Project' of the Maharashtra government.
    - U321, being developed by Mahindra North American Technical Center, will be produced in the Nashik plant and will be part of the above project. As a result, the capacity in Nashik will go up from 160k to 210k vehicles. U321 is expected be launched in the next one year.
    - S201, being developed on Tivoli platform, would be launched in H2FY19.
    - The gasoline version of XUV500 is likely to be launched in Q1FY18; depending on the response to this product, the company would launch gasoline version of Scorpio.
    - Apart from these, there would be periodic refreshes to the existing vehicles.
- It is expected that the deadline of 31st March, 2017 for the application of new emission norms (BSIV) pertains only to manufacturing (Production of BSIII vehicles beyond 31st March, 2017 is not allowed).
- The difference between BSIV and BSIII vehicle is around Rs.15k to 20k for UVs and LCVs; for MHCV, the price impact could be to the tune of 7-8%.
- The inventory level in Auto is comfortable, within the 2-3 days range above the optimal level.
- The price increase in January 2017 was about 0.7%. With this, the cumulative price increase for the financial year has been around 1.7%.
- SsangYong has turned around and has robust product plans for the next four years – Y400 (large SUV) and Q200 (pick-up) would form part of this product launch. The Q4CY16 results for SsangYong is yet to be announced.

Farm Equipment:

- Farm Equipment segment Revenue was up at Rs 4,281 Crs an increase of 20.2% on YOY basis, aided by volume growth of 21.9% YOY.
- M&M Tractors achieved the highest ever market share for any quarter - 44%, aided by good acceptance of 'Yuvo' & 'Novo' range of tractors.
- The price increase in January 2017 was about 0.7%. With this, the cumulative price increase for the year has been around 1.0%.
- New launches includes refreshes for the Yuvo & Novo range; two new platforms - one each in Mahindra & Swaraj brand in FY18.
- Inventory as at end of December is at comfortable levels, marginally below the optimal level. The retail sales during the quarter was much higher than the billing volume.

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FINANCIALS AT A GLANCE

M&M + MVML

(In Rupees crores)	**3rd Quarter**		
	FY17	**FY16**	***Change***
Total income from operations (Net)	10,586.81	10,464.41	*1.2%*
EBITDA	1,449.46	1,451.47	*(0.1%)*
EBITDA %	13.7%	13.9%	
PAT (before EI)	801.06	849.41	*(5.7%)*
PAT %	7.6%	8.1%	

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