Mahindra

Mahindra & Mahindra Ltd.
Mahindra Towers, Worli,
Mumbai 400 018. India.
Tel : +91 (022) 2493 1441, 2496 1441
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REF:NS:SEC:
7th February, 2012

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

Dear Sir,

Sub: Clause 41 of the Listing Agreement - Unaudited Financial Results for the Third Quarter ended 31st December, 2011.

We are submitting the Unaudited Financial Results of Mahindra & Mahindra Limited for the Third Quarter ended 31st December, 2011, together with a copy of the Press Release. We are also enclosing a Limited Review Report of the Financial Results for the Third Quarter ended 31st December, 2011 by our Statutory Auditors, M/s. Deloitte Haskins & Sells, Chartered Accountants.

Please acknowledge receipt of the same.

Yours faithfully,
For MAHINDRA AND MAHINDRA LIMITED

NARAYAN SHANKAR
COMPANY SECRETARY

Encl.

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MAHINDRA & MAHINDRA LIMITED

Registered Office : Gateway Building, Apollo Bunder, Mumbai 400 001.

UNAUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER ENDED 31ST DECEMBER, 2011

Rs. in lakhs

	Quarter ended			Nine months ended		Year ended
	Dec-11	Sep-11	Dec-10	Dec-11	Dec-10	Mar-11
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1. Gross Sales / Income from Operations	887825	791337	659545	2400072	1803695	2528480
Less: Excise Duty on sales	55105	60656	52099	169351	152706	209271
(a) Net Sales/Income from Operations	832720	730681	607446	2230721	1650989	2319209
(b) Other Operating Income	5961	5381	4663	17376	20566	30163
Total	838681	736062	612109	2248097	1671555	2349372
2. Expenditure :						
a. (Increase)/Decrease in Stock in trade & work in progress	10105	(25468)	3237	(41190)	(13895)	(20223)
b. Consumption of raw materials	457922	470872	377735	1366096	1057138	1470894
c. Purchase of traded goods	155510	88731	42607	318130	104325	175723
d. Employee cost (Note 3)	44958	43015	34753	128321	101947	144556
e. Depreciation / Amortisation	14082	12571	10218	37641	29680	41386
f. Other Expenses (Net of cost of manufactured products capitalised) (Note 4)	68092	71511	61401	199521	162609	232804
g. Total Expenditure (a+b+c+d+e+f)	750679	661232	529951	2006519	1441804	2045140
3. Profit from Operations before Other Income, Interest and Exceptional Items (1-2)	88002	74830	82158	241578	229751	304232
4. Other Income (Note 1)	4080	23152	4187	29719	26212	30952
5. Profit before Interest and Exceptional Items (3 + 4)	92082	97982	86345	271297	255963	335184
6. Interest Expense (Net) (Note 2)	677	489	(271)	966	(3446)	(5029)
7. Profit after Interest but before Exceptional Items (5 - 6)	91405	97493	86616	270331	259409	340213
8. Exceptional Items	-	-	11748	-	11748	11748
9. Profit from Ordinary Activities before Tax (7 + 8)	91405	97493	98364	270331	271157	351961
10. Provision for Tax	25190	23755	24896	69890	65601	85751
11. Net Profit from Ordinary Activities after Tax (9 - 10)	66215	73738	73468	200441	205556	266210
12. Paid-up Equity Share Capital	29422	29397	29356	29422	29356	29362
13. Reserves and Surplus excluding Revaluation Reserve						1000857
14 a. Basic Earnings per Share on Net Profit from Ordinary Activities after Tax Rs.	11.26 *	12.55 *	12.59 *	34.11 *	35.91 *	46.21
14 b. Diluted Earnings per Share on Net Profit from Ordinary Activities after Tax Rs.	10.78 *	12.01 *	12.28 *	32.65 *	34.39 *	44.33
15. Aggregate of public shareholding # :						
Number of Shares	423079451	419389447	427466428	423079451	427466428	424581510
Percentage of Shareholding	68.90%	68.30%	71.65%	68.90%	71.65%	69.16%
16. Promoters and promoter group Shareholding # :						
a. Pledged/Encumbered						
-Number of Shares	10191000	8034000	12200876	10191000	12200876	11324876
-Percentage of Shares (as a % of the total shareholding of promoter and promoter group)	6.55%	5.20%	8.98%	6.55%	8.98%	7.41%
-Percentage of Shares (as a % of the total share capital of the company)	1.66%	1.31%	2.05%	1.66%	2.05%	1.84%
b. Non-encumbered						
-Number of Shares	145364778	146549898	123591677	145364778	123591677	141544280
-Percentage of Shares (as a % of the total shareholding of promoter and promoter group)	93.45%	94.80%	91.02%	93.45%	91.02%	92.59%
-Percentage of Shares (as a % of the total share capital of the company)	23.68%	23.87%	20.72%	23.68%	20.72%	23.06%

Excludes shares represented by Global Depository Receipts

* not annualised

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Rs. in lakhs

Segment wise Revenues, Results and Capital Employed :	Quarter ended			Nine months ended		Year ended
	Dec-11 (Unaudited)	Sep-11 (Unaudited)	Dec-10 (Unaudited)	Dec-11 (Unaudited)	Dec-10 (Unaudited)	Mar-11 (Audited)
A. Segment Revenue : (Net Sales / Income from Operations & Other Operating Income)						
Automotive Segment	511635	451773	347159	1349202	967529	1383507
Farm Equipment Segment	325127	282596	263828	893871	699713	979679
Other Segments	2485	2461	2098	6997	6946	9832
Total	839247	736830	613083	2250070	1674188	2353018
Less: Intersegment Revenues	566	768	974	1973	2633	3646
Net Sales / Income from Operations & Other Operating Income	838681	736062	612109	2248097	1671555	2349372
B. Segment Results :						
Automotive Segment	41789	44809	42656	127987	129856	171872
Farm Equipment Segment	50841	43251	48715	139833	123271	170829
Other Segments	361	208	60	777	359	954
Total Segment Results	92991	88268	91431	268597	253486	343455
Less :						
Interest Expense (Net)	677	489	(271)	986	(3448)	(5029)
Other un-allocable expenditure net off un-allocable income	909	(9714)	(6662)	(2700)	(14225)	(3477)
Total Profit before Tax	91405	97493	99364	270331	271157	351981
C. Capital Employed :(Segment assets - Segment liabilities)						
Automotive Segment	284717	339231	288661	284717	288561	275461
Farm Equipment Segment	198322	194058	113235	198322	113235	103160
Other Segments	3179	3097	2741	3179	2741	2983
Total Segment Capital Employed	486218	536386	404537	486218	404537	381604

Rs. in lakhs

Notes:	Quarter ended			Nine months ended		Year ended
	Dec-11 (Unaudited)	Sep-11 (Unaudited)	Dec-10 (Unaudited)	Dec-11 (Unaudited)	Dec-10 (Unaudited)	Mar-11 (Audited)
1. Other income includes dividend received from subsidiaries / joint ventures	223	13541	-	14064	12289	12391
2. Interest Expense (Net) is after adjusting interest income of	2681	2494	2223	7922	8881	12115

3. Employee cost includes a charge of Rs. 2779 lakhs (Q2 FY 2012 : Rs. 2525 lakhs; Q3 FY2011 : Rs. 52 lakhs) and Rs. 8026 lakhs (Cum Q3 FY2011 : Rs. 224 lakhs) for the quarter and nine months respectively on account of amortisation of employee stock options granted in earlier years.

4. During the quarter and nine months ended 31st December, 2011 the Company exercised the option granted by notification G.S.R. 914(E) dated December 29, 2011 issued by the Ministry of Corporate Affairs. Accordingly, the exchange differences arising on revaluation of long term foreign currency monetary items, other than for acquisition of fixed assets, have been amortised over the loan repayment period. The unamortised balance in Foreign Currency Monetary Item Translation Difference Account as on 31st December, 2011 is a debit of Rs. 10286 lakhs (net of tax Rs. 6948 lakhs), previous corresponding period credit of Rs. 33 Lakhs (net of tax Rs. 22 lakhs).
Pursuant to the exercise of the option as above, in the current quarter, the Company has reversed an exchange difference charge of Rs. 3986 lakhs (net of tax Rs. 2693 lakhs) of which a credit of Rs. 780 Lakhs (net of tax Rs. 513 lakhs) pertains to quarter ended 30th June, 2011 and a debit of Rs. 4746 Lakhs (net of tax Rs. 3208 lakhs) pertains to the quarter ended 30th September, 2011.

5. During the current quarter Navyug Special Steel Private Limited and Bell Tower Resorts Private Limited became subsidiaries of the Company.

6. Other Segments include Defence Services, Special Services Group etc.

7. All undisputed investor complaints were resolved as of 1st October, 2011. During the quarter, the Company received 4 investor complaints, all of which have been resolved by the end of the quarter.

8. Previous period figures have been regrouped/restated wherever necessary.

9. The above results were approved by the Board of Directors of the Company at the Board Meeting held on 7th February, 2012.

10. In compliance with Clause 41 of the Listing Agreement with the Stock Exchange, a limited review of the results for the quarter ended 31st December, 2011 has been carried out by the Statutory Auditors.

For and on behalf of the Board of Directors

Anand G. Mahindra
Vice Chairman & Managing Director

Mumbai, 7th February, 2012

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Deloitte Haskins & Sells

Chartered Accountants
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Opp. Shiv Sagar Estate
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India

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The Board of Directors
Mahindra & Mahindra Limited
Mahindra Towers
Worli, Mumbai 400 018.

Dear Sirs,

LIMITED REVIEW REPORT

We have reviewed the accompanying statement, "UNAUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER ENDED 31ST DECEMBER, 2011" ("the Statement") of **Mahindra & Mahindra Limited** ("the Company"). This statement is the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on these financial results based on our review.

We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatements. A review is limited primarily to inquiries of Company personnel and analytical procedures, applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the accounting standards referred to in Section 211 (3C) of the Companies Act, 1956 and other recognised accounting practices and policies, has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreements with stock exchanges, including the manner in which it is to be disclosed, or that it contains any material misstatement.

Further, we also report that we have traced the number of shares as well as the percentage of shareholdings in respect of aggregate amount of public shareholdings, pledged / encumbered shares and non-encumbered shares of promoter and promoter group shareholders, in terms of Clause 35 of the Listing Agreements and the particulars relating to undisputed investor complaints from the details furnished by the Management / Registrars.

For DELOITTE HASKINS & SELLS
Chartered Accountants
(Registration No. 117364W)

B. P. Shroff

B. P. Shroff
Partner
(Membership No. 34382)

Mumbai: 7th February, 2012

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Press Release

M&M +MVML operating PAT up 16%

Mumbai, 7th February 2012: The Board of Directors of Mahindra and Mahindra Limited today announced the unaudited financial results for the quarter ended 31st December 2011 for the company.

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.

Q3 F2012 – M&M + MVML results

The combined Gross Revenues and Other Income of M&M and MVML for the quarter ended 31st December 2011 is **Rs. 9011.2 crore** as against Rs. 6728.6 crore during the corresponding period last year – **a growth of 33.9%**. In Q3 last year, M&M Ltd. had an exceptional profit of Rs 117.5 crores arising from the sale of its holdings in Owens Corning India Limited. Excluding this exceptional item of last year, profit after tax during the current quarter of **Rs 705.9 crore** compared very favourably with Rs 608.5 crore in Q3 F2011 – **a growth of 16.0%. The Operating Margin for the combined entity in the current quarter is 13.8%.**

Q3 F2012 – M&M Standalone results

The Gross Revenues and Other Income of Mahindra & Mahindra Ltd. for the quarter ended 31st December 2011 is **Rs. 8978.7 crore** as against Rs. 6684.0 crore during the corresponding period last year – **a growth of 34.3%**. Excluding the impact of the sale of Owens Corning Shares last year, PAT for the current quarter is **Rs.662.2 crore** against a PAT of Rs 617.2 crore in Q3 last year - **a growth of 7.3%**. The Operating Margin during the current quarter is 12.2%. The growth in the profits of the company despite the relentless increase in material costs is due to a good volume performance by both Vehicles and Tractors in a difficult market and tight control on expenses. Once again it is stressed that the only meaningful figures for PAT and OPM are those of the combined entity M&M + MVML provided above.

In the Passenger Utility Vehicle segment, the company, with sales of 51702 vehicles in the current quarter, registered a growth of 22.9% over Q3 last year as compared to an industry growth of 18.4% and thus maintained its dominant position with a market share of 57.8%. All products in the company's UV portfolio did well in the quarter. In the Passenger MPV VAN segment, company's Gio compact cab and Maxximo Mini Van together recorded a volume of 6629 nos. with a market share of 13.4%. In a highly competitive LCV < 2T (mini truck) segment, the sales of company's Maxximo Load & Gio Load grew by 12.1% and in the LCV > 2T & 3.5T by 35.0%. In the current quarter, the company exported 7587 vehicles as against 5020 vehicles in Q3 last year - a growth of 51%. SAARC, South American & South African markets continued to extend healthy support to company's products.

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The domestic tractor industry showed a moderate growth in the current quarter with sales growing by 12.7% over Q3 last year. The company's performance during the quarter with domestic sales of 62342 tractors under the *Mahindra* & *Swaraj* brands and a sales growth of 12.0% over the Q3 last year matched that of the industry. The company's market share during the quarter was 42.9%. The company exported 3840 tractors in Q3. The engine business revenue grew by 14.1% to Rs. 200.1 Crore in Q3 F2012 against Rs. 175.4 Crore for Q3 last year.

YTD F2012 – M&M + MVML Results

The Gross Revenues and other income of Mahindra & Mahindra Ltd. and MVML during the period ended 31st December 2011 is **Rs.24609.4 crore** as against Rs.18587.7 crore in the corresponding period previous year – **a growth of 32.4%.** The Profit after tax for Apr-Dec 2011 is **Rs 2085.8 crore** as against Rs 1897.2 crores (excluding exceptional item) in the corresponding period previous year – a growth of 9.9%.

YTD F2012 – M&M Standalone Results

The Gross Revenues and other income of Mahindra & Mahindra Ltd. during the year to date period ended 31st December 2011 is **Rs.24471.7 crore** as against Rs.18504.7 crore in the corresponding period previous year – **a growth of 32.2%.** The Profit after tax for the current YTD period is **Rs 2004.4 crore** as against Rs 1938.1 crores (excluding exceptional item) in the same period previous year - a growth of 3.4%.

Group Consolidated Results

The Board meeting to approve the Q3 F2012 accounts of a few major subsidiaries is still to be held. After the approval and announcement of their results, the company will separately release the information on Consolidated Group Turnover and PAT.

Outlook:

The current year to date, with global macro risks particularly in the oil markets, has been a challenging one. The country's economic growth, as a consequence, moderated significantly, and the year's GDP is expected to grow by only 7.1%. As per IIP data, during April- December 2011 industrial production grew by just 3.8%. There are, however, some positive economic signals on the horizon at the moment. The recent positive economic news flow from the US and the long term refinancing operations announced by the European Central Bank in December has helped calm global financial markets. Portfolio flows to India, as a consequence, have picked up considerably in recent weeks, easing pressures on the balance of payments and the exchange rate. Also, domestic inflation, while still high, has begun trending down, raising hopes of a decline in interest rates. The Company has always met challenges through its continuous focus on new product introductions which have helped it drive volumes. However, in the near future, it is expected that margins will continue to be under pressure.

THE UNAUDITED COMBINED RESULTS OF MAHINDRA & MAHINDRA LIMITED AND MAHINDRA VEHICLE MANUFACTURERS LIMITED

Rs. in Crores

	Quarter ended 31st December				Nine months ended 31st December			
	2011		2010		2011		2010	
	Amount	% to Net sales	Amount	% to Net sales	Amount	% to Net sales	Amount	% to Net sales
1. Gross Sales & Operating Income	8970.39	109.19	6687.05	109.01	24312.30	109.14	18325.96	109.51
Less: Excise Duty on sales	(754.84)	(9.19)	(552.90)	(9.01)	(2035.34)	(9.14)	(1591.04)	(9.51)
Net Sales & Operating Income	8215.55	100.00	6134.15	100.00	22276.96	100.00	16734.92	100.00
2. Expenditure :								
a. Material Cost	5902.68	71.85	4169.63	67.97	15809.17	70.97	11341.80	67.77
b. Employee cost	475.26	5.78	361.80	5.90	1350.45	6.06	1053.01	6.29
c. Depreciation/ Amortisation	164.44	2.01	118.75	1.94	443.49	1.99	340.26	2.03
d. Other Expenses (Net of cost of manufactured products capitalised)	707.65	8.61	633.76	10.33	2068.19	9.28	1668.25	9.97
e. Total Expenditure (a+b+c+d)	7250.03	88.25	5283.94	86.14	19671.30	88.30	14403.32	86.06
3. Profit from Operation before Other Income, Interest and Exceptional Items (1 - 2)	965.52	11.75	850.21	13.86	2605.66	11.70	2331.60	13.94
4. Other Income	40.79	0.50	41.51	0.68	297.12	1.33	261.76	1.56
5. Profit from Operation before Interest and Exceptional Items (3 + 4)	1006.31	12.25	891.72	14.54	2902.78	13.03	2593.36	15.50
6. Interest Expense (Net)	34.48	0.42	18.75	0.31	93.26	0.42	24.64	0.15
7. Profit after Interest but before Exceptional Items (5 - 6)	971.83	11.83	872.97	14.23	2809.52	12.61	2568.72	15.35
8. Exceptional Items	-	-	117.48	1.92	-	-	117.48	0.70
9 Profit from Ordinary Activities Before Tax (7 + 8)	971.83	11.83	990.45	16.15	2809.52	12.61	2686.20	16.05
10 Provision for Taxation	265.89	3.24	264.48	4.32	723.75	3.25	671.53	4.01
11 Net Profit from Ordinary Activities after Tax (9 - 10)	705.94	8.59	725.97	11.83	2085.77	9.36	2014.67	12.04
Net Profit from Ordinary Activities after Tax excluding Exceptional Item	705.94	8.59	608.49	9.92	2085.77	9.36	1897.19	11.34

Mahindra Vehicle Manufacturers Limited (MVML), a 100% subsidiary of the Company.

Note: The combined figures of M&M + MVML have not been subjected to Limited Review

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THE UNAUDITED COMBINED RESULTS OF MAHINDRA & MAHINDRA LIMITED AND MAHINDRA VEHICLE MANUFACTURERS LIMITED

Rs. in Crores

Segment wise Revenues, Results and Capital Employed :

	Quarter ended 31st December		Nine months ended 31st December	
	2011	2010	2011	2010
	Amount	Amount	Amount	Amount
A. Segment Revenue : (Net Sales & Operating Income)				
Automotive Segment	4990.00	3484.93	13386.06	9694.94
Farm Equipment Segment	3251.27	2638.28	8938.71	6997.13
Other Segments	24.85	20.96	69.97	69.46
Total	8266.12	6144.17	22394.74	16761.53
Less: Intersegment Revenues	50.57	10.02	117.78	26.61
Net Sales & Operating Income	8215.55	6134.15	22276.96	16734.92
B. Segment Results :				
Automotive Segment	502.99	454.83	1469.70	1332.27
Farm Equipment Segment	508.41	487.15	1398.33	1232.71
Other Segments	3.61	0.60	7.77	3.60
Unrealised Profit	0.39	0.00	(0.02)	0.00
Total Segment Results	1015.40	942.58	2875.78	2568.58
Less :				
Interest Expense (Net)	34.48	18.75	93.26	24.64
Other un-allocable expenditure net off un-allocable income	9.09	(66.62)	(27.00)	(142.26)
Total Profit before Tax	971.83	990.45	2809.52	2686.20
C. Capital Employed :(Segment assets - Segment liabilities)				
Automotive Segment	4829.69	4632.89	4829.69	4632.89
Farm Equipment Segment	1983.22	1132.35	1983.22	1132.35
Other Segments	31.79	27.41	31.79	27.41
Unrealised Profit	(0.02)	-	(0.02)	-
Total Segment Capital Employed	6844.68	5792.65	6844.68	5792.65

Mahindra Vehicle Manufacturers Limited (MVML), a 100% subsidiary of the Company.

Note: The combined figures of M&M + MVML have not been subjected to Limited Review

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