



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 August, 2018

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: Mahindra & Mahindra Limited – Integrated Annual Report - 2018

This is further to our letter bearing REF: NS:SEC dated 6th July, 2018 wherein we had given you intimation of the Notice of the 72nd Annual General Meeting of the Company to be held on Tuesday, the 7th August, 2018 along with Integrated Annual Report, Attendance Slip and Proxy Form.

Pursuant to Regulation 34 of the Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015, we are re-submitting, soft copy of the following:

1. Notice of the 72nd Annual General Meeting of the Company held on Tuesday, the 7th August, 2018 at 3.00 p.m. at Birla Matushri Sabhagar, 19, Sir Vithaldas Thackersey Marg (New Marine Lines), Mumbai - 400 020;
2. Integrated Annual Report including the Audited Financial Statement (including Audited Consolidated Financial Statement) for the Financial Year ended 31st March, 2018 and Reports of the Board of Directors and Auditors thereon; and
3. Attendance Slip and Proxy Form.

Kindly take the same on record and acknowledge receipt.

Yours faithfully,
For MAHINDRA & MAHINDRA LIMITED

NARAYAN SHANKAR
COMPANY SECRETARY

Encl: as above

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THE SEVENTY SECOND ANNUAL GENERAL MEETING OF MAHINDRA & MAHINDRA LIMITED will be held on Tuesday, the 7th day of August, 2018 at 3:00 p.m. at Birla Matushri Sabhagar, 19, Sir Vithaldas Thackersey Marg (New Marine Lines), Mumbai – 400 020 to transact the following businesses:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statement (including Audited Consolidated Financial Statement) of the Company for the Financial Year ended 31st March, 2018 and the Reports of the Board of Directors and Auditors thereon.
2. To declare a dividend on Ordinary (Equity) Shares.
3. To appoint a Director in place of Mr. Anand G. Mahindra (DIN: 00004695), who retires by rotation and, being eligible, offers himself for re-appointment.

SPECIAL BUSINESS

4. **Ratification of Remuneration to Cost Auditors**

To consider and, if thought fit, to pass the following as an Ordinary Resolution:

"RESOLVED that pursuant to the provisions of section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 [including any statutory modification(s) or amendment(s) thereto or re-enactment(s) thereof, for the time being in force] and pursuant to the recommendation of the Audit Committee, the remuneration payable to Messrs D. C. Dave & Co., Cost Accountants having Firm Registration Number 000611, appointed by the Board of Directors of the Company as Cost Auditors to conduct the audit of the cost records of the Company for the Financial Year ending 31st March, 2019, amounting to Rs. 7,50,000 (Rupees Seven Lakhs and Fifty Thousand only) (plus Goods and Services Tax and reimbursement of out of pocket expenses) be ratified.

FURTHER RESOLVED that approval of the Company be accorded to the Board of Directors of the Company (including any Committee thereof) to do all such acts, deeds, matters and things and to take all such steps as may be required in this connection including seeking all

necessary approvals to give effect to this Resolution and to settle any questions, difficulties or doubts that may arise in this regard."

5. **Re-appointment of Mr. M. M. Murugappan as an Independent Director**

To consider and, if thought fit, to pass the following as a Special Resolution:

"RESOLVED that pursuant to the provisions of sections 149, 150, 152 read with Schedule IV and other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualifications of Directors) Rules, 2014 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 [including any statutory modification(s) or amendment(s) thereto or re-enactment(s) thereof for the time being in force], Mr. M. M. Murugappan (DIN: 00170478), who was appointed as an Independent Director of the Company at the 68th Annual General Meeting of the Company and who holds office of the Independent Director up to 7th August, 2018 and who is eligible for being re-appointed as an Independent Director and in respect of whom the Company has received a Notice in writing from a Member under section 160 of the Companies Act, 2013 proposing his candidature for the office of Director, be re-appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a second term of two consecutive years commencing from 8th August, 2018 to 7th August, 2020."

6. **Re-appointment of Mr. Nadir B. Godrej as an Independent Director**

To consider and, if thought fit, to pass the following as a Special Resolution:

"RESOLVED that pursuant to the provisions of sections 149, 150, 152 read with Schedule IV and other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualifications of Directors) Rules, 2014 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 [including any

statutory modification(s) or amendment(s) thereto or re-enactment(s) thereof for the time being in force], Mr. Nadir B. Godrej (DIN: 00066195), who was appointed as an Independent Director of the Company at the 68th Annual General Meeting of the Company and who holds office of the Independent Director up to 7th August, 2018 and who is eligible for being re-appointed as an Independent Director and in respect of whom the Company has received a Notice in writing from a Member under section 160 of the Companies Act, 2013 proposing his candidature for the office of Director, be re-appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a second term of two consecutive years commencing from 8th August, 2018 to 7th August, 2020."

7. Borrowing by way of Debt Securities

To consider and, if thought fit, to pass the following as a Special Resolution:

"RESOLVED that pursuant to the provisions of sections 42 and 71 of the Companies Act, 2013 (the Act) read with the Companies (Prospectus and Allotment of Securities) Rules, 2014 and all other applicable provisions of the Act and the Rules framed thereunder, as may be applicable, and other applicable Guidelines and Regulations issued by the Securities and Exchange Board of India or any other law for the time being in force [including any statutory modification(s) or amendment(s) thereto or re-enactment(s) thereof for the time being in force] and in terms of the Articles of Association of the Company, approval of the Members of the Company be accorded to authorize the Board of Directors of the Company (hereinafter referred to as 'the Board' which term shall be deemed to include any Committee thereof) to borrow from time to time, by way of securities including but not limited to secured/unsecured redeemable Non-Convertible Debentures to be issued under Private Placement basis, in Domestic and/or International market, in one or more series/tranches aggregating up to an amount not exceeding Rs. 5,000 crores (Rupees Five Thousand Crores only), issuable/redeemable

at discount/par/premium, during the period of 1 (one) year from the date of this Annual General Meeting, on such terms and conditions as the Board may, from time to time, determine and consider proper and most beneficial to the Company including as to when the said securities be issued, the consideration for the issue, utilisation of the issue proceeds and all matters connected with or incidental thereto; provided that the said borrowing shall be within the overall borrowing limits of the Company.

FURTHER RESOLVED that approval of the Company be accorded to the Board of Directors of the Company (including any Committee thereof) to do all such acts, deeds, matters and things and to take all such steps as may be required in this connection including seeking all necessary approvals to give effect to this Resolution and to settle any questions, difficulties or doubts that may arise in this regard."

Notes:

- A. The Explanatory Statement as required under section 102 of the Companies Act, 2013 is annexed hereto. Further, additional information with respect to Item No. 3 is also annexed hereto.

Messrs B S R & Co. LLP, Chartered Accountants, were appointed as Statutory Auditors of the Company at the 71st Annual General Meeting held on 4th August, 2017. Pursuant to Notification issued by the Ministry of Corporate Affairs on 7th May, 2018 amending section 139 of the Companies Act, 2013 and the Rules framed thereunder, the mandatory requirement for ratification of appointment of Auditors by the Members at every Annual General Meeting ("AGM") has been omitted, and hence the Company is not proposing an item on ratification of appointment of Auditors at this AGM.

- B. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER.

- C. The instrument appointing a proxy must be deposited, either in person or through post, with the Company at its Registered Office not less than 48 hours before the time for holding the Meeting. Corporate members intending to send their authorized representative(s) to attend the Meeting are requested to send to the Company a certified true copy of the relevant Board Resolution together with the specimen signature(s) of the representative(s) authorised under the said Board Resolution to attend and vote on their behalf at the Meeting.
- D. A person can act as a proxy on behalf of Members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A Member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other Member. Proxies submitted on behalf of limited companies, societies, etc., must be supported by an appropriate resolution/authority as applicable. The Proxy-holder shall prove his identity at the time of attending the Meeting.
- E. The Company's Registrar and Transfer Agents for its Share Registry Work (Physical and Electronic) are Karvy Computershare Private Limited (Karvy) having their office at Karvy Selenium Tower B, Plot number 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad, Telangana – 500032.
- F. The Register of Members and Transfer Books of the Company will be closed from Saturday, 14th July, 2018 to Tuesday, 7th August, 2018 (both days inclusive).
- G. The dividend, if declared at the Annual General Meeting, would be paid after 7th August, 2018 to those persons or their mandates:
- (a) whose names appear as Beneficial Owners as at the end of the business hours on Friday, 13th July, 2018 in the list of Beneficial Owners to be furnished by National Securities Depository Limited and Central Depository Services (India) Limited in respect of the shares held in electronic form; and
- (b) whose names appear as Members in the Register of Members of the Company after giving effect to valid share transfers in physical form lodged with the Company/its Registrar and Transfer Agents on or before Friday, 13th July, 2018.
- H. Under the Companies Act, 2013 dividends that are unclaimed/unpaid for a period of seven years are required to be transferred to the Investor Education and Protection Fund (IEPF) administered by the Central Government. An amount of Rs. 1,68,80,587 being unclaimed/unpaid dividend of the Company for the financial year ended 31st March, 2010 was transferred in September, 2017 to IEPF. Last date for claiming unclaimed and unpaid dividends declared by the Company for the financial year 2010-11 and thereafter is as under:
- | Financial Year ended | Date of declaration of dividend | Last date for claiming unpaid/unclaimed dividend |
|------------------------------|---------------------------------|--|
| 31 st March, 2011 | 8 th August, 2011 | 6 th September, 2018 |
| 31 st March, 2012 | 8 th August, 2012 | 6 th September, 2019 |
| 31 st March, 2013 | 13 th August, 2013 | 11 th September, 2020 |
| 31 st March, 2014 | 8 th August, 2014 | 7 th September, 2021 |
| 31 st March, 2015 | 7 th August, 2015 | 8 th September, 2022 |
| 31 st March, 2016 | 10 th August, 2016 | 8 th September, 2023 |
| 31 st March, 2017 | 4 th August, 2017 | 2 nd September, 2024 |
- Members who have not encashed the dividend warrants so far in respect of the aforesaid periods, are requested to make their claim to Karvy well in advance of the above due dates. Pursuant to the provisions of Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (IEPF Rules), the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on 4th August, 2017 (date of last Annual General Meeting) on the website of the Company (www.mahindra.com) as also on the website of the Ministry of Corporate Affairs.
- Further, pursuant to the provisions of section 124 of the Companies Act, 2013 read with IEPF Rules, all shares on which dividend has not been paid or claimed for seven consecutive years or more shall be transferred to IEPF Authority as notified by the Ministry of Corporate Affairs.

In accordance with the aforesaid IEPF Rules, the Company has sent notice to all the Shareholders whose shares are due for transfer to the IEPF Authority and has also published notice in newspapers. The shareholders whose dividend/shares is/will be transferred to the IEPF Authority can claim the same from the IEPF Authority by following the procedure as detailed on the website of IEPF Authority <http://iepf.gov.in/IEPFA/refund.html>.

- I. Members can avail of the facility of nomination in respect of shares held by them in physical form pursuant to the provisions of section 72 of the Companies Act, 2013. Members desiring to avail of this facility may send their nomination in the prescribed Form No. SH-13 duly filled in to Karvy at the above mentioned address. Members holding shares in electronic form may contact their respective Depository Participants for availing this facility.
- J. The Securities and Exchange Board of India (SEBI) has made it mandatory for all companies to use the bank account details furnished by the Depositories and the bank account details maintained by the Registrar and Transfer Agents for payment of dividend to Members electronically. The Company has extended the facility of electronic credit of dividend directly to the respective bank accounts of the Member(s) through the Electronic Clearing Service (ECS)/National Electronic Clearing Service (NECS)/Real Time Gross Settlement (RTGS)/Direct Credit, etc.

As directed by SEBI, the Members holding shares in physical form are requested to submit particulars of their bank account alongwith the original cancelled cheque bearing the name of the Member to Karvy/Company to update their Bank Account details.

Members holding shares in demat form are requested to update their Bank Account details with their respective Depository Participant. The Company or Karvy cannot act on any request received directly from the Members holding shares in demat form for any change of bank particulars. Such changes are to be intimated only to the Depository Participants of the Members. Further, instructions, if any, already given

by them in respect of shares held in physical form will not be automatically applicable to shares held in the electronic mode.

- K. SEBI has decided that securities of listed companies can be transferred only in dematerialised form from a cut-off date, to be notified. In view of the above and to avail various benefits of dematerialisation, Members are advised to dematerialise the shares held by them in physical form.
- L. Pursuant to sections 101 and 136 of the Companies Act, 2013 read with the Rules framed thereunder, the Notice calling the Annual General Meeting along with the Annual Report 2017-18 would be sent by electronic mode to those Members whose e-mail addresses are registered with the Depository or the Company/Karvy, unless the Members have requested for a physical copy of the same. For Members who have not registered their e-mail addresses, physical copies would be sent by the permitted mode.

Members are requested to support this Green Initiative by registering/updating their e-mail addresses with the Depository Participant (in case of Shares held in dematerialised form) or with Karvy (in case of Shares held in physical form).

- M. Members are requested to:
 - (a) intimate to Karvy, changes, if any, in their registered addresses at an early date, in case of Shares held in physical form;
 - (b) intimate to the respective Depository Participant, changes, if any, in their registered addresses at an early date, in case of Shares held in dematerialized form;
 - (c) quote their folio numbers/Client ID/DP ID in all correspondence;
 - (d) consolidate their holdings into one folio in case they hold Shares under multiple folios in the identical order of names; and
 - (e) register their Permanent Account Number (PAN) with their Depository Participants, in case of Shares held in dematerialised form and Karvy Company, in case of Shares held in physical form, as directed by SEBI.

- N. Members are requested to bring their copy of the Annual Report to the Annual General Meeting.
- O. Members/Proxies/Representatives are requested to bring the Attendance Slip enclosed in the Annual Report for attending the Meeting.
- P. Mr. Sachin Bhagwat, Practicing Company Secretary (Membership No. ACS10189) has been appointed as the Scrutiniser to scrutinise the e-voting process in a fair and transparent manner.

Q. PROCEDURE FOR REMOTE E-VOTING

- I. In compliance with the provisions of section 108 of the Companies Act, 2013, read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended and the provisions of Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Members are provided with the facility to cast their vote electronically, through the e-voting services provided by Karvy on all resolutions set forth in this Notice, through remote e-voting.
- II. Members are requested to note that the Company is providing facility for remote e-voting and the business may be transacted through electronic voting system. It is hereby clarified that it is not mandatory for a Member to vote using the remote e-voting facility. A Member may avail of the facility at his/her/its discretion, as per the instructions provided herein:

Instructions:

- A. In case a Member receives an e-mail from Karvy [for Members whose e-mail IDs are registered with the Company/Depository Participant(s)] which includes details of E-Voting Event Number (EVEN), USER ID and password:
 - (i) Launch internet browser by typing the URL: <https://evoting.karvy.com>
 - (ii) Enter the login credentials (i.e. User ID and password). In case of physical folio, User ID will be EVEN followed by folio number. In case of Demat account, User ID will be your DP ID and Client ID.

However, if you are already registered with Karvy for e-voting, you can use your existing User ID and password for casting your vote.

- (iii) After entering these details appropriately, click on "LOGIN".
- (iv) You will now reach password change Menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character (@,#,\$, etc.). The system will prompt you to change your password and update your contact details like mobile number, email ID etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.
- (v) You need to login again with the new credentials.
- (vi) On successful login, the system will prompt you to select the "EVENT" i.e. Mahindra & Mahindra Limited.
- (vii) On the voting page, enter the number of shares (which represents the number of votes) as on the cut-off Date under "FOR AGAINST" or alternatively, you may partially enter any number in "FOR" and partially "AGAINST" but the total number in "FOR AGAINST" taken together shall not exceed your total shareholding as on the cut-off date. You may also choose the option ABSTAIN. If the Member does not indicate either "FOR" or "AGAINST" it will be treated as "ABSTAIN" and the shares held will not be counted under either head.
- (viii) Voting has to be done for each item of the notice separately. In case you do not

- desire to cast your vote on any specific item, it will be treated as abstained.
- (ix) Members holding multiple folios/demat accounts shall choose the voting process separately for each folio/demat accounts.
- (x) You may then cast your vote by selecting an appropriate option and click on "Submit".
- (xi) A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once you have voted on the resolution(s), you will not be allowed to modify your vote.
- (xii) Corporate/Institutional Members (i.e. other than Individuals, HUF, NRI, etc.) are required to send scanned certified true copy (PDF Format) of the Board Resolution/Authority Letter etc., together with attested specimen signature(s) of the duly authorized representative(s), to the Scrutinizer at e-mail ID sbhagwatcs@yahoo.co.in with a copy marked to evoting@karvy.com. The scanned image of the above mentioned documents should be in the naming format "**Corporate Name_EVEN**".
- If the authorised representative intends to vote through remote e-voting, the certified true copy (PDF Format) of the Board Resolution/Authority Letter etc., together with attested specimen signature(s) of the duly authorised representative(s) should reach the Scrutinizer not later than Monday, 6th August, 2018 (5:00 p.m. IST). In case if the authorised representative attends the meeting in person, the above mentioned documents shall be submitted before the commencement of AGM.
- B. In case a Member receives physical copy of the Notice of AGM [for Members whose e-mail IDs are not registered with the Company/ Depository Participant(s)]:
- (i) EVEN, User ID and Initial Password is provided in the Attendance Slip.
- (ii) Please follow all steps from Sl. No. (i) to (xii) above to cast your vote by electronic means.
- III. OTHER INSTRUCTIONS:**
- a. In case of any query and/or grievance, in respect of voting by electronic means, Members may refer to the Help & Frequently Asked Questions (FAQs) and E-voting user manual available at the download Section of <https://evoting.karvy.com> (Karvy Website) or contact at investors@mahindra.com, or Mr. Prem Kumar M., Manager, Karvy at Karvy Selenium, Tower B, Plot No. 31 & 32, Gachibowli, Financial District, Nanakramguda, Hyderabad, Telangana – 500 032 or at the email ID evoting@karvy.com or on phone No.: 040-6716 1500 or call Karvy's toll free No.: 1800-3454-001 for any further clarifications.
 - b. You can also update your mobile number and e-mail ID in the user profile details of the folio which may be used for sending future communication(s).
 - c. The remote e-voting period commences on Friday, 3rd August, 2018 (9:00 a.m. IST) and ends on Monday, 6th August, 2018 (5:00 p.m. IST). During this period, Members of the Company, holding shares either in physical form or in dematerialised form, as on the cut-off date Tuesday, 31st July, 2018 may cast their votes electronically. A person who is not a Member as on the cut-off date should treat this Notice for information purposes only. The remote e-voting module shall be disabled for voting thereafter. Once the vote on a resolution(s) is cast by the Member, the Member shall not be allowed to change it subsequently.
 - d. The voting rights of Members shall be in proportion to their share in the paid-up equity share capital of the Company as on

Tuesday, 31st July, 2018, being the cut-off date. Members are eligible to cast vote only if they are holding shares as on that date.

- e. In case a person has become a Member of the Company after dispatch of AGM Notice but on or before the cut-off date for E-Voting, i.e., Tuesday, 31st July, 2018, he/she/it may obtain the User ID and Password in the manner as mentioned below:

- i. If the mobile number of the Member is registered against Folio No./DP ID Client ID, the Member may send SMS: MYEPWD <space> Folio No. or DP ID Client ID to +91 9212993399. In case of physical holding, prefix Folio No. with EVEN.

Example for NSDL:

MYEPWD <SPACE> IN12345612345678

Example for CDSL:

MYEPWD <SPACE> 1402345612345678

Example for Physical:

MYEPWD <SPACE> XXXX1234567890
(XXXX being EVEN)

- ii. If e-mail address or mobile number of the Member is registered against Folio No./DP ID Client ID, then on the home page of <https://evoting.karvy.com>, the Member may click "Forgot Password" and enter Folio No. or DP ID Client ID and PAN to generate a password.
 - iii. Member may call Karvy's toll free number 1800-3454-001.
 - iv. Member may send an e-mail request to evoting@karvy.com. However, Karvy shall endeavor to send User ID and Password to those new Members whose e-mail IDs are available.
- R. **Voting at AGM:** The Members, who have not cast their vote through remote e-voting can exercise their voting rights at the AGM. The Company will make necessary arrangements in this regard at the AGM Venue. The facility for voting through

electronic voting system (Insta Poll) shall be made available at the Meeting. Members who have already cast their votes by remote e-voting are eligible to attend the Meeting; however these Members are not entitled to cast their vote again in the Meeting.

A Member can opt for only single mode of voting i.e. through remote e-voting or voting at the AGM.

S. PROCEDURE AND INSTRUCTIONS FOR WEB CHECK-IN/ATTENDANCE REGISTRATION:

Members are requested to tender their attendance slips at the registration counters at the venue of the AGM and seek registration before entering the meeting hall. Alternatively, to facilitate hassle free and quick registration/entry at the venue of the AGM, the Company has provided a Web Check-in facility through Karvy's website. Web Check-in on the Karvy's website enables the Members to register attendance online in advance and generate Attendance Slip without going through the registration formalities at the registration counters.

Procedure of Web Check-in is as under:

- a. Log on to <https://karisma.karvy.com> and click on "Web Check-in for General Meetings (AGM/EGM/CCM)".
- b. Select the name of the Company: Mahindra and Mahindra Limited.
- c. Pass through the security credentials viz., DP ID/Client ID/Folio No. entry, PAN & "CAPTCHA" as directed by the system and click on the submission button.
- d. The system will validate the credentials. Then click on the "Generate my attendance slip" button that appears on the screen.
- e. The attendance slip in PDF format will appear on the screen. Select the "PRINT" option for direct printing or download and save for the printing.
- f. A separate counter will be available for the online registered Members at the AGM

Venue for faster and hassle free entry and to avoid standing in the queue.

- g. After registration, a copy will be returned to the Member.
- h. The Web Check-in (Online Registration facility) is available for AGM during remote e-voting period only i.e. from Friday, 3rd August, 2018 (9:00 a.m. IST) to Monday, 6th August, 2018 (5:00 p.m. IST). The Members are requested to carry their valid photo identity along with the above attendance slip for verification purpose.

T. Webcast:

Your Company proposes to provide the facility of live webcast of proceedings of AGM. Members who are entitled to participate in the AGM can view the proceeding of AGM by logging on the e-voting website of Karvy at <https://evoting.karvy.com/> using their secure login credentials. Members are encouraged to use this facility of webcast.

During the live webcast of AGM, Members may post their queries in the message box provided on the screen.

- U. The results shall be declared not later than forty-eight hours from conclusion of the Meeting. The results declared along with the Scrutiniser's Report will be placed on the website

of the Company at www.mahindra.com and the website of Karvy: <https://evoting.karvy.com> immediately after the results are declared and will simultaneously be forwarded to BSE Limited and National Stock Exchange of India Limited, where Equity Shares of the Company are listed and shall be displayed at the Registered Office as well as at the Corporate Office of the Company.

- V. The route map of the venue of the Meeting is given in the Notice. The prominent landmark for the venue is that it is 'next to Bombay Hospital'.

By Order of the Board

NARAYAN SHANKAR
Company Secretary

Registered Office:

Gateway Building, Apollo Bunder,
Mumbai – 400 001.

CIN : L65990MH1945PLC004558
e-mail : investors@mahindra.com

Website : www.mahindra.com
Tel. : +91 22 22895500
Fax : +91 22 22875485

Mumbai, 29th May, 2018

Additional Information with respect to Item No. 3

Mr. Anand G. Mahindra (DIN: 00004695), the Executive Chairman of the Company is liable to retire by rotation and being eligible, has offered himself for re-appointment.

Mr. Mahindra has completed 63 years of age. Mr. Mahindra graduated with Honours (Magna cum laude) from Harvard College, Cambridge, Massachusetts, in 1977. In 1981, he secured an MBA degree from the Harvard Business School, Boston, Massachusetts. He returned to India that year and joined erstwhile Mahindra Ugine Steel Company Limited (MUSCO), as Executive Assistant to the Finance Director. MUSCO was, at that time, the country's foremost producer of specialty steels. In 1989, he was appointed Deputy Managing Director and President of MUSCO. During his stint at MUSCO, he initiated the Mahindra Group's diversification into the new business areas of real estate development and hospitality management.

Mr. Mahindra was first appointed as a Director on the Board of the Company on 23rd November, 1989. He then took over as Deputy Managing Director of the Company in 1991 at a time when the turnover was US\$ 177 million. He initiated a comprehensive change programme in the Company to make it an efficient and aggressive competitor in the new liberalized economic environment in India.

In April 1997, he was appointed as Managing Director of the Company and in January, 2001 given the additional responsibility of Vice Chairman. In August 2012, he was appointed as Chairman and designated as Chairman & Managing Director of the Company. In November, 2016, Mr. Mahindra was re-designated as the Executive Chairman of the Company which was also approved by the shareholders at the 71st Annual General Meeting (AGM) of the Company held on 4th August, 2017.

Mr. Mahindra is the Executive Chairman of the Company and Chairman of Tech Mahindra Limited, Mahindra First Choice Wheels Limited and Classic Legends Private Limited. He is on the Boards of several companies viz. Mahindra

Holdings Limited, Prudential Management and Services Private Limited, Naandi Community Water Services Private Limited, Araku Originals Private Limited, The Mahindra United World College of India, Tech Mahindra Foundation, Invest India and Breach Candy Hospital Trust.

During the year 1st April, 2017 to 31st March, 2018, eight Board Meetings of the Company were held, out of which Mr. Anand Mahindra had attended seven Meetings.

Mr. Mahindra is a Member/Chairman of the following Board Committees, as indicated below:

Sr. No.	Name of the Company	Name of the Committee	Position held
1.	Mahindra & Mahindra Limited	Strategic Investment Committee	Chairman
		Loans and Investment Committee	Chairman
		Stakeholders Relationship Committee	Member
		Research and Development Committee	Member
		Corporate Social Responsibility Committee	Member
		Sale of Assets Committee	Member

The terms and conditions of re-appointment and remuneration of Mr. Mahindra would be governed by the terms and conditions approved by the Members of the Company at the Annual General Meeting held on 4th August, 2017. The remuneration paid to Mr. Mahindra during the Financial Year 2017-18 is Rs. 803.35 lakhs.

Mr. Mahindra holds 14,30,008 Ordinary (Equity) Shares in the Company.

Save and except Mr. Mahindra, and his relatives to the extent of their shareholding interest, if any, in the Company, none of the other Directors, Key Managerial Personnel (KMP) of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in the Resolution set out at Item No. 3 of the Notice. None of the Directors and KMP of the Company are inter-se related to each other.

Explanatory Statement in respect of the Special Business pursuant to section 102 of the Companies Act, 2013

ITEM NO. 4:

The Board of Directors, at its Meeting held on 29th May, 2018, upon the recommendation of the Audit Committee, approved the appointment of Messrs D. C. Dave & Co., Cost Accountants having Firm Registration Number 000611, as Cost Auditors of the Company for conducting the audit of the cost records of the Company, for the Financial Year ending 31st March, 2019, at a remuneration of Rs. 7,50,000 (Rupees Seven Lakhs and Fifty Thousand only) (plus Goods and Services Tax and reimbursement of out of pocket expenses).

Pursuant to section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, Members of a Company are required to ratify the remuneration to be paid to the cost auditors of the Company.

Accordingly, consent of the Members is sought for passing an Ordinary Resolution as set out at Item No. 4 of the Notice for ratification of the remuneration payable to the Cost Auditors for conducting the audit of the cost records of the Company for the Financial Year ending 31st March, 2019.

None of the Directors, Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in the Resolution set out at Item No. 4 of the Notice.

The Board commends the Ordinary Resolution set out at Item No. 4 of the Notice for approval of the Members.

ITEM NOS. 5 & 6:

Mr. M. M. Murugappan and Mr. Nadir B. Godrej were appointed as Independent Directors on the Board of your Company pursuant to the provisions of section 149 of the Act read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and the erstwhile Clause 49 of the Listing Agreement with the stock exchanges, by the Shareholders at the 68th Annual General Meeting ("AGM") of the Company held on 8th August, 2014. They hold office as Independent Directors of the Company up to 7th August, 2018 ("first term" in line with the explanation to section 149(10) and 149(11) of the Act).

Brief details of Mr. M. M. Murugappan and Mr Nadir B. Godrej are mentioned below:

- Mr. M. M. Murugappan:**

Mr. M. M. Murugappan has completed 62 years of age. Mr. M. M. Murugappan holds a Bachelor's degree in Chemical Engineering from the AC College of Technology, University of Madras, India and a Master of Science Degree also in Chemical Engineering from the University of Michigan, Ann Arbor, Michigan, USA. He is a member of the American and Indian Institutes of Chemical Engineers and the Plastics & Rubber Institute. He was recently elected as a Fellow Member of the Indian Ceramic Society.

Mr. M. M. Murugappan was first appointed as a Director on the Board of the Company on 28th August, 1992.

Mr. M. M. Murugappan serves as the Executive Chairman of the Corporate and Supervisory Board of the Murugappa Group. He is the Chairman of Tube Investments of India Limited ("TII"), TI Financial Holdings Limited, Cholamandalam MS General Insurance Company Limited, Wendt India Limited, Carborundum Universal Limited ("CUMI"), Coromandel International Limited and Volzhsky Abrasive Works. He is also on the board of Cyient Limited, Ambadi Investments Limited, Cholamandalam Health Insurance Limited, Murugappa Organo Water Solutions Private Limited, M.M. Muthiah Research Foundation and Idea Lab (India) Private Limited.

After a brief stint in the field of Environmental Engineering Design in the United States, Mr. M. M. Murugappan joined CUMI in the year 1979.

In January 2004, Mr. M. M. Murugappan took over as Chairman of CUMI, playing a pivotal role in transforming CUMI into an international company. He has broken new grounds in positioning CUMI as a technology and innovation-driven organization. His strategic approach towards business partnerships with global leaders has been one of the key factors contributing to CUMI's consistent growth, internationally.

In April 2006, Mr. M. M. Murugappan was appointed Chairman of TII. At TII, he is very involved, together with the team, in developing a strong engineering focused business to address opportunities in the

transportation sector as a critical component supplier. Here too he has facilitated relationships with global leaders and has encouraged research, innovation and strong customer partnerships.

He has also served on the Board of Governors of IIT Madras, for six years till November 2011 and has enabled many industry – academic partnerships. He now serves on the board of the IIT-Madras Research Park and is a mentor to many companies incubated there.

As Trustee of the Group's AMM Foundation, he is actively involved in the development of various citizenship initiatives, particularly in education, health care, performing arts and sport.

Mr. M. M. Murugappan is a Member of the following Board Committees:

Sr. No.	Name of the Company	Name of the Committee	Position held
1.	Mahindra & Mahindra Limited	Governance, Nomination and Remuneration Committee	Chairman
		Research and Development Committee	Chairman
		Audit Committee	Member
		Risk Management Committee	Member
2.	Tube Investments of India Limited	Stakeholders Relationship Committee	Chairman
		Loans Committee	Chairman
		Shares and Debentures Committee	Chairman
		Nomination and Remuneration Committee	Member
3.	Cyient Limited	Audit Committee	Chairman
		Risk Management Committee	Chairman
		Nomination and Remuneration Committee	Member
4.	Carborundum Universal Limited	Stakeholders Relationship Committee	Chairman
		Investment Committee	Member
5.	Wendt India Limited	Stakeholders Relationship Committee	Chairman
6.	TI Financial Holdings Limited	Stakeholders Relationship Committee	Chairman
		Corporate Social Responsibility Committee	Chairman
		Nomination and Remuneration Committee	Member
7.	Ambadi Investments Limited	Audit Committee	Member
		Share Transfer Committee	Member
		Borrowing Committee	Member
		Corporate Social Responsibility Committee	Member

Sr. No.	Name of the Company	Name of the Committee	Position held
8.	Cholamandalam MS General Insurance Company Limited	Management Committee	Chairman
		Corporate Social Responsibility Committee	Chairman
		Investment Committee, Business Committee & Risk Management Committee	Member

Mr. M. M. Murugappan holds 2,00,000 Ordinary (Equity) Shares in the Company.

Mr. M. M. Murugappan had attended seven out of eight Board Meetings in the Financial Year 2017-2018. Mr. M. M. Murugappan would be entitled to sitting fees for attending the Meetings of the Board of Directors and Committees thereof. In addition, he would be entitled to commission as determined each year by the Board of Directors within the limits approved by the Members of the Company for the Non-Executive Directors of the Company.

The sitting fees paid to Mr. M. M. Murugappan during the Financial Year 2017-18 is Rs. 14.50 lakhs. The commission paid to him in Financial Year 2016-2017 is Rs. 24 lakhs. For Financial Year 2017-18, Commission payable to Mr. M. M. Murugappan will be Rs. 36 lakhs.

- **Mr. Nadir B. Godrej:**

Mr. Nadir B. Godrej has completed 66 years of age. A Bachelor of Chemical Engineering from the Massachusetts Institute of Technology and a Master of Chemical Engineering from Stanford University, Mr. Nadir B. Godrej completed his MBA from the Harvard Business School.

Mr. Nadir B. Godrej was first appointed as a Director on the Board of the Company on 28th August, 1992.

A veteran of the Indian industry, Mr. Nadir B. Godrej has played an important role in developing the animal feed, agricultural input and chemicals businesses owned by Godrej. His active interest in research related to these areas has resulted in several patents in the field of agricultural chemicals and surfactants.

With his tremendous experience and expertise, Mr. Nadir B. Godrej has also contributed to the development of a variety of industries by participating keenly in industry bodies such as the Compound Livestock Feed Manufacturers Association of India, Indian Chemical Manufacturers Association, and Oil Technologists' Association of India (OTAI).

Currently, Mr. Nadir B. Godrej is the President of Alliance Française de Bombay. For his contribution to Indo-French relations, the French Government has honoured him with the awards of "Chevalier de l'Ordre National du Mérite" and "Chevalier de la Légion d'Honneur".

Mr. Nadir B. Godrej has also been honoured with the Life Time Achievement Awards from:

- OTAI;
- Chemexil; and
- The All India Liquid Bulk Importers and Exporters Association (AILBIEA)

Mr. Godrej is the author of "Life and Other Poems" & "Nadir Godrej The Poet", a collection of English and French poems.

Mr. Nadir B. Godrej is the Chairman of Godrej Agrovet Limited, Astec Lifesciences Limited, Godrej Tyson Foods Limited & Creamline Dairy Products Limited and Managing Director of Godrej Industries Limited.

He is also a Director in other companies such as Godrej Consumer Products Limited, Godrej Properties Limited, The Indian Hotels Co. Limited, Godrej & Boyce Mfg. Co. Limited, Isprava Vesta Private Limited and in foreign companies such as Godrej International Limited and ACI Godrej Agrovet Private Limited.

Mr. Nadir B. Godrej is a Member of the following Board Committees:

Sr. No.	Name of the Company	Name of the Committee	Position held
1.	Mahindra & Mahindra Limited	Audit Committee	Member
		Governance, Nomination and Remuneration Committee	Member
		Strategic Investments Committee	Member
		Research and Development Committee	Member
		Risk Management Committee	Member
2.	Godrej Consumer Products Limited	Stakeholders Relationship Committee	Chairman
		Corporate Social Responsibility Committee	Chairman

Sr. No.	Name of the Company	Name of the Committee	Position held
3.	The Indian Hotels Company Limited	Stakeholders Relationship Committee	Chairman
		Audit Committee	Member
		Nomination and Remuneration Committee	Member
		Corporate Social Responsibility Committee	Member
		Risk Management Committee	Member
4.	Godrej Industries Limited	Corporate Social Responsibility Committee	Chairman
		Risk Management Committee	Chairman
		Stakeholders Relationship Committee	Member
5.	Godrej Agrovet Limited	Stakeholders Relationship Committee	Chairman
		Risk Management Committee	Chairman
		Corporate Social Responsibility Committee	Member
6.	Godrej Tyson Foods Limited	Nomination and Remuneration Committee	Member

Mr. Nadir B. Godrej holds 11,34,780 Ordinary (Equity) Shares in the Company.

Mr. Nadir B. Godrej had attended six out of eight Board Meetings in the Financial Year 2017-2018. Mr. Godrej would be entitled to sitting fees for attending the Meetings of the Board of Directors and Committees thereof. In addition, he would be entitled to commission as determined each year by the Board of Directors within the limits approved by the Members of the Company for the Non-Executive Directors of the Company.

The sitting fees paid to Mr. Nadir B. Godrej during the Financial Year 2017-18 is Rs. 15.50 lakhs. The commission paid to him in Financial Year 2016-2017 is Rs. 20 lakhs. For Financial Year 2017-18, Commission payable to Mr. Nadir B. Godrej will be Rs. 30 lakhs.

The Governance, Nomination and Remuneration Committee at its Meeting held on 28th May, 2018 on the basis of performance evaluation of Independent Directors and taking into account the external business environment, the business knowledge, acumen, experience and the substantial

contribution made by Mr. M. M. Murugappan and Mr. Nadir B. Godrej during their tenure, has recommended to the Board that continued association of Mr. M. M. Murugappan and Mr. Nadir B. Godrej as Independent Directors of the Company would be beneficial to the Company. Based on the above and the performance evaluation of Independent Directors, the Board recommends the re-appointment of Mr. M. M. Murugappan (DIN: 00170478) and Mr. Nadir B. Godrej (DIN: 00066195), as Independent Directors of the Company, not liable to retire by rotation, to hold office for a second term of two consecutive years on the Board of the Company commencing from 8th August, 2018 to 7th August, 2020.

The performance evaluation of Independent Directors were based on various criteria, inter-alia, including attendance at Board and Committee Meetings, skill, experience, ability to challenge views of others in a constructive manner, knowledge acquired with regard to the Company's business, understanding of industry and global trends, etc.

Copy of the draft letters of appointment of Mr. M. M. Murugappan and Mr. Nadir B. Godrej setting out terms and conditions of appointment is available for inspection by the Members in physical or electronic form at the Registered office of the Company between 10.00 a.m. to 12.00 noon, on all working days (except Saturdays, Sundays and Public Holidays), up to the date of the Annual General Meeting (AGM) and copies thereof shall also be made available for inspection in physical or electronic form at the Corporate Office of the Company situated at Mahindra Towers, 5th Floor, Dr. G. M. Bhosale Marg, Worli, Mumbai - 400 018 as well as during the AGM at the venue thereof.

Mr. M. M. Murugappan and Mr Nadir B. Godrej are not disqualified from being appointed as Directors in terms of section 164 of the Companies Act, 2013 and have given their consent to act as Directors. The Company has received declarations from Mr. M. M. Murugappan and Mr Nadir B. Godrej stating that they meet the criteria of independence as prescribed under sub-section (6) of section 149 of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

In the opinion of the Board, Mr. M. M. Murugappan and Mr. Nadir B. Godrej, fulfil the conditions for appointment as Independent Directors as specified in the Companies Act, 2013 and the Listing Regulations. Mr. M. M. Murugappan and Mr. Nadir B. Godrej are independent of the management.

The Company has received notices in writing from a Member under section 160 of the Act, proposing the candidature of Mr. M. M. Murugappan and Mr. Nadir B. Godrej, for the office of Director of the Company.

Save and except Mr. M. M. Murugappan and Mr. Nadir B. Godrej, and their relatives to the extent of their shareholding interest, if any, in the Company, none of the other Directors, Key Managerial Personnel (KMP) of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in the Resolution set out at Item Nos. 5 and 6 of the Notice. None of the Directors and KMP of the Company are inter-se related to each other.

The Board commends the Special Resolution set out at Item Nos. 5 and 6 of the Notice for approval of the Members.

ITEM NO. 7:

In terms of section 42 of the Companies Act, 2013 read with Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 (the Rules), a Company shall not make Private Placement of its Securities unless the proposed offer of Securities or invitation to subscribe to Securities has been previously approved by the Members of the Company by a Special Resolution. In case of an offer or invitation for offer of Non-Convertible Debentures, the Company can pass a Special Resolution once a year for all the offers or invitations to be made for such Debentures during the year.

In order to augment resources for, inter alia, the ongoing capital expenditure, long term working capital/ short term working capital and for general corporate purposes, the Company may offer or invite subscription for securities including but not limited to secured/unsecured redeemable Non-Convertible Debentures, in one or more series/tranches on private placement in Domestic and/ or International market, issuable/redeemable at discount/ par/premium.

The Company seeks to pass an enabling resolution to borrow funds from time to time by offer of securities including but not limited to Non-Convertible Debentures for an amount not exceeding Rs. 5,000 crores (Rupees Five Thousand Crores only), at a discount or at par or at a premium and at such interest as may be appropriate considering the prevailing money market conditions at the time of the borrowing but not exceeding 10% p.a. The

details of the Paid-up Capital, Free Reserves and Securities Premium, Outstanding Borrowings and approvals sought, are as under:

(Rs. in crores)

Particulars	As at 31 st March, 2017	As at 31 st March, 2018
Paid-up Capital, Free Reserves and Securities Premium	26,192	29,692
Outstanding Borrowings	2,851	2,958
Approvals sought for offer of securities including but not limited to Non-Convertible Debentures at the Annual General Meetings	*5,000	**5,000

* Approval sought at the last Annual General Meeting held on 4th August, 2017, has a validity of one year.

** Approval sought at the ensuing Annual General Meeting for Non-Convertible Debentures.

The approval sought for offer of securities including but not limited to Non-Convertible Debentures, shall be within the overall borrowing limits of the Company in terms of section 180 of the Companies Act, 2013.

The Articles of Association of the Company is available for inspection of the Members in physical or in electronic form at the Registered Office of the Company between 10.00 a.m. to 12.00 noon, on all working days (except Saturdays, Sundays and Public Holidays), up to the date of the Annual General Meeting (AGM) and copies thereof shall also be made available for inspection in physical or electronic form at the Corporate Office of the Company

situated at Mahindra Towers, 5th Floor, Dr. G. M. Bhosale Marg, Worli, Mumbai - 400 018 as well as during the AGM at the venue thereof. Accordingly, consent of the Members is sought for passing a Special Resolution as set out at Item No. 7 of the Notice.

None of the Directors, Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in the Resolution set out at Item No. 7 of the Notice.

The Board commends the Special Resolution set out at Item No. 7 of the Notice for approval by the Members.

By Order of the Board

NARAYAN SHANKAR
Company Secretary

Registered Office:

Gateway Building, Apollo Bunder,
Mumbai – 400 001.

CIN : L65990MH1945PLC004558

e-mail : investors@mahindra.com

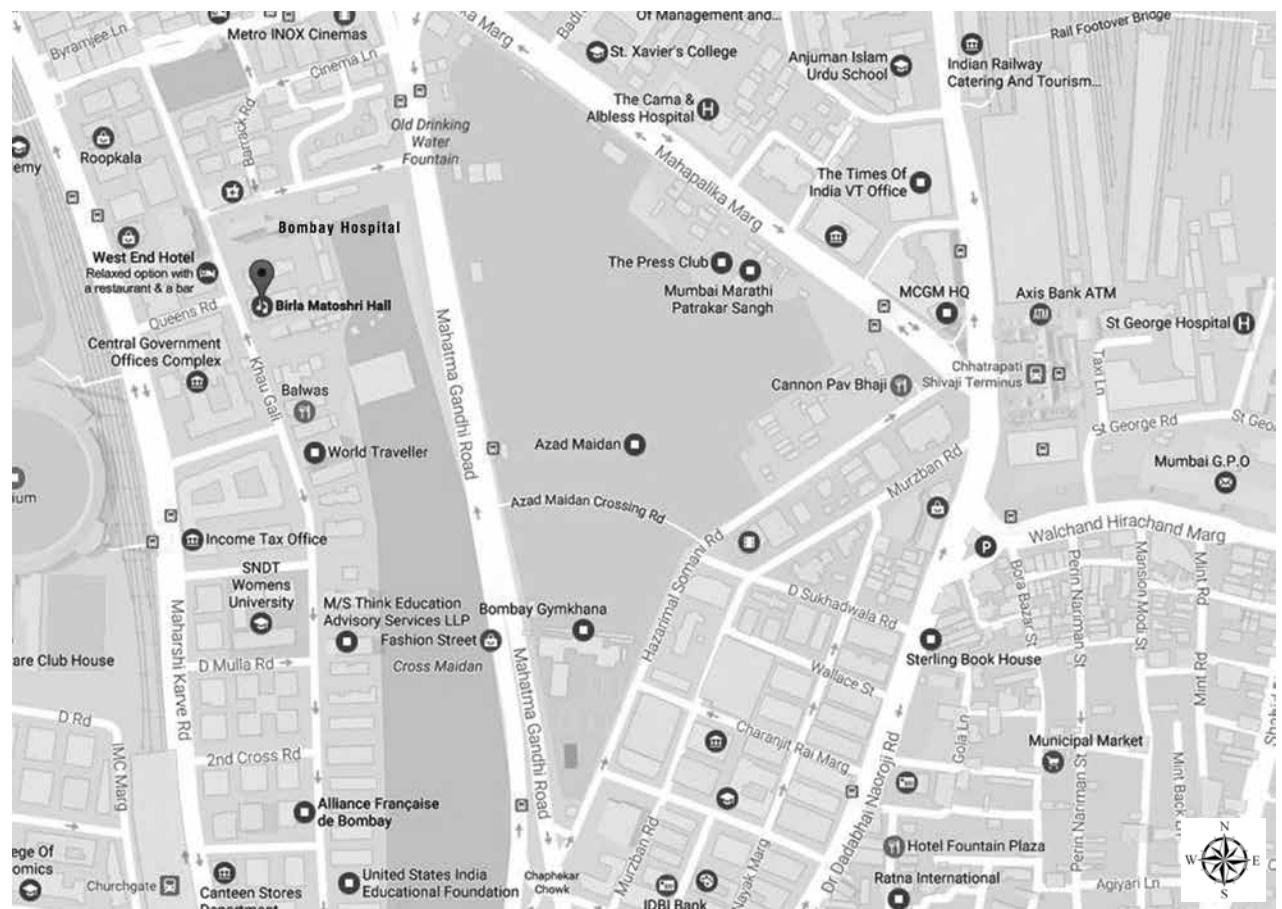
Website : www.mahindra.com

Tel. : +91 22 22895500

Fax : +91 22 22875485

Mumbai, 29th May, 2018

Route Map to the venue of the AGM



Notes

Rise.





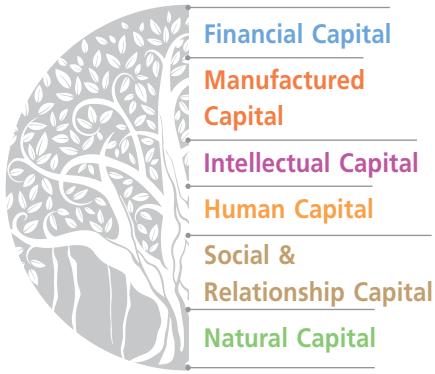
The image that best symbolizes the Mahindra Group is that of a Banyan tree. The Banyan tree has a strong trunk that initially grows and spreads. The tree then sends down aerial roots that grow into the ground. For a while these roots are nourished by the main trunk – but then they start their own cycle of growth and become trunks themselves. And these new trunks start nourishing other aerial roots of their own, that ultimately grow into more trunks and so on... a thousand years later, if you ask which was the original trunk, you may not be able to tell.

That is how it is with the Mahindra Group. Initially, there was one central trunk – Mahindra and Mahindra. Over time, that trunk has sent out aerial roots and nurtured them. These new roots found themselves fertile soil, and with the right business model, the right customer acceptance and the right leadership, they have grown into new businesses and have become trunks themselves. And they grow more businesses. The perfect example is Mahindra Finance, which was initially nurtured by M&M and over the years, has grown newer businesses like Mahindra Rural Housing and Mahindra Insurance Brokers. In this way, just like the Banyan tree, the Group grows both horizontally and vertically. And the tree keeps growing and spreading.

The Banyan tree has the ability to ultimately morph into a forest where all the trunks have a symbiotic relationship with each other and are also connected by common branches and bonds. That is the way I see the Mahindra Federation evolving over time. And that is the way we create value. **”**

Anand G. Mahindra

Executive Chairman



Mahindra today is a truly global company with a network of manufacturing and R&D facilities spread across the globe.

We are committed to ethical values, sustainable business practices, and to driving positive change wherever we operate.

Above all, we are committed to creating shared value for our stakeholders, our communities and for ourselves.

One of the major ways we create value is by judiciously and intelligently leveraging the multiple types of capital available to us – not just Financial Capital, but also Manufactured Capital, Intellectual Capital, Human Capital, Social & Relationship Capital and Natural Capital.

The next few pages will show you how.

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Announcement

We started with Integrated Reporting last year in line with our commitment towards transparency and the highest standards of corporate governance. This year, we are including key elements of Integrated Report (IR) with the Annual Report to present our shareholders with a broader, more holistic view of how we create and sustain value over the long-term. It is also in alignment with the framework of the International Integrated Reporting Council (IIRC), as well as SEBI's circular dated 6th February, 2016.

An Integrated Report takes corporate reporting beyond just discussing the financial resources, as any value creation activity requires other resources like people, natural resources and business relationships. This report will discuss how Mahindra & Mahindra Ltd. creates value using interlinkages between multiple types of capital. Where necessary, we have explained the concept by using charts and infographics.

Some IR related data might be management estimates and could be updated in subsequent publications like the Mahindra Sustainability Report.



For the online version of the report or for any other information please visit
www.mahindra.com

The Digital Annual Review F18 will also be made available at
www.mahindra.com/annualreviewFY18/

How to Read This Report

Integrated Report (IR)

Businesses exist to create value for their diverse stakeholders. Today, businesses depend on more than just financial capital or plant and machinery to create this value. Employees and the environment are important, as is governance and the relationship with vendors, suppliers and with the community in which businesses operate and with society at large. A business's ability to sustain value over the long-term depends on how it manages, utilises and integrates all these tangible and intangible resources.

Integrated Reporting takes a broader view, covering not only the financial capital, but other capitals like Manufactured Capital, Intellectual Capital, Human Capital, Social & Relationship Capital and Natural Capital, collectively called Multiple types of capital. It also demonstrates the interlinkages between each capital with an easy to understand diagram showing capital-wise inputs, outputs and outcomes, measured by KPIs.

This Integrated Report then goes on to explain how the business sustains value using a robust governance framework comprising of Strategy, Risks and Opportunities, Stakeholder Engagements, Performance Reviews and Outlook.

The detailed Statutory Statements and Financial Reports are also part of this document and are in line with the requirements of the Companies Act, 2013 (including the rules made thereunder), Indian Accounting Standards, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the applicable Secretarial Standards.

Scope of the Report

The reporting period of Mahindra & Mahindra Ltd for this Integrated Report is 1st April, 2017 to 31st March, 2018. It provides an overview of the operations and business development activities of the Company. We have adopted the International Integrated Reporting Council's (IIRC) Framework

for this report. This Integrated Report is also aligned to the nine principles of the Ministry of Corporate Affairs' National Voluntary Guidelines (NVG) on the social, environmental and economic responsibilities of business.

The scope of this Integrated Report is restricted to the domestic business of Mahindra & Mahindra Limited and Mahindra Vehicle Manufacturers Limited, consisting of the Automotive Sector, Farm Equipment Sector, Spares Business Unit, Mahindra Research Valley, Two-Wheeler Division, Construction Equipment Division and Powertrain Business Division. We have shown data related to other group businesses and companies, wherever required, only to provide a holistic view of the Company's performance and presence. Also, we have presented all the financials in the Integrated Report on the basis of the combined results of Mahindra & Mahindra Limited and Mahindra Vehicle Manufacturers Limited.

Chairman Emeritus and Board of Directors



Mr. Anand G. Mahindra
Executive Chairman

Mr. Vikram Singh Mehta
Independent Director

Mr. T. N. Manoharan
Independent Director

Dr. Vishakha N. Desai
Independent Director

Mr. Keshub Mahindra
Chairman Emeritus

Mr. M. M. Murugappan
Independent Director

Dr. Pawan Goenka
Managing Director

Mr. R. K. Kulkarni
Independent Director

Mr. Anupam Puri
Independent Director

Mr. Nadir B. Godrej
Independent Director

Group Executive Board



Left to Right (1st Row)

Ulhas Yargop, Group President – IT Sector & Group CTO

Ruzbeh Irani, President – Group Communications & Ethics, Chief Brand Officer

Hemant Sikka, President, CPO, Powerol & Spares Business, Mahindra & Mahindra Ltd.

Manoj Chugh, President, Enterprise Business, Tech Mahindra Ltd.

S. Durgashankar, President – Group M&A, Corporate Accounts & Group Secretarial

Rajan Wadhera, President – Automotive Sector

Kavinder Singh, Managing Director & CEO – Mahindra Holidays and Resorts India Ltd., President – Leisure & Hospitality Sector

C. P. Gurnani, Managing Director & CEO – Tech Mahindra Ltd.

Zhooben Bhiwandiwala, President – Mahindra Partners & Group Legal

S. Ramkrishna, President – Group Public Affairs

Anand G. Mahindra, Executive Chairman – Mahindra & Mahindra Ltd.

Sangeeta Prasad, CEO, Integrated Cities & Industrial Clusters, Mahindra Lifespace Developers Ltd.

Rajeev Dubey, Group President – HR & Corporate Services & CEO – After-Market Sector

Rajesh Jejurikar, President – Farm Equipment Sector

Ashok Sharma, President – Agriculture Sector and MD & CEO – MASL

L. Ravichandran, President & Chief Operating Officer, Tech Mahindra Ltd.

Johng-sik Choi, President & CEO – Ssangyong Motor Co.

Left to Right (2nd Row Seated)

S. P. Shukla, Group President & CEO – Aerospace & Defence Sector

Dr. Pawan Goenka, Managing Director, Mahindra & Mahindra Ltd.

Anita Arjundas, Managing Director & CEO, Mahindra Lifespace Developers Ltd. & President – Real Estate Sector

V. S. Parthasarathy, Group CFO & Group CIO

Dr. Anish Shah, Group President – Strategy

Ramesh Iyer, Managing Director – Mahindra & Mahindra Financial Services Ltd., President – Financial Services Sector

Overview of Multiple Types of Capital

Every business creates value by deploying, using and transforming various resources. These resources are also referred to as capitals in Integrated Reporting, and are broadly segregated as under:



Financial Capital

Financial capital is the conventional and traditional capital used to create, measure and report an organisation's business. It comprises the pool of funds available to the organisation through financing (debt, equity), operations and investments. Financial capital is used to create value through its transformation into other forms of capital like machinery (manufactured capital), people (human capital), know-how (intellectual capital) and energy (natural capital).



Intellectual Capital

Intellectual capital refers to the intangible resources that are critical to the value creation process. It includes brands, reputation, patents, copyrights, intellectual property as well as design, R&D and innovation capabilities.



Social & Relationship Capital

Social & Relationship capital refers to an organisation's relationship with all its stakeholders, internal and external, as well as direct and indirect. This includes its relationship with customers, vendors, suppliers, associates, alliances, dealers, sales network, government, regulatory authorities, communities and society.



Manufactured Capital

Manufactured Capital includes all the physical infrastructure including plant, buildings, machinery, equipment, tools and technology. It also includes infrastructure owned by third-parties like warehouses and logistics facilities. Manufactured capital is for the production or manufacture of products (in case of a manufacturing business) or services (in case of a non-manufacturing business).



Human Capital

The combined know-how, skill, effort and experience of the workforce of an organisation forms its human capital. The continuous success of any organisation depends on how well an organisation manages and motivates its people, as well as how it grooms talent and the leadership team.



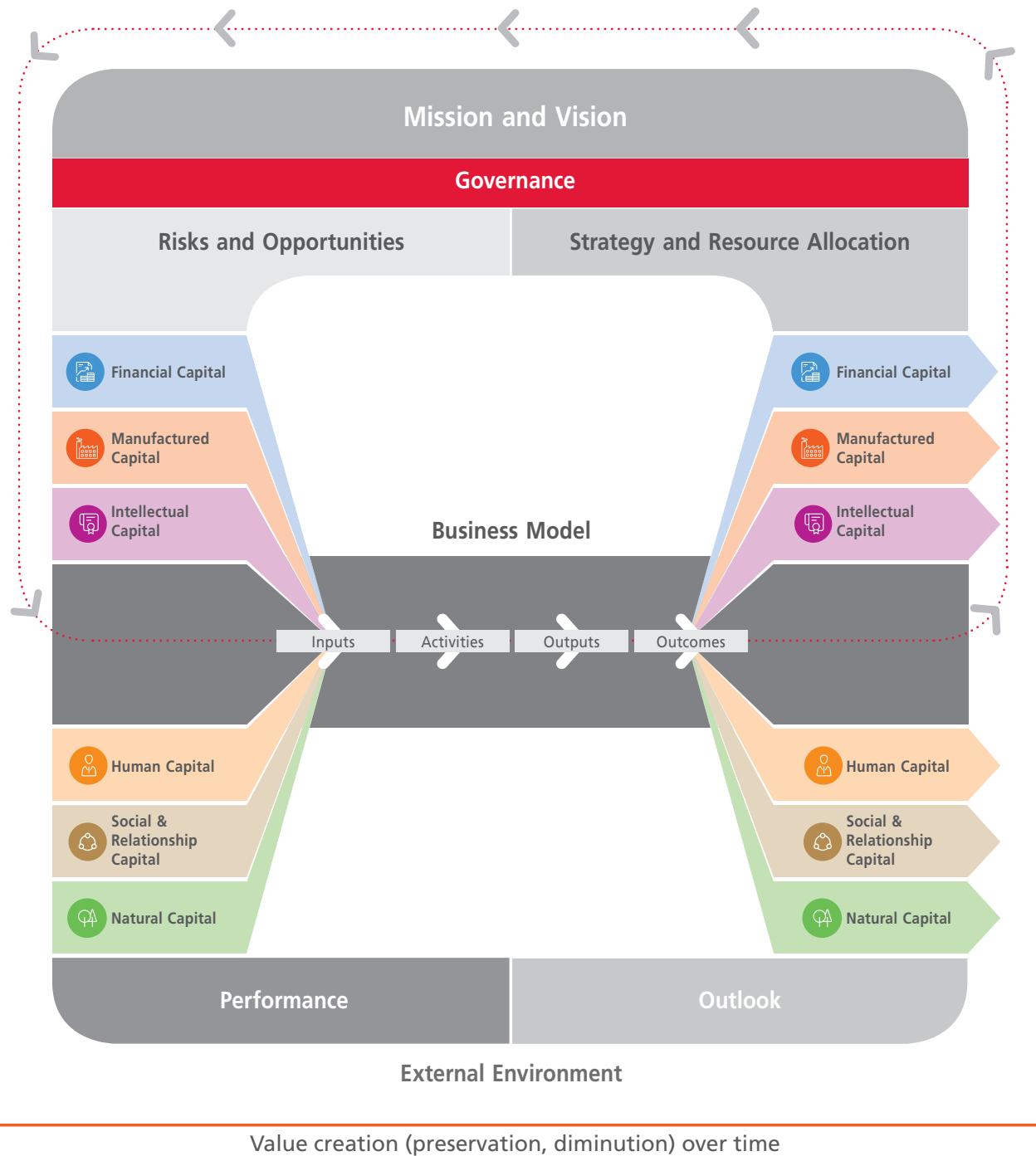
Natural Capital

Natural capital constitutes renewable and non-renewable natural resources like land, water, air, fossil fuels and solar energy. Every organisation utilises natural capital in some form or the other. In businesses like mining and agriculture, for example, natural capital is one of the most critical capital's required for the process of value creation.

Each of these multiple types of capital form inputs that goes into the business model and are transformed through principal activities into outputs – the direct products or services manufactured or developed by organisations.

Value Creation Model

A simplified overview of each capital used in the value creation process is given below:



Performance Highlights



Financial Capital (M&M and MVML)

Net Sales &
Operating Income

47,577 Cr. 15%

EPS (*M&M Ltd.)

36.64 19.4%

OPM

14.8% 170 bps

ROCE

19.6% 270 bps

PAT (*before EI)

4,190 Cr. 23.4%

Proposed Dividend

7.5 /share



Manufactured Capital

Automotive Sector
Volume

5,48,508 units 8.3%

Farm Equipment Sector
Volume

3,17,531 units 20.7%

New Launches –
Auto/Electric/Farm

KUV100 NXT

New Scorpio

Jeeto Minivan

E-Alfa Mini Electric Rickshaw

JIVO- new range of tractors

Swaraj 963 FE tractor

Trakstar – a new tractor brand

Showcase of first-ever driverless
tractor in India

Among the first to adopt
Industry 4.0 framework;
the digital frontier of
manufacturing



Achieved the milestone of

1,000th

patent filing

Investment in R&D - ` 2066 Cr.

4.3%

of revenue

Intellectual Capital

Next Generation technologies

Autonomous Tractors

DiGiSense – an integrated telematics
solution

Next-Gen Mobility platform – NEMO
launched for connected vehicles and
IoTand IoT



Human Capital

41,673

workforce of permanent & non-permanent employees

90%

unionized permanent workmen

94%

permanent employees received safety and skill up-gradation training

26%

women at entry level

Women Leaders Programme launched with SP Jain Institute of Management & Research

Social & Relationship Capital

81.97 cr.

CSR investments in F18

Livelihood training & placements provided to 6,323 youth through the Mahindra Pride Schools and 41,687 trained through the Mahindra Pride classroom model**69,274**

employee volunteers contributed 4,00,000+ person hours under Employee Social Options Program

1,43,992

girls supported with education under Nahi Kali initiative

1.5 million

trees planted under Project Hariyali

7,641

people received medical & diagnostic services through the Lifeline Express at Ratlam



Natural Capital

84,207 GJ

energy saved

Our Igatpuri plant becomes India's first certified zero waste to landfill factory**1,34,696 m³**

reduction in water consumption

Anand G. Mahindra co-Chair the Global Climate Action Summit to be held in September 2018 in California, USA.**Mahindra Towers, Kandivali awarded with Platinum Rating by IGBC Council**



Financial Capital

At Mahindra, we understand that sustaining growth and expansion over the long term is possible only with proper and prudent use of financial capital. Over the past seven decades, we have always focused on the practical and pragmatic deployment of funds in our endeavour to create, augment and distribute value to all our stakeholders.

Financial Highlights

Yearly Performance M&M and MVML Snapshot

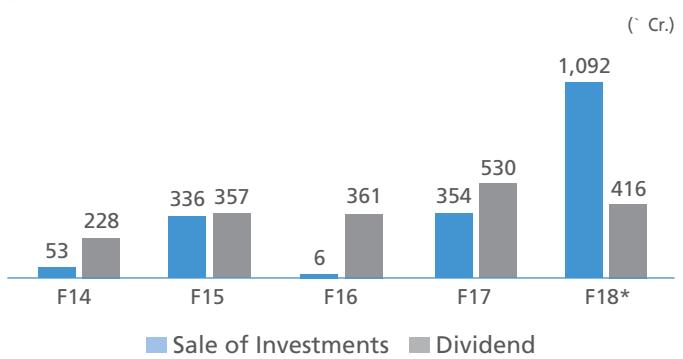
F18 was a good year for M&M with all-around performance, from both the Auto and Farm Equipment businesses. Normal monsoon, revival in rural demand, strong cost focus and a turnaround in the trucks business, ensured that along with top-line growth, the Company posted a strong growth in the bottom-line as well.

	F18	F17	
Net Sales & Operating Income	47,577	41,378*	▲ 15.0%
EBITDA	7,043	5,404	▲ 30.3%
OPM	14.8%	13.1%	▲ 170bps
PBT (before EI)	6,182	4,694	▲ 31.7%
PAT (before EI)	4,190	3,394	▲ 23.4%

* Figure adjusted for GST impact of FES

Fruits at regular intervals

Along with the strong performance from our main operating business, our group businesses also contributed to M&M's profitable growth, in the form of dividends and profit from the sale of investments.



[#] Above figures exclude gains on transfer of investment to group company
^{*} Includes gain on CIE Spain share sales at MOICML

Performance Indicators

Even as we delivered an exceptional financial performance, we continued to focus on capital efficiency, ensuring that we got the maximum output for every unit of capital deployed. This was reflected through our improved performance indicators.

	F18	F17
OPM	14.8%	13.1%
ROCE	19.6%	16.8%
Interest Coverage Ratio	23.3	18.8



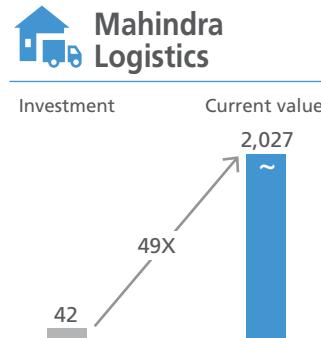
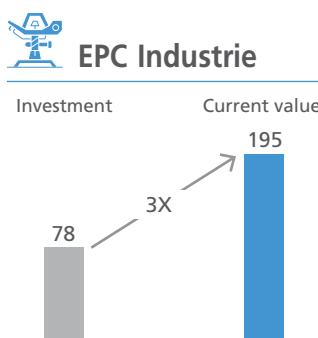
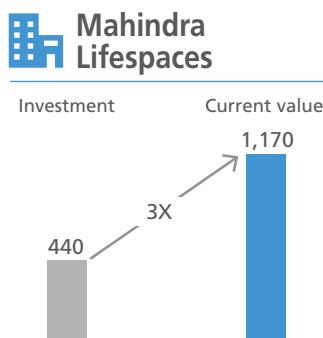
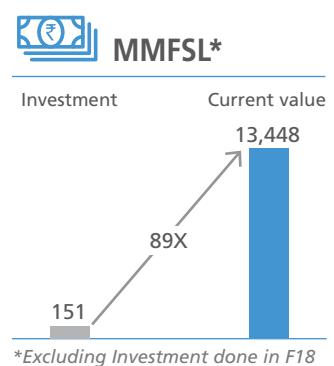
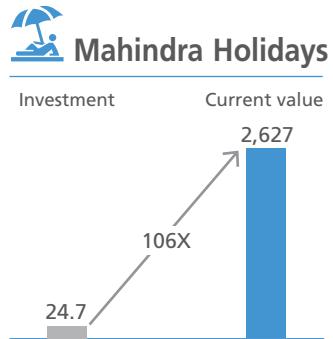
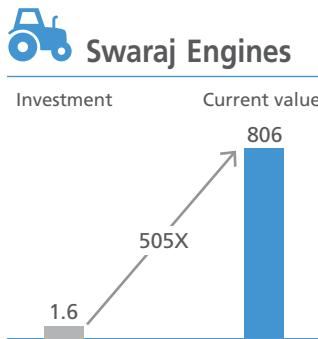
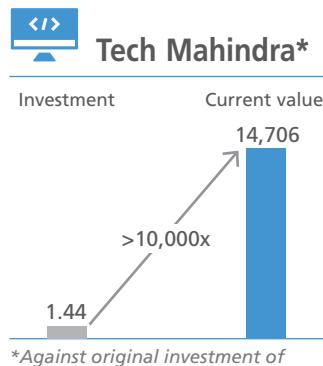
Mahindra Vehicle Manufacturers Limited (MVML) is a wholly owned subsidiary of Mahindra & Mahindra Limited (M&M). As MVML is involved in manufacturing products solely for M&M, the combined financial reports of M&M & MVML provide a true picture of the Company's performance. Therefore, the data provided in this section corresponds to M&M plus MVML on a stand-alone basis.



Value creation in subsidiaries

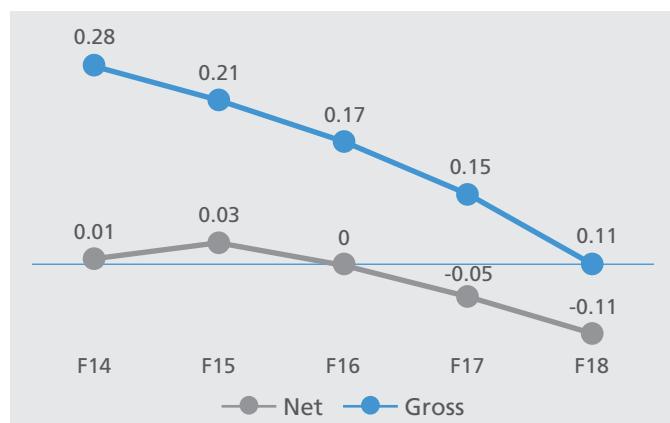
Apart from this, the investment by M&M in several listed group businesses has also appreciated several folds.

(₹ Cr.)



Robust Financial Risk Profile

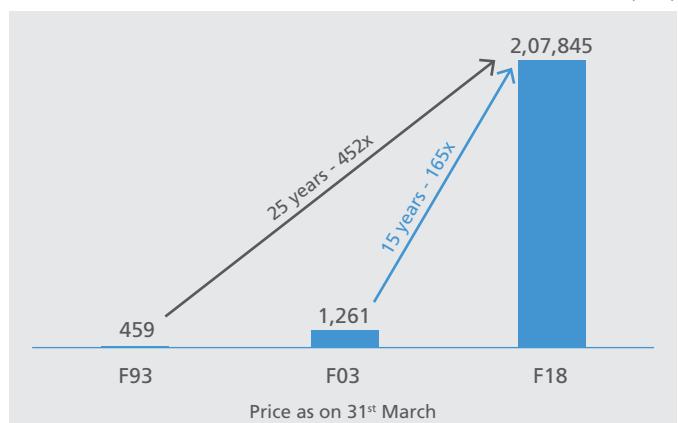
DE Ratio M&M + MVML



Group Value Creation

Group Market Capitalisation

(₹ Cr.)



The Mahindra Group crossed ₹ 2 trillion in market capitalisation during the year. This is a testimony to its commitment to the Rise of all its stakeholders.

*Group market capitalisation has been calculated by simple addition of the market capitalisation of listed group companies namely - M&M Ltd., Tech Mahindra Ltd., Mahindra Financial Services Ltd., Mahindra CIE Automotive Ltd., SsangYong Motor Company, Mahindra Logistics Ltd., Mahindra Holidays and Resorts India Ltd., Mahindra Lifespace Developers Ltd., Swaraj Engines Ltd. and EPC Industrie' Ltd.



Manufactured Capital

Manufacturing world class farm equipment and automobiles is at the heart of what Mahindra & Mahindra does. Our manufactured capital comprising plants, machinery and equipment, as well as other physical infrastructure, enables us to produce tractors and vehicles that are innovative and offer tremendous value to our customers.

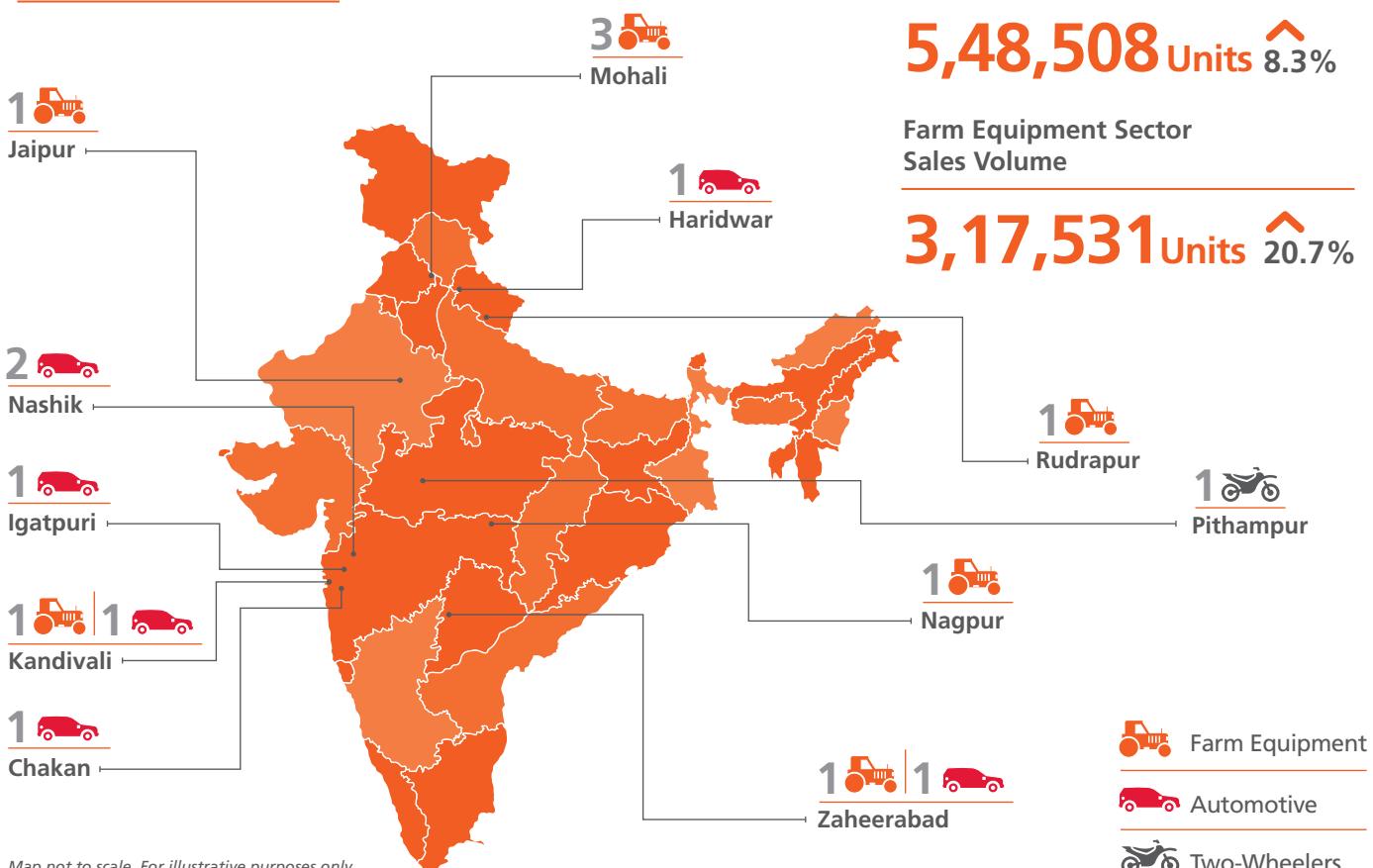
Our Plants

M&M's manufacturing plants are spread over 6 million sq.m at multiple locations across India. All our plants have been recertified under the ISO 14001: 2015 and OHSAS 18001:2007 standards and are in the process of adopting the revised environmental standard ISO 14001: 2015.

In addition we have several other manufacturing plants located across the globe. Our global footprint is shown in the Globalisation chapter later in this report.

As on 31st March, 2018, our property, plant and equipment (including capital work-in-progress) stood at ` 9,472 Cr. During the year, we incurred a capital expenditure of ` 2,857 Cr, where the major focus was on new product development and capacity enhancement.

16 Plants





Rise to Industry 4.0



Globally, manufacturing is moving toward a new paradigm- Industry 4.0 which incorporates next-gen technologies in automation, big data and the Industrial Internet of Things (IIoT). The I4.0 framework also includes cyber-physical systems, cutting edge analytics, cloud computing and cognitive computing. It focusses on the increasing use of information by machines to execute complex, hazardous tasks and comprises of devices that are instrumented, interconnected, inclusive and intelligent.

At Mahindra, we are making rapid strides to keep pace with these developments and are also among the first to adopt I4.0 in our manufacturing plants. Our journey into I4.0 is based on establishing key enablers which will aid automation and integration of shop-floor processes and machines. The modernisation of controllers with internet protocols will enable some of them to be available remotely for visualisation and optimisation through cutting-edge analytics.

At Mahindra, we are committed to making our systems more transparent and interoperable, backed by analytics, helping make these I4.0 tools into instruments for a sustainable competitive advantage. This will enable us to not only anticipate but also deal with the disruptive technologies that will embody the future of manufacturing in India.



Intellectual Capital

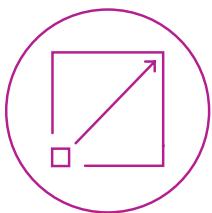
With new technologies like the Internet of Things, Artificial Intelligence, Automation, Big Data and Analytics, the world of tomorrow will be radically different from today. A business's ability to continue delivering value in the future will depend on its ability to become future-ready by building the right intellectual capital through R&D, innovation, by sharpening the skills and knowledge of its people and developing a deeper understanding of its customers.

FUTURise

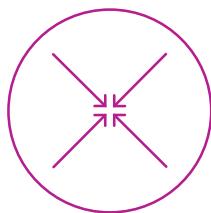
At Mahindra, we believe our intellectual capital will play an increasingly important role to FUTURise our growth, driven by innovation.

Innovation powers progress, drives positive change and that is why we are betting our future on it. Constantly changing the way we look at it. Mobility. Urbanization. Farm Mechanization. Information technology. By challenging ourselves to

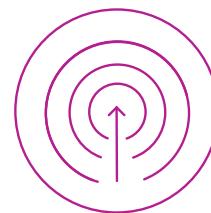
DO MORE
WITH LESS



DO IT
TOGETHER



DO IT
FOR ALL



It's how we rise to a better future. It's how we FUTURise.

Mahindra's Neural Network of Innovation



Mahindra Research Valley (MRV)

The MRV facility near Chennai, India is a state-of-the-art research & development centre spread over 120 acres. This integrated R&D facility develops our future automotive and tractor products and enables Mahindra to deliver innovative and world-class products through the synergy of its people's skills & knowledge, combined with state-of-the-art infrastructure and equipment. MRV is the crucible of innovation and new technology development within Mahindra where our engineers collaborate with their colleagues at Mahindra's other R&D centres around the world to create path-breaking new innovations and technologies of the future.



Engine development

Mahindra has taken impressive strides in the development of BS VI emission norms compliant engines at optimum cost, keeping pace with the changing industry dynamics. The focus is not only on meeting the emission norms but enhancing the customer experience by developing engines which are lighter, more fuel efficient and increasingly refined in terms of their overall performance. As part of this future-ready approach, we have also developed petrol engines at our MRV facility. Our in-house development capacity is designed to straddle both diesel and petrol engines.

New product development

We are making continuous investments in technology development and patent acquisitions to enable us to develop and launch new products and sustain value-creation over the long-term.

3500

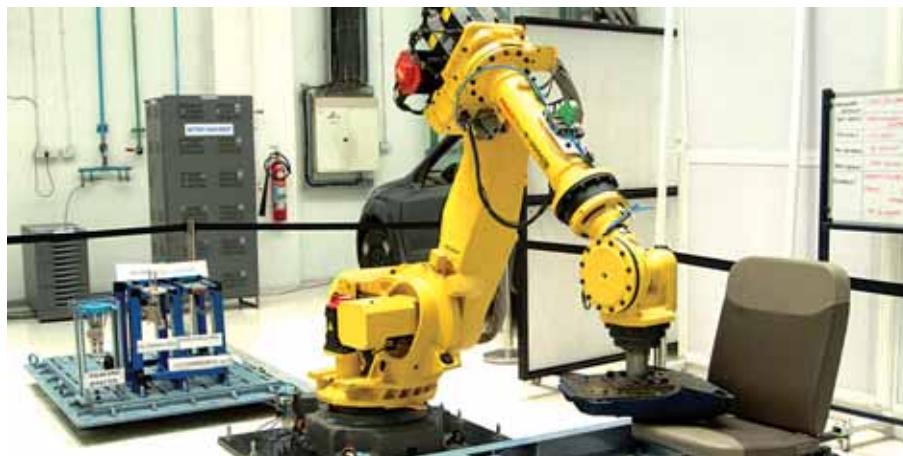
Engineers

32

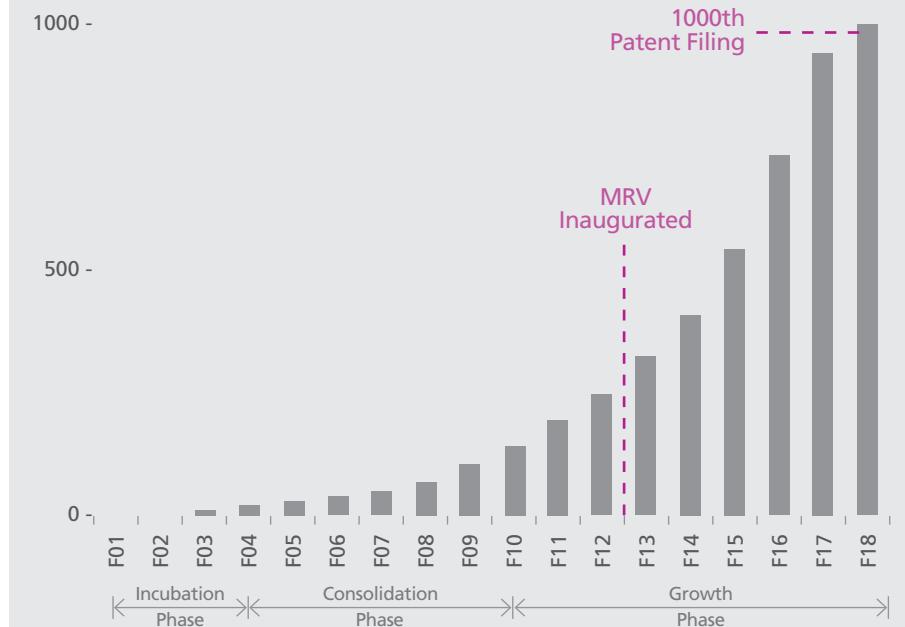
Operational Labs

5

NABL accreditations



Intellectual Property Creation



The Power of Intellectual Capital

- **Autonomous technology for tractors**
– Showcased during the year, this technology is set to take farm mechanization to the next level
- **Connected Vehicle Technology (DiGiSense)** - Revolutionary telematics solution that helps enhance the ownership experience
- **MyAgriGuru** - Digital platform for farmers aimed at creating an integrated network in the agri-community
- **Trringo** - First-of-its-kind physical digital model allowing farmers to rent tractors and other mechanised farm equipment
- **NEMO** - The Next-gen Mobility platform of the future for seamless connections between people and transportation systems



Human Capital

Our peoples' commitment & dedication, their motivation and enthusiasm, experience and expertise form our most potent and powerful capital – our human capital. As we look to the future and aspire to FUTURise, that is to drive our growth through innovation and technology, we are confident that it is our people who will get us there.

Our Vision

Our goal is to be among the top 50 most admired global brands by 2021. To achieve this ambitious target we are building our human capital through practices and policies that nurture talent, foster stronger bonds and create future leaders across our businesses. Our two-tier HR approach, one at the Group level and the other at the Business level, enables us to align policies and undertake bespoke employee engagement initiatives throughout the Company.

The Mahindra Employee Value Proposition

At Mahindra, we do not transform people; they transform themselves as a result of the empowering work culture that we encourage across all our sectors and units. Our Employee Value Proposition of CAPable People - REAL Experience underpins effective human capital strategies that accelerate inclusive growth and drive the momentum towards collaborative success.

Enabling Transformation

C Challenge Conventions

A Bring Alternative Thinking to the Workplace

P Drive Positive Change in the Lives of Our Customers and Communities

Ensuring Growth

R Recognition for Outperformance

E Empowering Environment

AL Abundant Learning Opportunities

Diversity & Inclusion

At Mahindra, diversity and inclusion is an organisational priority across every unit and department. As part of our goal to be among the top 50 most admired global brands by 2021, diversity and inclusiveness are embedded deep within the Mahindra culture. Every employee is treated

with respect and dignity, irrespective of gender, race, religion, ethnicity, or disabilities.

Understanding the significance of diversity, Mahindra formed the Group Diversity Council in November 2012.



Women at Work

Women feature prominently in our growth journey. We encourage more women in our workforce, particularly at the decision-making level. At Mahindra, our women-centric talent development initiatives ensure equal opportunities for women to progress in their careers. We have formulated

polices and undertaken several initiatives in this regard:

Women Leaders Programme - To reduce the gender gap and encourage more women at all levels (In association with the SP Jain Institute of Management & Research, Mumbai)

Second Career Internship & Full-time Employment Programmes - To help re-launch the careers of women planning to return to work after a break

Women Engineers & Technicians in Manufacturing - More than 100 women employees in manufacturing.

When we started our gender diversity journey, women constituted 16% of our total workforce. Today, there are 26% women at the entry level and 7% at the mid and senior leadership levels.

Employee Engagement

We regularly engage with our employees to keep them aligned with the organisation's growth strategy and their role in achieving it. We constantly work to create more growth and progression opportunities for employees.

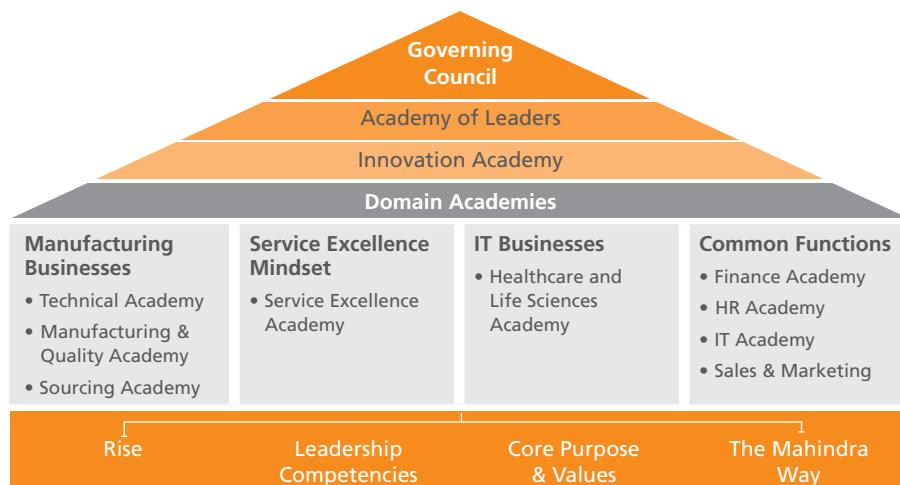
Mahindra Leadership University

The Mahindra Leadership University (MLU) is a strategic initiative to create admiration in the way we groom and develop talent. It has a strong governance mechanism and developmental framework consisting of a network of academies to create leaders with both leadership and domain capabilities with more than 16,59,620 man days of training in F18.

Some important flagship programs are -

- Future Leaders' Program (with IMD Lausanne and Yale, USA along with MLU)
- Mahindra Universe Program (in collaboration with Harvard University)
- Global Program for Management Development (with Ross School of Business University of Michigan)

The 3+5 Framework is integral to the Reflective Conversation Programs to foster culture and create explorations.



The 3+5 is a strategic tool to unleash human potential.

It consists of 3 Rise Pillars



And 5 RISE Leadership Characteristics



Whole New Mind: Combining the left brain of logic and rationality with the right brain of intuition & empathy for wholesome development



Multipliers and not Diminishers: Multipliers of passion, energy, commitment, engagement & a sense of ownership



Managing Fear and Leveraging Failure: Creating a culture where people take risks, do rapid prototyping, fail fast & create feedback loops that learn from failure



Mindfulness: Being here and now and open to all possibilities



Trust: Building Authenticity



Social & Relationship Capital

Sustaining and enduring relationships with all stakeholders is crucial for long-term value creation in any organization. Whether it is direct stakeholders like vendors, customers or employees, or indirect stakeholders like society, the community and government, a lasting relationship based on accountability, responsibility and trust is indispensable for sustaining long-term value creation.

At Mahindra, we are intensifying our efforts to realise a bright future not only for us, but also for the communities in which we operate. As we rise on the global stage, we aspire to uplift all sections of society through inclusive development and are fully committed to creating the maximum positive impact.

Social Capital

Our CSR initiatives aim to create a positive impact within communities through deeper engagements. We invested a total of ` 81.97 Cr. towards various social interventions in F18, with a focus on the constituencies of girl, youth & farmers in the domains of Education, Health & Environment.

Project Nanhi Kali

Nanhi Kali, a flagship CSR project supports the education of underprivileged girls in India. Currently, the project supports the education of 1,43,992 Nanhi Kalis across 4,900 centres, in 12 states.

With a 360-degree support to girls from grades 1 to 10, Nanhi Kali includes up to two hours of free after school remedial classes every day, a school supply kit with uniforms, shoes, note books, stationery, school bag and feminine hygiene items. Girls in secondary schools are provided access to digital tablets with preloaded smart educational content. The Nanhi Kali team takes active measures to sensitise parents and communities on the importance of educating girls and to become their collective guardians.



The largest donor is the Mahindra Group, which supports the education of 61,284 girls. Through the Nanhi Kali NSTAR Centres, additional 5,066 adolescent girls received training in 21st Century skills which include financial & computer literacy, spoken English, as well as health and nutritional awareness along with physical fitness. Of the 73 NSTAR Centres, 25 are supported by the Mahindra Group.

Mahindra Pride Schools (MPS)

The Mahindra Pride School is a one-of-a-kind 90 day livelihood training programme for youth from socially and economically disadvantaged communities. With a 100% placement record, the 9 schools in Pune, Patna, Chandigarh, Srinagar, Hyderabad, Varanasi and 3 in Chennai trained and placed 6,323 students in F18. Till date 26,674 students have been trained.

In F18, an additional 41,687 students were trained through 955 Mahindra Pride Classrooms conducted through Polytechnics and Arts & Science Colleges in 9 States. The Mahindra Pride Classrooms provide 40-120 hours of training to final year students covering English Speaking, Life Skills, Aptitude, Interview, Group Discussion and Digital Literacy.

Lifeline Express

Lifeline Express - the world's first hospital on rails, provides free medical services to economically weaker sections in geographically remote territories. In F18, 7,641 people received medical and diagnostic services, through the Lifeline Express at Ratlam, Madhya Pradesh.

Project Hariyali

Mahindra Hariyali was launched in 2007 with the aim of adding 1 million trees to India's green cover every year. Since then, Mahindra Hariyali has become a movement with employees as well as other stakeholders like customers, vendors and dealers undertaking tree plantation drives across the country. In F18, over 1.5 million trees were planted under the project.

Integrated Watershed Management Program (IWMP)

This project is a Private Public Partnership (PPP) model with Government of Madhya Pradesh in Bhopal and at Hatta with National Bank for Agriculture and Rural Development (NABARD) for increasing the ground water table with the objective of increasing agricultural productivity and improving living standards. It has been implemented in 48 villages benefiting 35,265 people.

Saving Lives with Safer Roads

M&M is partnering with SaveLIFE Foundation and Maharashtra State Road Development Corporation Limited (MSRDC) for creating India's first Zero Fatality Corridor on the Mumbai Pune Expressway through interventions in 4Es i.e. Engineering, Enforcement, Education and Emergency Response.

EMPLOYEE SOCIAL OPTIONS (ESOPS)

Esops are volunteering opportunities implemented exclusively by Mahindra employees based on the needs of the local communities. Every year we have a consistent rise in employee participation. In F18, over 69,274 employee volunteers contributed 4,09,078 person-hours for various services.

Relationship Capital

Engaging with all our stakeholders to understand their concerns, needs and expectations is a dynamic process deeply integrated into our strategy and plans. The views and feedback from our suppliers, customers, employees and investors, are incorporated regularly into our policies and processes.

Stakeholder engagement mechanism

We keep evolving our engagement modules to be in sync with the changing times and develop platforms best suited to our stakeholders.



Online Footprint for Mahindra RISE

	8,94,072 likes		12,80,509 followers		1,46,006 followers		14,840 subscribers
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Every business needs to be cognizant and conscious of its use of natural resources, for there is only one planet earth. The use of natural resources like land, water, air, forests, metals, minerals, energy & biodiversity is inevitable for organisations and thus managing them prudently is not only a responsibility but also an obligation for all organisations.

At Mahindra, our approach to utilising natural capital is governed by the 3Cs – conservation, continuous improvement and comprehensive disclosures. Our resource management policy flows from a cohesive framework of well-structured processes and focussed interventions to rejuvenate the planet's natural assets.



Mr. Anand G. Mahindra issued a challenge at Davos 2018, exhorting corporations to come forward and adopt Science Based Targets in large numbers and reach 500 commitments by the Global Climate Action Summit in September 2018. Taking on emission and carbon footprint reduction targets as per the SBT framework is a testimony of Company's continuing efforts to combat climate change.

All our interventions are directed towards the KPIs, material to our business.

Reduction of Greenhouse Gases (GHG)

We constantly strive to reduce the risk of global warming through constructive contribution based on efficient measurement, control and mitigation of GHG emissions. We are continuously working to reduce greenhouse gas emissions to zero and then 'offsetting' an equivalent amount of any remaining emissions.

Key developments

- Mahindra's Carbon Pricing leadership story featured in World Bank Report
- Inaugurated on-site Solar power plant
- Set up Bio-CNG plants
- Increased adoption of Wind Power

In 2016, M&M became the first Indian company to announce its internal carbon price of \$10 per tonne of carbon emissions. The move was in-line with business commitment to reduce its GHG emissions by 25% over the next three years.

Conservation of Energy

At M&M, we have two-pronged approach to energy management. First, maximizing the output from each watt of energy consumed and second, increasing alternative energy in our total energy mix. All our interventions are focused on this approach. This year, our businesses together saved 84,207 GJ of energy.

In F17, we signed up 'EP100' campaign led by 'The Climate Group', to double our energy productivity by 2030. This is part of our contribution towards achieving the climate goals agreed upon at COP21. We are investing on solar power too. This year, we have installed 269 kWp Solar Power Plant at a tractor ware-house, which will cater to 27% of our power requirement in Jaipur plant.

Being Water Positive

We continuously aim at creating more water than we are actually using for a sustainable future through reduction, reuse and harvesting. In 2013-14, Mahindra Group achieved water positive status through our 360-degree water management programme – H2Infinity. We are in the process of making our plants self-sufficient in water, it being the most essential natural resource.

Key developments

- AD Igatpuri plant certified as a water positive plant
- Detailed risk mapping and audits at different plants
- LEED certification for efficiency right from design stage
- IGBC green building certification

Over the last two years, our total water consumption has come down by almost 1,34,696 m³.

Automotive Sector and Farm Equipment Sector recycled and reused 35% and 43% respectively of the total water consumed.

Reduction of Waste Generated

We are focusing on creating a restorative, zero-waste economic model in which resources are used to full capacity and natural systems are regenerated. We follow a zero-waste philosophy and manage waste at every stage - from prevention to minimisation, from reuse to recycling and from energy recovery and disposal. As part of this philosophy, five plants were certified as zero waste to landfill in April 2018.

AD - Igatpuri plant became the 1st plant in India to be Certified as Zero Waste to Landfill by Intertek, USA followed by AD – Haridwar, AD – Zaheerabad, Farm Division – Zaheerabad, and Swaraj Plant 1.

Key developments

- Paint sludge and cotton waste recycling
- Setup up Biogas Plant

Promotion of Biodiversity

M&M has been focusing on biodiversity and its sustainable use in its operations. Some of our interventions to conserve and rejuvenate biodiversity includes ascertaining value for natural capital, reporting on 10-point India Business & Biodiversity Initiative (IBBI) declaration, conduct biodiversity assessments, and partner World Leaders like IBBI, Terracon and IUCN on biodiversity.

M&M planted 13,02,488 trees in 2017-18



Interlinkages of Multiple Types of Capital in

Input

Financial Capital		2017-18
Total Capital Employed		₹ 34,401 Cr.
Gross Debt to Equity Ratio		0.11
Manufactured Capital		2017-18
Number of plants in India		16
Material Cost		₹ 31,628 Cr.
Key Raw Materials	Steel, Iron, Rubber, Aluminium, Copper, Glass etc.	
Intellectual Capital		2017-18
Spend on R&D		₹ 2,066 Cr.
Spend on R&D (% of revenue)		4.3%
R&D nodes	MRV, SSangYong, Pininfarina, MANA, MAM, Sampo Rosenlew	
Patents Applied		161
Human Capital		2017-18
Number of Permanent employees		20,867
Employee Benefit Expense		₹ 3,177 Cr.
Natural Capital		2017-18
% of renewable energy		2%
Total Energy Consumption		17,03,273 GJ
Total water consumption		14,06,365 m³
Water Reused %	AD: 35% FD + SD: 43%	
Social & Relationship Capital		2017-18
CSR Investment		₹ 81.97 Cr.
Employees Voluntary hours		4,09,078
No. of Employees volunteered		69,274
Key Focus area	Education, Health & Environment	

Business Model showing Principal Activities

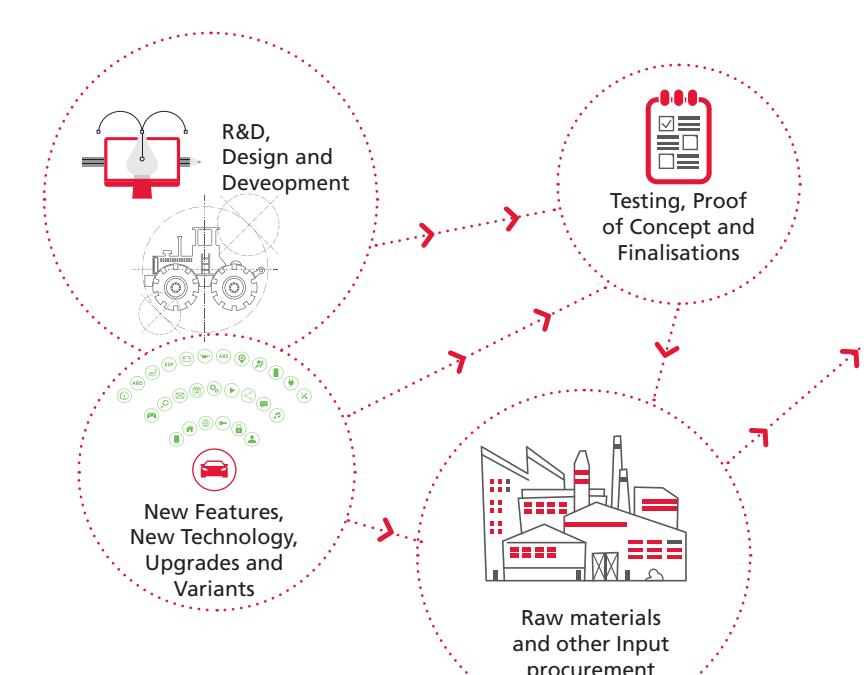
Governance



Key Aspects



Principal Activities



Support Functions

Human Resources, Accounts, Finance And Compliance, IT, Customer Service, Corporate Strategy & Planning, Research

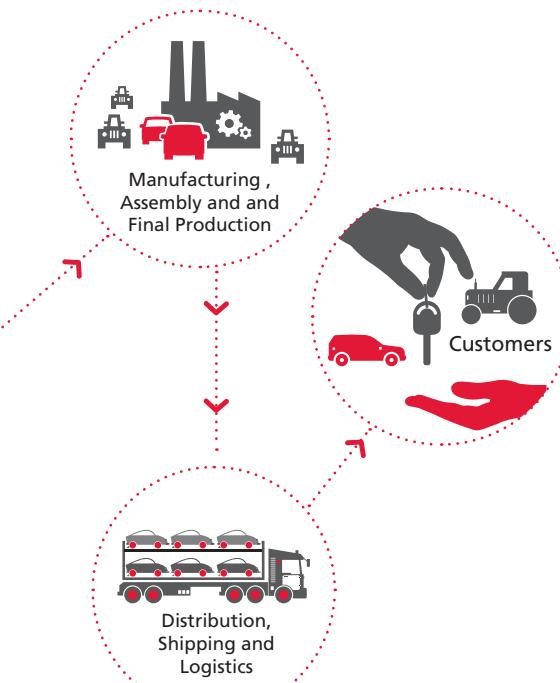
Business Model and Value Creation

**Mission, Vision, Values,
Code of Conduct and
Policy Framework**



Performance

Outlook



& Development, Safety, Health &
environment, Corporate Communications,
Marketing And Business Development,
Business And Environment, CSR

Outcomes

**Farm
Equipment**
Tractors,
Implements

**Automotive
Vehicles**
ICE,
Electric

**Technology,
Innovation,
Design and
Digital
Solutions
and Services**

Output

Financial Capital		2017-18
Total Income	~ 47,577 Cr.	
EBIDTA	~ 7,043 Cr.	
Dividend from group companies	~ 416.77 Cr.	
Manufactured Capital		2017-18
Total number of vehicles sold	8,66,039	
Automotive Sector volume	5,48,508	
Farm Equipment Sector volume	3,17,531	
Intellectual Capital		2017-18
New products launched	Auto: KUV100 NXT, Jeeto Minivan, e-Alfa Mini, All Powerful Scorpio Tractor: Trakstar (under Growmax), Swaraj 963 FE, JIVO	
New Technologies	Driverless tractors, DigiSense, NEMO, MyAgriGuru	
Human Capital		2017-18
Permanent employees trained	94%	
Temp/casual/contractual employees trained	68%	
Loss time due to Industrial Relations	Nil	
Complaints on Child/involuntary labour	Nil	
Complaints on discriminatory employment	Nil	
Natural Capital		2017-18
GHC Emissions (scope 1)	41,777 tCO2	
GHC Emissions (scope 2)	2,26,950 tCO2	
Energy saved	84,207 GJ	
Reduction in water consumption	1,34,696 m³	
Social & Relationship Capital		2017-18
No. of girls supported under Nani Khali	1,43,992	
Youths trained at Mahindra Pride Schools	6,323	
Total Trees planted under Project Hariyali	1.5 million	
Beneficiaries under Lifeline Express Program (Ratlam, MP)	7,641	

Materiality

Material issues are those that impact M&M directly or indirectly in terms of our economic, social or environmental sustainability, and the value created or delivered to our stakeholders over short, medium or long-term. It's a compass that provides direction to our sustainability journey and also helps us establish our priorities.



Materiality Matrix

Automotive Sector

BUSINESS	ENVIRONMENT	SOCIAL
PARAMETERS OF HIGH IMPORTANCE		
Cost control and Profit Margin	End of Life Management	Customer Satisfaction
R&D impetus	Water Intensity	CSR Management
Fuel Efficiency	Energy Efficiency	Employee Productivity
Risk Assessment and Compliance	Recyclable/Recycled Material	Health and Safety
Market/Product competition	Waste Generation	Product Safety
Sustainable Mobility	Climate Change and GHG Emissions	Training and Education
Product Quality	Tail pipe emissions reduction	Gender Diversity
Supply chain Optimisation	Life Cycle Management	Grievance Mechanisms
Logistics Optimisation and Sustainable Logistic		
Emerging Markets Needs		

We periodically evaluate our material issues to introspect as well as shape the future course of action across the triple bottom line – social, environmental and financial. We have also continually enhanced the breadth and depth of our analysis to sharpen our materiality identification process.

The first step in determining material issues is stakeholder identification, followed by the development of an engagement mechanism in order to communicate with them on a regular basis. The responses which we receive from our stakeholders during the engagement are filtered on the basis of their needs, demands and expectations. These issues are further rated by the level of importance, by us and our stakeholders.

Accordingly, we arrived at our materiality for the Automotive and Farm Equipment Sectors.

Over and above engaging to define materiality, we continue to interact with our stakeholders around the year, through a host of channels.



Materiality Matrix **Farm Equipment Sector**

BUSINESS

PARAMETERS OF HIGH IMPORTANCE

Cost control and Profit Margin
R&D impetus
Fuel Efficiency
Farm Tech Prosperity (Farmer Prosperity)
Risk Assessment and Compliance
Solution Selling Beyond Products
Product Quality
Soil Health
Supply chain Optimisation
Logistics Optimisation & Sustainable Logistics
Dealer Management
Market/Product competition

ENVIRONMENT

Water Intensity
Energy Efficiency
Recyclable/Recycled Material
Waste Generation
Climate Change and GHG Emissions
Water Availability

SOCIAL

Customer Satisfaction
CSR Management
Employee Productivity
Health and Safety
Grievance Mechanisms
Supplier Satisfaction/Relationship
Training and Education
Gender Diversity
Talent Retention and Succession Planning

Performance Review

Both, the Automotive and Farm Equipment businesses of the Company delivered exceptional performance during the year. Taking full advantage of favourable tailwinds as well as our relentless focus on customer-centricity, technology and innovation, we continued to deliver exceptional value to all our stakeholders during the year.



The Company crossed the 1 million* mark in sales of vehicles and tractors for the first time.

* including subsidiaries, associate companies and joint-ventures

Total Revenue from Operations (M&M + MVML)

- **47,577 Cr.** 15%
F18

- **41,378* Cr.**
F17

* Figure adjusted for GST impact of FES.

Performance Highlights

Power packed performance by Power brands

- Highest ever domestic tractor sales
- Highest ever tractor exports
- Highest ever Blazo sales
- Highest ever Scorpio sales in the 16th year of launch
- Highest ever Pick up truck sales
- Continued dominance in the Small Commercial Vehicle space
- Cumulative Bolero sales crosses 1 million mark

Segment Review and Result F18 (M&M + MVML)

(` Cr.)

	AS	FES		
	F18	30,515	15,804	
Segment Revenue	F17	27,181	13,007	
		12.3%		21.5%
	F18	2,872	F18	3,145
Segment Result	F17	2,162	F17	2,562
		32.8%		22.8%



Automotive Sector

Automotive Sale in Domestic Market

5,20,286 10.8%
F18
4,69,384
F17

With an overall volume of 5,20,286 vehicles and market-share of 10.9% in the domestic market, Mahindra continues to be the 3rd largest Passenger Vehicle company, the 2nd largest Commercial Vehicle company and the Largest Small Commercial Vehicle Company in India.

Some key developments during the year included :

Passenger Vehicles

- The Company sold 2,33,915 Utility Vehicles, a rise of 5.1% compared to last year. The UV portfolio is being further strengthened with the development of new products and upgrades to the existing model line-up.
- Scorpio – the iconic UV brand, recorded its highest ever sales at 53,934 vehicles, a rise of 9.4% over the previous year
- Launch of New 'All Powerful' Scorpio in November 2017 with 140 bhp mHawk diesel engine and a new 6-speed transmission
- Launched Bolero Power+ with enhanced value proposition
- Bolero and Bolero Power+ combined sales at 85,386 units, a rise of 23.1% over the previous year
- KUV100 NXT launched with more refined and pleasurable driving experience

Commercial Vehicles

- In the LCV segment <3.5T, the Company continues to be #1 with a 47.4% market-share
- In LCV <2T, the launch of Jeeto and Supro mini-truck helped increase market-share to 25%
- In the Pik-UP sub-segment, the Company has a market-share of 61.9%
- In January 2018, the Company launched an unprecedented buy-back after four years and maintenance guarantee for two years on the Bolero Pik-UP range
- In the HCV segment, the Company sold 9,484 vehicles, a rise of 41.2% compared to last year
- The Company was ranked #1 in the JD Power India Sales Satisfaction Index (Mass Market) StudySM

Overseas Operations

- Exports for the year decreased by 24.2% to 28,222 vehicles. This was largely on account of the adverse business and regulatory environment in the key markets of Nepal and Sri Lanka. However, the Company continued its efforts to grow its presence and strengthen the brand in key international markets.
- New CKD facility was inaugurated in Bangladesh
 - Mahindra Automotive North America (MANA), a subsidiary, launched ROXOR – a new off-road vehicle in the powersports segment, in the USA.



Farm Equipment Sector

Tractor Sale in Domestic Market

3,02,082	↑ 21.5%
F18	

2,48,594	
F17	

F18 was a record-breaking year for the Farm Equipment Sector with domestic sales of 3,02,082 tractors under the Mahindra and Swaraj brands – a rise of 21.5% over last year. The Company achieved its highest ever market-share of 42.9% and maintained its leadership in the domestic tractor market for the 35th consecutive year.

Some key developments during the year were :

Tractors

- Launch of Trakstar – the third tractor brand after Mahindra and Swaraj
- Technology leadership with launches of new product trio under Mahindra brand – NUVO, YUVO and JIVO
- In the higher HP segment, Swaraj 963 and Mahindra Novo 65 and 75 tractors launched
- First time Driverless Technology developed and demonstrated in India – a pioneering step towards revolutionising farming in India

Farm Mechanisation

- AppliTrac continues good growth with increased volumes of cultivators, rotavators and harvesters
- Forayed into sprayer business through investment in M.I.T.R.A. Agro Equipments Private Limited

Global Footprint

- Highest ever export of 15,449 tractors (including 298 CKD)
- Mahindra USA Inc, a subsidiary, sold 22,636 tractors - a record high
- CKD facility started in Mexico
- CKD facility in Brazil completes one year of operation

Risks and Opportunities

Monitoring, managing and mitigating risks is an integral part of the strategy of any organisation, as is the identification and leveraging of new opportunities in the business, industry and operating contexts.

At Mahindra, we constantly scan our operating as well as strategic horizons using a well-defined Risk Management Framework (RMF). This RMF is complemented by a framework of processes at various levels across the organisation, guided by the Risk Management Policy that is approved by the Board of Directors. Risk management as a function is independent of businesses with the

Chief Risk Officer (CRO), a part of the Group Strategy Office, being responsible for identifying and assessing corporate and asset level risks.

In addition to transactional risks, Climate Change Risk and Opportunity is emerging as a key issue across global organisations. This year, we continued with the structured

process under the TEMPLES framework (Technology-Economic-Media-Political-Legal-Environment-Societal) to identify risks and opportunities. This was led by our Chief Risk Officer and Chief Sustainability Officer.

The other short, medium and long-term risks, we believe could affect the value-creation in our businesses are:

Risk	Description and Analysis	Countermeasures
Competitive Intensity	<ul style="list-style-type: none">The Utility Vehicle market is witnessing intense competition. 21 new models were launched in the last 3 years, accounting for 55% of total UV sales.Increased competition in the form of new launches in the <3.5T (Small and Light Commercial Vehicles) segment, as well as in Medium and Heavy Commercial Vehicles from both domestic and global OEMs.The tractor market is also witnessing intense competition with each OEM trying to gain market share.	<ul style="list-style-type: none">The Company is working to strengthen its UV portfolio through the launch of new products and refreshed variants. It has a strong product pipeline for rollout in the near future.Continuous investment in new product development, technology upgrades and increasing its distribution network.Focus on customer-centricity, enhancing the brand image and deepening relationships.Delivering a higher value proposition through cost-competitiveness.Offering a complete range of Farming Solutions to boost Farm Productivity.
Tax regulations	<ul style="list-style-type: none">The higher tax rate on large UVs impacting the growth of the traditional large UV segment.	<ul style="list-style-type: none">The Company is widening its product portfolio to include Compact UVs in its range.
Choice of Fuel and Emission Norms	<ul style="list-style-type: none">Higher taxation on diesel vehicles is affecting their sales, which have declined from 58% of total sales in F13 to 40% in F18.New BS-VI emission norms come into effect from 1st April 2020. This will involve significant cost differentials for both Petrol and Diesel vehicles, with the pricing pressure on diesel vehicles expected to be higher.The likely introduction of new emission norms (TREM IV) for Tractors will call for additional investments by OEMs, increasing the material costs for tractors.	<ul style="list-style-type: none">The Company is in the process of developing and introducing petrol engines across most of its products and segments.It is also working toward building cost effective BS-VI compliant solutions for its diesel engine portfolio.The Farm Equipment Sector is working toward developing innovative solutions to keep the cost increase for tractors to a minimum.

Risk	Description and Analysis	Countermeasures
New Safety Regulations	<ul style="list-style-type: none"> Bharat New Vehicles Safety Assessment Programme (BNVSAP) to be applicable from F19 for new vehicles and F20 for existing vehicles; this will impact the cost of vehicles. 	<ul style="list-style-type: none"> The Company is geared up to meet the new BNVSAP safety norms and is confident of meeting them on time.
Dependence on Monsoon	<ul style="list-style-type: none"> A normal monsoon is important for both agriculture, as well as the rural economy and sentiment at large. The tractor business and automotive business to some degree run a risk of demand, in case of a significant variation in the monsoon. 	<ul style="list-style-type: none"> The forecast from weather tracking agencies indicate a normal monsoon, largely mitigating this risk.
Increase in Commodity Prices	<ul style="list-style-type: none"> A sharp rise in commodity prices, particularly in the second half of F18 impacted the prices of castings, forgings and sheet metal. This is likely to continue in the current year as well. 	<ul style="list-style-type: none"> The Company continues to mitigate this risk through cost re-engineering and value engineering activities.
Capacity Constraint	<ul style="list-style-type: none"> With the likely growth in demand, any disruption in production capacity or supplies, either in its own plants, or in supplier plants, would affect the performance of the Company adversely. 	<ul style="list-style-type: none"> The Company has adequate capacity for the next few years. Even if demand grows beyond the budgeted level, the Company has enough capacity to take care of the additional market growth. Mahindra is also working with its suppliers through capacity planning and long-term contracts. The opportunities for global sourcing are also being explored.

Opportunities

Automotive Sector

The Indian auto industry is expected to continue with its growth momentum of F18 when all segments, Passenger Vehicles (PV), Commercial Vehicles (CV), Three Wheelers (3W) and Two Wheelers (2W) reported their highest-ever sales. Excluding 2-Wheelers, the industry grew at 11.9% over the previous year, registering double-digit growth for the first time in seven years.

The Electric Vehicles (EV) segment is also expected to grow as both state and central governments are focusing on this environment friendly form of mobility. Advancing technologies globally are making EVs an increasingly viable alternative, particularly in urban areas.

Farm Equipment Sector

The Government's plan to double farmer income by 2022 is expected to open many new opportunities for Mahindra's Farm Equipment Sector. With the Government's strong focus on improving farm productivity and the adoption of better agricultural practices, the sector is poised for sustained growth. With a normal monsoon forecast by major global weather forecasting agencies, the Farm Equipment Sector is ideally positioned for the near and mid-term.



Strategic Overview

The business landscape is changing very rapidly and so are the enablers for success. Looking at the future, the right product at the right cost, sold through an efficient distribution network will be essential, but not sufficient. Much more will be needed to win in the marketplace. At Mahindra, we are well aware of this reality, and hence have already started the shift from just offering products, to providing solutions, and delivering experiences to our customers, with the product itself becoming an enabler.



Automotive Sector

With the objective of sustaining growth, the Company is pursuing several strategic initiatives in all key areas of its business, including the following-

- Strengthening the product portfolio with new launches
- Refreshing and updating existing products

- Strengthening Research and Development (R&D)
 - Gasoline Engines
 - Emission Norms
 - Safety Norms
 - Connected Vehicles
 - Electric Vehicles
- Pursuing expansion in key global markets

Passenger Vehicles

- Launching new products to offer customers a complete range of UVs
- Developing gasoline engine options for most of its passenger vehicles by 2020
- Getting ready for BS-VI emission norms for its gasoline and diesel engine products
- Expanding the sales and service network



Small Commercial Vehicles

- Maintaining market dominance through an attractive customer value proposition
- Leveraging the network and focusing on technology leadership
- Smart, Connected and Electric commercial vehicles

Medium and Heavy Commercial Vehicles

- More service corridors & Parts Plazas
- Aggressive network expansion and market coverage
- Launching products in the ICV range to further strengthen the commercial vehicle portfolio.



Farm Equipment Sector

The Farm Equipment Sector's strategy is focused on delivering 'Farm Prosperity' to farmers. The strategy looks at farming from a holistic point of view, with the intent to catalyze the next revolution in farming enabled by new technology. For this, the Company will continually strive to deliver farming expertise and technologically superior – crop specific mechanization solutions.

With the objective of being a global farm machinery player, the Company has made strategic acquisitions and built a farm machinery portfolio for global markets.

Electric Vehicle

- Providing a diversified product portfolio from Mass Mobility to Objects of Desire – 3-wheelers, cars, commercial vehicles, buses, high-end luxury cars
- Maintaining a pioneering and leadership position by investments in technology with global partnerships

- Developing the EV ecosystem through partnerships with the government, shared mobility players and other key stakeholders.

Tractor

- Strengthening our domestic market leadership position with a 3-brand strategy
 - Mahindra – Pioneering Technology
 - Swaraj – Reliable, Powerful, Authentic
 - Trakstar – Affordable Mechanisation
- Deepening the reach of our dealer network

- Increasing global presence in tractors through owned and acquired brands

Farm Machinery

- Developing a strong portfolio of Farm Machinery products for both the domestic and global markets
- Leveraging synergy between acquired businesses, operating from different geographies
- Focusing on profitable growth for the Farm Machinery portfolio



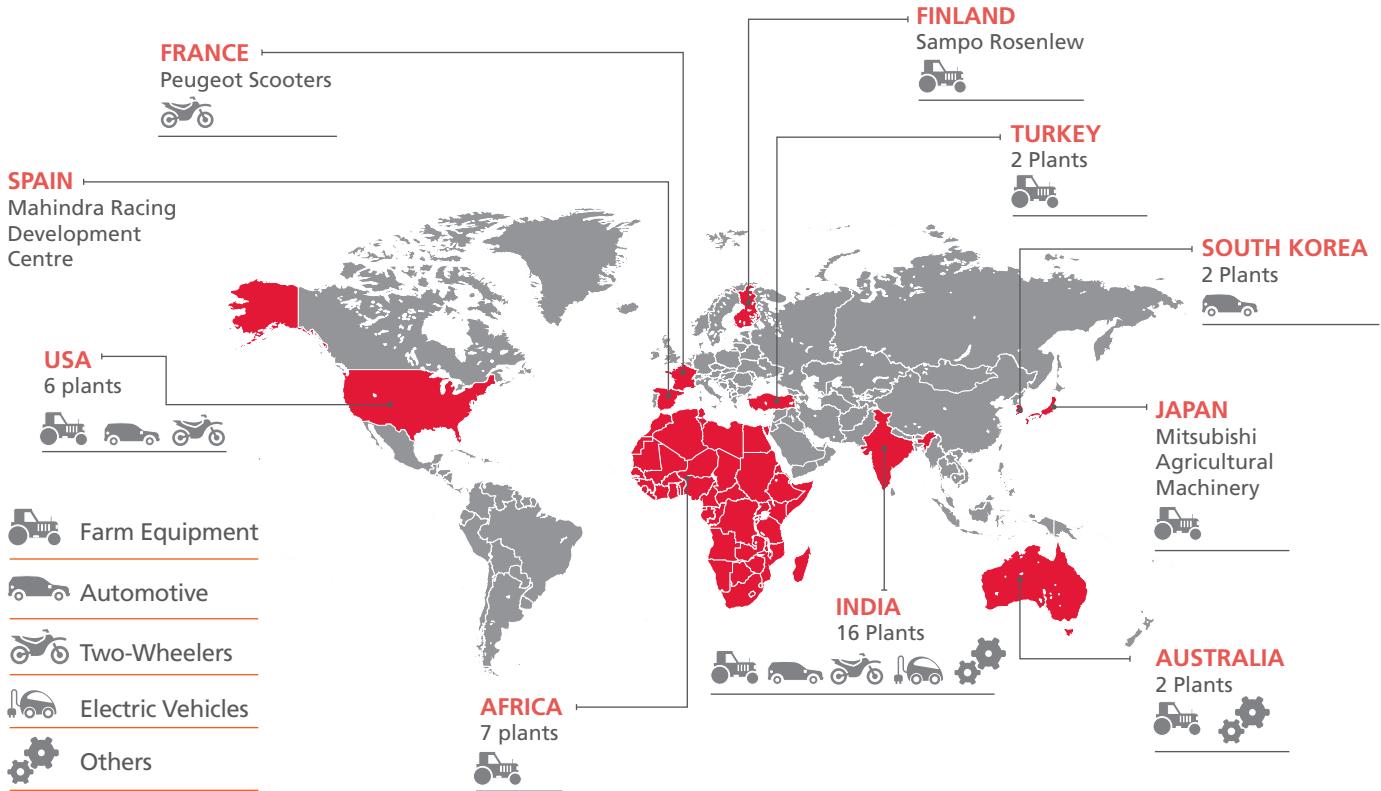
Globalisation

We have always been global. Since our beginning in 1945, we have been connected with the world through partnerships, growing presence in multiple geographies, a diverse and multinational workforce, and the boundless ambition to integrate ourselves with global communities.

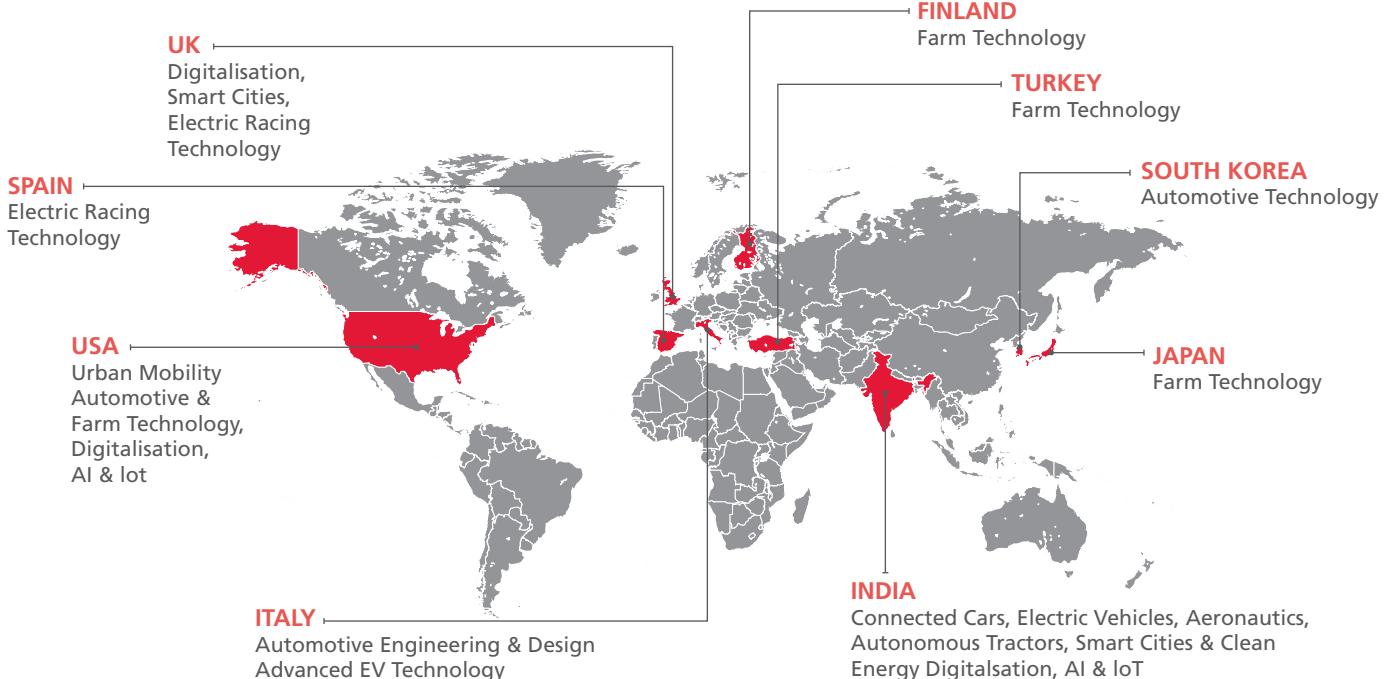


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Manufacturing facilities around the world



Mahindra's Neural Network of Innovation



Map not to scale. For illustrative purposes only.

Recent Products Portfolio



Automotive Sector



KUV100 NXT



Jeeto Minivan



e-Alfa Mini



All Powerful Scorpio



Farm Equipment Sector



Launch of Trakstar, under Gromax



Swaraj 963 FE



JIVO

Awards



Mahindra placed eight on prestigious Interbrand Best Indian Brands study 2017



Mahindra's Auto and Farm Equipment Sector (AFS) wins top prize in Indian automotive industry in Great Places To Work Survey 2017



Trringo wins the IDC India Award for Digital Disruptor of the Year 2017 for innovative use of new technology



Mahindra's Ecosense technology wins the Global Environmental Award 2017



Mahindra Research Valley endorsed by TUV Nord for the 4th Consecutive year for complying with the EOHS standards



Mahindra's CSR work wins it the 'Business Standard' Socially Aware Corporate of the Year award in March 2018



Swaraj Tractors' Quality Circle Teams win 2 Gold Medals at ICQCC, 2017 held at Manila, Philippines



Mahindra's Cultural Outreach initiative wins the Bombay Chambers of Commerce & Industries (BCCI) Award for Art Culture and Heritage for META, Blues, Kabira and Sanatkada



The Mahindra XUV500 wins the Indian Automotive Technology and Innovation Award (IATIA) 2017



Mahindra's FUTURise Annual Report 2017 won the prestigious LACP 2016/17 Vision Awards.



Six Mahindra plants won the Confederation of Indian Industry (CII) National Energy Conservation Awards and National Water Management Awards.



Mahindra won the Economic Times award for 'Corporate Citizen of the Year' 2017 for its 'Nanhi Kali' project.



HOW WE CREATE VALUE

- Disciplined approach to capital allocation
- True federation approach to managing businesses
- Value discovery by listing new businesses
- Encashing value at the right time
- Highest standards of Corporate Governance
- Investing in building brand Mahindra

HOW WE SUSTAIN VALUE

- FUTURise philosophy
- Vision, Mission, Values and guiding Principles
- Governance Framework & Policies
- Stakeholder Engagement
- Risk Management & Opportunities
- Sustainability, Business Responsibility and Corporate Social Responsibility

HOW WE DELIVER VALUE

- Rise of Stars – Sustainable mobility solutions delivering customers delight through star products and solutions
- Rise of People – Empowering our Employees, Customers, and Communities to realize their full growth potential
- Rise of the Planet – Efficient resource utilization - zero waste, being water positive, energy productivity
- Rise of Profits – Long term wealth creation for all stakeholders
- Rise of Governance – Conscious and responsible capitalism
- Rise beyond Borders – Increasing global presence in our core businesses



Mahindra & Mahindra Limited

ANNUAL REPORT 2017-18

CORPORATE INFORMATION

COMMITTEES OF THE BOARD

Audit Committee

Mr. T. N. Manoharan – *Chairman*
Mr. Nadir B. Godrej
Mr. M. M. Murugappan
Mr. R. K. Kulkarni

Stakeholders Relationship Committee

Mr. R. K. Kulkarni – *Chairman*
Mr. Anand G. Mahindra
Dr. Pawan Goenka
Dr. Vishakha N. Desai

Governance, Nomination and Remuneration Committee

Mr. M. M. Murugappan – *Chairman*
Mr. Nadir B. Godrej
Mr. Vikram Singh Mehta
Mr. R. K. Kulkarni

Corporate Social Responsibility Committee

Dr. Vishakha N. Desai – *Chairperson*
Mr. Anand G. Mahindra
Dr. Pawan Goenka
Mr. R. K. Kulkarni
Mr. Vikram Singh Mehta

Strategic Investment Committee

Mr. Anand G. Mahindra – *Chairman*
Mr. Nadir B. Godrej
Mr. Vikram Singh Mehta
Mr. Anupam Puri
Mr. T. N. Manoharan

Loans & Investment Committee

Mr. Anand G. Mahindra – *Chairman*
Dr. Pawan Goenka
Mr. R. K. Kulkarni
Mr. Vikram Singh Mehta

Research & Development Committee

Mr. M. M. Murugappan – *Chairman*
Mr. Anand G. Mahindra
Dr. Pawan Goenka
Mr. Nadir B. Godrej

Risk Management Committee

Dr. Pawan Goenka – *Chairman*
Mr. Nadir B. Godrej
Mr. M. M. Murugappan
Mr. R. K. Kulkarni
Mr. T. N. Manoharan

Chairman Emeritus

Mr. Keshub Mahindra

Board of Directors

Mr. Anand G. Mahindra - *Executive Chairman*
Dr. Pawan Goenka - *Managing Director*
Mr. Nadir B. Godrej
Mr. M. M. Murugappan
Mr. R. K. Kulkarni
Mr. Anupam Puri
Dr. Vishakha N. Desai
Mr. Vikram Singh Mehta
Mr. T. N. Manoharan
Mr. Narayan Shankar - *Company Secretary*

Bankers

Bank of America N.A.
Bank of Baroda
Bank of India
Canara Bank
Central Bank of India
HDFC Bank Limited
Standard Chartered Bank
State Bank of India
Union Bank of India

Auditors

B S R & Co. LLP
5th Floor, Lodha Excelus,
Apollo Mills Compound,
N. M. Joshi Marg, Mahalaxmi,
Mumbai - 400 011

Advocates

Khaitan & Co.,
One Indiabulls Centre,
13th Floor, Tower One,
Elphinstone Road,
841, Senapati Bapat Marg,
Mumbai - 400 013

Registered Office

Gateway Building,
Apollo Bunder,
Mumbai - 400 001

Board's Report



Board's Report

Dear Shareholders

Your Directors present their Report together with the audited financial statements of your Company for the year ended 31st March, 2018.

A. FINANCIAL AND OPERATIONAL HIGHLIGHTS

Particulars	2018	2017
Revenue from Operations	49,445	47,384
Other Income	1,036	1,345
Profit before Depreciation, Finance Costs, Exceptional items and Taxation	7,259	5,861
Less: Depreciation, Amortisation and Impairment Expenses	1,479	1,526
Profit before Finance Costs, Exceptional items and Taxation	5,780	4,335
Less: Finance Costs	112	160
Profit before Exceptional items and Taxation	5,668	4,175
Add: Exceptional items	434	548
Profit before Taxation	6,102	4,723
Less: Tax Expense	1,746	1,080
Profit for the year	4,356	3,643
Balance of profit for earlier years	21,781	17,905
Less: Transfer to Debenture Redemption Reserve	14	14
Profits available for appropriation	26,123	21,534
Add: Due to Scheme of Arrangement	—	1,092
Add: Other Comprehensive Income/ (Loss) *	8	(3)
Less: Dividend paid on Equity Shares	807	745
Less: Income-tax on Dividend paid	118	96
Balance carried forward	25,206	21,781

* Remeasurement of (loss)/gain (net) on defined benefit plans, recognised as part of retained earnings.

In the year gone by, global growth and trade rebounded sharply and remained the story of the year. Such broad based and strong growth has not been seen since the world's initial sharp 2010 bounce back, from the financial crisis of 2008–09. In the United States, fiscal policy even turned much more expansive as the Fed continued on its path of interest rate normalisation. Other large Central Banks however, continued

with their accommodative monetary stance. Global commodity prices, including crude oil, rallied significantly during the year.

On the domestic side, economic activity which flagged for five consecutive quarters, began to recover as several elements started coming together to nurture this nascent acceleration. This started manifesting in estimates and high frequency as well as survey-based indicators. A normal monsoon, record foodgrains output, strong sales growth by Corporations, depleting finished goods inventories and resilience in several services sectors raised the prospects of sustained economic recovery.

However, even amidst this scenario, your Company recorded an increase of 4.4% in revenue from operations at Rs. 49,445 crores in the year under review as against Rs. 47,384 crores in the previous year.

The Profit for the year before Depreciation, Finance Costs, Exceptional items and Taxation recorded an increase of 23.9% at Rs. 7,259 crores as against Rs. 5,861 crores in the previous year. Profit after tax increased by 19.6% at Rs. 4,356 crores as against Rs. 3,643 crores in the previous year.

Your Company continues with its rigorous cost restructuring exercises and efficiency improvements which have resulted in significant savings through continued focus on cost controls, process efficiencies and product innovations that exceed customer expectations in all areas thereby enabling the Company to maintain profitable growth in the current economic scenario.

No material changes and commitments have occurred after the closure of the Financial Year 2017-18 till the date of this Report, which would affect the financial position of your Company. There has been no change in the nature of business of your Company.

Performance Review

Automotive Sector:

Your Company's Automotive Sector recorded total sales of 5,48,508 vehicles (4,90,870 four-wheelers and 57,638 three-wheelers) as against a total of 5,06,624 vehicles (4,52,893

four-wheelers and 53,731 three-wheelers) in the previous year, registering a growth of 8.3%.

In the domestic market, your Company sold a total of 5,20,286 vehicles as compared to 4,69,384 vehicles in the previous year, resulting in a growth of 10.8%.

In the Passenger Vehicle segment, your Company sold 2,48,859 vehicles [including 2,33,915 Utility Vehicles (UVs), 14,219 Vans and 725 Cars] registering a growth of 5.4%, as compared to the previous year's volume of 2,36,130 vehicles [including 2,22,541 UVs, 10,370 Vans and 3,219 Cars].

In the Commercial Vehicle segment, your Company sold 2,16,802 vehicles [including 41,305 vehicles <2T GVW, 1,58,269 vehicles between 2-3.5T GVW, 7,744 LCVs in the LCV > 3.5T segment and 9,484 Heavy Commercial Vehicles (HCVs)] registering a growth of 19.8% over the previous year's volume of 1,80,948 commercial vehicles [including 30,043 vehicles < 2T GVW, 1,36,564 vehicles between 2-3.5T GVW, 7,626 LCVs in the LCV > 3.5T segment and 6,715 HCVs].

In the Three-Wheeler segment, your Company sold 54,625 three wheelers, registering a growth of 4.4% over the previous year's volume of 52,306 three wheelers.

For the year under review, the Indian automotive industry (except 2W) grew 11.9%, with the Passenger Vehicle (PV) industry growth of 7.9% and Commercial Vehicle (CV) industry growth of 19.9%. Three industry sub-segments where your Company has an active presence, posted very robust growth. These are Utility Vehicles (UV) which grew 21%, LCV Goods < 3.5T at 29.8% and MHCV Goods at 19.4%.

Your Company's UV volume grew 5.1% to 2,33,915 units. The UV market share for your Company stood at 25.4% as against 29.2% in the previous year. Scorpio continues to strengthen its iconic status and recorded the highest ever sales with a volume of 53,934 units in Financial Year 2018. Bolero has been a very successful brand for your Company over the last 10 years, and for the year under review, Bolero along with the all New Bolero Power+, posted combined sales of 85,386 units. Your Company strengthened the UV portfolio with the launch of the 'KUV100 NXT' in October, 2017, the 'All Powerful Scorpio' in November, 2017 and the 'Plush New XUV500' in April, 2018.

Your Company is the pioneer for Electric Vehicles (EVs) in India, and for the year under review, sold [along with its subsidiary Mahindra Electric Mobility Limited] 4,026 EVs (1,094 four wheelers and 2,932 three wheelers) as against 1,021 EVs in the

previous year. This growth is supported by the Government's thrust on adopting EVs and your Company's efforts of working with various stakeholders, especially fleet operators.

In the LCV<3.5T segment, your Company retained the No. 1 position with a 47.4% market share. Your Company sold a total of 1,99,544 vehicles in this segment, which is a growth of 19.8% over the previous year. The LCV<3.5T segment has two sub segments viz. LCV<2T and LCV 2-3.5T, which is the Pik-UP segment. Your Company has a market share of 25% and 61.9% in the two sub segments respectively.

In the HCV segment, your Company sold 9,484 trucks as against 6,715 trucks in the previous year. This is a growth of 41.2%. The growth is driven by good product performance, improved service reach and spares availability. The Blazo series of trucks which are backed by guarantees on mileage and service are instrumental in building brand and growing sales. Your Company's market share in the HCV segment stands at 4.5%.

During the year under review, your Company posted an export volume of 28,222 vehicles as against the previous year's record exports of 37,240 vehicles. This is a de-growth of 24.2%. This de-growth is principally due to adverse business and regulatory environment in key markets of Nepal and Sri Lanka. Sales in Africa grew 13%.

The spare parts sales for the year stood at Rs. 2,083.8 crores (including Exports of Rs. 193.4 crores) as compared to Rs. 1,937.2 crores (including Exports of Rs. 115.6 crores) in the previous year, registering a growth of 7.6%.

Farm Equipment Sector

Your Company's Farm Equipment Sector recorded total sales of 3,17,531 tractors as against 2,63,177 tractors sold in the previous year thus recording a growth of 20.7%.

For the year under review, the tractor industry in India recorded sales of 7,09,308 tractors, a growth of 21.9%. Second consecutive year of normal monsoon, increase in MSPs and Government's thrust on Agriculture and rural development, helped drive the positive sentiment in the Agriculture Sector and the rural economy at large.

In the domestic market, your Company sold 3,02,082 tractors, as compared to 2,48,594 tractors in the previous year, recording a growth of 21.5%. In a very competitive industry, your Company continued its market leadership for the 35th consecutive year, with a market share at 42.6%.

Your Company's growth was driven by good performance of all products under the Mahindra and Swaraj Brands. The new product trio of Mahindra NOVO, YUVO and JIVO have helped build the 'technology leadership' image for the Company. JIVO which was launched in Financial Year 2018, proved to be an ideal choice for farmers in the fast growing orchard and horticulture space.

For the year under review, Swaraj Division of your Company, launched the Swaraj 963 in the 60+ HP segment. The Swaraj 963 and its variants, will help grow volume in the higher HP segment.

Further, your Company had developed and demonstrated technology for driverless tractors. First phase of this technology will be made available in the market in the Financial Year 2019. With this, your Company would take another pioneering step to revolutionise farming in India.

For the year under review, your Company exported 15,449 tractors registering a growth of 5.9% over the previous year. This is the highest ever tractor exports from India by your Company. There was growth in exports to USA and neighbouring countries.

Your Company continued to strengthen its global footprint by further expanding into Turkey, through the acquisition of Erkunt Traktor Sanayii A.S. (Erkunt), the 4th largest tractor brand in Turkey. This is the second acquisition by your Company in Turkey after Hisarlar which is a farm equipment company.

Spare parts net sales for the year stood at Rs. 605.3 crores (including exports of Rs. 52.9 crores) as compared to Rs. 534.4 crores (including exports of Rs. 43.8 crores) in the previous year, registering a growth of 13.3%.

Other Businesses

Mahindra Powerol

Under the Mahindra Powerol Brand, your Company has been a leader in providing power back-up solutions to the telecom industry for past 11 years. With a focus on changing customer needs, your Company has further expanded the business in Tele infra management and in the energy management solutions space.

In the retail genset business, your Company is the No. 2 brand by volume, and for the year under review, expanded the product range with the launch of gensets in the higher KVA range.

Construction Equipment Business

For the year under review, your Company (under the Mahindra EarthMaster brand) sold 1,229 Backhoe Loaders (BHLs) against

1,025 in Financial Year 2017, which is a growth of 19.9%. With an uptick in infrastructure spending, the BHL market in India grew 23.5% over the previous year. Your Company ranks 4th in the BHL industry.

Your Company forayed into fast growing road construction equipment business with the launch of Motor Grader - RoadMaster G75, in October, 2017. Your Company sold 164 motor graders in Financial Year 2018.

Two-Wheeler Business

During the year under review, the two-wheeler business of Mahindra Two Wheelers Limited was demerged into your Company. For the Financial Year 2017-18, your Company sold 32,661 two-wheelers (including 17,912 exports).

Transitioning to Goods and Services Tax

Effective 1st July, 2017, India introduced the landmark tax reform with initiation of the Goods and Services Tax (GST) regime. All businesses of your Company, made a timely and seamless transition to the new GST system.

Current Year's review

During the period 1st April, 2018 to 28th May, 2018, 72,813 vehicles were produced as against 62,615 vehicles and 67,244 vehicles were despatched as against 59,361 vehicles during the corresponding period in the last year. During the same period 56,961 tractors were produced and 57,290 tractors despatched as against 48,499 tractors produced and 48,210 tractors despatched during the corresponding period in the previous year.

Economic activity is expected to gather pace in Financial Year 2019 as the transitory effects of implementation of the Goods and Service Tax (GST) recede. The Reserve Bank of India (RBI) projects India's GDP growth to strengthen from 6.6 per cent in 2017-18 to 7.4 per cent in Financial Year 2019. The step-up in growth outlook is likely to be driven by a revival of investment on the demand side and manufacturing on the supply side. Credit off-take has also improved and is becoming increasingly broad-based, which augurs well for the underlying economic activity.

This outlook will also be lifted by tailwinds from normal rainfall with the weather bureau forecasting a 'normal' monsoon for the third successive year in its first stage long range forecast. While the spatial and temporal distribution remain to be seen, well spread out rainfall is likely to have a salutary impact on the overall demand conditions. Moreover, the thrust on rural and infrastructure sectors imparted through the Union Budget could further help rejuvenate rural demand and also crowd in private investment.

Global growth backdrop too remains benign with a synchronised cyclical rebound. A boost to US investment demand from corporate tax cuts, strong activity in the Euro area supported by accommodative monetary policy and improvement in growth prospects of Emerging Market Economies (EMEs) have been supportive of this rebound thus far. However, escalation in trade frictions and protectionist policies, abrupt changes in the pace and timing of normalization of monetary policy of developed country central banks and higher crude oil prices could pose downside risks to global trade and demand growth.

Finance

Financial Year 2017-18 saw the broadest synchronized global growth since the financial crisis. World economy grew at 3.8% in 2017 up from 3.2% in 2016, on the back of growth in trade, pickup in investment particularly among advanced economies. US economy grew at a robust pace and is expected to continue on the back of tax reforms and associated fiscal stimulus. US Federal Reserve hiked interest rates by a cumulative of 75 bps during the Financial Year. Eurozone also saw a rebound in business sentiment and investments with still accommodative monetary policy, political uncertainties largely sorted and Brexit negotiations making progress. Despite some slowdown recently, Japan recorded eight consecutive quarters of growth up to December, 2017.

Economic activity also continued to expand in major emerging market economies such as Brazil, Russia and South Africa - driven by higher crude and commodity prices. China witnessed slight slowdown as it transitions from an export-driven to a domestic demand driven growth model, and saw a rating downgrade with warnings on its excessive debt levels.

The latest World Economic Outlook by IMF predicts global growth to pick up to 3.9% in 2018 supported by strong momentum, favorable market sentiment, accommodative financial conditions, and the domestic and international repercussions of expansionary fiscal policy in the United States. The key risks to the optimistic outlook are rising trade protectionism and geo-political uncertainties especially in the Middle-East.

On the domestic front the year began on a jubilant note with the Union Budget giving a strong thrust to the rural economy and a normal monsoon after two years of deficient rainfall. The much awaited Goods and Services Tax (GST) was rolled out on 1st July, 2017, replacing multiple taxes levied by Governments. Economic activity accelerated as is evident from high frequency indicators such as strong retail sales, depleting finished goods inventories and green shoots of renewal of capex cycle.

On the other hand, financial markets saw volatility on the back of US Fed tightening and rising crude prices. In addition, Banking Sector was also fraught with non-performing assets and frauds.

Indian Rupee which appreciated till the early part of January, 2018 on buoyant capital inflows, started depreciating subsequently over concerns of the impact of higher crude oil prices on India's trade deficit and closed the year at Rs. 65.18 per USD.

CPI inflation remained benign during the first half of Financial Year 2018 which led to the Reserve Bank of India (RBI) to ease policy rates by 25 bps. However, inflation gradually started inching up in the second half of the year due to unfavourable base effect and rise in food and fuel inflation. Going forward there are various uncertainties on the inflation outlook primarily on account of impact of HRA increases by various State Governments, increase in MSP in Union Budget 2018, rising fuel and commodity prices and normalisation of monetary policy by major advanced economies. Systemic liquidity, which had remained in surplus since demonetization, turned into deficit towards close of the year. Consequently, even though RBI remained in a pause mode since August, 2017, bond markets experienced rise in yields due to drying liquidity, concerns about inflation and the fiscal situation.

Your Company continued to focus on managing cash efficiently and ensured that it had adequate liquidity and back up lines of credit. During the year, your Company repaid Rs. 80.69 crores of long term borrowings from internal accruals.

During the year, your Company also availed short term export finance. As on 31st March, 2018, Rs. 668 crores of export finance was outstanding, out of which Rs. 365 crores was under the interest equalization scheme of Government of India.

The Company's Bankers continue to rate your Company as a prime customer and extend facilities/services at prime rates. Your Company follows a prudent financial policy and aims not to exceed an optimum financial gearing at any time. The Company's total Debt to Equity Ratio was 0.10 as at 31st March, 2018.

Your Company has been rated by CRISIL Limited (CRISIL), ICRA Limited (ICRA), India Ratings and Research Private Limited (India Ratings) and CARE Ratings Limited (CARE) for its Banking facilities. All have re-affirmed the highest credit rating for your Company's Short Term facilities. For Long Term facilities and Non-Convertible Debenture (NCD) programme, CRISIL,

ICRA and India Ratings have re-affirmed their credit ratings of CRISIL AAA/Stable, [ICRA]AAA (stable) and IND AAA/Stable for the respective facilities rated by them. With the above rating affirmations, your Company continues to enjoy the highest level of rating from all major rating agencies at the same time.

The AAA ratings indicate highest degree of safety regarding timely servicing of financial obligations and is also a vote of confidence reposed in your Company's Management by the rating agencies. It is an acknowledgement of the strong credit profile of your Company over the years, resilience in earnings despite cyclical upturns/downturns, robust financial flexibility arising from the significant market value of its holdings and prudent management.

Investor Relations (IR)

Your Company continuously strives for excellence in its IR engagement with International and Domestic investors and has set up feedback mechanism to measure IR effectiveness. Structured conference calls and periodic investor/analyst interactions including one-on-one meeting, participation in investor conferences, quarterly earnings calls and annual analyst meet with the Chairman, Managing Director and Business Heads were organised during the year.

Your Company interacted with around 670 Indian and overseas investors and analysts (excluding quarterly earnings calls and specific event related calls) during the year. Your Company always believes in leading from the front with emerging best practices in IR and building a relationship of mutual understanding with investor/analysts. As a key milestone in this continuing endeavour, your Company created a digital interactive annual review of the Company's performance on the Corporate website to provide an interactive experience beyond what is available in the Annual Report. The Company had created its first Integrated Report (for Financial Year 2017). Your Company also continues to organise con-call on Environment, Social and Corporate Governance (ESG) for analysts and investors, which has received excellent feedback from investors and ESG analysts for this pioneering initiative.

Your Company ensures that critical information about the Company is available to all the investors by uploading all such information at the Company's website. Your Company has created a 'Group Investor Relations Council' to share best practices across all the listed group companies and learn from each other.

Issue of Shares

- (a) Scheme of Arrangement between Mahindra Two Wheelers Limited and Mahindra and Mahindra Limited and their respective Shareholders and Creditors (Scheme)

Your Company on 8th November, 2017 allotted 5,03,888 Ordinary (Equity) Shares of Rs. 5 each to the Shareholders of Mahindra Two Wheelers Limited (other than the Company) pursuant to the Scheme.

- (b) Bonus Shares

Pursuant to the recommendation of the Board of Directors at its Meeting held on 10th November, 2017 and approval of the Members of the Company through a Postal Ballot, the Results of which were declared on 16th December, 2017, your Company has on 26th December, 2017 allotted 62,15,96,272 Ordinary (Equity) Shares of Rs. 5 each as fully paid-up Bonus Shares in the ratio of one Bonus Share for every one existing Equity Share of the Company held by the Shareholders as on the Record Date i.e. 23rd December, 2017.

Consequently, the paid-up Equity Share Capital of the Company increased to Rs. 621,59,62,720 divided into 124,31,92,544 Ordinary (Equity) Shares of Rs. 5 each, fully paid-up.

Dividend

Your Directors are pleased to recommend a dividend of Rs. 7.50 per Ordinary (Equity) Share of the face value of Rs. 5 each on the enhanced Share Capital, payable to those Shareholders whose names appear in the Register of Members as on the Book Closure Date. The equity dividend outgo for the Financial Year 2017-18, inclusive of tax on distributed profits (after reducing the tax on distributed profits of Rs. 69.52 crores on the dividends declared by subsidiaries as of the date of this report and receivable during the current Financial Year 2018-19) would absorb a sum of Rs. 1,054.53 crores [as against Rs. 927.62 crores comprising the dividend of Rs. 13 per Ordinary (Equity) Share of the face value of Rs. 5 each and tax thereon paid for the previous year]. Further, the Board of your Company decided not to transfer any amount to the General Reserve for the year under review.

The dividend pay-out is in accordance with the Company's Dividend Distribution Policy.

Dividend Distribution Policy

The Dividend Distribution Policy containing the requirements mentioned in Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 is attached as Annexure I and forms part of this Annual Report.

B. CONSOLIDATED FINANCIAL STATEMENTS

The Consolidated Financial Statements of the Company, its subsidiaries, associates and joint ventures prepared in accordance with the Companies Act, 2013 and applicable Indian Accounting Standards along with all relevant documents and the Auditors' Report form part of this Annual Report. The Consolidated Financial Statements presented by the Company include the financial results of its subsidiary companies, associates and joint ventures.

The Financial Statements as stated above are also available on the website of the Company and can be accessed at the Web-link: <http://www.mahindra.com/resources/investor-reports/FY18/Annual%20Reports/Links-AnnualReport.zip>

Subsidiary, Joint Venture and Associate Companies

The Mahindra Group Companies continue to contribute to the overall growth in revenues and overall performance of your Company.

Tech Mahindra Limited, Flagship Company in the IT Sector, has reported a consolidated revenue of Rs. 30,773 crores in the current year as compared to Rs. 29,141 crores in the previous year, an increase of 6%. Its consolidated profit after tax is Rs. 3,800 crores as compared to Rs. 2,813 crores in the previous year, an increase of 35%.

The Group's finance company, Mahindra & Mahindra Financial Services Limited (Mahindra Finance), reported a consolidated operating income of Rs. 8,533 crores during the current year as compared to Rs. 7,146 crores in the previous year, a growth of 19%. The consolidated profit after tax for the year is Rs. 1,024 crores as compared to Rs. 512 crores in the previous year.

Mahindra Finance financials is as per Indian Generally Accepted Accounting Principles (IGAAP).

Mahindra Lifespace Developers Limited, the subsidiary in the business of real estate and infrastructure registered a consolidated operating income of Rs. 566 crores as compared to Rs. 762 crores in the previous year. The consolidated profit after tax for the year is Rs. 101 crores as compared to Rs. 102 crores in the previous year.

Mahindra Holidays & Resorts India Limited, the subsidiary in the business of timeshare registered a consolidated operating income of Rs. 2,317 crores as compared to Rs. 2,267 crores in the previous year, an increase of 2%. The consolidated profit after tax for the year is Rs. 132 crores as compared to Rs. 149 crores in the previous year.

Mahindra Logistics Limited, a listed subsidiary in the logistics business has registered a consolidated operating income of Rs. 3,416 crores as compared to Rs. 2,667 crores in the previous year, an increase of 28%. The consolidated profit after tax for the year is Rs. 64 crores as compared to Rs. 46 crores in the previous year, an increase of 39%.

Ssyangyong Motor Company, the Korean subsidiary of the Company has reported consolidated revenues of Rs. 20,435 crores in the current fiscal year as compared to Rs. 21,153 crores in the previous year. The consolidated loss for the year is Rs. 502 crores as compared to consolidated profit after tax of Rs. 245 crores in the previous year.

The consolidated group profit before exceptional item and tax for the year is Rs. 6,590 crores as against Rs. 5,004 crores in the previous year – a growth of 32%. The consolidated profit after tax after non-controlling interest and exceptional items for the year is Rs. 7,510 crores as against Rs. 3,698 crores in the previous year.

During the year under review, Mahindra Automotive North America Inc., Merakisan Private Limited, Mahindra Vehicle Sales and Services Inc., Mahindra Waste Energy Solutions Limited, Mahindra Telecom Energy Management Services Limited, Mahindra Happiest Developers Private Limited, Mahindra Fresh Fruits Distribution Holding Company (Europe) B.V., Erkunt Traktor Sanayii A.S., Erkunt Sanayi A.S., Deep Mangal Developers Private Limited, Moonshine Construction Private Limited, Mahindra Construction Company Limited, Visionsbolaget 12191 AB and Visionsbolaget 12192 AB became subsidiaries of your Company.

During the year under review, Mahindra Yueda (Yancheng) Tractor Company Limited, Defence Land Systems India Limited, Raigad Industrial & Business Park Limited, Mahindra Telecommunications Investment Private Limited, Gateway Housing Company Limited and Visionsbolaget 12192 AB ceased to be subsidiaries of your Company.

Subsequent to the year end, Mahindra Susten Bangladesh Private Limited and Blitz 18-371 GmbH became subsidiaries of your Company and Gipp Aero Investments Pty Limited and Aerostaff Australia Pty Limited ceased to be subsidiaries of your Company.

Pursuant to the Ministry of Corporate Affairs Notification dated 7th May, 2018, the amendment to the definition of "subsidiary company" was made effective and thereby

Mahindra Knowledge Park Mohali Limited became a subsidiary of your Company and Merakisan Private Limited ceased to be a subsidiary of your Company.

During the year under review, Mahindra Waste Energy Solutions Limited changed its name to Mahindra Waste To Energy Solutions Limited, Mahindra Gujarat Tractor Limited changed its name to Gromax Agri Equipment Limited, Mahindra Suryaurja Private Limited changed its name to Mega Suryaurja Private Limited and Visionsbolaget 12191 AB changed its name to Åre Villa 3 AB.

During the year under review, Mahindra Happinest Developers Private Limited and Mahindra Defence Naval Systems Private Limited were converted into Public Limited Companies and accordingly, their names were changed to Mahindra Happinest Developers Limited and Mahindra Defence Naval Systems Limited.

Subsequent to the year end, Mahindra Retail Private Limited was converted into a Public Limited Company and accordingly changed its name to Mahindra Retail Limited. Further, Blitz 18-371 GmbH changed its name to Automobili Pininfarina GmbH and Industrial Cluster Private Limited changed its name to Mahindra Industrial Park Private Limited.

During the year under review, M.I.T.R.A Agro Equipments Private Limited, ZoomCar Inc, Carnot Technologies Private Limited and Resfeber Labs Private Limited became Associates of your Company and subsequent to the year end, Merakisan Private Limited became Associate of your Company.

A Report on the performance and financial position of each of the subsidiaries, associates and joint venture companies included in the Consolidated Financial Statement and their contribution to the overall performance of the Company, is provided in Form AOC-1 and forms part of this Annual Report.

The Policy for determining material subsidiaries as approved by the Board is uploaded on the Company's website and can be accessed at the Web-link: [http://www.mahindra.com/resources/investor-reports/FY18/Annual Reports/Links-AnnualReport.zip](http://www.mahindra.com/resources/investor-reports/FY18/Annual%20Reports/Links-AnnualReport.zip)

C. JOINT VENTURES, ACQUISITIONS AND OTHER MATTERS

Demerger of Two-Wheeler Business of Mahindra Two Wheelers Limited (MTWL) into your Company

MTWL, a step down subsidiary of your Company, has been engaged in the businesses of design, manufacture, sales and

service of two wheelers (Two-Wheeler Business) and also trading in spares and accessories for two wheelers. A Scheme of Arrangement between MTWL and your Company and their respective Shareholders and Creditors (Scheme) was announced by your Company to demerge the Two Wheeler Business into your Company. The appointed date of the Scheme was 1st October, 2016. The National Company Law Tribunal approved the Scheme and the Scheme has been made effective from 25th October, 2017.

In accordance with the Scheme, your Company has allotted 4,63,287 Ordinary (Equity) Shares of Rs. 5 each to Aay Kay Global and 40,601 Ordinary (Equity) Shares of Rs. 5 each to Emerging India Fund, the Shareholders of MTWL, in the share exchange ratio of 1 fully paid-up Ordinary (Equity) Share of Rs. 5 each of the Company for every 461 fully paid-up shares held in MTWL.

Divestment of 87,211 Equity Shares of Swaraj Engines Limited in the Buy-back offer

During this year, Swaraj Engines Limited (SEL), an associate company of your Company, had come up with a Buy-Back Offer (Offer). Your Company successfully offered 87,211 Equity Shares of SEL in the Offer. Your Company booked a profit of approximately Rs. 21 crores in the process. Following this Offer, the shareholding of your Company has marginally increased from 33.22% to 33.31% of SEL's share capital.

Sale of 64,50,000 shares representing 5% of the total share capital of CIE Automotive S.A

During the year, Mahindra Overseas Investment Company (Mauritius) Limited (MOICML), a wholly owned subsidiary of the Company, executed a sale of 64,50,000 shares representing 5% of the share capital of CIE Automotive S.A at a price of Euro 23.5 per share, aggregating to Euro 151.58 million on the Spanish Stock Exchange. The post-tax capital gains booked by MOICML is Euro 91.4 million.

Post the sale, MOICML's shareholding in CIE Automotive S.A has come down to 7.435% of its share capital. This transaction has facilitated diversification of the investor base of CIE Automotive S.A.

Scheme of Amalgamation between Defence Land Systems India Limited (Transferor Company) and Mahindra Defence Systems Limited (Transferee Company) and their respective Shareholders and Creditors (Scheme)

The National Company Law Tribunal has approved the Scheme vide its order dated 5th October, 2017. The appointed date of the Scheme is 1st January, 2017 and the Scheme is effective from 18th October, 2017.

Initial Public Offer of Mahindra Logistics Limited

During this year, Mahindra Logistics Limited (MLL), a subsidiary of your Company, successfully completed an Initial Public Offer (IPO) with an issue size of Rs. 829 crores. As a part of this IPO, your Company sold 96,66,173 Equity Shares of MLL, amounting to 13.6% stake. The offer was oversubscribed nearly by 8 times and the allotment took place at the upper end of the price band of Rs. 425-429 per share. The Equity Shares of MLL got listed on BSE Limited and National Stock Exchange of India Limited (NSE) on 10th November, 2017.

This was the largest IPO from your Company till date and as a result of this secondary sale during the IPO, your Company has realized gross proceeds of Rs. 414 crores and booked profit of Rs. 386 crores, thereby unlocking substantial value creation for the shareholders. Your Company's shareholding in MLL stood at 58.8% on completion of the IPO. The Equity Shares of MLL traded at closing price of Rs. 484.80 per share on NSE on the last trading day of the fiscal year ended on 31st March, 2018.

Consolidation of Smartshift and Porter

Orizonte Business Solutions Limited (Smartshift) is a step down subsidiary of your Company which owns and operates a technology enabled load exchange marketplace platform for matching the needs of cargo owners with transporters. Mahindra Trucks & Buses Limited (MTBL), a wholly owned subsidiary of your Company held a 10.37% stake on a fully diluted basis in Resfeber Labs Private Limited (Porter) which is a similar business to that of Smartshift. To leverage synergies and obtain greater economies of scale for both businesses, your Company agreed to a Scheme to merge Smartshift and Porter.

As a part of this strategy, on 23rd February, 2018, your Company executed a Share Subscription Agreement and Shareholders Agreement which entailed a commitment to merge Smartshift with Porter through a Scheme of Merger and make an investment of approximately Rs. 65 crores in Porter and Smartshift. As on date, your Company has made the aforesaid investment in Smartshift and Porter. Additionally, the aforementioned Scheme of Merger was also approved by the Board of Directors of Smartshift and Porter and was filed before the National Company Law Tribunal (NCLT), Mumbai Bench on 5th April, 2018. Pursuant to the merger, which is subject to the NCLT approval, Smartshift will cease to be a subsidiary of the Company.

Post merger, the shareholding of your Company and its subsidiaries in Porter (the combined entity) taken on a fully

diluted basis would be 30.9% for the Company, 2.5% for Mahindra & Mahindra Financial Services Limited and 7% for MTBL.

Investment in Zoomcar

Your Company has been keen to invest in the shared mobility space as part of its strategy to promote and participate in sustainable mobility solutions, including multi modal urban mobility, with the objective of enabling improved livelihoods and lifestyles of people enabling them to RISE. As a part of your Company's strategy of promoting Electric Vehicles and shared mobility, your Company invested in Zoomcar India Private Limited (Zoomcar India) which is a leading self-drive car rental company based out of Bangalore, India and had been 100% owned by Zoomcar Inc., a holding company incorporated in the USA. Your Company subscribed to Compulsory Convertible Preference Shares (CCPS) of Zoomcar India, which on an as-converted to Equity Share basis, would result in the Company holding about 11.6% of the Equity Share Capital of Zoomcar India on a fully diluted basis. Subject to receipt of regulatory approvals, the Company shall exchange its CCPS holding of Zoomcar India for Preferred Stock of Zoomcar Inc. at a future date. Mahindra Overseas Investment Company (Mauritius) Limited (MOICML), a wholly owned subsidiary of the Company, has also invested in Zoomcar Inc.

The effect of this investment, by your Company and MOICML, on an aggregate as-converted to common stock of Zoomcar Inc. basis would result in your Company and MOICML together holding approximately 16% of the Common Stock of Zoomcar Inc. on a fully diluted basis.

Exploration of Strategic Co-operation with Ford

During the year, your Company announced its intent of exploring a strategic alliance with Ford Motor Company (Ford) which is designed to leverage the benefits of Ford's global reach and expertise and your Company's scale in India and its successful operational model to allow each company to leverage the others' strengths during a period of unprecedented transformation in the global automotive industry. To that end the Company signed several MOUs with Ford during the year which included an overall co-operation plan agreement and the others being in specific areas of connected vehicle projects, battery electric vehicle, powertrains and product development of mid-size and compact SUV.

Acquisition of Erkunt Traktor Sanayii A.S. and Erkunt Sanayi A.S.

During the year, your Company strengthened its presence in Turkey by acquiring Erkunt Traktor Sanayii A.S. (Erkunt Tractor) and Erkunt Sanayi A.S. (Erkunt Sanayi). Erkunt Tractor is the 4th largest tractor company in Turkey, and Erkunt Sanayi is a leading casting and machining company catering to tractor and other industrial machinery. Mahindra Overseas Investment Company (Mauritius) Limited, a wholly owned subsidiary of your Company, acquired 100% of Erkunt Tractor and 98.7% of Erkunt Sanayi, for approximately Rs. 450 crores. These acquisitions, along with investment in Hisarlar Makina in Financial Year 2017, provide a strong base for your Company to participate in the Turkish agri-machinery market which is among the largest globally.

Investment in M.I.T.R.A. Agro Equipment Private Limited

Your Company invested Rs. 8 crores in Equity Shares of M.I.T.R.A Agro Equipment Private Limited (MITRA) during the year. MITRA is an Indian agri-machinery company, specialising in equipment such as sprayers for horticulture. Your Company now has a 26% equity stake, on fully diluted basis, in MITRA. The partnership with MITRA will enable your Company to expand and strengthen its presence in the horticulture segment which is fast growing.

Investment in Carnot Technologies Private Limited

During the year, your Company invested approximately Rs. 6.1 crores in Carnot Technologies Private Limited (Carnot), a start-up founded in 2015 by purchasing existing Equity Shares and subscribing to Series A Convertible Preference Shares. Your Company now owns approximately 23% of the fully diluted equity capital of Carnot. Carnot provides Internet of Things (IoT) products and solutions for automobiles currently and your Company intends to partner with Carnot to develop innovative technology solutions and accessories to supplement and enhance the value of its product and service offerings across segments.

Launch of ROXOR by Group company MANA in the US

Mahindra Automotive North America (MANA), a second level subsidiary of your Company launched ROXOR, a new Off-Road vehicle in the powersports segment in March, 2018. ROXOR was conceived, designed, engineered and is being produced in Metro Detroit by MANA which recently opened a new North American Automotive Headquarter and manufacturing center in the US.

Waste to Energy Solutions

During the year, your Company incorporated Mahindra Waste To Energy Solutions Limited (MWESL) as a new subsidiary to carry out activities in relation to conversion of organic wastes to energy. Currently there are multiple locations across India where projects at different operational stages are being executed. In February, 2018, MWESL executed an MOU with Indraprastha Gas Limited (IGL) for providing sustainable solutions to waste management and stubble burning through design and development of bio-gas plants which will use agro and other organic waste in the region where IGL operates.

Merger of Mahindra Telecommunications Investment Private Limited and Gateway Housing Company Limited (Transferor Companies) with Mahindra Holdings Limited (Transferee Company) and their respective Shareholders (Scheme)

The National Company Law Tribunal has approved the Scheme vide its order dated 4th January, 2018. The appointed date of the Scheme is 1st April, 2016 and the Scheme is effective from 27th February, 2018.

Capital Raising by Mahindra & Mahindra Financial Services Limited, a listed subsidiary of your Company

During the year under review, Mahindra & Mahindra Financial Services Limited (MMFSL), a listed subsidiary of your Company had received the approval of its shareholders to issue upto 2.5 crores shares by way of Preferential Allotment to your Company and upto 2.4 crores shares by way of Qualified Institutions Placement (QIP). MMFSL had successfully raised a total of Rs. 2,111 crores through the above issuances made to both the Company (Rs. 1,055 crores) and a mix of domestic and international qualified institutional bidders (Rs. 1,056 crores).

With your Company maintaining majority shareholding of 51.19%, MMFSL continues to benefit by leveraging the financial and operational synergies with the Company and with the simultaneous QIP issuance, it has been able to diversify its investor base. MMFSL's Capital Adequacy has strengthened with this capital raise. It further enables MMFSL to augment its long term resources to enable it to meet its business growth and funding requirements as well as meet the investment required to be made in its subsidiaries and joint ventures.

D. INTERNAL FINANCIAL CONTROLS

The Corporate Governance Policies guide the conduct of affairs of your Company and clearly delineates the roles, responsibilities and authorities at each level of its governance structure and key functionaries involved in governance. The Code of Conduct for Senior Management and Employees of your Company (the Code of Conduct) commits Management to financial and accounting policies, systems and processes. The Corporate Governance Policies and the Code of Conduct stand widely communicated across your Company at all times.

Your Company's Financial Statements are prepared on the basis of the Significant Accounting Policies that are carefully selected by Management and approved by the Audit Committee and the Board. These Accounting policies are reviewed and updated from time to time.

Your Company uses SAP ERP Systems as a business enabler and to maintain its Books of Account. The transactional controls built into the SAP ERP systems ensure appropriate segregation of duties, appropriate level of approval mechanisms and maintenance of supporting records. The Information Management Policy reinforces the control environment. The systems, Standard Operating Procedures and controls are reviewed by Management. These systems and controls are audited by Internal Audit and their findings and recommendations are reviewed by the Audit Committee which ensures the implementation.

Your Company has in place adequate internal financial controls with reference to the Financial Statements commensurate with the size, scale and complexity of its operations. This year your Company's Internal Financial Controls were deployed through Internal Control – Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO), that addresses material risks in your Company's operations and financial reporting objectives.

Such controls have been assessed during the year under review taking into consideration the essential components of internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by The Institute of Chartered Accountants of India. Based on the results of such assessments carried out by Management, no reportable material weakness or significant deficiencies in the design or operation of internal financial controls was observed.

Your Company recognises Internal Financial Controls cannot provide absolute assurance of achieving financial, operational

and compliance reporting objectives because of its inherent limitations. Also, projections of any evaluation of the Internal Financial Controls to future periods are subject to the risk that the Internal Financial Control may become inadequate because of changes in conditions or that the degree of compliance with the policies or procedures may deteriorate. Accordingly, regular audits and review processes ensure that such systems are reinforced on an ongoing basis.

E. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

A detailed analysis of your Company's performance is discussed in the Management Discussion and Analysis Report, which forms part of this Annual Report.

F. CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

All Related Party Transactions entered during the year were in the ordinary course of business and on arms length basis. During the year under review, your Company had entered into Material Related Party Transactions, i.e. transactions exceeding ten percent of the annual consolidated turnover as per the last audited financial statements, with Mahindra Vehicle Manufacturers Limited, a wholly owned subsidiary of your Company. These transactions too were in the ordinary course of business of your Company and were on arms length basis, details of which, as required to be provided under section 134(3)(h) of the Companies Act, 2013 are disclosed in Form AOC-2 as Annexure II and forms part of this Annual Report.

The Policy on Materiality of and Dealing with Related Party Transactions as approved by the Board is uploaded on the Company's website and can be accessed at the Web-link: <http://www.mahindra.com/resources/investor-reports/FY18/Annual%20Reports/Links-AnnualReport.zip>

G. AUDITORS

Statutory Auditors and Auditors' Report

Messrs B S R & Co. LLP, Chartered Accountants (ICAI Firm Registration Number 101248W/W-100022) were appointed as the Statutory Auditors of the Company to hold office for a term of 5 years from the conclusion of the 71st Annual General Meeting (AGM) held on 4th August, 2017 until the conclusion of the 76th AGM of the Company to be held in the year 2022.

Pursuant to the Notification issued by the Ministry of Corporate Affairs on 7th May, 2018, amending section 139 of the Companies Act, 2013, the mandatory requirement for ratification of appointment of Auditors by the Members at every AGM has been omitted and hence your Company has not proposed ratification of appointment of Messrs B S R & Co. LLP, Chartered Accountants, at the forthcoming AGM.

The Auditors' Report is unmodified i.e. it does not contain any qualification, reservation or adverse remark or disclaimer.

Secretarial Auditor

Pursuant to the provisions of section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed Mr. Sachin Bhagwat, Practicing Company Secretary (Certificate of Practice Number: 6029) to undertake the Secretarial Audit of the Company.

The Company has annexed to this Board Report as Annexure III, a Secretarial Audit Report given by the Secretarial Auditor.

The Secretarial Audit Report does not contain any qualification, reservation or adverse remark or disclaimer.

Cost Auditors

The Board had appointed Messrs D. C. Dave & Co., Cost Accountants (Firm Registration Number 000611), as Cost Auditor for conducting the audit of cost records of the Company for the Financial Year 2017-18.

The Board of Directors on the recommendation of the Audit Committee, appointed Messrs D. C. Dave & Co., Cost Accountants (Firm Registration Number 000611), as the Cost Auditors of the Company for the Financial Year 2018-19 under section 148 of the Companies Act, 2013. Messrs D. C. Dave & Co. have confirmed that their appointment is within the limits of section 141(3)(g) of the Companies Act, 2013 and have also certified that they are free from any disqualifications specified under section 141(3) and proviso to section 148(3) read with section 141(4) of the Companies Act, 2013.

The Audit Committee has also received a Certificate from the Cost Auditors certifying their independence and arms length relationship with the Company.

As per the provisions of the Companies Act, 2013, the remuneration payable to the Cost Auditor is required to be placed before the Members in a General Meeting for their ratification. Accordingly, a Resolution seeking Members'

ratification for the remuneration payable to Messrs D. C. Dave & Co., Cost Auditors is included in the Notice convening the Annual General Meeting.

Reporting of Frauds by Auditors

During the year under review, the Statutory Auditors, Cost Auditors and Secretarial Auditor have not reported any instances of frauds committed in the Company by its Officers or Employees to the Audit Committee under section 143(12) of the Companies Act, 2013, details of which needs to be mentioned in this Report.

H. PARTICULARS OF LOANS, GUARANTEES, INVESTMENTS AND SECURITIES

Particulars of the loans given, investment made or guarantee given or security provided and the purpose for which the loan or guarantee or security is proposed to be utilised by the recipient of the loan or guarantee or security are provided in Note Nos. 6 and 36 to the Financial Statements.

I. PUBLIC DEPOSITS AND LOANS/ADVANCES

Your Company had discontinued its Fixed Deposit Scheme for 36 months with effect from the close of office hours on 31st January, 2014 and has also discontinued acceptance of Fixed Deposits with effect from 1st April, 2014.

All the deposits from public and Shareholders had already matured as at 31st March, 2017. Out of the total outstanding 64 deposits of Rs. 50.11 lakhs from the public and shareholders as at 31st March, 2018, all deposits amounting to Rs. 50.11 lakhs, had matured and had not been claimed as at the end of the Financial Year. Since then 3 of these deposits of the value of Rs. 1.55 lakhs have been claimed.

There was no default in repayment of deposits or payment of interest thereon during the year under review. There are no deposits which are not in compliance with the requirements of Chapter V of the Companies Act, 2013.

The particulars of loans/advances, etc., required to be disclosed in the Annual Accounts of the Company pursuant to Para A of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are furnished separately.

J. EMPLOYEES

Key Managerial Personnel (KMP)

The following have been designated as the Key Managerial Personnel of the Company pursuant to sections 2(51) and 203 of

the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

- (a) Mr. Anand G. Mahindra – Executive Chairman
- (b) Dr. Pawan Goenka – Managing Director
- (c) Mr. V S Parthasarathy – Group CFO & Group CIO
- (d) Mr. Narayan Shankar – Company Secretary

There has been no change in the KMPs during the year under review.

Employees' Stock Option Scheme

During the year under review, on the recommendation of the Governance, Nomination and Remuneration Committee of your Company, the Trustees of Mahindra & Mahindra Employees' Stock Option Trust have granted Stock Options to employees under the Mahindra & Mahindra Limited Employees Stock Option Scheme 2010. No Stock Options have been granted to employees under the Mahindra & Mahindra Limited Employees Stock Option Scheme 2000.

The Company has in force the following Schemes which get covered under the provisions of SEBI (Share Based Employee Benefits) Regulations, 2014 (SBEB Regulations):

1. Mahindra & Mahindra Limited Employees Stock Option Scheme – 2000 (2000 Scheme)
2. Mahindra & Mahindra Limited Employees Stock Option Scheme – 2010 (2010 Scheme)
3. M&M Employees Welfare Fund No. 1
4. M&M Employees Welfare Fund No. 2
5. M&M Employees Welfare Fund No. 3

There are no material changes made to the above Schemes and these Schemes are in compliance with the SBEB Regulations. Your Company's Auditors, Messrs B S R & Co. LLP, have certified that the Company's above-mentioned Schemes have been implemented in accordance with the SBEB Regulations, and the Resolutions passed by the Members for the 2000 Scheme and the 2010 Scheme.

Information as required under the SBEB Regulations read with SEBI Circular CIR/CFD/POLICY CELL/2/2015 dated 16th June, 2015 have been uploaded on the Company's website and can be accessed at the Web-link: <http://www.mahindra.com/resources/investor-reports/FY18/Annual%20Reports/Links-AnnualReport.zip>

Particulars of Employees and related disclosures

The Company had 296 employees who were in receipt of remuneration of not less than Rs. 1,02,00,000 during the year

ended 31st March, 2018 or not less than Rs. 8,50,000 per month during any part of the year.

Details of employee remuneration as required under provisions of section 197(12) of the Companies Act, 2013 read with Rule 5(2) & 5(3) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are available at the Registered Office of the Company during working hours, 21 days before the Annual General Meeting and shall be made available to any Shareholder on request. Such details are also available on your Company's website and can be accessed at the Web-link: <http://www.mahindra.com/resources/investor-reports/FY18/Annual%20Reports/Links-AnnualReport.zip>

Disclosures with respect to the remuneration of Directors, KMPs and employees as required under section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given in Annexure IV to this Report.

Industrial Relations

The year under review witnessed a very positive Industrial Relations Scenario across all manufacturing locations for the Automotive and Farm Equipment Sectors.

Your Company's focus continues towards propagating proactive and employee centric practices. The Transformational Work Culture initiative, which aims to create an engaged workforce with an innovative, productive and competitive shop-floor ecosystem, continues to grow in strength. The Transformational Work Culture Committee (TWCC) continually engages with long-term strategic initiatives which range from anticipated Labour Law reforms to 'Swachh Bharat Abhiyaan'. Some examples of the programs put in place include 'Rise for Associates', Industrial Relations Skills for Frontline Officers, Cultural Diagnostics Projects, Transformational work culture Projects, e-Compliance, e-Quizz for associates, e-portal for reward and recognition of associates, e-safety module and Code of Conduct for Associates. Some of the programs are run in collaboration with Mahindra Leadership University (MLU).

In order to develop skills and foster togetherness at the workplace, your Company rolled out multiple training and engagement programs covering a wide range of topics, viz. positive attitude, stress management, creativity, team effectiveness, safety and environment, quality tools, TPM, skill building programs, customer focus, awareness on Promise 2019, Code of Conduct and a Union Leadership Development Program.

The Mahindra Skill Excellence initiative is a holistic approach to enhance the skill and capabilities of shop floor associates, and has received good participation across manufacturing facilities. As a result of this effort, an associate from your Company represented India at the Worlds Skill Competition in Abu Dhabi in August, 2017 and the 'Beijing Arc Cup Competition' for third year in a row.

In an endeavor to generate ideas towards improving quality, reducing cost, ensuring safety and improving productivity, your Company's shop floor associates generated on an average 20 ideas per person.

Significant emphasis was also laid towards raising awareness on health and wellness of employees through annual medical check-ups, health awareness activities, and diet food has become a way of life over past three years. Your Company maintains an 'Employee Health Index' at an individual level and this has been a useful tool in identifying employees who require focused counselling and monitoring.

Proactive and employee-centric shop floor practices, a focus on transparent communication of business goals, an effective concern resolution mechanism, and a firm belief that employees are the most valuable assets of the Company, are the cornerstone of your Company's employee relations approach. An 'open door policy' with constant dialogue to create win-win situations, have helped your Company build trust and harmony. The Industrial Relations scenario continued to be largely positive across all Manufacturing locations. Bonus settlements were amicably agreed upon at all locations.

The sustained efforts towards building a transformational work culture resulted in zero production loss in the Financial Year 2017-18 and helped create a collaborative, healthy and productive work environment.

Safety, Occupational Health and Environment

During the year under review, your Company revised its Safety, Occupational Health & Environmental (SOH&E) Policy. The leadership's commitment towards SOH&E, is demonstrated through inclusion of compliance as well as voluntary commitments in the revised policy. SOH&E targets have been set as per the revised policy. Implementation of various initiatives under the policy and achievement of set targets were assessed through audits (both internal and external) and management reviews.

At each Plant location, annual events were organised and commemorated like National Safety Day/Month, World

Environment Day, Road Safety Week and Fire Service Week. Training programs were conducted for all stakeholders as per the scheduled training calendar through various physical and e-learning modules. In the year under review, your Company completed second batch of Accelerated Learning Program (ALP) on safety, to encourage innovations and best practices related to SOH&E. To strengthen the safety culture, Behaviour Based Safety (BBS) - Level 2 has been introduced at all plants.

Your Company carried out statutory safety audits including electrical safety audits of all facilities, as per the amended legal requirements. For the year under review, your Company achieved substantial reduction in the fire load at all the manufacturing plants.

Your Company continued its commitment to improve the wellbeing of employees and contract associates through various activities under project Parivartan like organising physical fitness activities including Walkathon, Yoga, Zumba, medical check-ups, health consultation and counselling. Further, all locations observed World Health Day, World Heart Day, World Kidney Day and World Diabetes Day. Way2Wellness sessions were conducted covering topics like Healthy Heart and Diabetic feet.

In line with the 'Go Green' philosophy, your Company is continuously adopting new techniques to eliminate and minimise the environmental impact. Various projects have been implemented by your Company in air, water and waste water management and solid waste management. These initiatives are also extended to the supplier community of your Company.

Your Company has adopted Global Reporting Initiative (GRI) - G4 Guidelines, and has undertaken projects aimed at climate change mitigation, sustainable source use and protection of bio-diversity. Some examples of successful initiatives are LED lighting project, Energy efficiency Motors, Solar power installation and certified green building projects with platinum and gold rated facilities.

In addition to above, World Ozone Day, World Environment Day, No Print Day, World Earth Day, World Water Day and Energy Conservation Week and Water Conservation Week are also observed on an annual basis.

Certifications/Recertifications

All Plants of your Company have been recertified under standard ISO 14001: 2015 and OHSAS 18001: 2007. Further, all plants are in the process of implementing, integrated management system along with adopting the revised environmental standard ISO 14001: 2015.

In March, 2018, all seven plants of Automotive Sector were awarded TPM excellence award, by Japanese Institute of Plant Maintenance (JIPM). In April, 2018, five Plants of your Company also received certification for "Zero Waste to Landfill" from Intertek USA.

The Company has revised its targets under SOH&E policy and these targets are reviewed periodically by senior management. The focused initiatives and reviews have helped to improve SOH&E performance of your Company in the period 2017-18.

K. BOARD & COMMITTEES

Directors

As mentioned in the previous Annual Report, Mr. Deepak S. Parekh ceased to hold office as an Independent Director of the Company from 8th August, 2017, upon completion of his tenure as approved by the Shareholders at the 68th Annual General Meeting. Further, Mr. T. N. Manoharan was appointed at the 71st Annual General Meeting held on 4th August, 2017 as an Independent and Non-Executive Director of the Company for a period of 5 consecutive years commencing from 11th November, 2016 to 10th November, 2021.

Mr. Anand Mahindra retires by rotation and, being eligible, offers himself for re-appointment at the 72nd Annual General Meeting (AGM) of the Company scheduled to be held on 7th August, 2018.

The Company has received an intimation from Life Insurance Corporation of India informing that Mr. S. B. Mainak has resigned from the Board of the Company. Accordingly, Mr. S. B. Mainak ceased to be a Director of the Company with effect from 11th May, 2018.

The Board places on record its sincere appreciation of the valuable services rendered by Mr. S. B. Mainak during his tenure as a Director of the Company.

The Governance, Nomination and Remuneration Committee, on the basis of performance evaluation of Independent Directors and taking into account the external business environment, the business knowledge, acumen, experience and the substantial contribution made by Mr. M. M. Murugappan and Mr. Nadir B. Godrej during their tenure, has recommended to the Board that continued association of Mr. M. M. Murugappan and Mr. Nadir B. Godrej as Independent Directors of the Company would be beneficial to the Company. Based on the above and the performance evaluation of Independent Directors, the Board recommends re-appointment of Mr. M. M. Murugappan and

Mr. Nadir B. Godrej, as Independent Directors of the Company, not liable to retire by rotation, to hold office for a second term of 2 (two) consecutive years on the Board of the Company. The Company has received the requisite Notices from a Member in writing proposing their appointment as Independent Directors.

The Company has received declarations from all the Independent Directors of the Company confirming that they meet the criteria of independence as prescribed both under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Pursuant to the provisions of the Companies Act, 2013, and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has carried out an annual evaluation of its own performance and that of its Committees as well as performance of the Directors individually. Feedback was sought by way of a structured questionnaire covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance and the evaluation was carried out based on responses received from the Directors.

A separate exercise was carried out by the Governance, Nomination and Remuneration Committee of the Board to evaluate the performance of individual Directors. The performance evaluation of the Non-Independent Directors and the Board as a whole was carried out by the Independent Directors. The performance evaluation of the Executive Chairman of the Company was also carried out by the Independent Directors, taking into account the views of the Managing Director and Non-Executive Directors. The Directors expressed their satisfaction with the evaluation process. The Independent Directors and Executive Chairman also carried out performance evaluation of the Managing Director of the Company.

The details of programs for familiarization of the Independent Directors with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company, number of programs and number of hours spent by each Independent Director in terms of the requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are available on the Company's website and can be accessed at the following Weblink: <http://www.mahindra.com/resources/investor-reports/FY18/Annual%20Reports/Links-AnnualReport.zip>

Your Company has adopted the following Policies which, inter alia, include criteria for determining qualifications, positive attributes and independence of a Director:

- (a) Policy on Appointment of Directors and Senior Management and succession planning for orderly succession to the Board and the Senior Management;
- (b) Policy for remuneration of the Directors, Key Managerial Personnel and other employees.

The Policies mentioned at (a) and (b) above are attached as Annexure V-A and V-B respectively and form part of this Report.

Directors' Responsibility Statement

Pursuant to section 134(5) of the Companies Act, 2013, your Directors, based on the representations received from the Operating Management, and after due enquiry, confirm that:

- (a) in the preparation of the annual accounts for the Financial Year ended 31st March, 2018, the applicable accounting standards have been followed;
- (b) they had in consultation with Statutory Auditors, selected accounting policies and applied them consistently, and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2018 and of the profit of the Company for the year ended on that date;
- (c) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and irregularities;
- (d) they have prepared the annual accounts on a going concern basis;
- (e) they have laid down adequate Internal Financial Controls to be followed by the Company and such Internal Financial Controls were operating effectively during the Financial Year ended 31st March, 2018;
- (f) they had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively throughout the Financial Year ended 31st March, 2018.

Board Meetings and Annual General Meeting

A calendar of Meetings is prepared and circulated in advance to the Directors.

During the year 1st April, 2017 to 31st March, 2018, eight Board Meetings were held on: 30th May, 2017, 13th June, 2017, 4th August, 2017, 9th October, 2017, 10th November, 2017, 13th December, 2017, 9th February, 2018 and 28th March, 2018. The 71st Annual General Meeting (AGM) of the Company was held on 4th August, 2017.

Meetings of Independent Directors

The Independent Directors of your Company meet before the Board Meetings without the presence of the Executive Chairman or the Managing Director or other Non-Independent Director or Chief Financial Officer or any other Management Personnel.

These Meetings are conducted in an informal and flexible manner to enable the Independent Directors to discuss matters pertaining to, inter alia, review of performance of Non-Independent Directors and the Board as a whole, review the performance of the Executive Chairman of the Company (taking into account the views of the Executive and Non-Executive Directors), review the performance of the Company, assess the quality, quantity and timeliness of flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

Five Meetings of Independent Directors were held during the year and these meetings were well attended.

Audit Committee

The Board at its Meeting held on 4th August, 2017 re-constituted the Audit Committee and appointed Mr. T. N. Manoharan as the Chairman with effect from 8th August, 2017. The Committee comprises of four Directors viz. Mr. T. N. Manoharan (Chairman of the Committee), Mr. Nadir B. Godrej, Mr. M. M. Murugappan and Mr. R. K. Kulkarni. All the Members of the Committee are Independent Directors and possess strong accounting and financial management knowledge. The Company Secretary of the Company is the Secretary of the Committee.

All the recommendations of the Audit Committee were accepted by the Board.

L. GOVERNANCE

Corporate Governance

Your Company has a rich legacy of ethical governance practices many of which were implemented by the Company, even before they were mandated by law. Your Company is committed to transparency in all its dealings and places high emphasis on

business ethics. A Report on Corporate Governance along with a Certificate from the Statutory Auditors of the Company regarding compliance with the conditions of Corporate Governance as stipulated under Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 forms part of the Annual Report.

Vigil Mechanism

The Vigil Mechanism as envisaged in the Companies Act, 2013, the Rules prescribed thereunder and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is implemented through the Company's Whistle Blower Policy to enable the Directors, employees and all stakeholders of the Company to report genuine concerns, to provide for adequate safeguards against victimisation of persons who use such mechanism and make provision for direct access to the Chairman of the Audit Committee.

Whistle Blower Policy of your Company is available on the Company's website and can be accessed at the Web-link: [http://www.mahindra.com/resources/investor-reports/FY18/Annual Reports/Links-AnnualReport.zip](http://www.mahindra.com/resources/investor-reports/FY18/Annual%20Reports/Links-AnnualReport.zip)

Further details are available in the Report on Corporate Governance that forms part of this Annual Report.

The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

The Company has in place an Anti-Sexual Harassment Policy in line with the requirements of The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this Policy. The Policy is gender neutral.

During the year under review, 1 complaint with allegations of sexual harassment was filed, which was disposed-off as per the provisions of The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and as of 31st March, 2018, no complaint was pending. One complaint pending as on 31st March, 2017, was also disposed-off during the year under review.

Business Responsibility Report

The 'Business Responsibility Report' (BRR) of your Company for the year 2017-18 forms part of this Annual Report as required under Regulation 34(2)(f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Your Company strongly believes that sustainable and inclusive growth is possible by using the levers of environmental and social responsibility while setting aspirational targets and improving economic performance to ensure business continuity and rapid growth. Your Company is committed to leverage 'Alternative Thinking' to build competitive advantage in achieving high shareholder returns through customer centricity, innovation, good governance and inclusive human development while being sensitive to the environment.

Risk Management

Your Company has a well-defined risk management framework in place. The risk management framework works at various levels across the enterprise. These levels form the strategic defence cover of the Company's risk management. The Company has a robust organisational structure for managing and reporting on risks.

Your Company has constituted a Risk Management Committee of the Board which is authorised to monitor and review risk management plan and risk certificate. The Committee is also empowered, inter alia, to review and recommend to the Board the modifications to the Risk Management Policy. Further, the Board has constituted a Corporate Risk Council comprising the Senior Executives of the Company. The terms of reference of the Council comprises review of risks and Risk Management Policy on periodic intervals.

Your Company has developed and implemented a Risk Management Policy which is approved by the Board. The Risk Management Policy, inter alia, includes identification therein of elements of risk, including those which in the opinion of the Board may threaten the existence of the Company. Risk management process has been established across the Company and is designed to identify, assess and frame a response to threats that affect the achievement of its objectives. Further, it is embedded across all the major functions and revolves around the goals and objectives of the organisation.

M. CORPORATE SOCIAL RESPONSIBILITY AND SUSTAINABILITY

Corporate Social Responsibility (CSR)

Your Company's Corporate Social Responsibility efforts continue to be directed towards supporting the constituencies of girls, youth and farmers by innovatively supporting them through programs in the domains of education, health and

environment, while harnessing the power of technology. It is only through these sustained and continued efforts that your Company can build and consolidate its CSR initiatives which contribute to nation building.

During the last financial year, your Company has been making an impact through its ongoing CSR programs, some of the notable ones include – Project Nanhi Kali, which supports the education of underprivileged girls, Mahindra Pride Schools and Mahindra Pride Classrooms, which provide livelihood training to youth from socially and economically disadvantaged communities, and a variety of other scholarship programs, which range from providing opportunities to youth from low income group families to undergo diploma courses at vocational education institutes, to allowing meritorious students to pursue their post graduate studies at reputed universities overseas, to allowing meritorious and deserving students to study at the Mahindra United World College in Pune.

In the area of public health, your Company sponsored Lifeline Express, through which medical care and treatment was provided to communities who do not have access to any medical facilities. Further, your Company supported critical patients suffering from cancer and other life threatening illnesses and also lent support for setting up of the Head and Neck Cancer Institute.

Your Company also contributed to the environment by adding green cover through planting of over 1.5 million trees this year through Project Hariyali. Your Company continues to support small and marginal farmers by training them in effective farming practices including soil health, crop planning, creating model farms with bio-dynamic farming practices, and increasing the water table with a view to increasing crop productivity. These initiatives are implemented through the Wardha Farmer Family Project, Krishi Mitra Project and Integrated Watershed Development Project. Your Company also partnered with the Maharashtra State Government to support the Village Social Transformation Mission of the Government.

Your Company is working to create a 'Zero Fatality Corridor' to ensure 'zero' deaths due to accidents on Mumbai Pune Expressway. In addition to the above CSR initiatives, your Company has a vibrant ESOPs (Employee Social Options) platform through which the employees are provided opportunities to give back to the community.

During the last financial year, your Company was awarded the prestigious 'Corporate Citizen of the Year 2017' by Economic Times as well as the 'Socially Aware Corporate of the Year' at

Business Standard Awards 2018, both being a validation of the Company's sustained efforts to 'Rise for Good'.

CSR Policy

The Corporate Social Responsibility Committee had formulated and recommended to the Board, a Corporate Social Responsibility Policy (CSR Policy) which was subsequently adopted by it and is being implemented by the Company. The CSR Policy including a brief overview of the projects or programs undertaken can be accessed at the Company's website through the Web-link: [http://www.mahindra.com/resources/investor-reports/FY18/Annual Reports/Links-AnnualReport.zip](http://www.mahindra.com/resources/investor-reports/FY18/Annual%20Reports/Links-AnnualReport.zip)

CSR Committee

The CSR Committee comprises of Dr. Vishakha N. Desai (Chairperson), Mr. Anand G. Mahindra, Mr. R. K. Kulkarni, Dr. Pawan Goenka and Mr. Vikram Singh Mehta. The Committee, inter alia, reviews and monitors the CSR as well as Sustainability activities.

During the year under review, your Company spent Rs. 81.97 crores on CSR activities. The amount equal to 2% of the average net profit for the past three financial years required to be spent on CSR activities was Rs. 81.27 crores. The detailed Annual Report on the CSR activities undertaken by your Company in Financial Year 2018, is annexed herewith marked as Annexure VI.

Sustainability

During the year under review, the 10th Non-Financial Report was released for the year 2016-17. This year's Report was the first 'Integrated Report' conforming to reporting frameworks viz. International Integrated Reporting Council (IIRC) and Global Reporting Guideline - 'GRI G4 Core option'. The report was externally assured by DNV-GL.

Your Company continued the focus on the Environmental, Social and Governance (ESG) parameters, in the year under review by developing Mahindra Sustainability Framework to ensure common language for sustainability across the Group. This framework defines sustainability as building enduring businesses by rejuvenating the environment and enabling stakeholders to rise. Under the three pillars People, Planet and Profit of Sustainability; various actions have been identified for implementation across the Group. Many of these actions are already underway as demonstrated by the Igatpuri Plant by getting certified as 'Water Positive' and being the 1st Plant in India to be certified by Intertek as 'Zero Waste to Landfill'.

The Company uses 63% less energy to produce a vehicle than what was done eight years ago. Mahindra Towers at Worli and Kandivali are Indian Green Building Council (IGBC) Platinum Certified existing buildings. The Mahindra IT Centre at Kandivali is USGBC LEED gold certified green building.

Mr. Anand G. Mahindra, Executive Chairman of your Company represented the Corporate World Economic Forum at Davos and issued a 'Call to Action' to all industries and businesses to adopt Science Based Targets to restrict average global temperature rise to 2 degree Celsius in alignment of Paris Climate Change Agreement. Mr. Anand Mahindra has been invited by Mr. Edmund G. Brown, Governor of California to be the Co-Chair at the Global Climate Action Summit to be held in September, 2018 in San Francisco, California.

The Sustainability performance for your Company for the Financial Year 2017-18 will be ready for release shortly.

Your Company was recognized for its leadership position on the ESG dimensions during the year under review, by way of:

- Winning the Indo German Chamber of Commerce Award 2017 for 'Best Sustainable Business Practices'.
- Winning CII National Energy Conservation Awards and CII National Water Management Awards for 6 manufacturing plants.
- Winning 1st runner up for Igatpuri Plant at Frost & Sullivan TERI Sustainability 4.0 for Sustainable Factory of the Year.
- Retaining the status of getting listed on the Dow Jones Sustainability Index-2017 under the 'Emerging Market Index' for the fourth year with improvement in percentile scores.

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

The information pertaining to conservation of energy, technology absorption, foreign exchange earnings and outgo as required under section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is attached as Annexure VII and forms part of this Report.

N. SECRETARIAL

Compliance with the provisions of Secretarial Standard 1 and Secretarial Standard 2

The applicable Secretarial Standards, i.e. SS-1 and SS-2, relating to 'Meetings of the Board of Directors' and 'General Meetings', respectively, have been duly complied by your Company.

Extract of Annual Return

Pursuant to section 134(3)(a) and section 92(3) of the Companies Act, 2013 read with Rule 12(1) of the Companies (Management and Administration) Rules, 2014, an extract of the Annual Return as on 31st March, 2018 in Form No. MGT-9 is attached as Annexure VIII and forms part of this Report.

GENERAL

The Executive Chairman of the Company did not receive any remuneration or commission from any of the subsidiary of your Company. The Managing Director of the Company did not receive any remuneration or commission from any of the subsidiary of your Company. However, the Managing Director has exercised ESOPs of a subsidiary company during the year, which were granted in the earlier year(s).

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions/ events on these items during the year under review except as stated hereunder:

1. Issue of equity shares with differential rights as to dividend, voting or otherwise.
2. Issue of Shares (Including Sweat Equity Shares) to employees of the Company under any Scheme save and except ESOS referred to in this Report.
3. Significant or material orders passed by the Regulators or Courts or Tribunals which impact the going concern status and the Company's operation in future.
4. Voting rights which are not directly exercised by the employees in respect of shares for the subscription/ purchase of which loan was given by the Company (as there is no scheme pursuant to which such persons can beneficially hold shares as envisaged under section 67(3) (c) of the Companies Act, 2013).

For and on behalf of the Board

ANAND G. MAHINDRA
Executive Chairman

Mumbai, 29th May, 2018

ANNEXURE I

Dividend Distribution Policy

The Dividend Distribution Policy ("the policy") establishes the principles to ascertain amounts that can be distributed to equity shareholders as dividend by the Company as well as enable the Company strike balance between pay-out and retained earnings, in order to address future needs of the Company. The policy shall come into force for accounting periods beginning from 1st April, 2016.

Dividend would continue to be declared on per share basis on the Ordinary Equity Shares of the Company having face value Rs. 5 each. The Company currently has no other class of shares. Therefore, dividend declared will be distributed amongst all shareholders, based on their shareholding on the record date.

Dividends will generally be recommended by the Board once a year, after the announcement of the full year results and before the Annual General Meeting (AGM) of the shareholders, as may be permitted by the Companies Act. The Board may also declare interim dividends as may be permitted by the Companies Act.

The Company has had a consistent dividend policy that balances the objective of appropriately rewarding shareholders through dividends and to support the future growth.

As in the past, subject to the provisions of the applicable law, the Company's dividend payout will be determined based on available financial resources, investment requirements and taking into account optimal shareholder return. Within these parameters, the Company would endeavor to maintain a total dividend pay-out ratio in the range of 20% to 35% of the annual standalone Profits after Tax (PAT) of the Company.

While determining the nature and quantum of the dividend payout, including amending the suggested payout range as above, the Board would take into account the following factors:

- Internal Factors:
 - i. Profitable growth of the Company and specifically, profits earned during the financial year as compared with:
 - a. Previous years and
 - b. Internal budgets,
 - ii. Cash flow position of the Company,
 - iii. Accumulated reserves,
 - iv. Earnings stability,
 - v. Future cash requirements for organic growth/expansion and/or for inorganic growth,
 - vi. Brand acquisitions,
 - vii. Current and future leverage and, under exceptional circumstances, the amount of contingent liabilities,
 - viii. Deployment of funds in short term marketable investments,
 - ix. Long term investments,
 - x. Capital expenditure(s), and
 - xi. The ratio of debt to equity (at net debt and gross debt level).
- External Factors:
 - i. Business cycles,
 - ii. Economic environment,
 - iii. Cost of external financing,

- iv. Applicable taxes including tax on dividend,
- v. Industry outlook for the future years,
- vi. Inflation rate, and
- vii. Changes in the Government policies, industry specific rulings & regulatory provisions.

Apart from the above, the Board also considers past dividend history and sense of shareholders' expectations while determining the rate of dividend. The Board may additionally recommend special dividend in special circumstances.

The Board may consider not declaring dividend or may recommend a lower payout for a given financial year, after analyzing the prospective opportunities and threats or in the event of challenging circumstances such as regulatory and financial environment. In such event, the Board will provide rationale in the Annual Report.

The retained earnings of the Company may be used in any of the following ways:

- i. Capital expenditure for working capital,
- ii. Organic and/or inorganic growth,
- iii. Investment in new business(es) and/or additional investment in existing business(es),
- iv. Declaration of dividend,
- v. Capitalisation of shares,
- vi. Buy back of shares,
- vii. General corporate purposes, including contingencies,
- viii. Correcting the capital structure,
- ix. Any other permitted usage as per the Companies Act, 2013.

Information on dividends paid in the last 10 years is provided in the Annual Report.

This policy may be reviewed periodically by the Board. Any changes or revisions to the policy will be communicated to shareholders in a timely manner.

The policy will be available on the Company's website and the link to the policy is: <http://www.mahindra.com/resources/investorreports/FY18/Governance/MM-Dividend-Distribution-Policy-29-9-2016-Final.pdf>.

The policy will also be disclosed in the Company's annual report.

ANNEXURE II**Form No. AOC-2**

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto

1. Details of contracts or arrangements or transactions not at arms length basis—

There were no contracts or arrangements or transactions entered into during the year ended 31st March, 2018, which were not at arms length basis.

2. Details of material contracts or arrangement or transactions at arms length basis—

The details of material contracts or arrangements or transactions at arms length basis for the year ended 31st March, 2018 are as follows:

Sr. No	Name(s) of the related party & Nature of relationship	Nature of transactions	Transactions Value (Rs. in Crores)	Duration of transactions	Salient terms of transactions	Date of approval by the board	Amount paid in advance (Rs. in Crores)
1.	Mahindra Vehicle Manufacturers Limited (MVML) (Wholly owned subsidiary of the Company)	Purchase of Goods	12,095.97	April 2017 – March 2018	The related party transactions (RPTs) entered during the year were in the ordinary course of business and on arms length basis.	Since these RPTs are in the ordinary course of business and are at arms length basis, approval of the Board is not applicable. However, necessary approvals were granted by the Audit Committee from time to time.	Nil
		Purchase of Services	5.05				
		Sale of Goods	795.56				
		Interest Income	39.00				
		Investments	140.78				
		Dividend received	89.34				
		Reimbursement Received	12.02				
		Reimbursement Made	2.19				
		Security Deposits Paid	0.02				
		Security Deposits refunded	0.03				
		Purchase of Intangibles	225.62				
		Deputation of Personnel	0.38				
		Other Income	0.65				
		TOTAL	13,406.61				

For and on behalf of the Board

ANAND G. MAHINDRA
Executive Chairman

Mumbai, 29th May, 2018

ANNEXURE III

SECRETARIAL AUDIT REPORT

For the Financial Year ended 31st March, 2018

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies
(Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Mahindra & Mahindra Limited
Gateway Building
Apollo Bunder
Mumbai 400 001

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Mahindra & Mahindra Limited (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conduct/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2018, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2018 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of foreign direct investment, overseas direct investment and external commercial borrowings;

- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Not applicable to the Company during the Audit period); and
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (Not applicable to the Company during the Audit period).

I further report that having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, the Company has complied with the following laws applicable specifically to the Company:

- (a) The Motor Vehicles Act, 1988 and the Rules made thereunder;
- (b) The Petroleum Act, 1934 and the Rules made thereunder;
- (c) The Ozone Depleting Substances (Regulation and Control) Rules, 2000 and The Ozone Depleting Substances (Regulation and Control) Amendment Rules, 2001;

(d) The Batteries (Management and Handling) Rules, 2016.

I have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by the Institute of Company Secretaries of India;
- (ii) Listing Agreements entered into by the Company with BSE Ltd. and the National Stock Exchange of India Ltd. read with The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

I further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with provisions of the Act.

Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda

items before the meeting and for meaningful participation at the meeting.

As per the minutes of the meetings duly recorded and signed by the Chairman, the decisions of the Board and its committees were unanimous.

I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period:

- i. The Hon'ble National Company Law Tribunal approved the Scheme of Arrangement (Demerger), demerging the two wheelers business of Mahindra Two Wheelers Limited, a subsidiary of the Company, as a going concern with the Company.
- ii. The Company issued and allotted to its members 62,15,96,272 Equity Shares of Rs. 5/- each as fully paid up bonus equity shares.

Sachin Bhagwat

ACS: 10189

CP: 6029

Place: Pune

Date: 15th May, 2018

ANNEXURE IV

DETAILS OF REMUNERATION

Details pertaining to remuneration as required under section 197(12) read with Rule 5(1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the Financial Year 2017-18, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the Financial Year 2017-18 are as under:

Sr. No.	Name of Director/KMP	Designation	Remuneration of Director/KMP for the Financial Year 2017-18 (Rs. in crores) (Excluding perquisite value of ESOPs exercised)	Remuneration of Director/KMP for the Financial Year 2017-18 (Rs. in crores) (Including perquisite value of ESOPs exercised)	% increase in Remuneration in the Financial Year 2017-18 (Excluding perquisite value of ESOPs exercised)	% increase in Remuneration in the Financial Year 2017-18 (Including perquisite value of ESOPs exercised)	Ratio of Remuneration of each Director to median remuneration (Including perquisite value of ESOPs exercised) of employees for the Financial Year
1.	Mr. Anand G. Mahindra	Executive Chairman	8.03	8.03	4.69%	4.69%	100.38
2.	Dr. Pawan Goenka	Managing Director	8.70	12.21	17.73%	65.22%	152.63
3.	Mr. Deepak S. Parekh#®	Independent Director	0.16	0.16	(54.29)%	(54.29)%	2.00
4.	Mr. Nadir B. Godrej#	Independent Director	0.46	0.46	31.43%	31.43%	5.75
5.	Mr. M. M. Murugappan#	Independent Director	0.51	0.51	34.21%	34.21%	6.38
6.	Mr. R. K. Kulkarni#	Independent Director	0.55*	0.55*	30.95%	30.95%	6.88
7.	Mr. Anupam Puri#	Independent Director	0.36	0.36	38.46%	38.46%	4.50
8.	Mr. S. B. Mainak (Nominee of LIC)^	Nominee Director	0.34**	0.34**	41.67%	41.67%	4.25
9.	Dr. Vishakha N. Desai#	Independent Director	0.43	0.43	48.28%	48.28%	5.38
10.	Mr. Vikram Singh Mehta#	Independent Director	0.46	0.46	35.29%	(53.06)%	5.75
11.	Mr. T. N. Manoharan#	Independent Director	0.48	0.48	269.23%	269.23%	6.00
12.	Mr. V S Parthasarathy	Group CFO & Group CIO	4.14	4.86	17.61%	13.55%	—
13.	Mr. Narayan Shankar	Company Secretary	1.29	1.61	8.40%	35.29%	—

The remuneration of Independent Directors covers sitting fee and commission.

* Paid/Payable to Khaitan & Co., in which Mr. R. K. Kulkarni is a Partner.

** Commission paid/payable to LIC and sitting fees of Rs. 7 lakhs paid to Mr. Mainak.

@ Ceased to hold office as an Independent Director of the Company from 8th August, 2017.

^ Ceased to be a Nominee Director representing Life Insurance Corporation of India with effect from 11th May, 2018.

I. The ratio of the remuneration of each director to the median remuneration of the employees of the company for the Financial Year:

The median remuneration of employees of the Company during the Financial Year was Rs.7.83 lakhs and ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the Financial Year is provided in the above table.

II. The percentage increase in the median remuneration of employees in the Financial Year:

In the Financial Year, there was an increase of 10.59% in the median remuneration of employees.

III. The number of permanent employees on the rolls of Company:

There were 20,867 permanent employees on the rolls of the Company as on 31st March, 2018.

IV. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last Financial Year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any**exceptional circumstances for increase in the managerial remuneration:**

Average percentage increase made in the salaries of employees other than the managerial personnel in the Financial Year i.e. 2017-18 was 15.14% whereas the increase in the managerial remuneration for the Financial Year 2017-18 was 30.10%.

The remuneration of the Executive Chairman and the Managing Director is decided based on the individual performance, inflation, prevailing industry trends and benchmarks.

The remuneration of Non-Executive Directors consists of commission and sitting fees. While deciding the remuneration, various factors such as Director's participation in Board and Committee Meetings during the year, other responsibilities undertaken, such as Membership or Chairmanship of Committees, time spent in carrying out other duties, role and functions as envisaged in Schedule IV of the Act and Listing Regulations and such other factors as the GNRC may deem fit etc. were taken into consideration.

V. Affirmation that the remuneration is as per the remuneration policy of the company:

It is hereby affirmed that the remuneration paid is as per the Policy for Remuneration of the Directors, Key Managerial Personnel and other Employees.

ANNEXURE V-A

POLICY ON APPOINTMENT OF DIRECTORS AND SENIOR MANAGEMENT AND SUCCESSION PLANNING FOR ORDERLY SUCCESSION TO THE BOARD AND THE SENIOR MANAGEMENT

DEFINITIONS

The definitions of some of the key terms used in this Policy are given below.

"Board" means Board of Directors of the Company.

"Company" means Mahindra & Mahindra Limited.

"Committee(s)" means Committees of the Board for the time being in force.

"Employee" means employee of the Company whether employed in India or outside India including employees in the Senior Management Team of the Company.

"HR" means the Human Resource Department of the Company.

"Key Managerial Personnel" (KMP) refers to key managerial personnel as defined under the Companies Act, 2013 and includes:

- (i) Managing Director (MD), or Chief Executive Officer (CEO); or Manager; or Whole Time Director (WTD)
 - (ii) Chief Financial Officer (CFO);
 - (iii) Company Secretary (CS); and
- (iv) Such other officer, not more than one level below the directors who is in whole-time employment, designated as key managerial personnel by the Board.

"Governance, Nomination and Remuneration Committee" (GNRC) means Governance, Nomination and Remuneration Committee of Board of Directors of the Company for the time being in force.

"Senior Management" means personnel of the Company who are members of its Core Management Team excluding Board of Directors comprising of all members of management one level below the executive directors including the functional heads.

I. APPOINTMENT OF DIRECTORS

- The GNRC reviews and assesses Board composition and recommends the appointment of new Directors. In evaluating the suitability of individual Board member, the GNRC shall take into account the following criteria regarding qualifications, positive attributes and independence of director:

1. All Board appointments will be based on merit, in the context of the skills, experience, independence and knowledge, for the Board as a whole to be effective.
2. Ability of the candidates to devote sufficient time and attention to his professional obligations as Independent Director for informed and balanced decision making.

3. Adherence to the Code of Conduct and highest level of Corporate Governance in letter and in spirit by the Independent Directors.

- Based on recommendation of the GNRC, the Board will evaluate the candidate(s) and decide on the selection of the appropriate member. The Board through the Chairman & Managing Director will interact with the new member to obtain his/her consent for joining the Board. Upon receipt of the consent, the new Director will be co-opted by the Board in accordance with the applicable provisions of the Companies Act, 2013 and Rules made thereunder.

REMOVAL OF DIRECTORS

If a Director is attracted with any disqualification as mentioned in any of the applicable Act, rules and regulations thereunder or due to non-adherence to the applicable policies of the company, the GNRC may recommend to the Board with reasons recorded in writing, removal of a Director subject to the compliance of the applicable statutory provisions.

SENIOR MANAGEMENT PERSONNEL

The GNRC shall identify persons who are qualified to become directors and who may be appointed in senior management team in accordance with the criteria laid down above.

Senior Management personnel are appointed or promoted and removed/relieved with the authority of Chairman & Managing Director based on the business need and the suitability of the candidate.

II. SUCCESSION PLANNING:

Purpose:

The Talent Management Policy sets out the approach to the development and management of talent in the Mahindra Group to ensure the implementation of the strategic business plans of the Group and the Group Aspiration of being among the Top 50 globally most-admired brands by 2021.

Board:

The successors for the Independent Directors shall be identified by the GNRC at least one quarter before expiry of the scheduled term. In case of separation of Independent Directors due to resignation or otherwise, successor will be appointed at the earliest but not later than the immediate next Board meeting or three months from the date of such vacancy, whichever is later.

The successors for the Executive Director(s) shall be identified by the GNRC from among the Senior Management or through external source as the Board may deem fit.

The GNRC will accord due consideration for the expertise and other criteria required for the successor.

The Board may also decide not to fill the vacancy caused at its discretion.

Senior Management Personnel:

A good succession-planning program aims to identify high growth individuals, train them and feed the pipelines with new talent. It will ensure replacements for key job incumbents in KMPs and senior management positions in the organization.

Significantly, we have a process of identifying Hi-pots and critical positions. Successors are mapped for these positions at the following levels:

1. Emergency successor
2. Ready now
3. Ready in 1 to 2 years
4. Ready in 2 to 5 years
5. Ready in more than 5 years

in order to ensure talent readiness as per a laddered approach.

Policy Statement:

The Talent Management framework of the Mahindra Group has been created to address three basic issues:

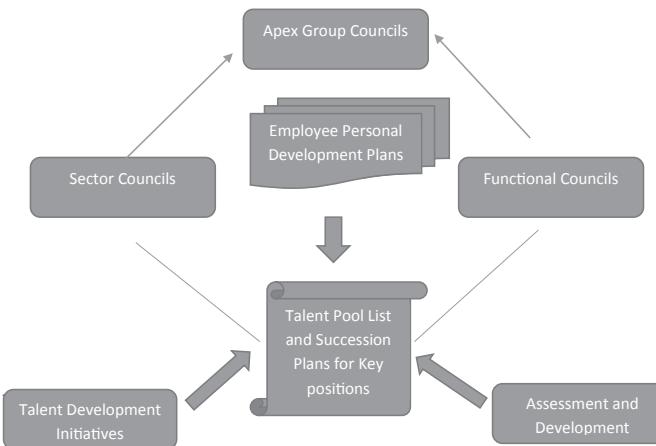
- 1) Given the strategic business plans, do we have the skills and competencies required to implement them? If not, how do we create them – by developing them internally or through lateral induction from outside?
- 2) For critical positions, what is the succession pipeline?
- 3) What are the individual development plans for individuals both in the succession pipeline as well as others?

The framework lays down an architecture and processes to address these questions using the 3E approach:

- a) **Experience** i.e. both long and short-term assignments. This has 70% weightage.
- b) **Exposure** i.e. coaching and mentoring – 20% weightage.
- c) **Education** i.e. learning and development initiatives – 10% weightage.

The Talent Management process is applicable to all employees. Over the years, the Talent Management framework has become a well-structured and process-oriented system which is driven by an interactive and collaborative network of Talent Councils at the Group and Sector Levels. These Talent Councils, which consist mainly of Senior business leaders supported by HR, are a mix of Sector (Business) and Functional Councils coordinated by an Apex Talent Council, headed by the Group Chairman. The Apex Council reviews the work done by the Talent Councils and facilitates movement of talent across Sectors. The Sector/Functional Councils meet regularly throughout the year and the Apex Council interacts with each one of them separately once a year, and in addition conducts an integrated meeting where the Chairpersons of all the Councils are present.

The Talent Management process can be represented pictorially as under:



The talent pipeline is maintained and developed so as to ensure that there is a seamless flow of talent. An important part of this exercise is drawing up and implementing IDAPs (Individual Development Action Plans) for every Executive concerned using the 3E approach mentioned above.

For and on behalf of the Board

ANAND G. MAHINDRA
Executive Chairman

Mumbai, 29th May, 2018

ANNEXURE V-B

POLICY FOR REMUNERATION OF THE DIRECTORS, KEY MANAGERIAL PERSONNEL AND OTHER EMPLOYEES

Purpose

This Policy sets out the approach to Compensation of Directors, Key Managerial Personnel and other employees in Mahindra and Mahindra Limited.

Policy Statement

We have a well-defined Compensation policy for Directors, Key Managerial Personnel and all employees, including the Chairman, Presidents and other Members of the Group Executive Board who are employees of the Company. The overall compensation philosophy which guides us is that in order to achieve global leadership and dominance in domestic markets, we need to attract and retain high performers by compensating them at levels that are broadly comparable with the median of the comparator basket while differentiating people on the basis of performance, potential and criticality for achieving competitive advantage in the business.

In order to effectively implement this, we have built our Compensation structure by a regular annual benchmarking over the years with relevant players across the industry we operate in.

NON-EXECUTIVE INCLUDING INDEPENDENT DIRECTORS:

The Governance, Nomination and Remuneration Committee (GNRC) shall decide the basis for determining the compensation, both Fixed and variable, to the Non-Executive Directors, including Independent Directors, whether as commission or otherwise. The GNRC shall take into consideration various factors such as director's participation in Board and Committee meetings during the year, other responsibilities undertaken, such as membership or Chairmanship of committees, time spent in carrying out their duties, role and functions as envisaged in Schedule IV of the Companies Act, 2013 and Clause 49 of the Listing Agreement with Stock Exchanges and such other factors as the GNRC may consider deem fit for determining the compensation. The Board shall determine the compensation to Non-Executive Directors within the overall limits specified in the Shareholders resolution.

Executive Directors:

The remuneration to Chairman & Managing Director and Executive Director(s) shall be recommended by GNRC to the Board. The remuneration consists of both fixed compensation and variable compensation and shall be paid as salary, commission, performance bonus, stock options (where applicable), perquisites and fringe benefits as approved by the Board and within the overall limits specified in the Shareholders resolution. While the fixed compensation is determined at the time of their appointment, the variable compensation will be determined annually by the GNRC based on their performance.

Key Managerial Personnel (KMPs)

The terms of remuneration of Chief Financial Officer (CFO) shall be determined by GNRC from time to time after seeking inputs from Audit Committee in this regard. The terms of

remuneration of the Company Secretary and such other officer, not more than one level below the directors, who is in whole time employment, designated by the Board as Key Managerial Personnel shall be finalised/revised either by any Director or Mr. Rajeev Dubey or Mr. V. S. Parthasarathy or Mr. S. Durgashankar or such other person as may be authorised by the Board from time to time. The remuneration shall be consistent with the competitive position of the salary for similar positions in the industry and their Qualifications, Experience, Roles and Responsibilities. Pursuant to the provisions of section 203 of the Companies Act, 2013 the Board shall approve the remuneration at the time of their appointment.

The remuneration to directors, KMPs and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.

Employees

We follow a differential approach in choosing the comparator basket for benchmarking, depending upon the level in the organization:

- a. For all employees from Operational to Executive Band, we benchmark with a set of comparators from the same industry.
- b. For Strategic band and above, we have a position-based approach and the comparator basket includes benchmarks from across relevant industries.

We have a CTC (Cost to Company) concept which includes a fixed component (Guaranteed Pay) and a variable component (Performance pay). The percentage of the variable component increases with increasing hierarchy levels, as we believe employees at higher positions have a far greater impact and influence on the overall business result. The CTC is reviewed once every year and the compensation strategy for positioning of individuals takes into consideration the following elements:

- Performance
- Potential
- Criticality
- Longevity in grade

Remuneration for the new employees other than KMPs and Senior Management Personnel will be decided by the HR, in consultation with the concerned business unit head at the time of hiring, depending upon the relevant job experience, last compensation and the skill-set of the selected candidate.

The Company may also grant Stock Options to the Employees and Directors (other than Independent Directors and Promoter) in accordance with the ESOP Scheme of the Company and subject to the compliance of the applicable statutes and regulations.

For and on behalf of the Board

ANAND G. MAHINDRA
Executive Chairman

Mumbai, 29th May, 2018

ANNEXURE VI

CORPORATE SOCIAL RESPONSIBILITY

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY ("CSR") ACTIVITIES FOR THE FINANCIAL YEAR 2017-18

1. A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.

Since its inception your Company has been a socially responsible corporate making investments in the community which go beyond any mandatory legal and statutory requirements. In line with the core purpose, the CSR vision is "to focus our efforts within the constituencies of girls, youth and farmers by innovatively supporting them through programs designed in the domains of education, health and environment, while harnessing the power of technology. By investing our CSR efforts in these critical constituencies who contribute to nation building and the economy, we will enable our stakeholders and communities to RISE." In accordance with the Companies Act, 2013, your Company has committed 2% (Profit before Tax) annually towards CSR initiatives.

During the year, your Company has spent Rs. 81.97 crores on CSR activities. The amount equal to 2% of the average net profit for the past three Financial Years is Rs. 81.27 crores.

Web link to the CSR Policy, including overview of projects or programs proposed to be undertaken – <http://www.mahindra.com/resources/investor-reports/FY18/Annual%20Reports/Links-AnnualReport.zip>

2. The Composition of the CSR Committee:

Dr. Vishakha N. Desai	- Chairperson
Mr. Anand G. Mahindra	- Member
Mr. R. K. Kulkarni	- Member
Dr. Pawan Goenka	- Member
Mr. Vikram Singh Mehta	- Member

3. Average net profit of the Company for the last three financial years: Rs. 4,063.55 crores.
4. Prescribed CSR Expenditure (two per cent. of the amount as in item 3 above): Rs. 81.27 crores.
5. Details of CSR spent during the Financial Year:
 - (a) Total amount to be spent for the Financial Year: Rs. 81.27 crores.
 - (b) Amount unspent, if any: NA

(c) Manner in which the amount spent during the Financial Year is detailed below:

Sr. No.	CSR Project or Activity Identified	Sector in which the project is covered (As in Schedule VII)	Projects or programs 1) Local areas or others 2) Specify the state and district where projects or programs was undertaken	Amount Outlay (Budget) Project or program wise (In Rs. crores)	Amount spent on the project or program Subheads: 1) Direct expenditure on projects or programs 2) Overheads (in Rs. crores)	Cumulative Expenditure upto the reporting period (In Rs. crores)	Amount spent: directly or through implementing agency
1	2	3	4	5	6	7	8
1.	NANHI KALI – Provides educational support (material & academic) to underprivileged girls in India through an after school support program. In FY18, the project supported the education of 1,43,992 girls. Of these 14,843 girls were supported by your Company, while the Mahindra Group as a whole supported 61,284 girls. The balance girls are supported by individuals and other corporates. Your Company also supported 25 NStar centres (out of 73) through which 5,066 young girls (16–21 years) received training in 21 st Century skills which include financial & computer literacy, spoken English, as well as health and nutritional awareness along with physical fitness. This enables them to build a life of dignity and self-respect.	Promoting Education	Others: Across 12 states including: Andhra Pradesh, Delhi, Gujarat, Haryana, Madhya Pradesh, Maharashtra, Punjab, Tamil Nadu, Telangana, Uttar Pradesh, Karnataka, West Bengal	9.46	9.46	9.46	Through implementing agency – K. C. Mahindra Education Trust & Naandi Foundation
2.	MAHINDRA SCHOLARSHIPS FOR UWC STUDENTS – Scholarships to enable deserving students to study at Mahindra United World College of India.	Promoting Education	Others: Pune, Maharashtra	9.00	9.00	9.00	Through implementing agency – Mahindra United World College of India
3.	GYANDEEP – The program includes providing support to a variety of NGOs across the country to provide scholarships, digital education, career guidance, mentoring, provision of books & stationary, Abacus Learning Module and Educational Infrastructure Improvement support. Impact: 1,097 Scholarships provided. Beneficiaries : 25,759 children.	Promoting Education	Others: Maharashtra, Uttarakhand, Telangana, Rajasthan, Tamil Nadu, Chandigarh, Uttar Pradesh, Assam, Odisha, Madhya Pradesh, Haryana	1.98	1.98	1.98	Direct Implementation through ESOPS (Employee Social Options Platform) and implementing agencies– Swajan Social Development and Health Education Samiti, Seva Sahyog, Vanwasi Kalyan Ashram, Dr. Panjabrao Deshmukh Krishi Vidyapeeth, Thakur Education Trust, Vidyadaan Sahayak Mandal (VSM)

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1	2	3	4	5	6	7	8
4.	RESEARCH PROJECTS OF THE INDIAN COUNCIL ON GLOBAL RELATIONS – Public policy research and knowledge generation on pressing national issues.	Promoting Education	Local: Mumbai, Maharashtra	2.00	2.00	2.00	Through implementing agency – Indian Council on Global Relations
5.	MAHINDRA WORLD SCHOOL EDUCATION TRUST – Construction of a school building to accommodate an additional section for Grade KG-12 to benefit the local community.	Promoting Education	Others: Chennai, Tamil Nadu	2.00	2.00	2.00	Through implementing agency– Mahindra World School Education Trust, Chennai
6.	MAHINDRA SAARTHI ABHIYAAN – Scholarship Program for Truck Driver's Girl Child who have cleared Class 10 and applied for Higher Secondary education thereby encouraging them to take up higher education. Impact: 1,000 Scholarships in FY18. Total 3,408 since 2015	Promoting Education	Others: Tamil Nadu, Telangana, Andhra Pradesh, Jharkhand, West Bengal, Haryana, Punjab, Uttar Pradesh, Madhya Pradesh, Maharashtra, Gujarat	1.60	1.60	1.60	Direct Implementation – ESOPS (Employee Social Options Platform)
7.	STREETSMART – Safe Driving awareness camps, Defensive Driver Training & Infrastructure Support. Impact: 44,723 Beneficiaries	Promoting Education	Others: Tamil Nadu, Maharashtra, Telangana, Uttarakhand, Madhya Pradesh, Odisha	1.60	1.60	1.60	Direct Implementation – ESOPS (Employee Social Options Platform)
8.	BAJA – PROJECT BASED LEARNING OF AUTO ENGINEERING CONCEPTS – Undergraduate Engineering Students are provided with a platform in the form of a project that allows hands on experience in all aspects of automobile engineering and interaction with auto stakeholders. Impact: Participation of 9,700 College Students	Promoting Education	Others: Maharashtra, Jammu & Kashmir, Chandigarh, Uttarakhand, Haryana, Uttar Pradesh, Bihar, Tripura, West Bengal, Madhya Pradesh, Gujarat, Andhra Pradesh, Karnataka, Tamil Nadu, Kerala, Rajasthan, Odisha, Telangana, Jharkhand, Goa, Delhi, Punjab	1.40	1.40	1.40	Direct Implementation through ESOPS (Employee Social Options Platform) and implemeneting agency – Society of Automotive Engineers (SAE), India
9.	A WORLD IN MOTION (AWIM)– PROJECT BASED LEARNING OF MECHANICAL CONCEPTS – Class V & VI students are provided with a platform that allows hands on experience of mechanical concepts for building vehicles for road and water. Impact: Participation of 1,03,517 students	Promoting Education	Others: Gujarat, Maharashtra, Tamil Nadu, Kerala, Rajasthan, Uttarakhand, Madhya Pradesh, Chandigarh, Telangana	0.59	0.59	0.59	Direct Implementation through ESOPS (Employee Social Options Platform) and implemeneting agency – Society of Automotive Engineers (SAE), India

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10.	SEVA MANDIR TRUST – Quality education provided to 900 underprivileged children in the age group of 6–14 years, through 28 Shiksha Kendra's.	Promoting Education	Others: Districts of Udaipur and Rajsamand in Rajasthan.	0.10	0.10	0.10	Through implementing agency – Seva Mandir
11.	K C MAHINDRA SCHOLARSHIP FOR POST GRADUATE STUDIES ABROAD – Providing scholarships to deserving & meritorious students who are pursuing their post graduate studies overseas.	Promoting Education	Local: Mumbai, Maharashtra	0.12	0.12	0.12	Through implementing agency – K. C. Mahindra Education Trust
12.	SOCIAL AMBASSADOR PROGRAM- A career guidance program benefitting 3,200 students, including those from low income communities.	Promoting Education	Others: Mumbai, Nasik, Pune, Khopoli, Thane , Ratnagiri – Maharashtra	0.25	0.25	0.25	Direct Implementation
13.	CENTRE FOR RESEARCH & RURAL INDUSTRIAL DEVELOPMENT – Supporting research, academic, development & training activities of the organisation.	Promoting Education	Others: Punjab	0.15	0.15	0.15	Through implementing agency – The Centre for Research & Rural Industrial Development
14.	SAHYOG – Through a skill based volunteering platform called Sahyog, Mahindra employees have mentored 1000 students.	Promoting Education	Others: Pan India	0.06	0.06	0.06	Direct Implementation
15.	MAHARASHTRA STATE WOMEN'S COUNCIL – STUDY CENTRE – in Worli provides 980 students aged 15–35 years, from low socio economic communities in the neighbourhood a safe place to study.	Promoting Education	Local: Mumbai, Maharashtra	0.02	0.02	0.02	Through implementing agency – Maharashtra State Women's Council
16.	SCHOLARSHIPS & FINANCIAL ASSISTANCE TO UNDERPRIVILEGED GIRLS – for supporting the educational activities of the Trust including providing scholarships, financial assistance to enable improved learning outcomes primarily amongst girls.	Promoting Education	Local: Mumbai, Maharashtra	1.60	1.60	1.60	Through implementing agency – K. C. Mahindra Education Trust

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17.	MAHINDRA PRIDE SCHOOL – A livelihood training school for youth from socially & economically disadvantaged backgrounds. In FY18, the Mahindra Group supported 9 schools in Pune, Patna, Chandigarh, Srinagar, Hyderabad, Varanasi and 3 in Chennai through which 6,323 students were trained. From inception till date 26,674 students have been trained and 100% have been placed. Of these your Company has supported the schools, in Chandigarh, Srinagar, Hyderabad, Varanasi & 2 in Chennai which skilled 3,711 students in FY18. Further, in FY18, an additional 41,687 students were trained through 955 Mahindra Pride Classrooms conducted through Polytechnics and Arts & Science Colleges in 9 States. The Mahindra Pride Classrooms provide 40–120 hours of training to final year students covering English Speaking, Life Skills, Aptitude, Interview, Group Discussion and Digital Literacy.	Promoting employment enhancement vocation skills and livelihood enhancement projects	Others: Maharashtra, Tamil Nadu, Bihar, Punjab, Kerala, Andhra Pradesh, Telangana, Uttar Pradesh, Jammu & Kashmir	8.00	8.00	8.00	Through implementing agency – K. C. Mahindra Education Trust & Naandi Foundation
18.	HUNNAR – Skill Development for youth through vocational courses in auto sales & service, diesel generators training and ITI Upgradation. Impact: 4,930 Beneficiaries	Promoting employment enhancement vocation skills and livelihood enhancement projects	Others : Rajasthan, Uttar Pradesh, Madhya Pradesh, Haryana, Tamil Nadu, Maharashtra	2.12	2.12	2.12	Direct Implementation through ESOPS (Employee Social Options Platform) and implementing agencies – Labour Net Services, Kherwadi Social Welfare Association (KSWA)
19.	SEHAT – The program provides ambulance services, regular mobile dispensaries, medical camps, cancer care programs, holistic HIV–AIDS program, Mother & Child care, immunisation out reach, nutritional support, providing safe drinking water, awareness camps, pest control services, and infrastructure development. Impact: 3,48,962 Beneficiaries	Promoting Preventive Healthcare & Sanitation	Others : Maharashtra, Uttarakhand, Telangana, Rajasthan, Tamil Nadu, Chandigarh, Uttar Pradesh, Assam, Odisha, Madhya Pradesh	2.59	2.59	2.59	Direct Implementation through ESOPS (Employee Social Options Platform) and implementation agencies – NAME foundation, Cancer Patients Aid Association (CPAA), Global Cancer Concern India, Swajan Social Development and Health Education Samiti, Rotary Club and Kripa Foundation

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20.	SWACHH BHARAT ABHIYAN – Cleanliness drives and construction of toilets, cleaning up of a fish market, rally for rivers – Cleanliness Drive and infrastructure development. Impact: 670 Toilets constructed. 1,31,342 Beneficiaries	Promoting Preventive Healthcare & Sanitation	Others : Maharashtra, Uttarakhand, Telangana, Rajasthan, Tamil Nadu, Chandigarh, Uttar Pradesh, Assam, Odisha, Madhya Pradesh, West Bengal	2.44	2.44	2.44	Direct Implementation through ESOPS (Employee Social Options Platform)
21.	KARO TRUST – Providing financial and psychological support to patients suffering from critical and life threatening illnesses.	Promoting Preventive Healthcare	Local: Mumbai, Maharashtra	2.00	2.00	2.00	Through implementing agency – Mahindra Foundation in partnership with the KARO Trust
22.	CANCARE TRUST – Providing a grant for setting up The Head and Neck Cancer Institute of India, which is a Public Private partnership with BMC and CanCare Trust.	Promoting Preventive Healthcare	Local: Mumbai, Maharashtra	1.00	1.00	1.00	Through implementing agency – Mahindra Foundation in partnership with the Cancare Trust
23.	LIFELINE EXPRESS – Hospital on wheels catering to medical needs of rural people who don't have access to quality medical facilities. Diagnostic, medical and surgical treatment for preventive and curative interventions e.g. cataract, cleft lip palate, breast cervical and oral cancer screening and surgery, epilepsy counselling and medication and dental and deafness correction. Impact: 7,641 people received medical and diagnostic services in FY18, through the Lifeline Express at Ratlam, Madhya Pradesh.	Promoting Preventive Healthcare	Others: Madhya Pradesh	1.05	1.05	1.05	Through implementing agency – Impact India Foundation

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24.	NAVDRUSHTI – EYE CARE AND VISION CORRECTIONS – Awareness drives, eye testing, distribution of spectacles and cataract surgeries for deprived sections of society Impact: 8,825 Beneficiaries	Promoting Preventive Healthcare	Others: Maharashtra, Uttarakhand, Telangana, Rajasthan, Tamil Nadu, Chandigarh, Madhya Pradesh	0.32	0.32	0.32	Through implementing agencies – Shankar Netralaya, Ganga Mata Eye Hospital, Kandivali Hitwardhak Mandal; Vishwakalyan Arogya Kendra, Swajan Social Development and Health Education Samiti, Tulsi Eye Hospital and Nandadeep Eye Hospital
25.	PALCARE – supporting the palliative care program for people with chronic illnesses such as cancer, alzheimers, kidney failure, lung conditions and stroke.	Promoting Preventive Healthcare	Local: Mumbai, Maharashtra	0.25	0.25	0.25	Through implementing agency – Mahindra Foundation in partnership with the Jimmy S Bilimoria Foundation
26.	JEEVANDAN – BLOOD DONATION INCLUDING LIFE SUPPORT FOR THALASSEMIA PATIENTS An ESOPs initiative that is held regularly across Plants. It includes a robust Thalassemia Adoption Program providing an uninterrupted blood supply for Thalassemia patients. Impact: 9,806 Beneficiaries	Promoting Preventive Healthcare	Others: Maharashtra, Uttarakhand, Telangana, Rajasthan, Tamil Nadu, Chandigarh, Uttar Pradesh, Assam, Odisha, Madhya Pradesh	0.10	0.10	0.10	Direct implementation – ESOPS (Employee Social Options Platform)
27.	MEDICAL OUTREACH – 10 needy and deserving patients from a speciality hospital in Nagpur will receive financial aid to meet their medical expenses or surgery costs.	Promoting Preventive Healthcare	Others: Chhindwara, Madhya Pradesh	0.10	0.10	0.10	Through implementing agency – Mahindra Foundation
28.	MADHAVRAO SCINDIA TRUST – Contribution towards organising of a Lifeline Express Camp in partnership with Impact India Foundation, to provide medical treatment and diagnostic facilities to underprivileged in Guna Parliamentary constituency.	Promoting Preventive Healthcare	Others: Madhya Pradesh	0.05	0.05	0.05	Through implementing agency – Madhavrao Scindia Trust

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1	2	3	4	5	6	7	8
29.	ST. JUDE INDIA CHILDCARE CENTRE – Contribution towards setting up centres to provide a safe, clean, comfortable and caring environment to children undergoing cancer treatment and their families.	Promoting Preventive Healthcare	Others: Maharashtra	0.02	0.02	0.02	Through implementing agencies – St. Jude
30.	DISASTER RELIEF – Carrying out flood relief operations in Bihar, Bengal and Assam. 5,375 food packets were distributed to benefit 21,500 people.	Health, safe drinking water, eradicating hunger and poverty	Others: Bihar, Bengal and Assam	0.29	0.29	0.29	Direct implementation – ESOPS (Employee Social Options Platform)
31.	PROJECT HARIYALI – A) ARAKU PROJECT – Tree plantation to increase green cover and improve livelihood of farmers. In FY18, the project planted 1.5 million trees in totality. This CSR grant enabled the planting of 10,94,724 trees in the tribal Araku valley belt. B) TREES PLANTED by Auto, Farm & Agri Sector – 1,33,619 trees.	Ensuring Environmental Sustainability	Others: Araku – Andhra Pradesh, Maharashtra, Uttarakhand, Telangana, Tamil Nadu, Rajasthan, Chandigarh, Madhya Pradesh	5.39	5.39	5.39	Through an implementing agency – Naandi Foundation and Direct Implementation through ESOPS (Employee Social Options Platform)
32.	EHS+ – The Company partnered with OSC to establish a EHS+ center for training small and medium enterprises in the industrial sector, with an aim of promoting environmental sustainability. Impact: 779 were trained in FY18. Total 2,300+ trained since 2015	Ensuring Environmental Sustainability	Others: Pune, Maharashtra	1.63	1.63	1.63	Through implementing agency – OSC
33.	GREEN GUARDIANS – Promoting green energy through collaboration with IIT(M)'s COE – Center for Battery Operation. Promoting Electric Taxi Service with two-fold benefit of green transport and customised and user friendly taxis for specially-abled people. Promoting use of Bio Gas produced through Canteen Waste for hospital. Impact: 2,900 Beneficiaries	Ensuring Environmental Sustainability	Others: Tamil Nadu, Karnataka, Maharashtra	0.72	0.72	0.72	Through implementing agencies : Wheels of Change, Indian Institute of Technology, Madras, Loknayak Jayprakash Narayan Leprosy Eradication Trust (LJNLET)
34.	NAGAR – Contribution to initiatives for Advocacy, Governance and Environment Renewal.	Ensuring Environmental Sustainability	Local: Maharashtra	0.03	0.03	0.03	Through implementing agency – NAGAR

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35.	WORLD WIDE FUND FOR NATURE INDIA – supporting the Nature Guardian Program.	Ensuring Environmental Sustainability	Others: Delhi	0.01	0.01	0.01	Through implementing agency – World Wide Fund for Nature India
36.	WARDHA FARMER FAMILY PROJECT (WFFP) – Enriching farmers lives through comprehensive agrarian solution with a focus on pomegranate cultivation in 79 villages in Wardha, benefitting 751 famer families since 2014.	Rural Development	Others: Wardha, Maharashtra	5.20	5.20	5.20	Through implementing agency – Naandi Foundation
37.	KRISHI MITR – RURAL DEVELOPMENT AIMED AT IMPROVING INCOME GENERATION FOR FARMING COMMUNITIES – The program includes micro nutrient soil testing, advisory services, drip irrigation, agri extension services, dairy farming, permaculture farming, infrastructure development and capacity building resulting in improvement in agricultural productivity. Impact: 23,930 Beneficiaries	Rural Development	Others: Maharashtra, Madhya Pradesh, Rajasthan, West Bengal, Odisha	4.99	4.99	4.99	Through implementing agencies – Karm, Indian Society of Agribusiness Professionals, Self Reliant Initiatives Through Joint Action (SRIJAN), Rajasthan Rural Institute of Development Management (RRIDMA), BAIF Research Foundation, Society for Socio Economic and Ecological Development (SEED), Professional Assistance for Development Action (PRADHAN), Central Institute for Women in Agri (CIWA) and JK Trust
38.	RISE FOR SAFE ROADS – Creating India's first Zero Fatality Corridor on the Mumbai Pune Expressway through interventions in 4Es i.e. Engineering, Enforcement, Education and Emergency Response and implementing the ADAPT™ Program through which safe driving training is given to long haul truck drivers. Impact: 14% reduction in fatalities over FY17 and 1,224 drivers trained in FY18 and 3,247 trained since 2015	Promoting Education	Others: Maharashtra	3.50	3.50	3.50	Through implementing agencies – SaveLIFE Foundation in collaboration with Maharashtra State Road Development Corporation Limited (MSRDC) and IRB Infrastructure Developer Limited

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39.	INTEGRATED WATERSHED MANAGEMENT PROGRAM (IWMP) – Private Public Partnership (PPP) model with Government of Madhya Pradesh and at Hatta with National Bank for Agriculture and Rural Development (NABARD) for increasing the ground water table resulting in increased agricultural productivity and improved living standards. Impact: Working in 48 villages benefiting 35,265 people	Rural Development	Others: Madhya Pradesh	3.11	3.11	3.11	Direct implementation and through implementation agency – National Bank for Agriculture and Rural Development (NABARD)
40.	GRAM VIKAS – Integrated Village Development including water management through revival / reconstruction of water structures, accessing Government schemes like Pradhan Mantri Ujwala Yojana. Impact: 33,701 Beneficiaries	Rural Development	Others: Maharashtra, Telangana	2.24	2.24	2.24	Direct implementation through ESOPS (Employee Social Options Platform) and implementation agencies – International Crop Research Institute in Semi-Arid Tropics, Dilasa Janvikas Pratishthan, Rotary Club, Vanvasi Kalyan Ashram, Loknayak Jayprakash Narayan Leprosy Eradication Trust (LJNLET), Lahs Pratishthan, International Association for Human Values
41.	SURYODAY – Village Electrification through solar & wind energy. Impact: 637 beneficiaries	Rural Development	Others: Maharashtra	0.37	0.37	0.37	Through implementing agency: Spitzen Energy
42.	RISE GALLERY AT THE PARTITION MUSEUM – The Partition Museum Project is a world class, physical museum, dedicated to the memory of the Partition of the sub-continent in 1947 — its victims, its survivors and its lasting legacy. The RISE gallery showcases the rise of the Independence Movement, spanning from 1930–1945 (culminating in the year which also marks the foundation of our Company).	Protection of national heritage, art and culture	Others: Amritsar, Punjab	0.25	0.25	0.25	Through implementing agency—The Teamwork Fine Arts Society

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43.	VILLAGE SOCIAL TRANSFORMATION MISSION – Supporting holistic development of 1000 villages in Maharashtra to plug developmental gaps and collectively partake in nation building.	Rural Development	Others: Maharashtra	2.00	2.00	2.00	Through implementing agency – Mahindra Foundation
44.	SPORTS –Scholarships and Infrastructure Support Impact: 2,510 Beneficiaries	Promotion of Rural Sports	Others: Maharashtra, Rajasthan	0.26	0.26	0.26	Direct implementation through ESOPS (Employee Social Options Platform) and implementation agencies – Nashik District Amateur Aquatic Association (NDAAA)
45.	SAMANTAR – Clothes Donation Drive and Advocacy Programs for street children, women, senior citizens and specially-abled children. Impact: 722 Beneficiaries	Promoting Gender Equality, Homes / Hostels / Day Care for Women, Orphans, Senior Citizens	Others: Maharashtra, Uttarakhand, Telangana, Rajasthan, Tamil Nadu, Chandigarh, Madhya Pradesh	0.02	0.02	0.02	Direct implementation through ESOPS (Employee Social Options Platform) and implementation agencies – Goonj, Blind Welfare Organization, Samatol Foundation, Dayal Kusth Ashram, Adhata Trust
GRAND TOTAL				81.97	81.97	81.97	

6. In case the company has failed to spend the two per cent, of the average net profit of the last three Financial Years or any part thereof, the company shall provide the reasons for not spending the amount in its Board Report – Not applicable, since the Company has spent the two per cent of the average net profit of the last three Financial Years as per the Companies Act, 2013 and the Company believes that the above projects and activities fall within the purview of Schedule VII of the Companies Act, 2013.
7. A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company:

The implementation and monitoring of CSR Policy is in compliance with CSR objectives and Policy of the Company.

PAWAN GOENKA
Managing Director

Mumbai, 29th May, 2018

VISHAKHA N. DESAI
Chairperson – CSR Committee

ANNEXURE VII

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

SECTION 134(3)(m) OF THE COMPANIES ACT, 2013 READ WITH RULE 8(3) OF THE COMPANIES (ACCOUNTS) RULES, 2014 IS FORMING PART OF THE BOARD'S REPORT FOR THE FINANCIAL YEAR 2017-18

(A) Conservation of Energy

Your Company is committed to sustainable business practices by contributing to environment conservation and protection. Your Company considers, energy conservation as one of the strong pillars of preserving natural resources and improving the bottom-line under 'Mission Sustainability'.

Your Company is the first Indian company to join the World Bank's 'Carbon Pricing Leadership Consortium' which was launched at COP21 in Paris. Subsequently, in October, 2016, your Company announced its internal Carbon Price of USD 10 per ton of carbon emitted. Carbon Pricing is an internationally recognised business tool that enables companies to invest in low carbon technologies, which help reduce future emissions and lower operating costs.

Your Company is the first Indian signatory to EP100 (Energy Productivity 100%) by 2030, a program promoted by the international non-profit organization, 'The Climate Group'.

Your Company ensures strict compliance with all the statutory requirements. Further, your Company had taken commitment of reducing 25% carbon footprint of its operations by Financial Year 2019, from the baseline of Financial Year 2016.

Your Company has taken various initiatives as listed below, for energy conservation and preserving natural resources.

- Programs for improving energy efficiency.
- Thrust on use of renewable energy.
- Converting existing facilities in to Green buildings and factories.
- Rain water harvesting, reduce usage and recycling of water.
- Thrust on zero waste to land fill and circular economy.
- Eco efficiency in supply chain.

(i) The steps taken/impact on conservation of energy:

- Replacement of conventional lighting with LED lighting.
- Waste heat recovery from air compressor units.
- Installation of high efficiency motors and pumps in manufacturing facilities.
- Installation of VFD's for blower motors and pumps.
- Program to install energy efficient Air conditioning system.
- Installation of High velocity low speed (HVLS) fans on shop floor.
- Installation of Heat pumps for cooling and heating.
- Cold box process instead of hot box process in Foundry.
- Optimisation of cycle time and elimination of idle running losses on machines.
- Waste heat recovery from paint shop ovens.
- Adoption of innovative Nano-technology at Pre-treatment to reduce process temperature.
- Installation of energy efficient screw air compressor.

Your Company believes in employee engagement for driving results. Towards this goal, your Company has taken multiple initiatives. Select few are listed below:

- Display of revised policy for Sustainability and Energy Management.
- National energy conservation week celebration at all plants.
- Sustainability month celebration at all plants.
- Sale of LED's and fans through 'UJALA Scheme' for all employees.
- Competitions for slogans, suggestions, posters and Quiz.
- Residential electricity bill saving competition for employees.
- Energy conclave organized for officers.
- Awareness creation through e-mailers, wall papers, posters and slogans.
- Spreading the importance of energy conservation in nearby schools and colleges.

(ii) The steps taken by the Company for utilising alternate sources of energy:

For the year under review, your Company increased utilisation of Solar power from 2.7MW to 3.5 MW. In addition, your Company installed 4.2 MW of wind power capacity. This is the first ever wind power capacity installation for your Company.

Power from renewable energy sources is 5.1% of total power consumption and this mitigates 13,857 Tons of CO₂ per year. Your Company has set target to increase the share of renewable energy to 10% by Financial Year 2020.

(iii) The capital investment on energy conservation equipments

For the year under review, the capital investment on energy conservation equipment was Rs. 15.63 crores. This investment was broadly done in the areas of heat recovery, LED lighting, energy efficient motors, pumps and many more energy conservation initiatives.

In addition to the above, your Company invested Rs. 14 crores towards harnessing energy from renewable energy sources.

As a result of all above initiatives and similar initiatives taken in previous years, the carbon footprint for your Company has reduced by 21% (target of 25% by Financial Year 2019), over the baseline of Financial Year 2016.

(B) Technology Absorption**(i) The efforts made towards technology absorption:**

Your Company is committed towards technology driven innovation and lays strong emphasis on inculcating an innovation driven culture within the organisation.

During the year under review, your Company continued to work on technology upgradation and capability development in the critical areas of Powertrain, Emission, Gasoline engines, Transmission, CAE, NVH, CFD, Safety, Weight reduction, Alternate fuels, Automotive electronics and Connected Vehicles. On the Farm Sector front, technology areas such as smart implements, electronic architecture for future digitization and features that enhance safety and connectivity were explored. This would help in ensuring that the Company's products retain their competitive edge in the market for years to come.

Your Company continues to invest in technology development and patent acquisitions. For the year

under review, your Company filed a total of 161 patents. Cumulatively, your Company has filed over 1,000 patents.

(ii) The benefits derived like product improvement, cost reduction, product development or import substitution:

The efforts taken by your Company towards technology development and absorption help deliver competitive advantage to your Company through the launch of new products and variants, introduction of new features and improvement of product performance. Some examples of results delivered in the year 2017-18 are:

- The all new tractor platform YUVO, with many industry first features like advanced hydraulics, more back-up torque, 12F+3R gears and adjustable seat.
- The JIVO 4WD tractor launched in April, 2017, with features like side shift gears, Automatic Depth & Draft Control (ADDC) and 2 speed PTO.
- The new product line for US Market as 6000, 7000, 8000 & 9000 series of products.
- The launch of NOVO Platform Extension with premium version for higher Hp tractors ranging from 65-75 Hp Models in domestic market.
- Demonstration of Intelligent tractors with Auto Steer technology on YUVO Platform.
- Launch of the new 'All Powerful' Scorpio, with a 140 bhp mHawk engine, new 6-speed transmission and enhanced driving dynamics.
- Launch of KUV100 NXT with new Hi-Tech features, more premium and plush interiors and a more refined and pleasurable driving experience.
- Launch of Plush New XUV500, with Technopack, luxurious interiors and higher power and torque. It offers a more pleasurable ride through an enhanced suspension, and comes with a quieter cabin.
- Satisfactory progress on various projects related to meeting BS VI emission standards, as well as development of new gasoline powertrains.
- Use of new materials with a focus on light weighting.
- The launch of DIGISENSE, a connected vehicle technology platform with multi product vehicle connectivity across a wide range of mobility products, tractors and businesses.

(iii) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year):

Sr. No.	Technology Imported	Year of Import	Status
1	New Gasoline Engine Technology	2015	Technology Absorbed
2	ICV Transmission Technology	2015	In the process of Absorption
3	New Diesel Engine development	2015	Technology Absorbed
4	Design of automotive Interiors	2016	Technology Absorbed
5	Interior & Exterior Technology for BIW	2016	In the process of Absorption
6	Automated Manual Transmission Design & Development	2016	Technology Absorbed
7	BSR (Buzz, Squeak, and Rattle) Development for Vehicles	2016	Technology Absorbed
8	Body Design For Crash & Safety Compliance	2016	Technology Absorbed
9	Android Auto Technology	2017	Technology Absorbed
10	Driveline NVH Simulation Technology Package	2017	Technology Absorbed
11	Powertrain NVH Global Benchmark Databank	2017	Technology Absorbed
12	14 V Belt Starter Generator Technology for Intelli Hybrid Development	2017	Technology Absorbed
13	New Solitre Monocoat paint technology	2017	Technology Absorbed
14	VGT with e-Actuation	2018	Technology Absorbed
15	TGDI Technology for Gasoline Engines	2018	In the process of Absorption
16	Next Gen Automotive LED lighting technology	2018	In the process of Absorption
17	Next Gen Display & HMI technology for driver controls, and infotainment	2018	In the process of Absorption
18	Technologies to enhance HVAC system efficiency & improve in-cabin air quality	2018	In the process of Absorption
19	DRL Light Guide Lamps for Tractors	2018	Technology Absorbed
20	Push Start Stop with immobilizer for tractor	2018	Technology Absorbed
21	Smart Electronic Architecture with FMCU Module for Digitization of tractors in future	2018	In the process of Absorption

All imported technologies 'In the process of Absorption' would be absorbed as per the respective Technology Absorption Schedule.

(iv) The expenditure incurred on Research and Development:

The Company spent Rs. 1,991.94 crores (including Rs. 1,094.89 crores on Capital Expenditure) for Research & Development work during the year, which was approximately 3.95% of the total turnover.

(C) Foreign Exchange Earnings and Outgo

Foreign Exchange earnings and outgo during the year under review are as follows:

(Rs. in crores)

Total Foreign Exchange Earned and Outgo	For the Financial Year ended 31st March, 2018	For the Financial Year ended 31 st March, 2017
Foreign Currency Earnings	2,504.98	2,455.87
Foreign Exchange Outgo (Including remittance of Dividend)	823.62	794.20

For and on behalf of the Board

Mumbai, 29th May, 2018

ANAND G. MAHINDRA
Executive Chairman

ANNEXURE VIII

EXTRACT OF ANNUAL RETURN

FORM NO. MGT-9

As on the financial year ended on 31.03.2018

Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management & Administration) Rules, 2014

I. REGISTRATION & OTHER DETAILS:

1.	CIN	L65990MH1945PLC004558
2.	Registration Date	02-10-1945
3.	Name of the Company	Mahindra & Mahindra Limited
4.	Category/Sub-category of the Company	Public Company-Limited by shares/Non-Government Company
5.	Address of the Registered office & contact details	Mahindra & Mahindra Limited Gateway Building, Apollo Bunder, Mumbai-400001, Maharashtra Tel: +91-22-22895500 • Fax: +91-22-22875485
6.	Whether listed company	Yes
7.	Name, Address & contact details of the Registrar and Transfer Agent, if any.	Karvy Computershare Private Limited Unit: Mahindra & Mahindra Limited Karvy Selenium Tower B, Plot No. 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad, Telangana – 500 032, India Telephone number: +91 40 6716 2222 Fax number: +91 40 2342 0814 Investor Service Toll Free No.: 1-800-3454-001 E-mail: einward.ris@karvy.com Website: www.karvycomputershare.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

All the business activities contributing 10% or more of the total turnover of the Company:

Sr. No.	Name and Description of main Products/Services	NIC Code of the Product/Service	% to total turnover of the Company
1.	Manufacture of Passenger Cars	29101	33.21%
2.	Manufacture of tractors used in agriculture and forestry	28211	30.19%
3.	Manufacture of Commercial vehicles such as vans, lorries, over the road tractors for semi-trailers, etc.	29102	26.01%
TOTAL			89.41%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name of the Company	Address of the Company	CIN/GLN	Holding / Subsidiary / Associates	% Holding ₪ ₩	Applicable Section
1	Mahindra Engineering and Chemical Products Limited	Gateway Building, Apollo Bunder, Mumbai 400 001	U74999MH1954PLC019908	Subsidiary	100.00%	2(87)(ii)
2	#Retail Initiative Holdings Limited	Mahindra Towers, P. K. Kurne Chowk, Worli, Mumbai-400018	U67110MH2008PLC188837	Subsidiary	100.00%	2(87)(ii)
3	##Mahindra Retail Limited (Formerly known as Mahindra Retail Private Limited – Name changed w.e.f 06.04.2018)	Mahindra Towers, P. K. Kurne Chowk, Worli, Mumbai-400018	U52190MH2007PLC173762	Subsidiary	100.00%	2(87)(ii)
4	Mahindra Overseas Investment Company (Mauritius) Ltd	IFS Court Twenty Eight, Cybercity Ebene - Mauritius	Foreign Company	Subsidiary	100.00%	2(87)(ii)
5	•Mahindra Emirates Vehicle Armouring FZ-LLC	P.O. Box No. 39893, Al Jazeera, Al Hamra. (Free Zone), RAKIA Industrial Park, WFZ-08, Ras Al Khaimah, United Arab Emirates	Foreign Company	Subsidiary	88.00%	2(87)(ii)
6	•Mahindra Graphic Research Design S.r.l.	Via Padova, 16 – 10092 Beinasco (TO) – Italia	Foreign Company	Subsidiary	100.00%	2(87)(ii)
7	•Mahindra International UK Ltd. (under liquidation w.e.f. 28.03.2018)	125, Wood Street, London, EC2V AW	Foreign Company	Subsidiary	100.00%	2(87)(ii)
8	•Mahindra Europe S.r.l.	Mahindra Europe Srl Via Cancelliera, 35 – Ariccia – Roma 00072, Italy	Foreign Company	Subsidiary	100.00%	2(87)(ii)
9	•Mahindra-BT Investment Company (Mauritius) Limited	IFS Court, Bank Street, Twenty Eight, Cybercity, Ebene 72201, Mauritius	Foreign Company	Subsidiary	57.00%	2(87)(ii)
10	•Mahindra Racing UK Limited	30-34, New Bridge Street House, London EC4V 6BJ	Foreign Company	Subsidiary	100.00%	2(87)(ii)
11	•Mahindra Racing S.p.A. (Formerly known as Mahindra Racing s.r.l., Italy – Name changed w.e.f. 12.01.2016)	Via del Babuino, 51, 00187 Roma	Foreign Company	Subsidiary	100.00%	2(87)(ii)
12	•Mahindra Tractor Assembly Inc.	2901 Bayview Drive, Fremont CA USA 94538	Foreign Company	Subsidiary	100.00%	2(87)(ii)
13	•OFD Holding BV	Keilestraat 9C, Havennr. 294, 3029 BP Rotterdam, Netherland	Foreign Company	Subsidiary	83.09%	2(87)(ii)
14	•Origin Direct Asia Ltd	7/F., Hong Kong Trade Centre, 161-167 Des Voeux Road Central, Hong Kong	Foreign Company	Subsidiary	100.00%	2(87)(ii)
15	•Origin Fruit Direct B.V.	Keilestraat 9C, Havennr. 294, 3029 BP Rotterdam, Netherland	Foreign Company	Subsidiary	100.00%	2(87)(ii)
16	•Origin Fruit Services South America Spa	Calle Huérfanos 1160 office 101 and 102, Santiago, Chile	Foreign Company	Subsidiary	100.00%	2(87)(ii)
17	•Origin Direct Asia (Shanghai) Trading Company Limited	Room 2050, 20/F, No.212 Jiang Ning Road, Jing An District, Shanghai, China	Foreign Company	Subsidiary	100.00%	2(87)(ii)
18	•Hisarlar Makina Sanayi ve Ticaret Anonim Şirketi	Hisar Mh 1047. cadde No: 2 Tepebaşı, Eskişehir, Turkey	Foreign Company	Subsidiary	77.18%	2(87)(ii)
19	x Hisarlar İthalat İhracat Pazarlama Anonim Şirketi	Hisar Mh 1047. cadde No: 2 Tepebaşı, Eskişehir, Turkey	Foreign Company	Subsidiary	100.00%	2(87)(ii)
20	•Mahindra Automotive North America Inc. (w.e.f. 25.04.2017)	275 Rex Boulevard Auburn Hills, MI USA 48326	Foreign Company	Subsidiary	100.00%	2(87)(ii)
21	Ω Mahindra Vehicle Sales and Service Inc.(w.e.f. 06.06.2017)	37 Old Brickyard Road Fletcher, NC 28732, USA	Foreign Company	Subsidiary	100.00%	2(87)(ii)
22	Ω Mahindra North American Technical Center, Inc.	1055 West Square Lake Road, Troy, MI, 48098	Foreign Company	Subsidiary	100.00%	2(87)(ii)

Sr. No.	Name of the Company	Address of the Company	CIN/GLN	Holding / Subsidiary / Associates	% Holding ♂ ♀	Applicable Section
23	•Erkunt Traktor Sanayii A.S. (w.e.f. 01.12.2017)	Organize Sanayi Bölgesi, Batı Hun Caddesi No: 2-4-6, Sincan, Ankara, Turkey	Foreign Company	Subsidiary	100.00%	2(87)(ii)
24	•Erkunt Sanayi A.S. (w.e.f. 01.12.2017)	Bahçekapı Mahallesi Fen İşleri Caddesi No: 2 Etimesgut, Ankara, Turkey	Foreign Company	Subsidiary	98.69%	2(87)(ii)
25	Mahindra Vehicle Manufacturers Limited	Mahindra Towers, P. K. Kurne Chowk, Worli, Mumbai-400018	U34100MH2007PLC171151	Subsidiary	100.00%	2(87)(ii)
26	£Mahindra Electric Mobility Limited (Formerly known as Mahindra Reva Electric Vehicles Limited – Name changed w.e.f. 15.02.2017)	66 - 69 & 72 - 76, Phase IV, Bommasandra Industrial Area, Jigani Link Road, Anekal Taluka, Bangalore-560099	U34101KA1996PLC020195	Subsidiary	99.13%	2(87)(ii)
27	£Mahindra Heavy Engines Limited (Formerly known as Mahindra Heavy Engines Private Limited)	Mahindra Towers, Dr. G.M. Bhosale Marg, P. K. Kurne Chowk, Worli, Mumbai-400018	U35914MH2007PLC169753	Subsidiary	100.00%	2(87)(ii)
28	£Mahindra Two Wheelers Limited	Mahindra Towers, P. K. Kurne Chowk, Worli, Mumbai-400018	U35911MH2008PLC185462	Subsidiary	92.25%	2(87)(ii)
29	£Mahindra Intertrade Limited	Mahindra Towers, P. K. Kurne Chowk, Worli, Mumbai-400018	U51900MH1978PLC020222	Subsidiary	100.00%	2(87)(ii)
30	¥Mahindra Auto Steel Private Limited	Mahindra Towers, P. K. Kurne Chowk, Worli, Mumbai-400018	U27100MH2013PTC250979	Subsidiary	51.00%	2(87)(ii)
31	¥Mahindra Electrical Steel Private Limited	Mahindra Towers, P. K. Kurne Chowk, Worli, Mumbai-400018	U27100MH2009PTC193205	Subsidiary	100.00%	2(87)(ii)
32	¥Mahindra Steel Service Centre Limited	Mahindra Towers, P. K. Kurne Chowk, Worli, Mumbai-400018	U27100MH1993PLC070416	Subsidiary	61.00%	2(87)(ii)
33	¥Mahindra MiddleEast Electrical Steel Service Centre (FZC)	Sharjah Airport International Free Zone, P3 11/12 Post Box: 8114, Sharjah UAE.	Foreign Company	Subsidiary	90.00%	2(87)(ii)
34	¥Mahindra MSTC Recycling Private Limited	Mahindra Towers, P. K. Kurne Chowk, Worli, Mumbai-400018	U37100MH2016PTC288535	Subsidiary	50.00%	2(87)(i)
35	Mahindra Two Wheelers Europe Holdings S.a.r.l.	9, Allée Scheffer - L-2520 Luxembourg Grand Duchy of Luxembourg	Foreign Company	Subsidiary	100.00%	2(87)(ii)
36	!Peugeot Motocycles S.A.S.	Rue Du 17 Novembre F25350, Mandeure, France	Foreign Company	Subsidiary	51.00%	2(87)(ii)
37	!!Peugeot Motocycles Italia S.p.A.	199 via Gallarate, 20154 Milano, Italia	Foreign Company	Subsidiary	100.00%	2(87)(ii)
38	!!Peugeot Motocycles Deutschland GmbH	Kurhessen Strasse, 13. 64536, Morfelden-Walldorf Deutschland	Foreign Company	Subsidiary	100.00%	2(87)(ii)
39	Mahindra USA, Inc.	9020 Jackrabbit Road, Suite 600, Houston, Texas-77095, USA.	Foreign Company	Subsidiary	100.00%	2(87)(ii)
40	¤Mahindra Mexico S. de. R. L.	Autopista Aguascalientes - Zacatecas Km 7, Colonia Constitución, CP 20126	Foreign Company	Subsidiary	100.00%	2(87)(ii)
41	Gromax Agri Equipment Limited (Formerly known as Mahindra Gujarat Tractor Limited – Name changed w.e.f. 24.08.2017)	Vishwamitri, near Railway Over bridge, Vadodara 390 011	U34100GJ1978PLC003127	Subsidiary	60.00%	2(87)(ii)
42	Mahindra Agri Solutions Limited	Mahindra Towers, Dr. G M Bhosale Marg, P. K. Kurne Chowk, Worli, Mumbai-400018	U01400MH2000PLC125781	Subsidiary	98.40%	2(87)(ii)
43	≡Mahindra HZPC Private Limited	Mahindra Towers, Near Doordarshan Kendra, Pandurang Budhkar Marg, Worli, Mumbai-400018	U01403MH2013PTC242474	Subsidiary	59.95%	2(87)(ii)
44	≡Mahindra Fresh Fruits Distribution Holding Company (Europe) B.V. (w.e.f. 17.11.2017)	Keilestraat 9C, Havennummer 294, 3029 BP Rotterdam, Netherlands	Foreign Company	Subsidiary	100.00%	2(87)(ii)

Sr. No.	Name of the Company	Address of the Company	CIN/GLN	Holding / Subsidiary / Associates	% Holding	Applicable Section
45	≡ Mahindra Greenyard Private Limited (Formerly known as Mahindra UNIVEG Private Limited – Name changed w.e.f. 13.01.2017)	Mahindra Towers, P. K. Kurne Chowk, Worli, Mumbai-400018	U01403MH2014PTC255946	Subsidiary	60.00%	2(87)(ii)
46	§ Merakisan Private Limited (w.e.f. 25.05.2017)	Mahindra Towers, P. K. Kurne Chowk Worli, Mumbai-400018	U51909MH2016PTC283578	Subsidiary	75.05%	2(87)(ii)
47	Mahindra Consulting Engineers Limited	Gateway Building, Apollo Bunder, Mumbai-400 001	U74210MH1993PLC074723	Subsidiary	59.01%	2(87)(ii)
48	~ Mahindra Namaste Limited (Formerly known as Mahindra Namaste Private Limited – Name changed w.e.f. 30.03.2016)	Mahindra Towers, P. K. Kurne Chowk, Worli, Mumbai-400018	U93000MH2010PLC198303	Subsidiary	100.00%	2(87)(ii)
49	Mahindra Holdings Limited	Mahindra Towers, P. K. Kurne Chowk, Worli, Mumbai-400018	U65993MH2007PLC175649	Subsidiary	100.00%	2(87)(ii)
50	◦ Mahindra Integrated Business Solutions Private Limited	Mahindra Towers, P. K. Kurne Chowk, Worli, Mumbai-400018	U74999MH2011PTC212468	Subsidiary	100.00%	2(87)(ii)
51	◦ Mahindra Airways Limited	Mahindra Towers, Pandurang Budhkar Marg, Nr. Doordarshan Kendra, Worli, Mumbai-400018	U62100MH2016PLC284135	Subsidiary	100.00%	2(87)(ii)
52	◦ Mahindra First Choice Wheels Limited	Gateway Building, Apollo Bunder, Mumbai-400 001	U64200MH1994PLC083996	Subsidiary	49.17%	2(87)(i)
53	◦ Mahindra First Choice Services Limited	Mahindra Towers, P. K. Kurne Chowk, Worli, Mumbai-400018	U35999MH2008PLC180385	Subsidiary	100.00%	2(87)(ii)
54	◦◦ Auto Digitech Private Limited (Formerly known as Mahindra Punjab Tractors Private Limited – Name changed w.e.f. 22.01.2016)	Mahindra Towers, P. K. Kurne Chowk, Worli, Mumbai-400018	U29253MH2009PTC196365	Subsidiary	100.00%	2(87)(ii)
55	◦ Mahindra Susten Private Limited (Formerly known as Mahindra EPC Services Private Limited)	Mahindra Towers, P. K. Kurne Chowk, Worli, Mumbai-400018	U74990MH2010PTC207854	Subsidiary	100.00%	2(87)(ii)
56	◦◦◦ MachinePulse Tech Private Limited	Mahindra Towers, Pandurang Budhkar Marg, Nr. Doordarshan kendra, Worli, Mumbai Maharashtra	U72300MH2016PTC271679	Subsidiary	100.00%	2(87)(ii)
57	◦◦◦ Marvel Solren Private Limited	Mahindra Towers, Pandurang Budhkar Marg, Nr. Doordarshan kendra, Worli, Mumbai Maharashtra	U74120MH2015PTC269074	Subsidiary	100.00%	2(87)(ii)
58	◦◦◦ Mahindra Renewables Private Limited (Formerly known as Mahindra Offgrid Services Private Limited)	Mahindra Towers, P. K. Kurne Chowk, Worli, Mumbai-400018	U40300MH2010PTC205946	Subsidiary	100.00%	2(87)(ii)
59	▲ Cleansolar Renewable Energy Private Limited	Mahindra Towers, P. K. Kurne Chowk, Worli, Mumbai-400018	U40108MH2013PTC250684	Subsidiary	100.00%	2(87)(ii)
60	▲ Brightsolar Renewable Energy Private Limited	Mahindra Towers, P. K. Kurne Chowk, Worli, Mumbai-400018	U40108MH2013PTC250683	Subsidiary	51.00%	2(87)(ii)
61	▲ Divine Solren Private Limited	Mahindra Towers, Dr. G.M Bhosale Marg, P. K. Kurne Chowk, Worli, Mumbai Maharashtra	U74120MH2015PTC264259	Subsidiary	100.00%	2(87)(ii)
62	▲ Neo Solren Private limited	Mahindra Towers, Pandurang Budhkar Marg, Nr. Doordarshan Kendra, Worli, Mumbai Maharashtra	U74999MH2015PTC266154	Subsidiary	100.00%	2(87)(ii)

Sr. No.	Name of the Company	Address of the Company	CIN/GLN	Holding / Subsidiary / Associates	% Holding ♂ ♀	Applicable Section
63	▲ Astra Solren Private Limited	Mahindra Towers, Pandurang Budkar Marg, Nr. Doordarshan kendra, Worli, Mumbai Maharashtra	U74120MH2015PTC269256	Subsidiary	100.00%	2(87)(ii)
64	▲ Mega Suryaurja Private Limited [Formerly known as Mahindra Suryaurja Private Limited – Name changed w.e.f. 07.09.2017]	Mahindra Towers, P. K. Kurne Chowk Worli Mumbai-400018	U40103MH2012PTC226016	Subsidiary	100.00%	2(87)(ii)
65	Mahindra Holidays & Resorts India Limited	No. 17 / 18, 2 nd floor, Mahindra Towers, Pattulos Road, Chennai-600002.	L55101TN1996PLC036595	Subsidiary	67.36%	2(87)(ii)
66	@Mahindra Hotels and Residences India Limited	No. 17 & 18, 2 nd floor, Mahindra Towers, Pattulos Road, Chennai-600002.	U55101TN2007PLC063285	Subsidiary	100.00%	2(87)(ii)
67	@Gables Promoters Private Limited	No - 504, Block A, 5 th Floor, ELANTE Office Suites, Plot No-178-178/A, Industrial Area, Phase 1, Chandigarh-160 001	U45209CH2012PTC033473	Subsidiary	100.00%	2(87)(ii)
68	@MH Boutique Hospitality Limited	No. 33/118-119 Wall Street Tower Building, 23 rd Floor Surawongse Road, Suriyawongse sub-district, Bangrak District, Bangkok, Thailand	Foreign Company	Subsidiary	49.00%	2(87)(i)
69	\$Infinity Hospitality Group Company Limited	No. 20 Soi Sukhumvit 7 (Lerdsin 2), Sukhumvit Road, Khwaeng Khlongtoey Nua, Khet Wattana Bangkok.	Foreign Company	Subsidiary	100.00%	2(87)(ii)
70	@Heritage Bird (M) Sdn. Bhd.	802, 8 th Floor, Block C, Kelana Square, 17, Jalan SS7/26, 47301 Petaling Jaya, Selangor.Malaysia.	Foreign Company	Subsidiary	100.00%	2(87)(ii)
71	@MHR Holdings (Mauritius) Limited	IFS Court, Twenty Eight Cyber City, Ebene, Mauritius	Foreign Company	Subsidiary	100.00%	2(87)(ii)
72	@@Covington S.á.r.l.	16 Avenue Pasteur, L-2310, Luxembourg, Grand Duchy of Luxembourg	Foreign Company	Subsidiary	100.00%	2(87)(ii)
73	\$\$HCR Management Oy Finland	Hitsaajankatu 22, 00810 Helsinki	Foreign Company	Subsidiary	100.00%	2(87)(ii)
74	\$\$Holiday Club Resorts Oy Finland	Hitsaajankatu 22, 00810 Helsinki	Foreign Company	Subsidiary	95.16%	2(87)(ii)
75	*Kiinteistö Oy Himos Gardens	C/o Holiday Club Isännöinti PL 618, 33101 Tampere	Foreign Company	Subsidiary	100.00%	2(87)(ii)
76	*Kiinteistö Oy Himoksen Tähti 2	C/o Holiday Club Resorts Oy, Lapinniemeranta 12 33180 Tampere	Foreign Company	Subsidiary	100.00%	2(87)(ii)
77	*Kiinteistö Oy Vanha Ykköstii	Hitsaajankatu 22, 00810 Helsinki	Foreign Company	Subsidiary	100.00%	2(87)(ii)
78	*Kiinteistö Oy Katinnurkka	C/o Holiday Club Isännöinti PL 619, 33101 Tampere	Foreign Company	Subsidiary	100.00%	2(87)(ii)
79	*Kiinteistö Oy Tenetinlahti	C/o Holiday Club Isännöinti PL 618, 33101 Tampere	Foreign Company	Subsidiary	100.00%	2(87)(ii)
80	*Kiinteistö Oy Mällösniemi	C/o Holiday Club Resorts Oy Hitsaajankatu 22, 00810 Helsinki	Foreign Company	Subsidiary	100.00%	2(87)(ii)
81	*Kiinteistö Oy Rauhan Ranta 1	C/o Holiday Club Resorts Oy Hitsaajankatu 22, 00810 Helsinki	Foreign Company	Subsidiary	100.00%	2(87)(ii)
82	*Kiinteistö Oy Rauhan Ranta 2	C/o Holiday Club Resorts Oy Hitsaajankatu 22, 00810 Helsinki	Foreign Company	Subsidiary	100.00%	2(87)(ii)
83	*Kiinteistö Oy Tiurunniemi	C/o Holiday Club Isännöinti PL 618, 33101 Tampere	Foreign Company	Subsidiary	100.00%	2(87)(ii)

Sr. No.	Name of the Company	Address of the Company	CIN/GLN	Holding / Subsidiary / Associates	% Holding $\beta \phi$	Applicable Section
84	* Kiinteistö Oy Rauhan Liikekiinteistöt 1	C/o Holiday Club Isännöinti PL 619, 33101 Tampere	Foreign Company	Subsidiary	100.00%	2(87)(ii)
85	* Supermarket Capri Oy	C/o Kauppakeskus Capri Oy Vipelentie 3-5, 55320 Rauha	Foreign Company	Subsidiary	100.00%	2(87)(ii)
86	* Kiinteistö Oy Kylpyläntorni 1	C/o Holiday Club Isännöinti PL 618, 33101 Tampere	Foreign Company	Subsidiary	100.00%	2(87)(ii)
87	* Kiinteistö Oy Spa Lofts 2	C/o Holiday Club Isännöinti PL 619, 33101 Tampere	Foreign Company	Subsidiary	100.00%	2(87)(ii)
88	* Kiinteistö Oy Spa Lofts 3	C/o Holiday Club Isännöinti PL 619, 33101 Tampere	Foreign Company	Subsidiary	100.00%	2(87)(ii)
89	* Kiinteistö Oy Kuusamon Pulkkajärvi 1	C/o Holiday Club Isännöinti PL 619, 33101 Tampere	Foreign Company	Subsidiary	100.00%	2(87)(ii)
90	* Holiday Club Resorts Rus LLC	Bolshaya Konushennaya str, 8, 191186 St-Petersburg, Russia	Foreign Company	Subsidiary	100.00%	2(87)(ii)
91	* Suomen Vapaa-aikakiinteistöt Oy LKV	C/o Holiday Club Resorts Oy, Lapinniemeranta 12 33180 Tampere	Foreign Company	Subsidiary	100.00%	2(87)(ii)
92	* Holiday Club Sweden AB	Box 68, 83010 Åre Sweden	Foreign Company	Subsidiary	100.00%	2(87)(ii)
93	** Holiday Club Sport and Spahotels AB	Box 68, 830 14 Åre, State Jamtlands Lan, Åre Kummun	Foreign Company	Subsidiary	51.00%	2(87)(ii)
94	** Åre Villas 1 AB	C/o Holiday Club Sweden AB, Box 68, 830 14 Åre Sweden	Foreign Company	Subsidiary	100.00%	2(87)(ii)
95	** Åre Villas 2 AB	C/o Holiday Club Sweden AB, Box 68, 830 14 Åre Sweden	Foreign Company	Subsidiary	100.00%	2(87)(ii)
96	** Åre Villas 3 AB (w.e.f. 26.01.2018) [Formerly known as Visionsbolaget 12191 AB – Name changed w.e.f. 15.02.2018]	Box 20, 85102 Sundsvall, Sweden	Foreign Company	Subsidiary	100.00%	2(87)(ii)
97	** Ownership Services Sweden AB	C/o Holiday Club Sweden Ab, box 68, 83010 Åre Sweden	Foreign Company	Subsidiary	100.00%	2(87)(ii)
98	** Holiday Club Canarias Investments S.L.U.	Avenida Ministra Anna Lindh no. 1. Amadores. Mogan 35130. Canary Islands. Spain	Foreign Company	Subsidiary	100.00%	2(87)(ii)
99	*** Holiday Club Canarias Sales & Marketing S.L.U.	Avenida Ministra Anna Lindh no.1. Amadores. Mogan 35130. Canary Islands. Spain	Foreign Company	Subsidiary	100.00%	2(87)(ii)
100	*** Holiday Club Canarias Resort Management S.L.U.	Avenida Ministra Anna Lindh no.1. Amadores. Mogan 35130. Canary Islands. Spain	Foreign Company	Subsidiary	100.00%	2(87)(ii)
101	Mahindra & Mahindra Financial Services Limited	Gateway Building, Apollo Bunder, Mumbai-400 001	L65921MH1991PLC059642	Subsidiary	51.19%	2(87)(ii)
102	Ø Mahindra Insurance Brokers Limited	Mahindra Towers, Worli, Mumbai-400018	U65990MH1987PLC042609	Subsidiary	80.00%	2(87)(ii)
103	Ø Mahindra Rural Housing Finance Limited	Mahindra Towers, P. K. Kurne Chowk, Worli, Mumbai-400018	U65922MH2007PLC169791	Subsidiary	89.00%	2(87)(ii)
104	Ø Mahindra Asset Management Company Private Limited	4 th Floor, A-Wing, Mahindra Towers, Dr. G M Bhosale Marg, P K Kurne Chowk, Mumbai-400018	U65900MH2013PTC244758	Subsidiary	100.00%	2(87)(ii)
105	Ø Mahindra Trustee Company Private Limited	Mahindra Towers, P. K. Kurne Chowk, Worli, Mumbai-400018	U67100MH2013PTC245464	Subsidiary	100.00%	2(87)(ii)
106	Bristlecone Limited	M&C Corporate Services Ltd., P.O. Box 309GT, Ugland House, South Church St., George Town, Grand Cayman, Cayman Islands.	Foreign Company	Subsidiary	75.29%	2(87)(ii)
107	± Bristlecone International AG	Rheinweg 7, 8200 Schaffhausen	Foreign Company	Subsidiary	100.00%	2(87)(ii)

Sr. No.	Name of the Company	Address of the Company	CIN/GLN	Holding / Subsidiary / Associates	% Holding $\beta \phi$	Applicable Section
108	± Bristlecone Consulting Limited	1500 Royal Centre 1055 West Georgia Street Vancouver, BC V6E 4N7.	Foreign Company	Subsidiary	100.00%	2(87)(ii)
109	± Bristlecone Inc.	10 Almaden Blvd, Suite 600 San Jose, CA 95113	Foreign Company	Subsidiary	100.00%	2(87)(ii)
110	± Bristlecone UK Limited	125 Wood Street, London, EC2V 7AN	Foreign Company	Subsidiary	100.00%	2(87)(ii)
111	± Bristlecone (Malaysia) Sdn. Bhd.	41/F., Vista Tower, The Intermark, 182 Jalan Tun Razak, Kuala Lumpur City 50400, Malaysia	Foreign Company	Subsidiary	100.00%	2(87)(ii)
112	± Bristlecone Middle East DMCC	Unit No: 30-01-3572 DMCC Business Centre Level No 1, Jewellery & Gemplex 3 Dubai, United Arab Emirates	Foreign Company	Subsidiary	100.00%	2(87)(ii)
113	± Bristlecone India Limited	Gateway Building, Apollo Bunder, Mumbai 400 001	U30007MH1991PLC064368	Subsidiary	100.00%	2(87)(ii)
114	≤ Bristlecone (Singapore) Pte. Limited	Level 21, Centennial Tower, 3 Temasek Avenue, Singapore - 039190	Foreign Company	Subsidiary	100.00%	2(87)(ii)
115	≤ Bristlecone GmbH	Partnerport, AltrottstraBe31, D Walldorf 69190 Germany	Foreign Company	Subsidiary	100.00%	2(87)(ii)
116	Mahindra Trucks and Buses Limited	Gateway Building, Apollo Bunder, Mumbai-400 001	U63040MH1994PLC079098	Subsidiary	100.00%	2(87)(ii)
117	◊ Mahindra Automobile Distributor Private Limited	Gateway Building, Apollo Bunder, Mumbai-400 001	U34100MH2005PTC153702	Subsidiary	100.00%	2(87)(ii)
118	Mahindra Lifespace Developers Limited	5 th Floor, Mahindra Towers, Worli, Mumbai-400018	L45200MH1999PLC118949	Subsidiary	51.51%	2(87)(ii)
119	^ Mahindra World City Developers Limited	Ground Floor "Mahindra Towers" 17/18, Pattulloose Road, Chennai-600002.	U92490TN1997PLC037551	Subsidiary	89.00%	2(87)(ii)
120	» Mahindra Industrial Park Chennai Limited	Ground Floor "Mahindra Towers" 17/18, Pattulloose Road, Chennai-600002.	U45209TN2014PLC098543	Subsidiary	60.00%	2(87)(ii)
121	^ Mahindra World City (Jaipur) Limited	4 th Floor, 411, Neelkanth Towers, Bhawani Singh Road, C Scheme, Jaipur, Rajasthan-302001	U45209RJ2005PLC021207	Subsidiary	74.00%	2(87)(ii)
122	^ Mahindra Integrated Township Limited	Administrative Block, Central Avenue, Mahindra World City, Natham Sub (PO), Chengelpet, Kancheepuram, Tamil Nadu- 03002	U74140TN1996PLC068288	Subsidiary	99.14%	2(87)(ii)
123	∞ Mahindra Residential Developers Limited	Mahindra World City Administrative Block, Chegalpattu, Tamil Nadu-603002	U45200TN2008PLC066292	Subsidiary	100.00%	2(87)(ii)
124	^ Mahindra World City (Maharashtra) Limited	Mahindra Towers, 5 th floor, Worli, Mumbai-400018	U45309MH2005PLC156225	Subsidiary	100.00%	2(87)(ii)
125	° Deep Mangal Developers Private Ltd (w.e.f. 28.12.2017)	Mahindra Towers, P. K. Kurne Chowk, Worli, Mumbai-400018	U70102MH1989PTC051878	Subsidiary	100.00%	2(87)(ii)
126	° Mahindra Construction Company Limited (w.e.f. 28.12.2017)	Mahindra Towers, P. K. Kurne Chowk, Worli, Mumbai-400018	U45200MH1992PLC068846	Subsidiary	91.66%	2(87)(ii)
127	^ Knowledge Township Limited	Mahindra Towers, 5 th floor, Worli, Mumbai-400018	U72900MH2007PLC173137	Subsidiary	100.00%	2(87)(ii)
128	^ Mahindra Bebanco Developers Limited	Mahindra Towers, 5 th floor, Worli, Mumbai-400018	U45203MH2008PLC183107	Subsidiary	70.00%	2(87)(ii)
129	^ Industrial Township (Maharashtra) Limited	Mahindra Towers, 5 th floor, Worli, Mumbai-400018	U45203MH2008PLC184190	Subsidiary	100.00%	2(87)(ii)

Sr. No.	Name of the Company	Address of the Company	CIN/GLN	Holding / Subsidiary / Associates	% Holding $\beta \phi$	Applicable Section
130	^ Mahindra Infrastructure Developers Limited	Mahindra Towers, P. K. Kurne Chowk, Worli, Mumbai-400018	U45201MH2001PLC131942	Subsidiary	100.00%	2(87)(ii)
131	^^ Mahindra Water Utilities Limited	Gateway Building, Apollo Bunder, Mumbai, Maharashtra.	U45205MH1999PLC121235	Subsidiary	99.00%	2(87)(ii)
132	^ Anthurium Developers Limited	Mahindra Towers, P. K. Kurne Chowk, Worli, Mumbai-400018	U70109MH2010PLC203619	Subsidiary	100.00%	2(87)(ii)
133	^ Industrial Cluster Private Limited	Mahindra Towers, 5 th floor, Worli, Mumbai-400018	U70102MH2013PTC241512	Subsidiary	100.00%	2(87)(ii)
134	^ Mahindra Homes Private Limited	Mahindra Towers, 5 th floor, Worli, Mumbai-400018	U70102MH2010PTC203618	Subsidiary	74.98%	2(87)(ii)
135	^ Mahindra Happiest Developers Limited (w.e.f. 06.09.2017) [Formerly known as Mahindra Happiest Developers Private Limited – Name changed w.e.f. 26.09.2017]	Mahindra Towers, P. K. Kurne Chowk, Worli, Mumbai-400018	U70100MH2017PLC299424	Subsidiary	51.00%	2(87)(ii)
136	^ Moonshine Construction Private Limited (w.e.f. 28.12.2017)	Mahindra Towers, P. K. Kurne Chowk, Worli, Mumbai-400018	U45200MH1996PTC099607	Subsidiary	100.00%	2(87)(ii)
137	Mahindra Logistics Limited	Mahindra Towers, P. K. Kurne Chowk, Worli, Mumbai-400018	L63000MH2007PLC173466	Subsidiary	58.77%	2(87)(ii)
138	¥¥Lords Freight (India) Private Limited	Unit No 511, 5 th Floor, Crescent Business Park, Sumitha Complex, Safedpul, Sakinaka, Andheri (East), Mumbai-400072, India.	U63030MH2011PTC216628	Subsidiary	60.00%	2(87)(ii)
139	¥¥2 x 2 Logistics Private Limited	Mahindra Towers, P. K. Kurne Chowk, Dr. G.M. Bhosale Marg, Worli, Mumbai-400018	U63000MH2012PTC237062	Subsidiary	55.00%	2(87)(ii)
140	Mahindra eMarket Limited (Formerly known as Mriyalguda Farm Solution Limited)	Mahindra Towers, P. K. Kurne Chowk, Worli, Mumbai-400018	U72900MH2000PLC129103	Subsidiary	69.00%	2(87)(ii)
141	Mahindra Automotive Australia Pty. Limited	4/20, Buttonwood Place, Willawong, QLD 4110, Australia	Foreign Company	Subsidiary	100.00%	2(87)(ii)
142	Ssangyong Motor Company	455-12, Dongsak-ro, Pyeongtack-si, South Korea.	Foreign Company	Subsidiary	72.46%	2(87)(ii)
143	≈ Ssangyong European Parts Center B.V.	IABC 5253-5254, 4814RD Breda, the Nederland	Foreign Company	Subsidiary	100.00%	2(87)(ii)
144	≈ Ssangyong Motor (Shanghai) Company Limited	Beijing City, Chaoyang District, 32 Liangmaqiao Lu, 7layer 707-708, China	Foreign Company	Subsidiary	100.00%	2(87)(ii)
145	≈ SY Auto Capital Co., LTD	124, Teheran-ro, Gangnam-gu, Seoul, South Korea	Foreign Company	Subsidiary	51.00%	2(87)(ii)
146	EPC Industrié Limited	H - 109, MIDC, Ambad, Nashik-422010, Maharashtra	L25200MH1981PLC025731	Subsidiary	54.65%	2(87)(ii)
147	Mahindra Sanyo Special Steel Private Limited	74, Ganesh Apartment, Opp: Sitaladevi temple, L.J. Road, MAHIM (West), Mumbai-400016.	U27310MH2011PTC223696	Subsidiary	51.00%	2(87)(ii)
148	Mahindra Defence Systems Limited	Mahindra Towers, P. K. Kurne Chowk, Worli, Mumbai-400018	U75220MH2012PLC233889	Subsidiary	100.00%	2(87)(ii)
149	△ Mahindra Defence Naval Systems Limited [Formerly known as Mahindra Defence Naval Systems Private Limited – Name changed w.e.f. 05.03.2018]	Mahindra Towers, P. K. Kurne Chowk, Worli, Mumbai-400018	U75144MH2012PLC231267	Subsidiary	100.00%	2(87)(ii)
150	△ Mahindra Telephonics Integrated Systems Limited	Mahindra Towers, P. K. Kurne Chowk, Worli, Mumbai-400018	U75302MH2013PLC242268	Subsidiary	51.00%	2(87)(ii)
151	Mahindra 'Electoral Trust' Company	Mahindra Towers, P. K. Kurne Chowk, Worli, Mumbai-400018	U93000MH2013NPL251507	Subsidiary	100.00%	2(87)(ii)
152	Orizonte Business Solutions Limited (Formerly known as Mega One Stop Farm Services Limited)	Mahindra Towers, Dr. G.M. Bhosale Marg, P. K. Kurne Chowk, Worli, Mumbai-400018.	U60231MH2000PLC128757	Subsidiary	98.85%	2(87)(ii)

Sr. No.	Name of the Company	Address of the Company	CIN/GLN	Holding / Subsidiary / Associates	% Holding ♂ ♀	Applicable Section
153	Mahindra and Mahindra South Africa (Proprietary) Limited	Mahindra & Mahindra South Africa (Proprietary) Limited, PO Box 69079, Highveld Park 0169, Eco Fusion no 6, Block C, First floor, 324 Witch Hazel Street, Highveld X59, Pretoria, South Africa.	Foreign Company	Subsidiary	100.00%	2(87)(ii)
154	↳ Mahindra West Africa Limited	Coscharis Plaza, 3 rd Floor, 68A, Adeola Odeku Road, Victoria Island, Lagos, Nigeria	Foreign Company	Subsidiary	100.00%	2(87)(ii)
155	NBS International Limited	10 Stone Bldg., Shop No. 1, Opp Chowpatty Sea Face, Mumbai-400007	U18101MH1995PLC095482	Subsidiary	100.00%	2(87)(ii)
156	Mahindra Aerospace Private Limited	Mahindra Towers, P. K. Kurne Chowk, Worli, Mumbai-400018	U63033MH2008PTC179520	Subsidiary	86.39%	2(87)(ii)
157	♦Mahindra Aerostructures Private Limited	Mahindra Towers, P. K. Kurne Chowk, Worli, Mumbai-400018	U35122MH2011PTC212744	Subsidiary	100.00%	2(87)(ii)
158	♦Mahindra Aerospace Australia Pty. Limited	C/-0, Pitcher Partners, level 19, 15 William street, Melbourne VIC 3000	Foreign Company	Subsidiary	100.00%	2(87)(ii)
159	■Aerostaff Australia Pty. Limited (applied for deregistration)	Latrobe Valley Airfield, 75 Airfield Road, Morwell VIC 3840	Foreign Company	Subsidiary	100.00%	2(87)(ii)
160	■Gipp Aero Investments Pty. Limited (applied for deregistration)	Latrobe Valley Airfield, 75 Airfield Road, Morwell VIC 3840	Foreign Company	Subsidiary	100.00%	2(87)(ii)
161	■Gippsaero Pty. Limited	Latrobe Valley Airfield, 75 Airfield Road, Morwell VIC 3840	Foreign Company	Subsidiary	100.00%	2(87)(ii)
162	■Airvan10 Pty. Limited	C/- Gippsaero Pty Ltd, Latrobe Regional Airport, Airfield Road, Traralgon VIC 3844	Foreign Company	Subsidiary	100.00%	2(87)(ii)
163	■GA8 Airvan Pty. Limited	Latrobe Valley Airfield, 75 Airfield Road, Morwell VIC 3840	Foreign Company	Subsidiary	100.00%	2(87)(ii)
164	■GA200 Pty. Limited	Latrobe Valley Airfield, 75 Airfield Road, Morwell VIC 3840	Foreign Company	Subsidiary	100.00%	2(87)(ii)
165	■Airvan Flight Services Pty. Limited	Latrobe Valley Airfield, 75 Airfield Road, Morwell VIC 3840	Foreign Company	Subsidiary	100.00%	2(87)(ii)
166	■Nomad TC Pty. Limited	Latrobe Valley Airfield, 75 Airfield Road, Morwell VIC 3840	Foreign Company	Subsidiary	100.00%	2(87)(ii)
167	Trringo.com Limited	Mahindra Towers, Pandurang Budhkar Marg, Nr.Doordarshan Kendra, Worli, Mumbai-400018	U01409MH2016PLC281449	Subsidiary	100.00%	2(87)(ii)
168	Mahindra do Brasil Industrial Ltda. (Formerly known as CMN SOLUTIONS Q013 PARTICIPACOES LTDA)	R DESEMBARGADOR DO VALE, 800, A PARTE PERDIZES, SAO PAULO-05.010-040	Foreign Company	Subsidiary	100.00%	2(87)(ii)
169	Classic Legends Private Limited	Mahindra Towers, P. K. Kurne Chowk, Worli, Mumbai-400018	U34101MH2015PTC265665	Subsidiary	60.00%	2(87)(ii)
170	▼BSA Company Limited	Speedwell House, West Quay Road, Southampton, Hampshire, SO151GY	Foreign Company	Subsidiary	100.00%	2(87)(ii)
171	Mahindra Waste To Energy Solutions Limited (w.e.f. 25.06.2017) [Formerly known as Mahindra Waste Energy Solutions Limited – Name changed w.e.f. 10.08.2017]	Mahindra Towers, Dr. G. M. Bhosale Marg, P. K. Kurne Chowk, Worli, Mumbai-400 018.	U37200MH2017PLC296622	Subsidiary	100.00%	2(87)(ii)
172	Mahindra Telecom Energy Management Services Limited (w.e.f. 25.06.2017)	Mahindra Towers, Dr. G.M. Bhosale Marg, P. K. Kurne Chowk, Worli, Mumbai-400 018.	U64204MH2017PLC296621	Subsidiary	100.00%	2(87)(ii)

Sr. No.	Name of the Company	Address of the Company	CIN/GLN	Holding / Subsidiary / Associates	% Holding ϕ	Applicable Section
173	Swaraj Engines Limited	Phase IV, Industrial Area, S.A.S. Nagar (Mohali), Punjab	L50210PB1985PLC006473	Associate	33.31%	2(6)
174	Kota Farm Services Limited	Mahindra Towers, Worli, Mumbai-400018	U02005MH2001PLC131699	Associate	45.00%	2(6)
175	Tech Mahindra Limited	Gateway Building, Apollo Bunder, Mumbai-400 001	L64200MH1986PLC041370	Associate	26.15%	2(6)
176	Mitsubishi Mahindra Agricultural Machinery Co. Ltd.	667-1 Iya-machi, Higashizumicho, Matsue-city, Shimane-prefecture, Japan	Foreign Company	Associate	33.33%	2(6)
177	Officemartindia.com Limited	Gateway Building, Apollo Bunder, Mumbai 400 001	U74999MH2000PLC126610	Associate	50.00%	2(6)
178	Mahindra & Mahindra Contech Limited	Mahindra Towers, Dr. G M Bhosale Marg, P. K. Kurne Chowk, Worli, Mumbai-400018	U74140MH1992PLC066606	Associate	23.33%	2(6)
179	Sampo Rosenlew Oy	Konepajanranta 2, P.O.Box 50 FIN-28101 Pori, Finland	Foreign Company	Associate	35.00%	2(6)
180	PF Holdings B.V.	Maanplein 7, Gebouw 4, (TP-4), 2516 CK, Den Haag, Netherlands	Foreign Company	Associate	40.00%	2(6)
181	M.I.T.R.A Agro Equipments Private Limited (w.e.f. 15.02.2018)	5, Court Lane, Sehgal Colony, Civil Lines, Delhi-110054	U29253DL2012PTC234388	Associate	27.06%	2(6)
182	Zoomcar Inc. (w.e.f. 16.02.2018)	2437, S Fillmore, ST, Denver, CO - 80210	Foreign Company	Associate	- ε	2(6)
183	Carnot Technologies Private Limited (w.e.f. 09.03.2018)	No. 9, 1 st Floor, Antia CHS LTD, Hanuman Cross Rd. No. 2, Vile- Parle E, Mumbai MH 400057 IN	U72300MH2015PTC267700	Associate	23.66%	2(6)
184	Resfeber Labs Private Limited (w.e.f. 28.03.2018)	Plot No. 107, 2 nd Floor, Western Inisia, Maro Co-operative Industrial Estate, Andheri (East), Mumbai-400059	U74999MH2014PTC306120	Associate	15.60% μ	2(6)

β Percentage holding in Subsidiaries represents aggregate percentage of shares held by the Company and/or its subsidiaries.

ϕ Percentage shareholding in subsidiaries/associates is based on total share capital comprising of paid-up equity share capital and convertible preference share capital, if any.

a subsidiary of Mahindra Engineering and Chemical Products Limited
a subsidiary of Retail Initiative Holdings Limited
• a subsidiary of Mahindra Overseas Investment Company (Mauritius) Ltd.
•• a subsidiary of OFD Holding BV
x a subsidiary of Hisarlar Makina Sanayi ve Ticaret Anonim Şirketi
 Ω a subsidiary of Mahindra Automotive North America Inc.
£ a subsidiary of Mahindra Vehicle Manufacturers Limited
¥ a subsidiary of Mahindra Intertrade Limited
! a subsidiary of Mahindra Two Wheelers Europe Holdings S.a.r.l.
!! a subsidiary of Peugeot Motocycles S.A.S.
 σ a subsidiary of Mahindra USA, Inc.
= a subsidiary of Mahindra Agri Solutions Limited
\$ a subsidiary of Mahindra Greenyard Private Limited
~ a subsidiary of Mahindra Consulting Engineers Limited
○ a subsidiary of Mahindra Holdings Limited
○○ a subsidiary of Mahindra First Choice Services Limited
○○○ a subsidiary of Mahindra Susten Private Limited
▲ a subsidiary of Mahindra Renewables Private Limited
@ a subsidiary of Mahindra Holidays & Resorts India Limited
\$ a subsidiary of MH Boutique Hospitality Limited
@@ a subsidiary of MHR Holdings (Mauritius) Limited
\$\$ a subsidiary of Covington S.á.r.l
* a subsidiary of Holiday Club Resorts Oy Finland
** a subsidiary of Holiday Club Sweden AB

*** a subsidiary of Holiday Club Canarias Investments S.L.U.
 \eth a subsidiary of Mahindra & Mahindra Financial Services Limited
 \pm a subsidiary of Bristlecone Limited
 \leq a subsidiary of Bristlecone India Limited
 \diamond a subsidiary of Mahindra Trucks and Buses Limited
 \wedge a subsidiary of Mahindra Lifespace Developers Limited
 \gg a subsidiary of Mahindra World City Developers Limited
 ∞ a subsidiary of Mahindra Integrated Township Limited
 \circ a subsidiary of Mahindra World City (Maharashtra) Limited
 $\wedge\wedge$ a subsidiary of Mahindra Infrastructure Developers Limited
 \mathbb{Y} a subsidiary of Mahindra Logistics Limited
 \approx a subsidiary of Ssangyong Motor Company
 \triangle a subsidiary of Mahindra Defence Systems Limited
 \perp a subsidiary of Mahindra and Mahindra South Africa (Proprietary) Limited
 \blacklozenge a subsidiary of Mahindra Aerospace Private Limited
 \blacksquare a subsidiary of Mahindra Aerospace Australia Pty. Limited
 \blacktriangledown a subsidiary of Classic Legends Private Limited
 ε Significant influence is through right to participate in business decisions arising out of contractual agreement. Additionally, the Company holds 3,63,752 Compulsory Convertible Preference Shares of Zoomcar India Private Limited, a subsidiary of Zoomcar Inc., comprising of approx. 11.60% of the total equity share capital and compulsory convertible preference share capital.
 μ Significant influence is through right to participate in business decisions arising out of contractual agreement.

IV. SHAREHOLDING PATTERN (Equity Share Capital Break-up as percentage of Total Equity)

i) Category-wise Shareholding

Category of Shareholders	No. of Shares held at the beginning of the year [As on 1 st April, 2017]				No. of Shares held at the end of the year [As on 31 st March, 2018]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	3942046	0	3942046	0.63	7331574	0	7331574	0.59	-0.04
b) Central Govt	0	0	0	0.00	0	0	0	0.00	0.00
c) State Govt(s)	0	0	0	0.00	0	0	0	0.00	0.00
d) Bodies Corp.	71128386	0	71128386	11.45	142256772	0	142256772	11.44	-0.01\$
e) Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
f) Any other									
i) M&M Benefit Trust – Bharat N Doshi, A. K. Nanda – Trustees	51835214	0	51835214	8.35	103670428	0	103670428	8.34	-0.01\$
ii) Mahindra and Mahindra Employees' Stock Option Trust*	27481857	0	27481857	4.42	NA	NA	NA	NA	-4.42*
iii) Employees Welfare Trusts – Rajan Raghunath Surve, Vijay Bhalchandra Thakurdesai, Daxa Jawahar Baxi – Trustees*	2030870	0	2030870	0.33	NA	NA	NA	NA	-0.33*
iv) Anand Mahindra Family Trust @	NA	NA	NA	NA	0	0	0	0	0
v) Mahindra Family Trust – I @	NA	NA	NA	NA	0	0	0	0	0
Sub-total (A) (1)	156418373	0	156418373	25.18	253258774	0	253258774	20.37	-4.81
(2) Foreign									
a) NRIs - Individuals	549422	0	549422	0.09	1012344	0	1012344	0.08	-0.01
b) Others - Individuals	0	0	0	0.00	0	0	0	0.00	0.00
c) Bodies Corp	0	0	0	0.00	0	0	0	0.00	0.00
d) Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
e) Any Other	0	0	0	0.00	0	0	0	0.00	0.00
Sub-total (A) (2)	549422	0	549422	0.09	1012344	0	1012344	0.08	-0.01
Total Shareholding of Promoter (A) = (A) (1)+(A) (2)	156967795	0	156967795	25.27	254271118	0	254271118	20.45	-4.82
B. Public Shareholding									
1. Institutions									
a) Mutual Funds / UTI	40907507	1020	40908527	6.59	113183557	0	113183557	9.10	2.51
b) Banks / FI	2204048	45564	2249612	0.36	2611120	66800	2677920	0.22	-0.14
c) Central Govt	501029	0	501029	0.08	1096452	0	1096452	0.09	0.01
d) State Govt(s)	0	442132	442132	0.07	0	884264	884264	0.07	0.00
e) Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
f) Insurance Companies	80714488	5912	80720400	13.00	132634352	0	132634352	10.67	-2.33
g) FIIs	20970634	7736	20978370	3.38	4750419	64	4750483	0.38	-3.00
h) Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00

\$ There is no change in shareholding. The percentage change in shareholding is only on account of rounding off.

* Categorised as 'Non Promoter Non Public' w.e.f. 28th October, 2017 pursuant to Regulation 3(9) of the SEBI (Share Based Employee Benefits) Regulations, 2014. The change in the percentage of shareholding is on account of recategorisation as Non Promoter Non Public. The actual change in shareholding of Mahindra & Mahindra Employees' Stock Option Trust during the year is 0.14% which is due to transfer of shares to the employees pursuant to exercise of ESOPs.

© Prudential Management and Services Private Limited (PMSL) is a member of the Promoter and Promoter Group of the Company. The erstwhile shareholders of PMSL who held 50% of its paid-up share capital settled the shares held by them into 'Anand Mahindra Family Trust' and 'Mahindra Family Trust-I', resulting in an indirect acquisition of voting rights of the Company.

Category of Shareholders	No. of Shares held at the beginning of the year [As on 1 st April, 2017]				No. of Shares held at the end of the year [As on 31 st March, 2018]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
i) Others (specify)									
i) Foreign Portfolio-Corp	96277039	0	96277039	15.50	167399377	0	167399377	13.46	-2.04
ii) Foreign Portfolio investors	97075404	0	97075404	15.63	221358569	0	221358569	17.81	2.18
iii) Alternate Investment Funds	0	0	0	0.00	1190725	0	1190725	0.10	0.10
Sub-total (B)(1)	338650149	502364	339152513	54.61	644224571	951128	645175699	51.90	-2.71
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	34610529	67732	34678261	5.58	80581776	107592	80689368	6.49	0.91
ii) Overseas	1607720	240	1607960	0.26	3215440	0	3215440	0.26	0.00
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	32921273	4344421	37265694	6.00	69827709	5932526	75760235	6.09	0.09
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	8231642	158716	8390358	1.36	31248593	701328	31949921	2.57	1.21
c) Others (specify)									
i) Non Resident Indians	1905941	333874	2239815	0.36	4137156	350272	4487428	0.36	0.00
ii) Foreign Nationals	551	0	551	0.00	1318	0	1318	0.00	0.00
iii) Trusts	4012663	0	4012663	0.65	11205634	0	11205634	0.90	0.25
iv) Clearing Members	3507359	0	3507359	0.56	2861839	0	2861839	0.23	-0.33
v) Foreign Corporate Bodies	369582	0	369582	0.06	499115	0	499115	0.04	-0.02
vi) NBFCs registered with RBI	19982	0	19982	0.00	1367211	0	1367211	0.11	0.11
vii) Investor Education and Protection Fund Authority, Ministry of Corporate Affairs	0	0	0	0.00	2200468	0	2200468	0.18	0.18
Sub-total (B)(2)	87187242	4904983	92092225	14.83	207146259	7091718	214237977	17.23	2.40
Total Public Shareholding (B)=(B)(1)+(B)(2)	425837391	5407347	431244738	69.44	851370830	8042846	859413676	69.13	-0.31
C. Shares held by Custodian for GDRs & ADRs	32879851	0	32879851	5.29	72186492	0	72186492	5.81	0.52
D. Non Promoter Non Public									
a) Mahindra and Mahindra Employees' Stock Option Trust *	NA	NA	NA	NA	53259518	0	53259518	4.28	4.28*
b) Employees Welfare Trusts - Rajan Raghunath Surve, Vijay Bhalchandra Thakurdesai, Daxa Jawahar Baxi - Trustee *	NA	NA	NA	NA	4061740	0	4061740	0.33	0.33*
Sub-total (D)	NA	NA	NA	NA	57321258	0	57321258	4.61	4.61
Grand Total (A+B+C+D)	615685037	5407347	621092384	100.00	1235149698	8042846	1243192544	100.00	0.00

* Categorised as 'Non Promoter Non Public' w.e.f. 28th October, 2017 pursuant to Regulation 3(9) of the SEBI (Share Based Employee Benefits) Regulations, 2014. The change in the percentage of shareholding is on account of recategorisation as Non Promoter Non Public. The actual change in shareholding of Mahindra & Mahindra Employees' Stock Option Trust during the year is 0.14% which is due to transfer of shares to the employees pursuant to exercise of ESOPs.

ii) Shareholding of Promoters

Sr. No	Shareholder's Name	Shareholding at the beginning of the year [As on 1 st April, 2017]			Shareholding at the end of the year [As on 31 st March, 2018]			% change in shareholding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	
1	Keshub Mahindra	442296	0.07	0.00	884592	0.07	0.00	0.00
2	Anand Gopal Mahindra	715004	0.12	0.00	1430008	0.12	0.00	0.00
3	Anjali Kumari Mehra	111104	0.02	0.00	222208	0.02	0.00	0.00
4	Anuja P Sharma	34259	0.00	0.00	0	0.00	0.00	0.00
5	Anuradha Mahindra	228545	0.04	0.00	457090	0.04	0.00	0.00
6	Gautam P Khandelwal	300	0.00	0.00	4600	0.00	0.00	0.00
7	Leena S Labroo	706192	0.12	0.00	1412384	0.11	0.00	-0.01\$
8	Radhika Nath	46808	0.00	0.00	93616	0.01	0.00	0.01\$
9	Sanjay Labroo	72720	0.01	0.01	145440	0.01	0.01	0.00
10	Sudha K Mahindra	726016	0.12	0.00	1452032	0.12	0.00	0.00
11	Uma R Malhotra	754802	0.12	0.00	1009604	0.08	0.00	-0.04
12	Deveshwar Jagat Sharma	12000	0.00	0.00	30000	0.00	0.00	0.00
13	Dhruv S Sharma	12000	0.00	0.00	30000	0.00	0.00	0.00
14	Yuthica Keshub Mahindra	549422	0.09	0.00	1012344	0.08	0.00	-0.01
15	Nisheetta Labroo	80000	0.01	0.00	160000	0.01	0.00	0.00
16	Kema Services International Pvt. Ltd.	367416	0.06	0.00	734832	0.06	0.00	0.00
17	Prudential Management and Services Pvt. Ltd.	70760970	11.39	1.17	141521940	11.38	1.17	-0.01\$
18	M&M Benefit Trust - Bharat N Doshi, A. K. Nanda - Trustees	51835214	8.35	0.00	103670428	8.34	0.00	-0.01\$
19	Anand Mahindra Family Trust @	NA	NA	NA	0	0.00	0.00	0.00
20	Mahindra Family Trust - I @	NA	NA	NA	0	0.00	0.00	0.00
21	Mahindra and Mahindra Employees' Stock Option Trust *	27481857	4.42	0.00	NA	NA	NA	-4.42*
22	M&M Employees Welfare Fund No. 1 - Rajan Raghunath Surve, Vijay Bhalchandra Thakurdesai, Daxa Jawahar Baxi - Trustees *	1263156	0.21	0.00	NA	NA	NA	-0.21*
23	M&M Employees Welfare Fund No. 2 - Rajan Raghunath Surve, Vijay Bhalchandra Thakurdesai, Daxa Jawahar Baxi - Trustees *	682914	0.11	0.00	NA	NA	NA	-0.11*
24	M&M Employees Welfare Fund No. 3 - Rajan Raghunath Surve, Vijay Bhalchandra Thakurdesai, Daxa Jawahar Baxi - Trustees *	84800	0.01	0.00	NA	NA	NA	-0.01*
	Total	156967795	25.27	1.18	254271118	20.45	1.18	-4.82

\$ There is no change in shareholding. The percentage change in shareholding is only on account of rounding off.

@ Prudential Management and Services Private Limited (PMSL) is a member of the Promoter and Promoter Group of the Company. The erstwhile shareholders of PMSL who held 50% of its paid-up share capital settled the shares held by them into 'Anand Mahindra Family Trust' and 'Mahindra Family Trust-I', resulting in an indirect acquisition of voting rights of the Company.

* Categorised as 'Non Promoter Non Public' w.e.f. 28th October, 2017 pursuant to Regulation 3(9) of the SEBI (Share Based Employee Benefits) Regulations, 2014. The change in the percentage of shareholding is on account of recategorisation as Non Promoter Non Public. The actual change in shareholding of Mahindra & Mahindra Employees' Stock Option Trust during the year is 0.14% which is due to transfer of shares to the employees pursuant to exercise of ESOPs.

iii) Change in Promoters' Shareholding

Sr. No.	Particulars	Shareholding at the beginning of the year [As on 1 st April, 2017]		Increase/ Decrease in No. of shares	Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company		No. of shares	% of total shares of the Company
At the beginning of the year – As on 01.04.2017		156967795	25.27			
1	Decrease - 24.04.2017 \$			-32303	156935492	25.27
2	Decrease - 15.05.2017 \$			-42433	156893059	25.26
3	Decrease - 23.05.2017 \$			-10582	156882477	25.26
4	Decrease - 14.06.2017 \$			-20939	156861538	25.26
5	Decrease - 21.06.2017 \$			-16571	156844967	25.25
6	Decrease - 12.07.2017 \$			-59189	156785778	25.24
7	Decrease - 21.07.2017 \$			-16967	156768811	25.24
8	Decrease - 11.08.2017 \$			-18529	156750282	25.24
9	Decrease - 18.08.2017 Market Sale#			-5000	156745282	25.24
10	Decrease - 21.08.2017 Market Sale#			-23259	156722023	25.23
11	Decrease - 22.08.2017 \$			-34803	156687220	25.23
12	Decrease - 13.09.2017 \$			-77156	156610064	25.22
13	Decrease - 21.09.2017 \$			-22425	156587639	25.21
14	Decrease - 29.09.2017 Transfer by way of gift @			-6000	156581639	25.21
15	Increase - 29.09.2017 Received by way of gift @			3000	156584639	25.21
16	Increase - 29.09.2017 Received by way of gift @			3000	156587639	25.21
17	Decrease - 13.10.2017 \$			-34505	156553134	25.21
18	Decrease - 25.10.2017 \$			-15273	156537861	25.20
19	Decrease - 28.10.2017 α			-29111052	127426809	20.52
20	Decrease - 16.11.2017 Market Sale &			-40000	127386809	20.49
21	Decrease - 17.11.2017 Market Sale &			-60000	127326809	20.48
22	Decrease - 21.11.2017 Market Sale &			-30000	127296809	20.48
23	Decrease - 22.11.2017 Market Sale &			-90000	127206809	20.46
24	Increase - 19.12.2017 Market Purchase ^			2000	127208809	20.46
25	Increase - 26.12.2017 - Allotment of Bonus shares			127206809	254415618	20.46
26	Increase - 29.12.2017 ^			1985	254417603	20.46
27	Decrease - 01.01.2018 Market Sale &			-5000	254412603	20.46
28	Decrease - 02.01.2018 Market Sale &			-55000	254357603	20.46
29	Decrease - 03.01.2018 Market Sale β			-31000	254326603	20.46
30	Decrease - 04.01.2018 Market Sale β			-13000	254313603	20.46
31	Decrease - 05.01.2018 Market Sale β			-36000	254277603	20.45
32	Decrease - 08.01.2018 Market Sale β			-6000	254271603	20.45
33	Decrease - 09.01.2018 Market Sale β			-500	254271103	20.45
34	Increase - 12.01.2018 ^			15	254271118	20.45
At the End of the year – As on 31.03.2018					254271118	20.45

\$ Transfer of Shares by Mahindra & Mahindra Employees' Stock Option Trust, pursuant to exercise of options by employees.

Transfer by Anuja P Sharma

@ Gift by Anuja P Sharma to Deveshwar Jagat Sharma and Dhruv S Sharma of 3000 shares each

α Categorised as 'Non Promoter Non Public' w.e.f. 28th October, 2017 pursuant to Regulation 3(9) of the SEBI (Share Based Employee Benefits) Regulations, 2014.

& Transfer by Uma R Malhotra

^ Market Purchase of 2000 shares by Gautam P Khandelwal on 19th December, 2017. However, these shares were credited to his demat account by the broker during the week ended 29th December, 2017 and the bonus shares thereon were partly credited to his demat account by the broker during the week ended 29th December, 2017 and the balance during the week ended 12th January, 2018.

β Transfer by Yuthica Keshub Mahindra

iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs)

1. LIFE INSURANCE CORPORATION OF INDIA						
	Increase or Decrease/ Reasons	Shareholding at the beginning of the year [As on 1 st April, 2017]		Increase/ Decrease in No. of shares	Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company		No. of Shares	% of total shares of the Company
At the beginning of the year – 01.04.2017		68051139	10.96			
07/04/2017	Increase/Transfer			1223620	69274759	11.15
14/04/2017	Increase/Transfer			678978	69953737	11.26
21/04/2017	Increase/Transfer			1733243	71686980	11.54
28/04/2017	Increase/Transfer			1196508	72883488	11.73
05/05/2017	Decrease/Transfer			-632280	72251208	11.63
12/05/2017	Decrease/Transfer			-775289	71475919	11.51
19/05/2017	Decrease/Transfer			-1558522	69917397	11.26
26/05/2017	Decrease/Transfer			-529194	69388203	11.17
02/06/2017	Decrease/Transfer			-970591	68417612	11.02
09/06/2017	Decrease/Transfer			-1509327	66908285	10.77
16/06/2017	Decrease/Transfer			-1159546	65748739	10.59
23/06/2017	Decrease/Transfer			-1431817	64316922	10.36
30/06/2017	Decrease/Transfer			-989456	63327466	10.20
07/07/2017	Decrease/Transfer			-1730924	61596542	9.92
14/07/2017	Decrease/Transfer			-1948010	59648532	9.60
21/07/2017	Decrease/Transfer			-1391646	58256886	9.38
28/07/2017	Decrease/Transfer			-219702	58037184	9.34
04/08/2017	Decrease/Transfer			-97483	57939701	9.33
01/09/2017	Decrease/Transfer			-50	57939651	9.33
15/09/2017	Decrease/Transfer			-60194	57879457	9.32
22/09/2017	Decrease/Transfer			-367962	57511495	9.26
06/10/2017	Decrease/Transfer			-651095	56860400	9.15
13/10/2017	Decrease/Transfer			-1479331	55381069	8.92
20/10/2017	Decrease/Transfer			-164752	55216317	8.89
03/11/2017	Decrease/Transfer			-1064009	54152308	8.72
10/11/2017	Decrease/Transfer			-1825314	52326994	8.42
26/12/2017	Increase *			52326994	104653988	8.42
26/01/2018	Decrease/Transfer			-552000	104101988	8.37
02/02/2018	Decrease/Transfer			-1759118	102342870	8.23
09/02/2018	Increase/Transfer			541000	102883870	8.28
16/02/2018	Increase/Transfer			1050000	103933870	8.36
23/02/2018	Increase/Transfer			2327138	106261008	8.55
02/03/2018	Increase/Transfer			1312486	107573494	8.65
09/03/2018	Increase/Transfer			795437	108368931	8.72
At the end of the year – 31.03.2018					108368931	8.72

* Increase due to allotment of Bonus shares

2. FIRST STATE INVESTMENTS ICVC- STEWART INVESTORS ASIA PACIFIC LEADERS FUND

	Increase or Decrease/ Reasons	Shareholding at the beginning of the year [As on 1 st April, 2017]		Increase/ Decrease in No. of shares	Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company		No. of Shares	% of total shares of the Company
At the beginning of the year – 01.04.2017		12191090	1.96			
07/04/2017	Increase/Transfer			3395909	15586999	2.51
28/07/2017	Increase/Transfer			524385	16111384	2.59
04/08/2017	Increase/Transfer			679398	16790782	2.70
11/08/2017	Increase/Transfer			1048313	17839095	2.87
18/08/2017	Increase/Transfer			947401	18786496	3.02
25/08/2017	Increase/Transfer			739455	19525951	3.14
01/09/2017	Increase/Transfer			1886241	21412192	3.45
26/12/2017	Increase *			21412192	42824384	3.44
At the end of the year – 31.03.2018					42824384	3.44

* Increase due to allotment of Bonus shares

3. GOVERNMENT OF SINGAPORE

	Increase or Decrease/ Reasons	Shareholding at the beginning of the year [As on 1 st April, 2017]		Increase/ Decrease in No. of shares	Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company		No. of Shares	% of total shares of the Company
At the beginning of the year – 01.04.2017		13770041	2.22			
07/04/2017	Decrease/Transfer			-183161	13586880	2.19
14/04/2017	Decrease/Transfer			-424222	13162658	2.12
21/04/2017	Decrease/Transfer			-3924	13158734	2.12
28/04/2017	Increase/Transfer			372661	13531395	2.18
05/05/2017	Increase/Transfer			120092	13651487	2.20
12/05/2017	Increase/Transfer			810103	14461590	2.33
19/05/2017	Increase/Transfer			1103637	15565227	2.51
26/05/2017	Decrease/Transfer			-4603	15560624	2.51
02/06/2017	Increase/Transfer			114276	15674900	2.52
09/06/2017	Increase/Transfer			51515	15726415	2.53
23/06/2017	Decrease/Transfer			-4126	15722289	2.53
07/07/2017	Increase/Transfer			277012	15999301	2.58
14/07/2017	Increase/Transfer			118097	16117398	2.60
18/08/2017	Decrease/Transfer			-523431	15593967	2.51
25/08/2017	Decrease/Transfer			-26215	15567752	2.51
01/09/2017	Decrease/Transfer			-113048	15454704	2.49
08/09/2017	Decrease/Transfer			-200771	15253933	2.46
06/10/2017	Increase/Transfer			1492436	16746369	2.70
13/10/2017	Increase/Transfer			660206	17406575	2.80
20/10/2017	Increase/Transfer			242625	17649200	2.84

3. GOVERNMENT OF SINGAPORE

	Increase or Decrease/ Reasons	Shareholding at the beginning of the year [As on 1 st April, 2017]		Increase/ Decrease in No. of shares	Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company		No. of Shares	% of total shares of the Company
03/11/2017	Increase/Transfer			44809	17694009	2.85
17/11/2017	Decrease/Transfer			-2538	17691471	2.85
01/12/2017	Decrease/Transfer			-163832	17527639	2.82
08/12/2017	Decrease/Transfer			-472652	17054987	2.74
26/12/2017	Increase *			17054987	34109974	2.74
05/01/2018	Increase/Transfer			254301	34364275	2.76
12/01/2018	Decrease/Transfer			-389712	33974563	2.73
19/01/2018	Decrease/Transfer			-285407	33689156	2.71
26/01/2018	Increase/Transfer			136180	33825336	2.72
02/02/2018	Increase/Transfer			59111	33884447	2.73
09/02/2018	Decrease/Transfer			-22235	33862212	2.72
16/02/2018	Decrease/Transfer			-184021	33678191	2.71
23/02/2018	Decrease/Transfer			-686464	32991727	2.65
02/03/2018	Decrease/Transfer			-266559	32725168	2.63
09/03/2018	Decrease/Transfer			-551519	32173649	2.59
23/03/2018	Decrease/Transfer			-34605	32139044	2.59
30/03/2018	Increase/Transfer			84142	32223186	2.59
At the end of the year – 31.03.2018					32223186	2.59

* Increase due to allotment of Bonus shares

4. ICICI PRUDENTIAL LIFE INSURANCE COMPANY LIMITED

	Increase or Decrease/ Reasons	Shareholding at the beginning of the year [As on 1 st April, 2017]		Increase/ Decrease in No. of shares	Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company		No. of Shares	% of total shares of the Company
At the beginning of the year – 01.04.2017		16135508	2.60			
07/04/2017	Increase/Transfer			34524	16170032	2.60
14/04/2017	Decrease/Transfer			-190136	15979896	2.57
21/04/2017	Decrease/Transfer			-115624	15864272	2.55
28/04/2017	Increase/Transfer			49775	15914047	2.56
05/05/2017	Increase/Transfer			23487	15937534	2.57
12/05/2017	Decrease/Transfer			-57713	15879821	2.56
19/05/2017	Decrease/Transfer			-17721	15862100	2.55
26/05/2017	Increase/Transfer			209202	16071302	2.59
02/06/2017	Increase/Transfer			29929	16101231	2.59
09/06/2017	Increase/Transfer			28157	16129388	2.60
16/06/2017	Increase/Transfer			7241	16136629	2.60
23/06/2017	Increase/Transfer			502415	16639044	2.68
30/06/2017	Increase/Transfer			62805	16701849	2.69

4. ICICI PRUDENTIAL LIFE INSURANCE COMPANY LIMITED

	Increase or Decrease/ Reasons	Shareholding at the beginning of the year [As on 1 st April, 2017]		Increase/ Decrease in No. of shares	Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company		No. of Shares	% of total shares of the Company
07/07/2017	Increase/Transfer			203214	16905063	2.72
14/07/2017	Increase/Transfer			250206	17155269	2.76
21/07/2017	Decrease/Transfer			-13106	17142163	2.76
28/07/2017	Increase/Transfer			38862	17181025	2.77
04/08/2017	Decrease/Transfer			-45762	17135263	2.76
11/08/2017	Decrease/Transfer			-3868	17131395	2.76
18/08/2017	Decrease/Transfer			-18501	17112894	2.76
25/08/2017	Decrease/Transfer			-48228	17064666	2.75
01/09/2017	Decrease/Transfer			-889070	16175596	2.60
08/09/2017	Increase/Transfer			90990	16266586	2.62
15/09/2017	Increase/Transfer			103803	16370389	2.64
22/09/2017	Increase/Transfer			3985	16374374	2.64
29/09/2017	Increase/Transfer			319262	16693636	2.69
06/10/2017	Increase/Transfer			230213	16923849	2.72
13/10/2017	Decrease/Transfer			-4644	16919205	2.72
20/10/2017	Increase/Transfer			22327	16941532	2.73
27/10/2017	Decrease/Transfer			-61086	16880446	2.72
31/10/2017	Increase/Transfer			7392	16887838	2.72
03/11/2017	Decrease/Transfer			-26287	16861551	2.71
10/11/2017	Increase/Transfer			1830	16863381	2.71
17/11/2017	Decrease/Transfer			-32794	16830587	2.71
24/11/2017	Decrease/Transfer			-333	16830254	2.71
01/12/2017	Decrease/Transfer			-4485	16825769	2.71
08/12/2017	Decrease/Transfer			-2292	16823477	2.71
15/12/2017	Decrease/Transfer			-577042	16246435	2.61
22/12/2017	Decrease/Transfer			-206613	16039822	2.58
29/12/2017	Increase/Transfer*			16107123	32146945	2.59
05/01/2018	Increase/Transfer			511952	32658897	2.63
12/01/2018	Decrease/Transfer			-71759	32587138	2.62
19/01/2018	Decrease/Transfer			-19611	32567527	2.62
26/01/2018	Decrease/Transfer			-56394	32511133	2.62
02/02/2018	Increase/Transfer			102381	32613514	2.62
09/02/2018	Decrease/Transfer			-3734	32609780	2.62
16/02/2018	Increase/Transfer			10336	32620116	2.62
23/02/2018	Decrease/Transfer			-198416	32421700	2.61
02/03/2018	Decrease/Transfer			-44450	32377250	2.60
09/03/2018	Decrease/Transfer			-305526	32071724	2.58
16/03/2018	Decrease/Transfer			-94163	31977561	2.57
23/03/2018	Increase/Transfer			4236	31981797	2.57
30/03/2018	Increase/Transfer			36411	32018208	2.58
At the end of the year –					32018208	2.58

* Includes increase due to allotment of Bonus shares

5. EUROPACIFIC GROWTH FUND

	Increase or Decrease/ Reasons	Shareholding at the beginning of the year [As on 1 st April, 2017]		Increase/ Decrease in No. of shares	Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company		No. of Shares	% of total shares of the Company
At the beginning of the year – 01.04.2017		20051100	3.23			
07/04/2017	Decrease/Transfer			-865876	19185224	3.09
14/04/2017	Decrease/Transfer			-161573	19023651	3.06
21/04/2017	Decrease/Transfer			-1909326	17114325	2.76
28/04/2017	Decrease/Transfer			-3563225	13551100	2.18
16/06/2017	Decrease/Transfer			-703662	12847438	2.07
23/06/2017	Decrease/Transfer			-2026122	10821316	1.74
30/06/2017	Decrease/Transfer			-659580	10161736	1.64
07/07/2017	Decrease/Transfer			-30102	10131634	1.63
14/07/2017	Decrease/Transfer			-283276	9848358	1.59
21/07/2017	Decrease/Transfer			-1998358	7850000	1.26
26/12/2017	Increase *			7850000	15700000	1.26
At the end of the year – 31.03.2018					15700000	1.26

* Increase due to allotment of Bonus shares

6. GENERAL INSURANCE CORPORATION OF INDIA

	Increase or Decrease/ Reasons	Shareholding at the beginning of the year [As on 1 st April, 2017]		Increase/ Decrease in No. of shares	Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company		No. of Shares	% of total shares of the Company
At the beginning of the year – 01.04.2017		6450400	1.04			
02/06/2017	Decrease/Transfer			-40000	6410400	1.03
09/06/2017	Decrease/Transfer			-60000	6350400	1.02
23/06/2017	Decrease/Transfer			-60000	6290400	1.01
29/11/2017	Decrease/Transfer			-400	6290000	1.01
26/12/2017	Increase *			6290000	12580000	1.01
16/02/2018	Decrease/Transfer			-80000	12500000	1.01
16/03/2018	Decrease/Transfer			-200000	12300000	0.99
23/03/2018	Decrease/Transfer			-64806	12235194	0.98
30/03/2018	Decrease/Transfer			-35194	12200000	0.98
At the end of the year – 31.03.2018					12200000	0.98

* Increase due to allotment of Bonus shares

7. VANGUARD EMERGING MARKETS STOCK INDEX FUND, A SERIES OF THE VANGUARD INTERNATIONAL EQUITY INDEX FUND @

	Increase or Decrease/ Reasons	Shareholding at the beginning of the year [As on 1 st April, 2017]		Increase/ Decrease in No. of shares	Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company		No. of Shares	% of total shares of the Company
At the beginning of the year – 01.04.2017		4992957	0.80			
07/04/2017	Increase/Transfer			58642	5051599	0.81
28/04/2017	Increase/Transfer			5380	5056979	0.81
05/05/2017	Increase/Transfer			43040	5100019	0.82
12/05/2017	Increase/Transfer			13450	5113469	0.82
19/05/2017	Increase/Transfer			29052	5142521	0.83
02/06/2017	Increase/Transfer			11836	5154357	0.83
07/07/2017	Increase/Transfer			18830	5173187	0.83
14/07/2017	Increase/Transfer			13450	5186637	0.84
04/08/2017	Increase/Transfer			11836	5198473	0.84
11/08/2017	Increase/Transfer			15602	5214075	0.84
01/09/2017	Increase/Transfer			19368	5233443	0.84
08/09/2017	Increase/Transfer			27438	5260881	0.85
15/09/2017	Increase/Transfer			24748	5285629	0.85
06/10/2017	Increase/Transfer			16140	5301769	0.85
13/10/2017	Increase/Transfer			16678	5318447	0.86
20/10/2017	Increase/Transfer			12374	5330821	0.86
27/10/2017	Increase/Transfer			11298	5342119	0.86
22/12/2017	Decrease/Transfer			-70976	5271143	0.85
29/12/2017	Increase/Transfer*			5279034	10550177	0.85
26/01/2018	Increase/Transfer			39198	10589375	0.85
02/02/2018	Increase/Transfer			35028	10624403	0.85
23/03/2018	Decrease/Transfer			-10624403	0	0.00
At the end of the year – 31.03.2018					0	0.00

* Includes increase due to allotment of Bonus shares

VANGUARD EMERGING MARKETS STOCK INDEX FUND, A SERIES OF THE VANGUARD INTERNATIONAL EQUITY INDEX FUND @

	Increase or Decrease/ Reasons	Shareholding at the beginning of the year [As on 1 st April, 2017]		Increase/ Decrease in No. of shares	Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company		No. of Shares	% of total shares of the Company
At the beginning of the year – 01.04.2017		0	0.00			
23/03/2018	Increase/Transfer			10352656	10352656	0.83
30/03/2018	Decrease/Transfer			-48550	10304106	0.83
At the end of the year – 31.03.2018					10304106	0.83

@ Shares held in separate demat accounts

8. HDFC STANDARD LIFE INSURANCE COMPANY LIMITED @

	Increase or Decrease/ Reasons	Shareholding at the beginning of the year [As on 1 st April, 2017]		Increase/ Decrease in No. of shares	Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company		No. of Shares	% of total shares of the Company
At the beginning of the year – 01.04.2017		5419954	0.87			
07/04/2017	Increase/Transfer			126996	5546950	0.89
14/04/2017	Decrease/Transfer			-2384	5544566	0.89
21/04/2017	Increase/Transfer			962	5545528	0.89
28/04/2017	Increase/Transfer			256136	5801664	0.93
05/05/2017	Decrease/Transfer			-1665	5799999	0.93
12/05/2017	Increase/Transfer			10055	5810054	0.94
19/05/2017	Increase/Transfer			32244	5842298	0.94
26/05/2017	Decrease/Transfer			-5842298	0	0.00
At the end of the year – 31.03.2018					0	0.00

HDFC STANDARD LIFE INSURANCE COMPANY LIMITED @

	Increase or Decrease/ Reasons	Shareholding at the beginning of the year [As on 1 st April, 2017]		Increase/ Decrease in No. of shares	Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company		No. of Shares	% of total shares of the Company
At the beginning of the year – 01.04.2017		0	0.00			
26/05/2017	Increase/Transfer			5825895	5825895	0.94
02/06/2017	Increase/Transfer			183397	6009292	0.97
09/06/2017	Increase/Transfer			189222	6198514	1.00
16/06/2017	Increase/Transfer			68302	6266816	1.01
23/06/2017	Decrease/Transfer			-5	6266811	1.01
30/06/2017	Decrease/Transfer			-13634	6253177	1.01
14/07/2017	Increase/Transfer			26856	6280033	1.01
21/07/2017	Increase/Transfer			8482	6288515	1.01
28/07/2017	Increase/Transfer			8099	6296614	1.01
04/08/2017	Increase/Transfer			62799	6359413	1.02
11/08/2017	Decrease/Transfer			-7644	6351769	1.02
18/08/2017	Increase/Transfer			132	6351901	1.02
25/08/2017	Decrease/Transfer			-464878	5887023	0.95
01/09/2017	Decrease/Transfer			-292799	5594224	0.90
08/09/2017	Increase/Transfer			78081	5672305	0.91
15/09/2017	Increase/Transfer			53424	5725729	0.92
29/09/2017	Decrease/Transfer			-37782	5687947	0.92
06/10/2017	Increase/Transfer			6522	5694469	0.92
13/10/2017	Decrease/Transfer			-15499	5678970	0.91
20/10/2017	Decrease/Transfer			-20001	5658969	0.91
27/10/2017	Decrease/Transfer			-74688	5584281	0.90
03/11/2017	Decrease/Transfer			-864	5583417	0.90
10/11/2017	Decrease/Transfer			-60350	5523067	0.89

@ Shares held in separate demat accounts

HDFC STANDARD LIFE INSURANCE COMPANY LIMITED @

	Increase or Decrease/ Reasons	Shareholding at the beginning of the year [As on 1 st April, 2017]		Increase/ Decrease in No. of shares	Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company		No. of Shares	% of total shares of the Company
17/11/2017	Increase/Transfer			1637	5524704	0.89
24/11/2017	Increase/Transfer			22503	5547207	0.89
01/12/2017	Decrease/Transfer			-78	5547129	0.89
08/12/2017	Increase/Transfer			1940	5549069	0.89
15/12/2017	Decrease/Transfer			-114343	5434726	0.87
22/12/2017	Decrease/Transfer			-49643	5385083	0.87
29/12/2017	Increase/Transfer*			5412057	10797140	0.87
05/01/2018	Increase/Transfer			24080	10821220	0.87
12/01/2018	Decrease/Transfer			-230749	10590471	0.85
19/01/2018	Decrease/Transfer			-5688	10584783	0.85
26/01/2018	Decrease/Transfer			-79352	10505431	0.85
02/02/2018	Decrease/Transfer			-257379	10248052	0.82
09/02/2018	Decrease/Transfer			-59409	10188643	0.82
16/02/2018	Decrease/Transfer			-15310	10173333	0.82
23/02/2018	Decrease/Transfer			-27440	10145893	0.82
02/03/2018	Increase/Transfer			5073	10150966	0.82
09/03/2018	Decrease/Transfer			-35433	10115533	0.81
16/03/2018	Decrease/Transfer			-89075	10026458	0.81
23/03/2018	Decrease/Transfer			-97357	9929101	0.80
30/03/2018	Increase/Transfer			822	9929923	0.80
At the end of the year – 31.03.2018					9929923	0.80

@ Shares held in separate demat accounts

* Includes increase due to allotment of Bonus shares

9. DODGE AND COX INTERNATIONAL STOCK FUND

	Increase or Decrease/ Reasons	Shareholding at the beginning of the year [As on 1 st April, 2017]		Increase/ Decrease in No. of shares	Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company		No. of Shares	% of total shares of the Company
At the beginning of the year - 01.04.2017		7171971	1.15			
01/09/2017	Decrease/Transfer			-607425	6564546	1.06
08/09/2017	Decrease/Transfer			-166776	6397770	1.03
20/10/2017	Decrease/Transfer			-77203	6320567	1.02
27/10/2017	Decrease/Transfer			-615477	5705090	0.92
31/10/2017	Decrease/Transfer			-177518	5527572	0.89
03/11/2017	Decrease/Transfer			-186146	5341426	0.86
10/11/2017	Decrease/Transfer			-1074100	4267326	0.69
17/11/2017	Decrease/Transfer			-1435400	2831926	0.46
24/11/2017	Decrease/Transfer			-695578	2136348	0.34
01/12/2017	Decrease/Transfer			-438725	1697623	0.27
08/12/2017	Decrease/Transfer			-1176579	521044	0.08
15/12/2017	Decrease/Transfer			-521044	0	0.00
At the end of the year – 31.03.2018					0	0.00

10. ARANDA INVESTMENTS (MAURITIUS) PTE LTD

	Increase or Decrease/ Reasons	Shareholding at the beginning of the year [As on 1 st April, 2017]		Increase/ Decrease in No. of shares	Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company		No. of Shares	% of total shares of the Company
At the beginning of the year – 01.04.2017		6832016	1.10			
02/06/2017	Decrease / Transfer			-310000	6522016	1.05
09/06/2017	Decrease / Transfer			-846937	5675079	0.91
16/06/2017	Decrease / Transfer			-421444	5253635	0.85
04/08/2017	Decrease / Transfer			-706561	4547074	0.73
11/08/2017	Decrease / Transfer			-77368	4469706	0.72
17/11/2017	Decrease / Transfer			-319006	4150700	0.67
24/11/2017	Decrease / Transfer			-400000	3750700	0.60
01/12/2017	Decrease / Transfer			-100000	3650700	0.59
15/12/2017	Decrease / Transfer			-200000	3450700	0.56
22/12/2017	Decrease / Transfer			-2545000	905700	0.15
29/12/2017	Increase / Transfer*			340000	1245700	0.10
05/01/2018	Decrease / Transfer			-1245700	0	0.00
At the end of the year – 31.03.2018					0	0.00

* Includes increase due to allotment of Bonus shares.

11. MAHINDRA AND MAHINDRA EMPLOYEES STOCK OPTION TRUST# ^

	Increase or Decrease/ Reasons	Shareholding at the beginning of the year #		Increase/ Decrease in No. of shares	Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company		No. of Shares	% of total shares of the Company
At the beginning of the year - 01.04.2017 #		NA	NA			
As on 28/10/2017 #					27080182	4.36
14/11/2017	Decrease/Transfer			-22951	27057231	4.35
21/11/2017	Decrease/Transfer			-7589	27049642	4.35
13/12/2017	Decrease/Transfer			-81023	26968619	4.34
21/12/2017	Decrease/Transfer			-100813	26867806	4.32
26/12/2017	Increase *			26867806	53735612	4.32
23/02/2018	Decrease/Transfer			-3292	53732320	4.32
13/03/2018	Decrease/Transfer			-132102	53600218	4.31
23/03/2018	Decrease/Transfer			-340700	53259518	4.28
At the end of the year – 31.03.2018					53259518	4.28

All the above transfer of shares is pursuant to exercise of options by employees.

Part of Promoter Group upto 27th October, 2017. Categorised as 'Non Promoter Non Public' w.e.f. 28th October 2017 pursuant to Regulation 3(9) of the SEBI (Share Based Employee Benefits) Regulations, 2014.

* Increase due to allotment of Bonus shares.

12. ICICI PRUDENTIAL VALUE DISCOVERY FUND ^

	Increase or Decrease/ Reasons	Shareholding at the beginning of the year [As on 1 st April, 2017]		Increase/ Decrease in No. of shares	Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company		No. of Shares	% of total shares of the Company
At the beginning of the year – 01.04.2017		4516846	0.73			
07/04/2017	Increase/Transfer			9418	4526264	0.73
14/04/2017	Increase/Transfer			45422	4571686	0.74
21/04/2017	Increase/Transfer			231986	4803672	0.77
26/12/2017	Increase *			4803672	9607344	0.77
At the end of the year – 31.03.2018					9607344	0.77

* Increase due to allotment of Bonus shares

[^] Not in the list of Top 10 Shareholders as on 1st April, 2017. The same has been reflected above since the Shareholder was one of the Top 10 Shareholders as on 31st March, 2018.

v) Shareholding of Directors and Key Managerial Personnel:

Sr. No	Shareholding of each of the Directors and Key Managerial Personnel	Shareholding at the beginning of the year [As on 1 st April, 2017]		Increase/ Decrease in No. of shares	Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company		No. of shares	% of total shares of the Company
I	Directors					
1	Mr. Anand Gopal Mahindra (Executive Chairman, Key Managerial Personnel)					
	At the beginning of the year - 01.04.2017	715004	0.12			
	Increase - 26.12.2017 - Allotment of Bonus shares			715004		
	At the end of the year - 31.03.2018				1430008	0.12
2	Dr. Pawan Goenka (Managing Director, Key Managerial Personnel)					
	At the beginning of the year - 01.04.2017	0	0.00			
	Increase - 12.07.2017 - Exercise of ESOPs			12527	12527	0.00
	Increase - 26.12.2017 - Allotment of Bonus shares			12527	25054	0.00
	Increase - 23.03.2018 - Exercise of ESOPs			25054	50108	0.00
	Decrease - 26.03.2018 - Market Sale			-2500	47608	0.00
	At the end of the year - 31.03.2018				47608	0.00
3	Mr. Deepak Parekh					
	At the beginning of the year - 01.04.2017	112180	0.02			
	Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc):			0		
	As on 07.08.2017 (ceased to be a Director w.e.f. 08.08.2017)				112180	0.02
4	Mr. Nadir B Godrej					
	At the beginning of the year - 01.04.2017	542303	0.09			
	Increase - 06.04.2017 - Market Purchase			5000	547303	0.09
	Increase - 06.06.2017 - Market Purchase			1000	548303	0.09
	Increase - 08.06.2017 - Market Purchase			2400	550703	0.09
	Increase - 03.07.2017 - Market Purchase			3000	553703	0.09
	Increase - 04.07.2017 - Market Purchase			500	554203	0.09
	Increase - 14.08.2017 - Market Purchase			500	554703	0.09
	Increase - 16.08.2017 - Market Purchase			500	555203	0.09
	Increase - 17.08.2017 - Market Purchase			2000	557203	0.09
	Increase - 29.08.2017 - Market Purchase			1000	558203	0.09
	Increase - 08.09.2017 - Market Purchase			500	558703	0.09
	Increase - 12.09.2017 - Market Purchase			187	558890	0.09
	Increase - 18.09.2017 - Market Purchase			500	559390	0.09
	Increase - 19.09.2017 - Market Purchase			500	559890	0.09
	Increase - 21.09.2017 - Market Purchase			1000	560890	0.09
	Increase - 28.09.2017 - Market Purchase			500	561390	0.09
	Increase - 20.11.2017 - Market Purchase			1000	562390	0.09
	Increase - 30.11.2017 - Market Purchase			2000	564390	0.09
	Increase - 04.12.2017 - Market Purchase			2000	566390	0.09
	Increase - 05.12.2017 - Market Purchase			1000	567390	0.09
	Increase - 26.12.2017 - Allotment of Bonus shares			567390	1134780	0.09
	At the end of the year - 31.03.2018				1134780	0.09
5	Mr. M. M. Murugappan					
	At the beginning of the year - 01.04.2017	100000	0.02			
	Increase - 26.12.2017 - Allotment of Bonus shares			100000		
	At the end of the year - 31.03.2018				200000	0.02

Sr. No	Shareholding of each of the Directors and Key Managerial Personnel	Shareholding at the beginning of the year [As on 1 st April, 2017]		Increase/ Decrease in No. of shares	Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company		No. of shares	% of total shares of the Company
6	Mr. R. K. Kulkarni					
	At the beginning of the year - 01.04.2017	83088	0.01			
	Increase - 26.12.2017 - Allotment of Bonus shares			83088		
	At the end of the year - 31.03.2018				166176	0.01
7	Mr. Vikram Singh Mehta					
	At the beginning of the year - 01.04.2017	10000	0.00			
	Increase - 26.12.2017 - Allotment of Bonus shares			10000		
	At the end of the year - 31.03.2018				20000	0.00

Note: Mr. Anupam Puri, Dr. Vishakha Desai, Mr. S.B. Mainak and Mr. T. N. Manoharan did not hold any shares of the Company during the Financial Year 2017-18.

Sr. No	Shareholding of each of the Directors and Key Managerial Personnel	Shareholding at the beginning of the year [As on 1 st April, 2017]		Increase/ Decrease in No. of shares	Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company		No. of shares	% of total shares of the Company
II	Key Managerial Personnel					
1	Mr. V S Parthasarathy					
	At the beginning of the year – 01.04.2017	31889	0.01			
	Decrease - 07.06.2017 - Market Sale			-10000	21889	0.00
	Increase - 14.11.2017 - Exercise of ESOPs			5641	27530	0.00
	Increase - 26.12.2017 - Allotment of Bonus shares			27530	55060	0.00
	At the end of the year – 31.03.2018				55060	0.00
2	Mr. Narayan Shankar					
	At the beginning of the year – 01.04.2017	2906	0.00			
	Increase - 22.08.2017 - Exercise of ESOPs			2816	5722	0.00
	Decrease - 18.12.2017 - Market Sale			-1422	4300	0.00
	Increase - 26.12.2017 - Allotment of Bonus shares			4300	8600	0.00
	At the end of the year – 31.03.2018				8600	0.00

V. INDEBTEDNESS**Indebtedness of the Company including interest outstanding/accrued but not due for payment:**

(Rs. in lakhs)

		Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year					
i) Principal Amount		0.67	2,80,732.27	83.60	2,80,816.54
ii) Interest due but not paid		–	–	–	–
iii) Interest accrued but not due		–	2,163.86	21.17	2,185.02
	Total (i+ii+iii)	0.67	2,82,896.13	104.77	2,83,001.56
Change in Indebtedness during the financial year					
● Addition		–	1,46,403.07	–	1,46,403.07
● Reduction		–	1,31,233.62	38.02	1,31,271.65
Net Change		–	15,169.45	-38.02	15,131.42
Indebtedness at the end of the financial year					
i) Principal Amount		0.67	2,95,806.71	50.11	2,95,857.49
ii) Interest due but not paid		–	–	–	–
iii) Interest accrued but not due		–	2,258.86	16.63	2,275.49
	Total (i+ii+iii)	0.67	2,98,065.57	66.74	2,98,132.98

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:**A. Remuneration to Managing Director, Whole-time Directors and/or Manager:**

(Rs. in lakhs)

Sr. No.	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount
		Mr. Anand Mahindra (Executive Chairman)	Dr. Pawan Goenka (Managing Director)	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	339.41	335.53	674.94
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	3.47	37.14	40.61
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	–	–	–
2	Stock Option – Amount indicates perquisite value of ESOP exercised during the year	0.00	351.41	351.41
3	Sweat Equity	–	–	–
4	Commission – as % of profit	412.12	448.22	860.34
5	Others, please specify (contribution to funds)	48.35	48.79	97.14
	Total (A)	803.35	1221.09	2024.44
		(being 10% of the net profits of the Company calculated as per Section 198 of the Companies Act, 2013)		

B. Remuneration to other directors

Sr. No.	Particulars of Remuneration	Name of Directors						Total Amount (Rs. in lakhs)		
		Mr. Deepak S. Parekh®	Mr. Nadir B. Godrej	Mr. M. M. Murugappan	Mr. R. K. Kulkarni*	Mr. Anupam Puri	Dr. Vishakha N. Desai	Mr. Vikram Singh Mehta	Mr. S. B. Mainak (Nominee of LIC)†	Mr. T. N. Manoharan
1	Independent Directors									
	Fee for attending board/committee meetings	3.50	15.50	14.50	19.30	6.00	6.80	15.50	-	14.50
	Commission	12.72	30.00	36.00	36.00	30.00	36.00	30.00	-	33.88
	Others, please specify (Perquisite value of ESOP)	-	-	-	-	-	-	-	-	-
	Total (1)	16.22	45.50	50.50	55.30	36.00	42.80	45.50	-	48.38
2	Other Non-Executive Directors									
	Fee for attending board/committee meetings	-	-	-	-	-	-	-	-	7.00
	Commission	-	-	-	-	-	-	-	-	27.00
	Others, please specify (Perquisite value of ESOP)	-	-	-	-	-	-	-	-	-
	Total (2)	-	-	-	-	-	-	-	-	34.00
	Total (B)=(1+2)	16.22	45.50	50.50	55.30	36.00	42.80	45.50	34.00	48.38
	Total Managerial Remuneration#	-	-	-	-	-	-	-	-	2,398.64
	Overall Ceiling as per the Act									5,645.89

(being 1% of the net profits of the Company calculated as per Section 198 of the Companies Act, 2013)

Total remuneration to Managing Director, Whole-Time Director and other Directors (being the total of A and B).

@ Ceased to hold office as an independent Director of the Company with effect from 8th August, 2017.

* The sitting fees and commission was paid/payable to Khaitan & Co., in which Mr. R. K. Kulkarni is a Partner.

^ Ceased to be Nominee Director representing LIC with effect from 11th May, 2018

\$ The commission is payable to Life Insurance Corporation of India (LIC).

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

(Rs. in lakhs)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel		
		CS	CFO	Total
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	121.57	373.55	495.12
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0.33	20.93	21.26
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	0.00	0.00	0.00
2	Stock Option – Amount indicates perquisite value of ESOP exercised during the year	32.25	71.72	103.97
3	Sweat Equity	0.00	0.00	0.00
4	Commission – as % of profit others, specify...	0.00	0.00	0.00
5	Others – please specify (Contribution to Funds)	6.63	19.47	26.10
	Total	160.78	485.67	646.45

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES: NIL

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty					
Punishment					
Compounding					
B. DIRECTORS					
Penalty					
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty					
Punishment					
Compounding					

For and on behalf of the Board

ANAND G. MAHINDRA
Executive Chairman

Mumbai, 29th May, 2018

Particulars of loans/advances, etc. pursuant to Para A of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Loans and advances in the nature of loans to subsidiaries:

Name of the Company	Rupees in crores	
	Balances as on 31 st March, 2018	Maximum outstanding during the year
Mahindra Agri Solutions Limited	10.00	10.00
Mahindra Rural Housing Finance Limited	50.00	50.00
Bristlecone Limited	48.88	71.98
Mahindra Overseas Investment Company (Mauritius) Limited	75.67	75.67
Mahindra Retail Limited	70.00	70.00
Trringo.com Limited	0.00	3.00
Orizonte Business Solutions Limited	0.00	3.00
Mahindra HZPC Private Limited	0.00	5.00
Mahindra Trucks and Buses Limited	0.00	8.55
Mahindra Lifespace Developers Limited	0.00	150.00
Mahindra & Mahindra Financial Services Limited	400.00	400.00

Loans and advances in nature of loans to Associates/Joint Venture:

Name of the Company	Rupees in crores	
	Balances as on 31 st March, 2018	Maximum outstanding during the year
Mahindra World City (Jaipur) Limited (Joint Venture)	0.00	50.00

Management Discussion and Analysis



Management Discussion and Analysis

Mahindra & Mahindra Limited (M&M) or (Mahindra) is the flagship company of the Mahindra Group, which consists of diverse business interests across the globe and aggregate revenues of around US \$ 20.7 billion.

The Automotive and Farm Equipment Sectors of the Company, continue to focus on creating products and technology led services, which enable its customers and stakeholders to Rise. By focussing on customer centricity, delivering accessible technology, innovation and enhancing people capabilities, the Company continues to drive growth in the domestic market while pursuing global expansion.

For the year under review, improvement in overall economic sentiment, two consecutive years of normal monsoon, Government's focus on development of rural parts of the country, and the continued investment on the Agriculture and Infrastructure Sectors, coupled with easy availability of affordable finance helped drive the demand for the automotive as well as the tractor industry.

In the Financial Year 2017-18, your Company sold 5,48,508 vehicles (a growth of 8.3% in comparison to the previous year) and 3,17,531 tractors (a growth of 20.7% over the previous year).

The Automotive and Farm Sectors, along with their subsidiary, associate companies and joint ventures, achieved global sales of 1.03 million vehicles and tractors (6,89,432 vehicles and 3,41,319 tractors), a growth of 8% over the previous year. This is the first year when the combined sales of vehicles and tractors crossed the million mark.

INDUSTRY STRUCTURE, OVERVIEW AND TRENDS

Automotive Industry

The Indian automotive industry comprises of several Indian-origin and multinational players with varying degrees of presence in different segments.

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Year 2017-18,
your Company sold
5,48,508 vehicles (a growth
of 8.3% in comparison to
the previous year) and
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of 20.7% over the
previous year).**



After more than 15 years of establishing manufacturing base in India, MNC OEMs have garnered 85.9% share of the domestic Passenger Vehicles (PV) market. However, in the Commercial Vehicle (CV) space, Indian Origin OEMs continue to hold 96.5% of the domestic market.

**This is the first
year when the
combined sales of
vehicles and
tractors crossed the
million mark.**

1st

Almost all MNC OEMs have well established India development and sourcing centres. These centres are being leveraged to design and develop emerging market products in India. In addition, a high degree of India sourcing delivers price competitiveness for these new products. Further, the MNCs have aggressively pursued channel expansion and today, have a good channel presence in urban centres and are in the process of expanding into rural parts. At the same time, MNCs are increasingly using India as an export base. Today, 20.7% of MNC production is exported from India.

India homegrown OEMs, over the years, have invested in developing capabilities in product development and world class manufacturing. As a result, products designed and manufactured by Indian OEMs are very competitive as compared to MNC OEM products.

Keeping in view the need for safe mobility and clean air, the Government and Industry are focussed towards delivering mobility solutions that are safe and clean.

Today, the industry is focussed on managing portfolio readiness for the new safety norms that are under implementation and the BSVI emission norms from April, 2020.

In addition to above, the Government has taken aggressive targets towards adopting electric vehicles. The industry is gearing up for meeting this challenge on the technology and product fronts.

Tractor Industry

Similarly, the domestic tractor market has a mix of Indian origin and international OEMs, and is segmented by horsepower.

Industry is typically classified under the following segments < 20HP, 20-30 HP, 30-40 HP, 40-50 HP and >50 HP. Among these, 30-40 HP and 40-50 HP together account for 83% of the total industry. In the recent years (Financial Years 2013 to 2018) the >50 HP segment has seen good growth, owing to increased affordability, tractor versatility and evolution of farming practices especially in case of farmers with large land holdings. At the same time, there is growth in the horticulture segment of agriculture, leading to growth of the lower HP segment.

Indian agriculture is characterised by low productivity and a high degree of manual work. At the same time, demand for farm labour is cyclic and there is shortage of farm labour in many parts of the country. The key to raising farm productivity, is increase the level of mechanisation and improve farming practices. This situation, coupled with Government's focus on improving farm productivity, is creating an opportunity for private players to venture into custom hiring business.

Global Automotive Industry

In the Calendar Year (CY) 2017, global automotive sales for Passenger and Commercial Vehicles stood at a record 96.8 million, which was a growth of 3.1% over the previous year. This growth is marginally less than the five year CAGR of 3.3%. This growth in 2017 was primarily driven by China, India and Europe, which collectively account for 55.8% of the global automotive market. The US market de-grew 1.6%, while the markets in Japan and Brazil grew 5.4% and 9.2% respectively, on a low base effect. *Source: OICA (Organisation Internationale des Constructeurs d'Automobiles).*

Auto sales in Africa have de-grown for three consecutive years and stood at 1.2 million, which is a drop of 30.4% over the all time high in 2014. This slowdown is a result of weak economic sentiment, high inflation and high interest rates.

The automotive market in Russia has posted a growth of 14.1% (a growth after four years), almost at 50% of their all-time high in 2012.

Indian Automotive Industry

In the Financial Year 2017-18, the auto industry continued the growth momentum and posted a total growth of 14.2%. The industry (excluding 2W) posted a 11.9% growth – a double



The key to raising farm productivity, is increase the level of mechanisation and improve farming practices.

digit growth after a gap of seven years. All industry segments viz. Passenger Vehicles (PV), Commercial Vehicles (CV), Three Wheelers (3W) and Two Wheelers (2W) reported the highest ever sales. Total automotive sales (excluding 2W) crossed 4.78 million, while the 2W sales crossed the 20 million mark.

The PV segment grew 7.9%, wherein the growth driver was the 21.0% growth in UVs. Over the past six years (Financial Years 2012 to 2018), there has been an increased customer preference for UVs, resulting in heightened competitive intensity and multiple new product launches in the segment. In this period, the UV segment grew 16.8% CAGR as against a very flat performance of the car segment at 1.1% CAGR. Because of this high growth in UVs, UVs as a share of PVs has almost doubled in the period of six years and now stand at 28.0%.

The CV industry posted a growth of 19.9%, which is highest in the last seven years. The MHCV (Goods) industry grew 19.4% and crossed the three lakh mark for the first time, with a volume of 3,04,664 units. This is 1.8% higher than the all-time high of 2,99,334 in Financial Year 2012. This is a very good recovery considering that the MHCV (Goods) industry had bottomed out at 1,61,909 units (down by 45.9% over Financial Year 2012) in Financial Year 2014. This recovery is driven by replacement demand, ban on overloading and benefits of GST implementation. The LCV < 3.5T GVW segment posted a volume of 4,21,078 units, which is a growth of 29.8% over the previous year, but this volume is still lower by 16,790 vehicles over the all-time high in Financial Year 2013. The Pik-Up segment, which is LCV 2-3.5T GVW, grew a robust 23.1% on back of demand from rural, agri Sectors, and posted all-time high sales of 2,55,599 units. This segment has shown a healthy growth of 15.1% CAGR over last six years. This growth is a result of positive sentiment, prosperity in the rural economy and availability of affordable finance.

The performance of the auto industry in the Financial Year 2017-18 needs to be reviewed in two parts – first quarter of the Financial Year 2018 and rest of the year. The demand in first quarter of the Financial Year 2018 was muted due to two reasons (i) Implementation of BSIV for all vehicle categories from 1st April, 2017 and (ii) Implementation of GST from 1st July, 2017. With the Hon. Supreme Court directing the industry for implementation of BSIV for all vehicle categories from 1st April, 2017, the supply side for the CV industry was disturbed,



The industry (excluding 2W) posted a 11.9% growth – a double digit growth after a gap of seven years.

resulting in short supply of BSIV vehicles in the first quarter of the Financial Year 2018. In the PV segment, the demand in the first quarter of the Financial Year 2018 was subdued, as the customers expected a price reduction post GST implementation.

The table below summarises the demand pattern in the four quarters of Financial Year 2018 – clearly showing a subdued demand in the first quarter and recovery in the remaining three quarters:

Industry Segment	F18				
	Q1	Q2	Q3	Q4	F18
PV	4.4%	13.4%	6.1%	7.2%	7.9%
CV	-9.1%	21.0%	33.7%	30.9%	19.9%
3W	-21.8%	4.1%	51.2%	86.8%	24.2%
2W	7.8%	12.3%	15.7%	24.8%	14.8%
Total Domestic	6.1%	12.5%	15.7%	23.6%	14.2%
Domestic (Excl. 2W)	-1.5%	13.3%	15.7%	19.2%	11.9%

The growth in the two wheeler industry was at a robust 14.8%. The scooter segment grew 19.9%, taking the share of scooters, 2W sales to 33.3%. The motorcycle segment grew a good 13.7% - a double digit growth after six years, indicating recovery towards the rural sentiment and markets.

The demand for automobiles was driven by the Indian economy continuing the growth path, sustained demand in

rural, due to positive sentiment, investment thrust in road and infrastructure projects, coupled with moderate inflation. The demand was helped by ease of affordable finance, while new launches by OEMs created the necessary excitement in the market. Cost of ownership of an automobile is an important factor for demand, and in Financial Year 2018, this factor was also on the positive side due to benign price hikes and moderate fuel price hikes for most part of the year.

The table below shows the size of various segments of the Indian auto industry for the periods Financial Year 2016-17 and Financial Year 2017-18 and the growth rates, spanning Financial Years 2015-16 to 2017-18:

Industry Segment	Domestic Sales		YoY Growth		
	F17	F18	F16	F17	F18
Cars	21,03,847	21,73,950	7.8%	3.9%	3.3%
Utility Vehicles	7,61,998	9,21,780	6.2%	29.9%	21.0%
Vans	1,81,737	1,92,235	3.6%	2.4%	5.8%
Passenger Vehicles	30,47,582	32,87,965	7.2%	9.3%	7.9%
MHCV	3,02,567	3,40,313	29.9%	0.1%	12.5%
MHCV Passenger	47,310	35,649	19.2%	7.7%	-24.6%
M+ICV Goods (7.5 to 16.2T)	89,357	92,232	26.0%	0.9%	3.2%
HCV Goods (>16.2T)	1,65,900	2,12,432	35.3%	-2.4%	28.0%
LCV	4,11,515	5,16,140	0.3%	7.4%	25.4%
LCV Passenger	50,750	49,009	9.2%	3.7%	-3.4%
LCV Goods < 2T GVW	1,16,901	1,65,479	-11.3%	0.3%	41.6%
LCV Goods 2 to 3.5T GVW	2,07,600	2,55,599	3.5%	13.2%	23.1%
LCV Goods > 3.5T GVW	36,264	46,053	19.5%	5.4%	27.0%
Total CV	7,14,082	8,56,453	11.5%	4.1%	19.9%
3W Passenger	4,02,189	5,17,423	2.1%	-8.8%	28.7%
3W Goods	1,09,690	1,18,275	-3.4%	12.8%	7.8%
3W	5,11,879	6,35,698	1.0%	-4.9%	24.2%
Scooters	56,04,673	67,19,911	11.8%	11.4%	19.9%
Motorcycles	1,10,94,547	1,26,13,241	-0.2%	3.7%	13.7%
Mopeds	8,90,518	8,59,520	-3.3%	23.0%	-3.5%
2W	1,75,89,738	2,01,92,672	3.0%	6.9%	14.8%
Total Domestic	2,18,63,281	2,49,72,788	3.8%	6.8%	14.2%
Domestic (Excl. 2W)	42,73,543	47,80,116	7.1%	6.5%	11.9%

Indian Tractor Industry

In Financial Year 2018, the Indian tractor market (the world's largest by volume) grew 21.9% to reach 7,09,038 units. The industry beat its earlier peak in Financial Year 2014 by 11.9%. Over the 10 year period from Financial Year 2008 to Financial Year 2018, the industry has grown at 8.9% CAGR.

In Financial Year 2018, the Indian tractor market (the world's largest by volume) grew 21.9% to reach 7,09,038 units.

Tractor industry growth in Financial Year 2018 was led by improvement in rural economy on back of two consecutive normal monsoons coupled with good increase in MSPs and continued thrust of Government in agri and rural development.

For the year under review, tractor industry in most States recorded good growth over previous year. While Uttar Pradesh retained its No. 1 position in tractor sales, Maharashtra jumped two positions from No. 4 in Financial Year 2017 to No. 2 in Financial Year 2018. The table below lists States by share of industry and growth for Financial Year 2018:

Sr. No.	States	F18	
		% of Industry	% of Growth
1.	Uttar Pradesh	16.7%	32.5%
2.	Maharashtra	10.3%	39.8%
3.	Madhya Pradesh	10.3%	16.1%
4.	Rajasthan	9.1%	7.5%
5.	Gujarat	6.9%	3.5%
6.	Bihar	6.1%	13.3%
7.	Telangana	5.9%	32.9%
8.	Karnataka	5.2%	7.1%
9.	Haryana	5.2%	41.7%
10.	Andhra Pradesh	5.0%	2.3%
11.	Tamil Nadu	3.9%	53.1%
12.	Punjab	3.7%	24.3%
13.	West Bengal	3.0%	22.3%
14.	Odisha	2.9%	36.6%
15.	Chattisgarh	2.7%	8.4%
16.	Jharkhand	2.1%	55.7%
17.	Assam	1.1%	31.6%

All segments of the tractor industry posted good growth. The 40 to 50 HP segment, which accounts for almost 50% of the industry, grew by 17.4%. Collectively, the industry in 30-50 HP, which accounts for more than 80% of the industry, grew by 21%. The table below summarises the market size and growth across various HP segments of the tractor industry:

HP Segment	Industry		
	% Share	F18	Growth
Total	100%	7,09,308	21.9%
<20 HP	3.9%	27,564	17.0%
20-30 HP	5.6%	40,042	31.0%
30-40 HP	35.9%	2,54,410	26.1%
40-50 HP	47.1%	3,34,329	17.4%
>50 HP	7.5%	52,963	27.4%



Your Company's Performance

Automotive Sector

During the year under review, your Company continued to be the 3rd largest Passenger Vehicle Company, the 2nd largest Commercial Vehicle Company and the largest Small Commercial Vehicle Company in India. Your Company's share of the total Indian Auto Industry stood at 10.9%.

For the year under review, your Company achieved overall volumes of 5,20,286 vehicles in the domestic market, a growth of 10.8% over the previous year. This is after five years that your Company's sales volume crossed the 5,00,000 mark and volume growth is in double digits.

The table below summarises the performance of your Company across various Industry Segments:

Segment	Industry		M&M		M&M Mkt. Share	
	F18	Growth	F18	Growth	F18	F17
Utility Vehicles	9,21,780	21.0%	2,33,915	5.1%	25.4%	29.2%
Cars	21,73,950	3.3%	725	-77.5%	0.0%	0.2%
Vans	1,92,235	5.8%	14,219	37.1%	7.4%	5.7%
PV Total	32,87,965	7.9%	2,48,859	5.4%	7.6%	7.7%
LCV Goods < 2T GVW	1,65,479	41.6%	41,305	37.5%	25.0%	25.7%
LCV Goods 2 to 3.5T GVW	2,55,599	23.1%	1,58,269	15.9%	61.9%	65.8%
LCV Goods < 3.5T	4,21,078	29.8%	1,99,574	19.8%	47.4%	51.3%
LCV Goods > 3.5T GVW	46,053	27.0%	3,786	26.8%	8.2%	8.2%
LCV Goods Total	4,67,131	29.5%	2,03,360	19.9%	43.5%	47.0%
M+ICV Goods (7.5 to 16.2T)	92,232	3.2%	-	-	-	-
HCV Goods (>16.2T)	2,12,432	28.0%	9,484	41.2%	4.5%	4.0%
MHCV Goods	3,04,664	19.4%	9,484	41.2%	3.1%	2.6%
LCV Passenger	49,009	-3.4%	3,958	-14.7%	8.1%	9.1%
MHCV Passenger	35,649	-24.6%	-	-	-	-
CV Passenger	84,658	-13.7%	3,958	-14.7%	4.7%	4.7%
CV Total	8,56,453	19.9%	2,16,802	19.8%	25.3%	25.3%
3W	6,35,698	24.2%	54,625	4.4%	8.6%	10.2%
AS (Dom) Total	47,80,116	11.9%	5,20,286	10.8%	10.9%	11.0%



For the Financial Year 2018, your Company's market share in the UV segment stands at 25.4%.

5,20,286
vehicles sold in
domestic market



Over the past four years, the competition in the UV market has intensified with almost all OEMs launching products in the UV space at attractive price points. At the same time, there has been an increased customer preference for compact four-seater, car like UVs. In the three year period Financial Year 2016 to 2018, a total of 21 new UVs were launched by competitors and these totalled to 55% of the total UVs sold in this period. This scenario in the UV segment has resulted in declining market share for your Company.

Your Company is taking appropriate steps towards strengthening the UV portfolio, through working on new product platforms and launching new models, refreshes and variants.

Scorpio continues to build upon its iconic status and recorded the highest ever sales at 53,934 vehicles, a growth of 9.4% over the previous year. In November, 2017, your Company launched the new 'All Powerful' Scorpio. The New Scorpio now comes with a 140 bhp mHawk engine, new 6-speed transmission, enhanced driving dynamics, bold styling and luxurious comfort.

Bolero has been a very successful brand for your Company over the last 10 years, and in Financial Year 2017, your Company had launched the Bolero Power+ with an enhanced value proposition. For the year under review, the combined sales for Bolero and the Bolero Power+ stood at 85,386 units, a 23.1% growth over the previous year.

Scorpio continues to build upon its iconic status and recorded the highest ever sales at 53,934 vehicles, a growth of 9.4% over the previous year.



In October, 2017, the KUV100 NXT was launched with a new bolder SUV Design, New Hi-Tech features, more premium and plush interiors and a more refined and pleasurable driving experience. The KUV100 NXT has helped grow the KUV volumes from 9,842 in the first half of the Financial Year 2018 to 15,700 in the second half of the Financial Year 2018.

In April, 2018, your Company launched the Plush New XUV500 which sets a new benchmark in the premium SUV segment with a bold new design, plush, luxurious interiors and higher power and torque. It offers a more pleasurable ride through an enhanced suspension, and comes with a quieter cabin.

In the market segment LCV goods < 3.5T, which accounts for almost 55% of total CV-goods industry, your Company has retained the No.1 position. Your Company's market share in this segment stands at 47.4%.

In the LCV<2T segment, the success of Jeeto which was launched in Financial Year 2016 and Supro minitruck that was launched in 2017, has helped your Company to increase market share from 11.6% in Financial Year 2015 to 25% in Financial Year 2018.

In the Pik-UP sub-segment (LCV goods 2 to 3.5T), your Company's market share stands at 61.9%. Your Company has been the leader in the Pik-up segment for over 15 years, and

it has always been the endeavour to enhance the Customer Value Proposition. In January, 2018, your Company raised the bar in customer value proposition by offering unprecedented buy back value after four years and maintenance guarantees for two years, on the Bolero Pik-Up range.

In the LCV > 3.5T segment, your Company sold a total of 7,744 trucks and buses which is a growth of 1.5% over the previous year.

In the HCV segment, your Company sold a total of 9,484 trucks, which is a growth of 41.2% over the previous year, as against industry growth of 28.0%. The growth is a result of good product performance, improved service reach and spares availability. The Blazo series of trucks which are backed by guarantees on mileage and service, were instrumental in growing sales and building brand. Your Company's market share in the HCV segment stands at 4.5%.

Over the past 2-3 years, efforts have been taken to strengthen your Company's network for sales and service and for reaching out to remote corners of India. Your Company has implemented a focussed rural strategy where attention has been paid to increase its presence in more than 2,500 tehsils through network expansion and building a system of more than 17,000 influencers.

For the year 2017, your Company was ranked #1 in J.D. Power India Sales Satisfaction Index (Mass Market) StudySM. Scores in the J.D. Power India Customer Service Index (Mass Market) StudySM have improved from 798 in year 2012 to 871 in the year 2017.



Customer satisfaction has always been a priority for your Company and over the past few years, your Company has worked tirelessly to improve customer satisfaction at the dealerships as well as the product level. The results of these efforts can be seen from the improvement in scores for sales satisfaction and customer service for Mahindra brand. For the year 2017, your Company was ranked #1 in J.D. Power India Sales Satisfaction Index (Mass Market) StudySM. Scores in the J.D. Power India Customer Service Index (Mass Market) StudySM have improved from 798 in the year 2012 to 871 in the year 2017.

Overseas Operations – Automotive Sector

The Automotive Sector of your Company exported a total of 28,222 vehicles during the Financial Year 2018, a de-growth of

24.2% over the previous year. This de-growth is principally due to adverse business and regulatory environment in key markets of Nepal and Sri Lanka. Sales in Africa grew by 13%.

Your Company continued efforts to grow presence and strengthen brand in key international markets. In September, 2017, your Company inaugurated a CKD facility in Bangladesh. The facility has commenced operation with the launch of the 'Made in Bangladesh' Jeeto Human Hauler. In April, 2018, the KUV100 NXT was launched in Italy.

In March, 2018, Mahindra Automotive North America (MANA), a second level subsidiary of your Company, launched ROXOR - a new Off-Road vehicle in the powersports segment in USA. ROXOR was conceived, designed, engineered and is being produced in Detroit, USA by MANA which recently opened a new North American Automotive headquarter and manufacturing center in the USA.

FARM EQUIPMENT SECTOR

Tractors

For the period under review, your Company sold 3,17,531 tractors (domestic plus export), under the Mahindra and Swaraj brands, as against 2,63,177 tractors sold in the previous year, registering a growth of 20.7%. This is the highest ever volume for your Company.

In the domestic market, your Company sold a total of 3,02,082 tractors, which is a growth of 21.5% over the previous year.

In Financial Year 2018, your Company launched a third tractor brand in the domestic market - 'Trakstar' under Gromax Agri Equipment Limited (earlier known as Mahindra Gujarat Tractor Limited), which is the new corporate brand identity of your Company's subsidiary. Gromax will focus on providing affordable mechanization solutions to the farming community in the 30 to 50 HP segment.

Your Company's market share (including Gromax) for the year under review stood at 42.9%. This is the highest ever market share for your Company and your Company maintained the leadership position of the domestic tractor market for the 35th consecutive year.

**In March, 2018,
Mahindra**

**Automotive North
America (MANA), a second
level subsidiary of your
Company, launched ROXOR
- a new Off-Road vehicle in
the powersports segment
in USA.**



The volume growth for your Company was driven by the good performance of all products under the Mahindra and Swaraj brands.

The new product trio of Mahindra NOVO, YUVO and JIVO helped build the 'technology leadership' image for the Company. JIVO, the sub 25 HP tractor, which was launched in Financial Year 2018, proved to be an ideal choice for farmers in the fast-growing orchard and horticulture space. YUVO the technologically advanced tractor, helped gain market share in the 40-50 HP and the 30-40 HP segments and NOVO continues to strengthen your Company's presence in the >50HP segment.

In the higher HP segment, your Company launched two key offerings. In March, 2018, Swaraj 963 - the all new tractor platform in 60 to 75 HP segment was launched. Suited for wide range of applications, Swaraj 963 is designed to offer higher productivity, reliability, durability with ease of maintenance. In April, 2018, under the Mahindra brand, your Company launched the NOVO 65 and 75 HP tractors. These tractors create new benchmarks in technology and productivity with wide array of world class/category first features.

Further, your Company has developed and demonstrated technology for driverless tractors. First phase of this technology will be made available in the market in Financial Year 2019. With this, your Company would take another pioneering step to revolutionise farming in India.

Farm Mechanisation

Farm mechanisation is an important enabler to address the concerns of farm productivity and labour shortage. Your Company has presence in the mechanisation space through Mahindra AppliTrac, which offers efficient and affordable mechanisation solutions across the spectrum of farming operations. These include rotary tillers, cultivators, harvesters, and rice transplanters.

For the year under review, Mahindra AppliTrac saw good growth owing to significant increase in volumes of cultivators and rotavators. Harvester segment also saw a good growth due to increase in food grain production particularly Rice and Wheat.

**Your Company's
market share
(including Gromax)**



**for the year under review
stood at 42.9%. This is the
highest ever market share
for your Company and your
Company maintained the
leadership position of the
domestic tractor market for
the 35th consecutive year.**

Through the investment in M.I.T.R.A Agro Equipments Private Limited, a Maharashtra-based AgTech company, your Company made a foray into sprayer business for horticulture segment. Through a partnership with DeWulf Group, a Belgium based world class manufacturer of agricultural machinery, your Company will be able to bring the latest technology for potato planting to India.

Global Footprint – Farm Equipment Sector

For the year under review, your Company exported 15,449 tractors (including 298 CKD) as compared to 14,583 tractors (including 156 CKD), a growth of 5.9%. This is the highest ever export of tractors by your Company from India.

Your Company strengthened its position in neighbouring markets of Sri Lanka, Nepal, Bangladesh and Myanmar, and continued to grow in key markets of USA, Mexico and Brazil.

Mahindra USA Inc., a subsidiary of your Company, sold 22,636 tractors and posted record sales with a growth of 8.4%. Mahindra USA continues to expand its reach and strengthen the Mahindra brand in the North American market, by connecting with the consumer through various mediums.

Further strengthening on-ground presence in Mexico, your Company started a CKD facility, with an aim to grow Mahindra brand in Mexico. Mahindra Mexico S.De.R.L.D.E.C.V is a fully owned subsidiary of Mahindra USA.

Mahindra do Brasil Industrial Ltda, your Company's tractor CKD facility in Brazil, completed one successful year of operation and is helping your Company to build on-ground presence in Brazil.

With an objective to strengthen the global footprint, your Company is pursuing organic as well as inorganic growth opportunities.

ALLIED BUSINESSES

Mahindra Powerol

Under the Mahindra Powerol Brand, your Company has been a leader in providing power back-up solutions to the telecom



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industry for the past 11 years. With a focus on changing customer needs, your Company has further expanded the business in tele infra management and in the energy management solutions space.

In the retail genset business, your Company is the No.2 brand by volume, and for the year under review, expanded the product range with the launch of gensets in the higher KVA range.

With a focus on offering greener solutions, your Company now offers energy solutions through green gensets, powered with Lithium ion batteries. Further, in June, 2017, your Company incorporated Mahindra Waste To Energy Solutions Limited as a new subsidiary to carry out activities in relation to conversion of organic waste to energy and organic fertilizer as a by-product.

Construction Equipment — Mahindra EarthMaster

For the year under review, your Company (under the Mahindra EarthMaster brand) sold 1,229 Backhoe Loaders (BHLs) against 1,025 in Financial Year 2017, which is a growth of 19.9%. With an uptick in infrastructure spending, the BHL market in India grew 23.5% over the previous year. Your Company ranks 4th in the BHL industry.

Your Company forayed into fast growing road construction equipment business, with launch of Motor Grader - RoadMaster G75, in October, 2017. Your Company sold 164 motor graders in Financial Year 2018. RoadMaster G75 is the only indigenously developed product in the motor grader space and is developed keeping in mind the needs of road contractor fraternity of maximizing the efficiency of operations.

Two-Wheeler Business

During the year under review, the two-wheeler business of Mahindra Two Wheelers Limited was demerged into your Company. For the Financial Year 2017-18, your Company sold 32,661 two-wheelers (including 17,912 exports). The business, is in the process of realigning its strategy.

OPPORTUNITIES AND THREATS

Automotive Sector

Given the importance of the automobile industry to the economy, its potential for generating employment opportunities and its backward and forward linkages with several sectors, the Government is keen to support its development under the 'Make in India' initiative.

Going forward, the Auto Industry is expected to show good growth across all segments on back of healthy economic outlook, finance penetration, urbanisation, investment in roads, infrastructure and new launches by OEMs.

Growing concerns over air pollution, road safety, sustainability and urban congestion – among consumers and society at large, are driving the regulations and policies for motor vehicles and urban development. These will impact choice of fuel, ownership patterns and will have a significant impact on the future of the automotive industry.

The Government has already announced the plan for migration to BSVI emission norms for all vehicles from April, 2020. Similarly, the Government has announced the plan for migration to new safety norms under Bharat New Vehicle Safety Assessment Program (BNTSAP) by Financial Year 2019 for new vehicles and Financial Year 2020 for existing vehicles.

With an objective of improving air quality and reducing the fuel import bill, the Government is very actively pursuing the plan for electrification of the vehicle fleet and very aggressive targets for Electric Vehicle adoption have been set by NITI Aayog, in a report released in May, 2017.

Increasing need for advanced technologies in the vehicles, competitive intensity and ever spiralling customer expectations - calls for increased R&D, closer working with suppliers, shorter product life cycles and rigorous monitoring of costs.

Farm Equipment Sector

Strong Government support for improvement in agriculture productivity, greater adoption of improved agricultural practices and rural development at large, is expected to drive sustainable growth in agriculture sector. The Government has put in place a program for doubling the farmer's income by 2022.

India, with its large base of small and marginal farmers, has several regions with low penetration of farm mechanisation. With increasing labour cost and labour scarcity, greater adoption of various forms of mechanization is the way forward. In this scenario, the market for tractors and other farm equipment is expected to grow in the long term.

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India being the world's largest tractor market with a growing rural economy presents a good opportunity for players in the farm mechanization space. Hence going forward, the competitive intensity in the farm mechanization space is expected to increase, leading to new product launches and product offerings at high value points. Also, the customer expectations of performance, quality and technology are increasing with time. Staying ahead of competition by offering products with modern technology and features is likely to put pressure on costs.

Allied Businesses

The rising demand for power backup solutions and infrastructure development will create opportunities in the power generation and infrastructure equipment space. This is an opportunity for the Company to grow its offerings in power solutions and construction equipment.

RISKS AND CONCERNS

Automotive and Farm Equipment Sectors

The Company's business is exposed to many internal and external risks and it has consequently put in place robust systems and processes, along with appropriate review mechanisms to actively monitor, manage and mitigate these risks.

Competitive Intensity

Keeping in mind the high growth potential of the Indian automotive market, all OEMs, homegrown as well as MNCs, have presence across all vehicle segments. Today, multinational OEMs are now deeply entrenched in the Indian market with local development centres, a strong local supplier base and good channel penetration.

In the Passenger Vehicle Segment (PV), the differentiation between cars and UV has largely blurred. There is great demand for compact UVs with car like features. As of now, 45% of UV sales are from UVs less than 4m length, while UVs as a share of PVs stand at 28% (was 14% in 2012). The competitive intensity in the segment will only increase.

The LCV < 3.5T Commercial Vehicle Segment (CV), which is 55% of the CV Goods industry, where your Company is the market leader. However, there



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space.**

is increased competition with new and competitive launches from homegrown as well as MNC brands.

The medium and heavy commercial vehicle segment, has two dominant domestic players and in the recent past, has witnessed new entrants including MNC brands. However, the new entrants have seen limited success owing to the strong on ground presence of current market leaders and deep-rooted brand bonding.

With aim to remain competitive in the market and sustain leadership, your Company continues to invest in new product development, technology upgrades, increasing channel reach, and the focus on delivering customer centric products, services and build brand. Another significant focus area for your Company is building cost competitiveness and altogether, your Company is striving to drive profitable growth.

India is the world's largest tractor market by volume and the Tractor industry has presence of strong Domestic as well as MNC OEMs. There is intense competition in the market with each OEM trying to offer its unique value proposition to the customer.

Your Company intends to remain ahead of the competition by offering continuous product upgrades, introducing superior technology and by offering a complete range of farming solutions to boost farm productivity.

Tax Regulations

India has traditionally seen tax rate differential between small and large passenger vehicles. This differential is based on length of vehicle, engine size and fuel type. The differential tax rates are a deterrent to the customer for buying large and luxury vehicles. This differential in tax rates gets carried forward under the GST regime implemented in July, 2017.

While the flagship products of your Company attract higher tax rates, your Company is continuously working on strengthening the portfolio of vehicles that attract lower tax rates.

Choice of Fuel and new emission norms

The customer's choice of fuel type, has been essentially governed by the operating economics, which in turn is driven by (i) Cost differential between petrol and diesel fuel, and (ii) Higher taxation on certain class of Diesel vehicles, arising from concerns over clean air. In addition to impacting operating economics, this also leads to a negative perception for diesel as a fuel.

Since deregulation of fuel prices in October, 2014, the gap between petrol and diesel process has narrowed significantly. This narrowing price gap, in combination with higher taxes on certain categories of diesel vehicles, have led to decrease in demand for diesel fuelled passenger

vehicles. The share of diesel vehicle sales in total passenger vehicles has dropped from 58% in the Financial Year 2013 to 40% in the Financial Year 2018. However, the decline in share of diesel vehicles has stabilised at 40% over the last 8 quarters.

Going further, the Government has announced the implementation of BSVI emission norms from 1st April, 2020. With this, the concern over cleanliness of diesel emission will go away, but there is a cost differential involved in meeting BSVI emission norms for Petrol and Diesel vehicles, with Diesel emission being higher. This differential is likely to put pricing pressure on the diesel fuelled vehicles with BSVI implementation.

Your Company is actively pursuing a strategy to develop and introduce Petrol engines across the product range. Further, there are aggressive time and cost targets for meeting BSVI emission for diesel engines. Progress on the development of Petrol powertrains as well as development of BSVI emission technologies within the time and cost targets is satisfactory.

For tractors, likely introduction of new emission norms (TREM IV), will call for additional investments by OEMs and increase in material cost for the tractor. This increase in cost will need to be passed on to the customer. Your Company will do its best by exploring innovative means to keep the costs under control.

New Regulation for Safety

Concerns over road safety are driving legislation and regulatory reforms. The Government of India has already announced the implementation timelines for the next level of safety regulations for India. The new safety regulations are being rolled out under the name of Bharat New Vehicle Safety Assessment Program (BNSVAP). These will be applicable from Financial Year 2019 for new vehicles and Financial Year 2020 for existing vehicles.

Conforming to the next stage of safety regulations will call for use of advanced technologies and will have an impact on costs. Your Company is geared up and is confident of meeting these regulations.

Your Company is
actively pursuing
a strategy to
develop and introduce
Petrol engines across the
product range.



Introduction of Roll Over Protection System (ROPS) in tractors, will require investment in technology and increase the material cost, thus putting pressure on the overall cost structure.

New Products

To remain competitive in the market, for exceeding customer expectations and to meet requirements of legislation, your Company has an aggressive programme for development of new products and technologies. The success of new product launches will have an important bearing on its future growth and profitability of the Company.

Environment and Alternate fuels

With concerns over air quality and the need to reduce dependence on fossil fuels, the Government is actively pursuing large scale adoption of Electric Vehicles (EVs), especially for intra-city uses.

Your Company is a pioneer for EVs in India, and is actively pursuing development of the EV market, products and technology. However, due to the push from the Government for adoption of EVs, and the potential market opportunity, almost all leading OEMs and some new players, are actively pursuing development of EV technologies and products, across vehicle categories. The competition in the EV space is expected to be intense.

Today, your Company's EV portfolio comprises of the e_0+ electric car, eVerito, and the Supro EV cargo/van and the e-Alfa 3W. Keeping in mind the needs of the future, your Company is developing eKUV (EV version of the compact SUV KUV100) and the 3W – TREO. The Company, through its subsidiary Mahindra Electric Mobility Limited (MEML), is investing in development of next generation EV technologies, which include 380 V powertrain, high efficiency drive train motors and local manufacturing of batteries. In parallel, your Company is closely working with the Government, both at the Centre and at the State level and other participants of the mobility ecosystem to create an EV ecosystem in India.

Monsoon

A normal monsoon is important for both agriculture as well as the rural economy and sentiment at large. The tractor business


**Your Company
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Electric Vehicles
in India, and is actively
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market, products and
technology.**

in particular and the automotive business to some degree, run the risk of a drop in demand, in case of a significant variation in the monsoon. In addition, an untimely monsoon and uneven spread have the potential of adversely impacting the business as observed in the Financial Years 2015 and 2016.

Commodity Prices

Financial Year 2017-18, saw a sharp increase in commodity prices. Steel products such as castings, forgings and sheet metal saw an unprecedented increase in second half of the Financial Year. The uptrend in commodities is expected to continue in the coming Financial Year. Your Company continues to work on mitigating the inflationary impact through cost re-engineering and value engineering activities.

Capacity

Your Company has built adequate manufacturing capacity for the immediate future and is planning to invest in additional capacity in preparation for the mid to long term prospects. Specifically, on the front of Electric Vehicles, your Company will invest over Rs.500 crores in its Electric Vehicle (EV) Project under the new EV Policy of the Government of Maharashtra. This investment will be utilized towards product development and capacity enhancement for Electric Vehicles and related components.


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On the supplier end, the Company is working closely with its key suppliers to minimise any supply constraints through capacity planning and longer-term contracts. At the same time, opportunities for global sourcing are also being actively pursued.

OUTLOOK – AUTOMOTIVE & FARM SECTORS

Both the Automotive and Farm Sectors strive to sustain profitable growth, maintain leadership position in the domestic market and at the same time, explore global opportunities for growth. Simultaneously, your Company continues its focus on achieving cost leadership through focused cost optimisation, productivity improvements, value engineering, supply chain management and exploiting synergies between various group businesses.

Automotive Business

The mid-term outlook for the Indian auto industry is very positive. SIAM (Society of Indian Automobile Manufacturers) have forecasted the PV and CV industries to grow in double digits. The potential size of the Indian vehicle market (PV + CV) by the Financial Year 2021-22 will be as large as ~5.8 million vehicles (current size 4.14 million). This is a growth rate of ~9.0% CAGR.

In the Financial Year 2019, automotive industry growth is likely to be driven by economic growth, increased investment in road and infrastructure projects, third year of normal monsoon and an overall improvement in consumer confidence. Seventh pay commission pay-outs will also help drive demand for automobiles and tractors.

Crude oil prices are likely to go up as compared to Financial Year 2018 levels, which in turn are likely to cause inflationary pressures in the economy, leading to possible hardening of interest rates. The cost of ownership of vehicle could see some increase over Financial Year 2018, partly coming from increase in fuel prices, partly from price hikes resulting from hardening in commodity prices and partly from increase in interest rates.

For the Financial Year 2019, SIAM forecasts a good growth for the Indian Auto Industry. The PV industry is expected to grow between 8-10%, LCV goods at 11-13%, CV total at 10-12%, a 3-5% growth in the 3W segment – mostly in the 3W goods space and the 2W industry is expected to grow at 4-6%.

On the export front for the auto business, recent product launches, complimented by brand building efforts will help push growth for your Company.

Tractor and Farm Equipment Business

The tractor industry growth for the Financial Year 2018 is expected to be driven by a positive sentiment in rural India, emanating from a third consecutive year of a normal monsoon, increased agri production - resulting in good agri incomes. Continued

SIAM (Society of Indian Automobile

Manufacturers) have forecasted the PV and CV industries to grow in double digits.



Continued thrust of Government for development of agri and rural sector will also help keep the sentiment upbeat.



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On the international front for the tractor business, your Company will focus on strengthening its presence in existing markets of USA, South and Central America, Africa and neighbouring markets, while exploring to expand to newer geographies. Your Company will continue its efforts to grow and draw synergies from the recent alliances and acquisitions of MAM, SAMPO, Hisarlar and Erkunt.

STRATEGY

The Business landscape is changing very rapidly and so are the enablers for success. What have been the winning combinations in the past, is no more a winning formula today and in times to come.

In the past, success was about getting the right product at the right cost through an efficient channel. Going into the future, the product, cost and the channel will be essential, but not sufficient. Much more will be needed to win at the marketplace. The winning mantras are going to be around providing a solution, delivering an experience and having a purpose. Customers are also increasingly assigning value to a company that has a purpose.

The winning mantras are going to be around providing a solution, delivering an experience and having a purpose. Customers are also increasingly assigning value to a company that has a purpose.

Your Company realises this, and hence has already started the shift from just offering products, to providing a solution and delivering an experience, with the product becoming an enabler. Rise, is the purpose of your Company.

Automotive Sector

With an objective to sustain growth, your Company is pursuing several strategic initiatives in all key areas of business. The key elements of strategy include strengthening the product portfolio, refresh and update existing products and strengthen Research & Development (R&D) and technology capabilities. Technology focus areas are around gasoline engines, emission, safety, connected vehicles and electric vehicles. In addition, your Company is pursuing expansion in overseas markets. Establishing the channel and building the brand in key focus markets remain the priorities for your Company.

During the year under review, your Company and Ford Motor Company agreed to explore a strategic alliance - designed to leverage the benefits of Ford's global reach and expertise and Mahindra's scale in India and successful operating model. In March, 2018, the two companies signed MoUs to co-develop midsize and compact SUV, electric vehicle and connected car solutions.

With the Government's thrust on rapid adoption of EVs, your Company being the pioneer in EVs in India, continues to focus and invest in development of new products and advanced technologies specific to electric vehicles.

Farm Equipment Sector

The Farm Equipment Sector's strategy is focussed to deliver 'Farm Prosperity' to the farmers. The strategy looks at farming from a holistic view, with an intent to catalyse next revolution in farming. For this, your Company will continually strive to deliver farming knowhow and technologically superior - crop specific mechanisation solutions.

With the objective of being a global farm machinery player, your Company has done strategic acquisitions in this space and has built a farm machinery portfolio for global markets. Acquired in Financial Year 2016, Mitsubishi Agriculture Machinery, Japan, now, known as Mahindra Mitsubishi Agriculture Machinery (MMAM), is the Centre of Excellence for rice value chain. Sampo Rosenlew (Finland), acquired in Financial Year 2016 is helping address the global combine harvester business.

Turkey is the 4th largest tractor market in the world by volume. To strengthen the presence in this strategic market, your Company acquired Hisarlar in Financial Year 2017 and then Erkunt Traktor Sanayii A.S. (Erkunt) in Financial Year 2018. Erkunt is the 4th largest tractor brand in Turkey.

MATERIAL DEVELOPMENTS IN HUMAN RESOURCES AND EMPLOYEE RELATIONS

The strategic purpose of Human Resources is to be a catalyst for creating the Human Capital transformation required to ensure sustained business outperformance, while simultaneously addressing the needs of its multiple stakeholders (beginning with customers and employees) and strengthening the core values of the Group. In the long run, the ultimate metric for success is continuous improvement in the total factor productivity, while addressing the business imperatives of cash, cost, competence and confidence. The emphasis has been on aligning all the HR levers towards achieving these goals. In line with the above, the Group's Human Resources Philosophy

is guided by the three Rise Pillars of Accepting No Limits, Alternative Thinking and Driving Positive Change, and the Group's aspiration of being among the top 50 most admired global brands by 2021, by enabling people everywhere to Rise.


The Group's aspiration of being among the top 50 most admired global brands by 2021, by enabling people everywhere to Rise.

In this overall architecture, a key strategic initiative that needs mentioning is Employer Branding, coupled with the Employee Value Proposition of delivering a uniform One Mahindra experience to all employees.

Talent Management, Leadership Development and Performance Management Systems

Focus continued on the Talent Management, Leadership Development processes and Performance Management System, which included Development Centres, Individual Development Planning, e-learning, up-skilling programs, Leadership Lifecycle programs and Action-Learning Projects.

The Tech Ladder implementation in Mahindra has been a response to one of the biggest challenges the Company has been facing in Talent Management. Over years, the Company has lived with the dilemma of how to build a healthy pipeline of talent in specialist areas especially of Product Development and manage careers of people in these areas. In the past, several attempts had also been made to implement some ideas in this regard, but without success. The HR Team spent a good amount of time with the key stakeholders including the top management to detail out the objectives, gaps in the current system, benchmarking of Global organizations, especially in technology space before actually starting to design and implement the solution. The critical success factor was the ability of the team to engage with and involve over 700 people at the Mahindra Research Valley and the leadership team, to come out with an architecture, which is relevant and highly doable. The team has also taken it to its logical execution. What the Company has today as Tech Ladder, could well be redefining the capability building and talent management of technical functions as a first of its kind in the industry.

The Mahindra Leadership University

The Mahindra Leadership University (MLU) is a strategic initiative to support the Group in its journey of being one amongst the Top 50 most admired Global brands by 2021. The

MLU portal has been created as a one-stop center for visibility of all offerings across the Group, both existing and new cutting-edge offerings. The portal is powered by a Group-wide Learning Management System (LMS) that has been implemented by the Company. The learnings can be leveraged among the Group to enable line of sight of learning modules and participate in those that create visibility and attractiveness to an employee from his/her capability perspective.

During the past one year, MLU using the framework of a laddered approach conceptualised, designed and delivered over 172 workshops (including 77 new offerings) through its academies. This laddered approach to leadership development recognises and addresses the need for varying inputs tailored to the different levels of leadership in the Mahindra Group. To cater to the unique requirements of the Services Businesses of the Mahindra Group, the Service Excellence Academy was launched in February, 2017.

Reflective Conversations

The journey of Reflective Conversations continues with the aim to make Mahindra a Reflective Organization, thereby enabling the Company to grow towards the Group's aspiration. The proliferation, which began with Mr. Anand Mahindra and the Group Executive Board in July, 2013, has cascaded down to Department Heads and a few Managers, now covering around 2,000 employees across multiple businesses of the Group. To ensure cultural transformation and sustenance, the ecosystem for the practice of Reflective Conversations is being strengthened with more focus on building a pool of trainers internally, focused reinforcement, role-modelling by leaders and partnership with stakeholders across Sectors to fully harness the power of Reflective Conversations in HR and Business levers for higher engagement, better connect with stakeholders and breakthrough innovation.

To further facilitate practice and to build a culture of Reflective Conversations, the Company has continued with its Coach Certification Program titled 'Mahindra Certified Reflective Conversationalist' (MCRC) to develop leaders as Executive Coaches. The MCRC program has been certified as a value-add to develop coaching capability by the International Coach Federation (ICF), United States of America. High potential



The Mahindra Leadership University (MLU)
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executives have benefited from the executive coaching extended to them by MCRC participants.

Future Leaders Program

In January, 2017, the Company completed its first cohort of the Future Leaders Program (FLP), a strategic Leadership development and Talent management journey for the Group. FLP was an 18-month development journey through a three-way collaboration between IMD Lausanne, the Yale School of Management, USA, and the Mahindra Leadership University.

Group Diversity Council

Mahindra World of Women (MWoW), is a platform for peer learning and networking to derive inspiration from role models internally and externally. Two cohorts of Women Leaders Program underwent classroom sessions, coaching and team-based leadership projects under the aegis of Group Diversity Council with an objective to develop women managers in the middle management to create a pipeline of female leaders for the Mahindra Group. To spread awareness about fostering an environment of inclusivity, various media such as Audio Visuals, websites, stories, best practice sharing and awards were used. Mahindra Group was awarded as the first runners-up in the United Nations Global Compact Network India (UN GCNI) Best Innovative Practices for Women at Workplace for its Women Leaders Program.



Mahindra World of Women (MWoW), is a platform for peer learning and networking to derive inspiration from role models internally and externally.

Group Management Cadre

The Group Management Cadre (GMC) Program is the Group's prestigious strategic leadership development program for campus recruits sourced from top B-schools of India. This program continues to strengthen Mahindra's position as an 'Employer of Choice' across premier B-School campuses and create a strong talent pool to drive Mahindra's future growth. Through this program, 27 GMCs joined the Group in 2017 across its various Sectors and functions.

The Mahindra War Room

The Mahindra War Room, which is a pioneer in its field, continues to retain its position as the largest and the most-liked Employer

Branding Events in the top B-schools of India (as was evident from the Nielsen Campus Track Survey, 2017). The 10th Edition of the event was rolled out between July and November, 2017, whereby Mahindra reached out to the brightest young minds across the top B-Schools of India, and four other International colleges, including Yonsei University - South Korea; Fudan University - China; Asian Institute of Management – Manila and Nanyang Business School – Singapore, to provide them with an experiential dimension to learning, thus enabling them to creatively present their solutions for real business issues directly to the respective business heads. The Grand Finale of the event happened at Grand Hyatt on 6th November, 2017 in the presence of the Group Executive Board Members who were also the jury for the event. Team Chaarpai from IMT Ghaziabad were winners and Team Howitzers from IIM Lucknow stood Runners Up for the event.

Best Companies to Work for

This year Mahindra & Mahindra was ranked 14th in the annual Business Today's *Best Companies to Work for* Awards 2018 recognising top 25 employers, across industries in the country. This achievement and recognition was mirrored by the rank given out by *Great Places to Work* last year, wherein the Company was adjudged the 23rd best place to work in India and ranked among top 10 in *India's Best Companies to Work for* in the Manufacturing category. The consistent appearance in the Top 25 best places to work for in India for last three years only reaffirmed the belief that any recognition and strength of the employer brand in the external audiences is built by consistently working towards providing employees a great day-to-day experience at the workplace.

The Rise Awards

The Rise internalization programs not only cover Officers but also Workmen on the shop-floor, with whole-hearted participation by the latter in each manufacturing plant. Rise Awards were institutionalized for workmen across the Group, through competitions at the Plant, Sector and Group Levels. The awards ceremony was conducted successfully in Financial Year 2018 with enthusiastic participation from various Mahindra Group Companies. The winners (as mentioned in the table) were felicitated by Dr. Pawan Goenka and Mr. Rajeev Dubey at the annual Rise Awards held at Mumbai.

Rise Awards
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Sector and Group Levels.



Accepting No Limits	Alternative Thinking	Driving Positive Change
Automotive Division – Zaheerabad Plant	Automotive Division – Nashik Plant	Automotive Division – Kandivali Plant and MCIE Urse

Rise@Work and M-Advocates

Social media is being effectively leveraged as a tool for employee collaboration and brand advocacy. In this regard, a Groupwide collaboration platform called Rise@Work was launched with over 27,000 users across the Group. There are plans to enhance employee coverage and user engagement with the platform. An integrated social media architecture to build the Mahindra employer brand through the social media space has also been launched and branded as M-Advocates.

Multi-rater Feedback

An in-house Multi-rater feedback instrument has been designed to provide feedback to Senior Leaders on the behaviours manifested under the three Rise pillars and the five Leadership characteristics. A total of 1,100 employees have been covered so far and there are plans to expand the scope and coverage of the instrument. This manifestation will go a long way in building admiration for the employer brand.

Transformational Work Culture

The Transformational Work Culture initiative which aims to create an engaged workforce and an innovative, productive and competitive shop-floor ecosystem, continues to grow in strength. The Transformational Work Culture Committee (TWCC) continually engages with long-term strategic initiatives which range from anticipated Labour Law reforms to 'Swachh Bharat Abhiyaan', Rise for Associates, Industrial Relations Skills for Frontline Officers, Transformational work culture Projects, e-Compliance, e-Quizz for associates, e-portal on reward and recognition for associates, e-safety module, Code of Conduct for Associates, Skill and employability enhancement training and workshops for flexi workforce and cutting-edge ER Practices under MLU.

Industrial Relations

The Industrial Relations scenario continued to be largely positive across all Mahindra Automotive Manufacturing locations and during the year there have been three wage settlements which were concluded. The wage settlement in other two locations are on the verge of finalisation. Settlements for bonus have

been a win-win and the Company continues to maintain a cordial, harmonious and collaborative work environment.

In order to foster holistic development of associates, focus on skill and will are of utmost importance. Hence, a series of various new behavioural training programs and awareness capsules were rolled out which sustained the regular training programs. These training programs covered a wide range of topics, including business acumen, customer sensitivity, building winning spirit, ownership and achievement mindset, working together as a team, Human Rights, Code of Conduct, including Union leadership development programs. Certain key programs to improve knowledge base resulting into productivity, quality improvement initiatives like poka-yoke, innovation and creativity, and behaviour-based safety were majorly on radar. System orientation program such as Safety and Environment, quality tools and TPM were given major thrust across all plants. The scope of program is widened enough to include flexi workforce as well.

Mahindra Skill Excellence

The Mahindra Skill Excellence Initiative has been further strengthened and sustained to enhance the skill on shop-floor. The participation from associates across manufacturing facilities has increased in the last four years from 2,400 of last year to 3,000 this year. This initiative has helped the Company to motivate the employees across Plants and give up-skilling a serious and methodical approach. The initiative has brought laurels by winning awards in IndiaSkill competition, CII regional work Skill Competition and National level Indian Institute of Welding competition. The Company's associates also got selected for World Skills and Beijing Arc Cup Competition. The associates are now participating in 'Beijing Arc Cup Competition' for the third time. For the year under review, there has been a strategic orbital shift in the skill building initiative for associates. A focused effort has been laid to develop associates on future skills such as mechatronics. Besides, ideas were generated by Associates to resolve quality concerns, reduce cost, ensure safety and improve productivity. The shop floor associates implemented 17 ideas per person resulting into benefits in Quality, Productivity, Safety, Sustainability and Cost.

A Healthy Work Environment

The cornerstones of the Company's employee relations approach are:

- Proactive and employee-centric shop floor practices;
- A relentless focus on transparent communication of business goals through monthly Plant Head communication;

- An effective concern resolution mechanism;
- The firm belief that employees are the most valuable assets of the Company.


The Company had a total of 20,867 employees on its rolls as on 31st March, 2018.

An 'open door policy' and constant dialogue to create win-win situations have helped the Company to build trust and harmony. All this resulted in zero production loss in the Financial Year 2017-18 and helped create a peaceful, healthy and collaborative work environment.

The Company had a total of 20,867 employees on its rolls as on 31st March, 2018.

Internal Control Systems

Your Company maintains adequate internal control systems commensurate with the nature of its business and size and complexity of its operations. These are regularly tested for their effectiveness by Statutory as well as Internal Auditors. Your Company's Internal Financial Controls are deployed through Internal Control - Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO), that addresses material risks in your Company's operations and financial reporting objectives. The framework is a combination of entity level controls (including Enterprise Risk Management, Legal Compliance Framework, Internal Audit and Anti-Fraud Mechanisms such as Ethics Framework, Code of Conduct, Whistle Blower Policy, etc.), process level controls, information technology based controls, period end financial reporting and closing controls.

Further, the Internal Control Systems have been designed to provide reasonable assurance with regard to recording and providing reliable financial and operational information. In the highly networked IT environment of the Company, validation of IT Security receives focused attention from IT specialists and Statutory Auditors. Your Company has a strong and independent Internal Audit function consisting of professionally qualified accountants and engineers. The Chief Internal Auditor reports directly to the Chairman of the Board. The Internal Audit function develops an audit plan for the Company, which covers, inter alia, corporate, core business operations, as well as support functions. The Audit Committee reviews the annual internal audit plan. Significant audit observations are presented to the Audit Committee, together with the status of the management

actions and the progress of the implementation of the recommendations.

The Audit Committee reviews the adequacy and effectiveness of the Company's internal control environment and monitors the implementation of audit recommendations. During the year, the Company has taken steps to review and document the adequacy and operating effectiveness of internal controls. Nonetheless, your Company recognises that any internal control framework, no matter how well designed, has inherent limitations and accordingly, regular audits and review processes ensure that such systems are reinforced on an ongoing basis.

Your Company's Management has carried out the evaluation of design and operative effectiveness of these controls and noted no significant deficiencies/material weaknesses that might impact financial statements as at the Balance Sheet date.

DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

Overview

The financial statements have been prepared in accordance with Ind AS as per the Companies (Indian Accounting Standards) Rules, 2015 as amended and notified under Section 133 of the Companies Act, 2013 (the 'Act') and other relevant provisions of the Act.

The Group's consolidated financial statements have been prepared in compliance with Ind AS 110 on Consolidation of Accounts and presented in a separate section.

FINANCIAL INFORMATION [STANDALONE]

Property, Plant and Equipment and Other Intangible Assets:

As at 31st March, 2018, the Property, Plant and Equipment and Other Intangible Assets stood at Rs. 10,988 crores as compared to Rs. 9,811 crores as at 31st March, 2017. During the year, the Company incurred capital expenditure of Rs. 2,683 crores (previous year Rs. 2,219 crores). The major items of capital expenditure were on new product development and capacity enhancement.

Borrowings:

	2018	2017	Inc. / (Dec.)
Long Term Borrowings	2,196	2,234	(38)
Short Term Borrowings	668	539	129
Current Maturities of Long Term Borrowings	94	78	16
Unclaimed Matured deposits	1	1	-
Total	2,959	2,852	107

Borrowings (including current maturities of long term debt and unclaimed matured deposits) have increased from Rs. 2,852 crores in the previous year to Rs. 2,959 crores in the current year mainly due to increase in short term borrowings.

Inventories:

	2018	2017
Raw materials and bought out components as a % of cost of materials consumed	4.2%	3.9%
Finished goods and Stock-in-trade as a % of sales of products	2.9%	3.5%

Raw materials and bought out components as a % of cost of materials consumed has marginally increased mainly on account of build-up for production in view of upcoming growth in F19. However, finished goods and Stock-in-trade as a % of sales of products has decreased mainly on account of lower build-up in finished goods inventory and increased sales.

Trade Receivable:

Trade Receivable is Rs.3,173 crores as at March 31, 2018, as compared with Rs.2,939 crores as at March 31, 2017. Also, as a percentage of gross revenue from sales of products and services, trade receivable is higher at 6.5% for the year ended March 31, 2018, as compared to 6.3% for the previous year mainly on account of growth in tractor sales.

RESULTS OF OPERATIONS

Income:

(Rs. in crores)

Particulars	2018		2017		Inc./(Dec.)
	Amount	%	Amount	%	
Sales of Products	48,288	99.3	46,247	105.2	4.4
Sale of Services	583	1.2	462	1.1	26.2
Other Operating revenue	574	1.2	675	1.5	(15.0)
Gross Sales & Income from Operations	49,445	101.7	47,384	107.7	4.3
Less : Excise Duty on Sales	812	1.7	3,404	7.7	(76.1)
Net Sales & Income from Operations	48,633	100.0	43,980	100.0	10.6
Other Income	1,036	2.1	1,345	3.1	(23.0)

Net Sales, Income from Operations & Other Income:

The net sales and income from operations of the Company increased by 10.6% as compared to the previous year mainly driven by superior performance of the tractor business.

The Government of India introduced the Goods and Services Tax (GST) with effect from 1st July, 2017. GST is collected on behalf of the Government and no economic benefit flows to the entity and hence Income from Operations under GST regime is presented excluding GST as per Ind AS 18 'Revenue'. However, Income from Operations under pre-GST regime included Excise Duty which is now subsumed in GST. Consequently, the figures for the year ended 31st March, 2018 are not comparable with the previous period presented in the above table.

Other income during the Financial Year 2017-18 at Rs. 1,036 crores is lower than Rs. 1,345 crores earned in the previous year mainly on account of lower gain with respect to investment option valuation and dividend income during 2017-18 as compared to 2016-17.

Particulars	2018		2017		Inc./(Dec.)
	Amount (Rs. crores)	% to Net Sales & Income from Operations	Amount (Rs. crores)	% to Net Sales & Income from Operations	
Material Costs	34,135	70.2	32,081	72.9	6.4
Employee Benefits Expense	2,841	5.8	2,714	6.2	4.7
Finance Costs	112	0.2	160	0.4	(30.0)
Depreciation, Amortisation and impairment Expense	1,479	3.0	1,526	3.5	(3.1)
Other expenses	5,434	11.2	4,670	10.6	16.4
Total Expenses	44,001	90.5	41,151	93.6	6.9

Expenditure:

The total expenditure during the year as a percentage of net sales and income from Operations is 90.5% as compared to 93.6% in the previous year. The reduction is a reflection of the cost management initiatives undertaken by the Company.

Material Cost:

The material cost as a percentage of net sales & income from operations has decreased from 72.9% in the previous year to 70.2% in the current year on account of improved operating leverage.

Personnel Cost:

The personnel cost as a percentage of net sales & income from operations has decreased from 6.2% in the previous year to 5.8% in the current year.

Other Expenses:

Other expenses as a percentage of net sales and operating income has increased on account of freight and advertisement expenses to support and enhance sales in a challenging market.

Depreciation, amortisation and impairment:

Depreciation, amortisation and impairment expenses as a percentage of net sales and operating income also shows a decrease over the previous year. This is mainly on account of impairment of certain Property, Plant and Equipment and intangible assets made during 2016-17.

Finance Costs:

The interest expense for the year ended is lower mainly due to higher interest capitalisation.

Exceptional Items:

Exceptional items in the current year comprises of profit on sale and reversal of provision of certain long term investments. Exceptional items in the previous year is on account of profit earned on sale of certain long term investments and transfer of agri business partly offset by impairment of certain investments in subsidiaries and joint ventures considering the performance of these companies and their future projections.

Provision for taxation:

The provision for current tax and deferred tax for the year ended March 31, 2018 as a percentage to profit before tax (after exceptional items) is higher than the previous year

mainly on account of reduction in tax incentives/concessions, lower dividend income and increase in deferred tax due to statutory tax rate increase in 2017-18 as compared to 2016-17.

Consolidated Financial Position of the M&M Group

As on 31st March, 2018 the Group for the purpose of consolidation comprised of the flagship holding company Mahindra & Mahindra Limited, 171 Subsidiaries, 20 Joint Ventures and 35 Associates.

The Group's net revenue and other income is Rs. 93,896 crores in the current year as compared to Rs. 89,713 crores in the previous year. The profit before exceptional items and tax for the current year is Rs. 6,590 crores as compared to Rs. 5,004 crores in the previous year. The consolidated Group Profit for the year after exceptional items and tax and after deducting non-controlling interest is Rs. 7,510 crores as compared to Rs. 3,698 crores in the previous year.

Tech Mahindra Ltd., the Flagship Company in the IT Sector, has reported a consolidated revenue of Rs. 30,773 crores in the current year as compared to Rs. 29,141 crores in the previous year, an increase of 6%. Its consolidated Profit After Tax is Rs. 3,800 crores as compared to Rs. 2,813 crores in the previous year, a growth of 35%.

The Group's finance company, Mahindra & Mahindra Financial Services Limited (Mahindra Finance), reported a total consolidated income of Rs. 8,533 crores during the current year as compared to Rs. 7,146 crores last year, a growth of 19%. The consolidated profit after tax for the year is Rs. 1,024 crores as compared to Rs. 512 crores in the previous year. Mahindra Finance customer base has crossed 5.3 million customers. The Company currently has a network of 1,284 offices and Total Assets under Management of Rs. 55,101 crores as on 31st March, 2018 as against Rs. 46,776 crores as on 31st March, 2017, a growth of 18%.

Mahindra Finance financials is as per Indian Generally Accepted Accounting Principles (IGAAP).

Mahindra Lifespace Developers Limited, the Group's subsidiary in the business of real estate and infrastructure registered a consolidated operating income of Rs. 566 crores as compared to Rs. 762 crores in the previous year. The consolidated profit after tax after non-controlling interest for the year is Rs. 101 crores as compared to Rs. 102 crores in the previous year.

Mahindra Holidays & Resorts India Limited, the Group's subsidiary in the business of timeshare registered a consolidated operating income of Rs.2,317 crores as compared to Rs. 2,267 crores in the previous year. The consolidated profit after tax after non-controlling interest for the year is Rs. 132 crores as compared to Rs. 149 crores in the previous year.

On 10th November, 2017, Mahindra Logistics Limited (MLL) successfully completed its Initial Public Offering wherein the Company sold 13.59% stake in MLL and a gain of Rs. 343 crores on sale of investment has been recorded in the Consolidated Financial Statement. The above transaction resulted in a change in status of MLL making it a subsidiary. As required by Ind AS 110 'Consolidated Financial Statements', the retained stake in MLL has been fair valued and a gain of Rs. 1,569 crores has been recognised.

MLL has registered a consolidated operating income of Rs. 3,416 crores as compared to Rs. 2,667 crores in the previous year, an increase of 28%. The consolidated profit after tax for the year is Rs. 64 crores as compared to Rs. 46 crores in the previous year, an increase of 39%.

Ssangyong Motor Company, the Korean subsidiary of the Company has reported consolidated revenues of Rs. 20,435 crores in the current fiscal year as compared to Rs. 21,153 crores in the previous year. The consolidated loss for the year is Rs. 502 crores as compared to consolidated profit after tax of Rs. 245 crores in the previous year.

Segment Results (before exceptional item)

The results achieved by major business segments of the Group are given below:

(Rs. in Crores)

	Segments	F-2018	F-2017
1	Automotive	2,069	2,138
2	Farm Equipment	3,051	2,609
3	Financial Services	1,851	964
4	Real Estate	65	72
5	Hospitality	222	220
6	Two Wheelers	(360)	(692)
7	Others	381	82
8	Eliminations	(92)	(133)
	Total	7,187	5,260

Disclaimer

Certain statements in the Management Discussion and Analysis describing the Company's objectives, projections, estimates, expectations or predictions may be "forward-looking statements" within the meaning of applicable securities laws and regulations. Actual results could differ from those expressed or implied. Important factors that could make a difference to the Company's operations include raw material availability and prices, cyclical demand and pricing in the Company's principal markets, changes in Government regulations, tax regimes, economic developments within India and the countries in which the Company conducts business and other incidental factors.



Corporate Governance



Corporate Governance

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Your Company is committed to the highest standards of business ethics and corporate governance.

Your Company believes in doing business the right way and always seeks to ensure that the performance is driven by integrity and value. It treats all its shareholders fairly and equitably, recognizes, protects and facilitates the exercise of shareholders' rights by providing transparency, professionalism and accountability. It respects minority rights and aims to enhance long term stakeholder value without compromising on ethics.

A Report on compliance with the Corporate Governance provisions as prescribed under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") is given herein below:

I. BOARD OF DIRECTORS

The composition of the Board of your Company is in conformity with Regulation 17 of the Listing Regulations. The Executive Chairman of your Company, though a Professional Director in his individual capacity, is a Promoter and the number of Non-Executive and Independent Directors is more than one- half of the total number of Directors.

Mr. Anand G. Mahindra, Executive Chairman and Dr. Pawan Goenka, Managing Director are the Whole-time Directors of your Company. The remaining Non-Executive Directors, comprising of seven Independent Directors including a Woman Director and one Non-Independent Director as on 31st March, 2018 have an optimal mix of professionalism, knowledge and expertise from diverse fields, possess the requisite qualifications and experience which enables them to discharge their responsibilities, provide effective leadership to business and enhance the quality of Board's decision making process.

The maximum tenure of Independent Directors is in compliance with the Companies Act, 2013 ("the Act") and the Listing

Regulations. All the Independent Directors have confirmed that they meet the criteria as mentioned in Regulation 16(1)(b) of the Listing Regulations and section 149(6) of the Act.

Apart from reimbursement of expenses incurred in the discharge of their duties, the remuneration that these Directors were entitled to under the Act as Non-Executive Directors and the remuneration that a Non-Executive Director may receive for professional services rendered to the Company through a firm in which he is a partner, none of these Directors have any other pecuniary relationships with your Company, its Subsidiaries or Associates or their Promoters or Directors, during the two immediately preceding financial years or during the current financial year. None of the Directors of your Company are inter-se related to each other.

Professional fees for the year under review to Khaitan & Co., Advocates & Solicitors, in which Mr. R. K. Kulkarni, Non-Executive and Independent Director is a partner, amounted to Rs. 139.06 lakhs (including out of pocket expenses).

Mr. Deepak S. Parekh, Non-Executive and Independent Director ceased to be a Director with effect from 8th August, 2017 upon completion of his tenure as an Independent Director as approved by the Shareholders at the 68th Annual General Meeting of the Company held on 8th August, 2014 and subsequent to year end, Mr. S. B. Mainak, who had been representing Life Insurance Corporation of India ("LIC") on the Board of the Company, ceased to be a Director of the Company with effect from 11th May, 2018.

Further, the Governance, Nomination and Remuneration Committee ("GNRC") at its meeting held on 28th May, 2018 on the basis of performance evaluation of Independent Directors and taking into account the external business environment, the business knowledge, acumen, experience and the substantial contribution made by Mr. M. M. Murugappan and Mr. Nadir B. Godrej during their tenure, has recommended to the Board that continued association of Mr. M. M. Murugappan and Mr. Nadir B. Godrej as Independent Directors of the Company would be beneficial to the Company. Based on the above and the performance evaluation of Independent Directors, the Board recommended the re-appointment of

Mr. M. M. Murugappan and Mr. Nadir B. Godrej, as Independent Directors of the Company, not liable to retire by rotation, to hold office for a second term of two consecutive years on the Board of the Company.

The Senior Management of your Company have made disclosures to the Board confirming that there are no material financial and commercial transactions between them and the Company which could have potential conflict of interest with the Company at large.

A. Composition of the Board

The Board of your Company comprises of ten Directors as on 31st March, 2018. The name and categories of Directors, DIN, the number of Directorships and Committee positions held by them in the companies are given below. None of the Director is a Director in more than 10 public limited companies (as specified in section 165 of the Act) or acts as an Independent Director in more than 7 listed companies or 3 listed companies in case he/she serves as a Whole-time Director in any listed company (as specified in Regulation 25 of the Listing Regulations). Further, none of the Directors on the Board is a Member of more than 10 Committees and Chairperson of more than 5 Committees (as specified in Regulation 26 of the Listing Regulations), across all the Indian public limited companies in which he/she is a Director.

Directors	Category	Directors' Identification Number (DIN)	Total Number of Directorships, Committee Chairmanships and Memberships of public limited companies*, as on 31 st March, 2018		
			Directorships \$	Committee Chairmanships+	Committee Memberships+
NON-EXECUTIVE					
Mr. Nadir B. Godrej	Independent	00066195	10	3	3
Mr. M. M. Murugappan	Independent	00170478	10	5	3
Mr. R. K. Kulkarni	Independent	00059367	6	2	5
Mr. Anupam Puri	Independent	00209113	3	–	1
Dr. Vishakha N. Desai	Independent	05292671	1	–	1
Mr. Vikram Singh Mehta	Independent	00041197	8	1	1
Mr. S. B. Mainak @ (Nominee of LIC)	Non-Independent	02531129	7	2	2
Mr. T. N. Manoharan	Independent	01186248	2	2	–
EXECUTIVE					
Mr. Anand G. Mahindra – Executive Chairman	Promoter	00004695	5	–	1
Dr. Pawan Goenka	Managing Director	00254502	7	–	1

* Excludes private limited companies, foreign companies and companies registered under section 8 of the Act and Government Bodies.

\$ Includes Additional Directorship and Directorship in your Company.

+ Committees considered are Audit Committee and Stakeholders' Relationship Committee, including that of your Company. Committee Membership(s) excludes Chairmanship(s).

@ Ceased to be a Director of the Company with effect from 11th May, 2018.

B. Board Procedure

A detailed Agenda, setting out the business to be transacted at the Meeting(s), supported by detailed Notes and Presentations, if any, is sent to each Director at least seven days before the date of the Board Meeting(s) and of the Committee Meeting(s). To provide a web-based solution, a soft copy of the said Agenda(s) is also uploaded on the Board Portal which acts as a document repository. The Directors are also provided the facility of video conferencing to enable them to participate effectively in the Meeting(s), as and when required.

To enable the Board to discharge its responsibilities effectively and take informed decisions, the Executive Chairman apprises the Board at every Meeting of the overall performance of your Company, followed by Presentation(s) by the Managing Director and the Sector President(s). A detailed functional Report is also presented at the Board Meeting(s).

The Board also, inter alia, periodically reviews strategy and business plans, annual operating and capital expenditure budget(s), investment and exposure limit(s), compliance report(s) of all laws applicable to your Company, as well as steps taken by your Company to rectify instances of non-compliances, review of major legal issues, minutes of the Committees of the Board and of Board Meetings of your Company's subsidiary companies, significant transactions and arrangements entered into by the unlisted subsidiary companies, approval of quarterly/half-yearly/annual results, significant labour problems and their proposed solutions, safety and risk management, transactions pertaining to purchase/disposal of property(ies), sale of investments, major accounting provisions and write-offs, corporate restructuring, joint ventures or collaboration agreement, material default in financial obligations, if any, fatal or serious accidents, any material effluent or pollution problems, transactions that involve substantial payment towards goodwill, brand equity or intellectual property, any issue that involves possible public or product liability claims of substantial nature, including judgement or order which may have passed strictures on the conduct of your Company, quarterly details of foreign exchange exposures and the steps taken by Management to limit the risks of adverse exchange rate movement and information on recruitment of Senior Officers just below the Board level.

The Board sets annual performance objectives, oversees the actions and results of the management, evaluates its own performance, performance of its Committees and individual Directors on an annual basis and monitors the effectiveness of the Company's governance practices for enhancing the stakeholders' value.

The Company has well-established framework for the Meetings of the Board and its Committees which seeks to systematise the decision making process at the Meetings in an informed and efficient manner.

Apart from Board Members and the Company Secretary, the Board and Committee Meetings are generally also attended by the Chief Financial Officer and wherever required by the Heads of various Corporate Functions.

C. Number of Board Meetings, Attendance of the Directors at Meetings of the Board and at the Annual General Meeting

During the year 1st April, 2017 to 31st March, 2018, eight Board Meetings were held on the following dates – 30th May, 2017, 13th June, 2017, 4th August, 2017, 9th October, 2017, 10th November, 2017, 13th December, 2017, 9th February, 2018 and 28th March, 2018. The Board met at least once in every Calendar Quarter and the gap between two Meetings did not exceed one hundred and twenty days. These Meetings were well attended by the Directors. The 71st Annual General Meeting ('AGM') of your Company was held on 4th August, 2017.

The attendance of the Directors at these Meetings was as under:

Directors	Number of Board Meetings attended	Attendance at the AGM
Mr. Deepak S. Parekh @	1	Yes
Mr. Anand G. Mahindra	7	Yes
Dr. Pawan Goenka	8	Yes
Mr. Nadir B. Godrej	6	Yes
Mr. M. M. Murugappan	7	Yes
Mr. R. K. Kulkarni	7	Yes
Mr. Anupam Puri	4#	Yes
Dr. Vishakha N. Desai	5#	Yes
Mr. Vikram Singh Mehta	6	No
Mr. S. B. Mainak ^	7	Yes
Mr. T. N. Manoharan	8	Yes

@ Ceased to be a Director with effect from 8th August, 2017.

In addition, Mr. Anupam Puri and Dr. Vishakha N. Desai participated in one and two Board Meeting(s) respectively through audio call. No sitting fees were paid to them for participation through audio call.

^ Ceased to be a Director of the Company with effect from 11th May, 2018.

Video conferencing facility is offered to facilitate Directors to participate in the Meetings.

D. Meetings of Independent Directors

The Independent Directors of your Company meet before the Board Meeting without the presence of the Executive Chairman, Managing Director, other Non-Independent Director(s) or any other Management Personnel.

These Meetings are conducted in an informal and flexible manner to enable the Independent Directors to, inter alia, discuss matters pertaining to review of performance of Non-Independent Directors and the Board as a whole, review the performance of the Executive Chairman of the Company (taking into account the views of the Managing Director and Non-Executive Director), assess the quality, quantity and timeliness of flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

Five Meetings of Independent Directors were held during the year and these Meetings were well attended by the Independent Directors.

E. Director(s) seeking Appointment/Re-appointment

Mr. Anand G. Mahindra, Executive Chairman of the Company, is liable to retire by rotation and being eligible for re-appointment at the forthcoming AGM of your Company, has offered himself for re-appointment.

Further, the Board at its Meeting held on 29th May, 2018 based on the recommendation of the GNRC, recommended the re-appointment of Mr. M. M. Murugappan and Mr. Nadir B. Godrej, as Independent Directors of the Company, not liable to retire by rotation, to hold office for a second term of two consecutive years on the Board of the Company.

The profiles of Mr. Anand G. Mahindra, Mr. M. M. Murugappan and Mr. Nadir B. Godrej along with other details are as follows:

Mr. Anand G. Mahindra Executive Chairman

Mr. Anand G. Mahindra has completed 63 years of age and he is the Executive Chairman of the Company.

Mr. Mahindra graduated with Honours (Magna cum laude) from Harvard College, Cambridge, Massachusetts, in 1977. In 1981, he secured an MBA degree from the Harvard Business School, Boston, Massachusetts. He returned to India that year and joined erstwhile Mahindra Ugine Steel Company Limited (MUSCO) as Executive Assistant to the Finance Director. MUSCO was, at that time, the country's foremost producer of specialty steels. In 1989, he was appointed Deputy Managing Director and President of MUSCO. During his stint at MUSCO, he initiated the Mahindra Group's diversification into the new business areas of real estate development and hospitality management.

Mr. Mahindra was first appointed as a Director on the Board of the Company on 23rd November, 1989.

He took over as Deputy Managing Director of the Company in 1991 at a time when the turnover was US\$ 177 million. He initiated a comprehensive change programme in the Company to make it an efficient and aggressive competitor in the new liberalized economic environment in India.

In April, 1997, he was appointed as Managing Director of the Company and in January, 2001 given the additional responsibility of Vice Chairman. In August, 2012, he was appointed as Chairman and designated as Chairman & Managing Director of the Company. In November, 2016, Mr. Mahindra was re-designated as Executive Chairman of the Company.

During his tenure, Mahindra has also grown inorganically, seizing opportunities across the globe. Recent acquisitions include Ssangyong Motors, Reva Electric Car Company, Satyam Computer Services, Aerostaff Australia, Gippsland Aeronautics, Peugeot Motorcycles, Holiday Club Resorts, SOFGEN Holdings Limited, Lightbridge Communications Corporation and Pininfarina S.p.A. amongst others.

India Inc. Leader

Mr. Mahindra is the co-founder of the Harvard Business School Association of India, an association dedicated to the promotion of professional management in India. He was a co-promoter of Kotak Mahindra Finance Limited, which was converted into the Kotak Mahindra Bank in 2003. It is one of the foremost private sector banks in India today.

As a leading industry figure, he has served as President of the Confederation of Indian Industry in 2003-04 and has also been President of the Automotive Research Association of India (ARAI). He also served on the Boards of the National Stock Exchange of India and the National Council of Applied Economic Research, as Chairman of the Governing Council of the National Institute of Design and the India Design Council, and as a member of the Council of Scientific & Industrial Research.

Mr. Mahindra is Executive Chairman of Mahindra & Mahindra Limited, Chairman of Tech Mahindra Limited, Classic Legends Private Limited and Mahindra First Choice Wheels Limited and Director of Mahindra Holdings Limited, Prudential Management & Services Private Limited, The Mahindra United World College of India, Tech Mahindra Foundation, Araku Originals Private Limited, Naandi Community Water Services Private Limited, Invest India and Breach Candy Hospital Trust.

Recognition

Mr. Mahindra continues to receive several honours, which include the following:

International Honours:

Featured in Barron's List of Top 30 CEOs worldwide (2016), Appointed Chevalier de l'Ordre national la Légion d'Honneur (Knight in the National Order of the Legion of Honour) by the President of the French Republic (March, 2016), First Indian recipient of the Harvard Medal by the Harvard Alumni Association (2014), Sustainable Development Leadership

Award from The Energy and Resources Institute (2014), Knighted as 'Grand Officer of the Order of the Star of Italy', a civilian award of State (2013), Global Leadership Award by the US-India Business Council (2012), Business Courage Award by Asia Business Leadership Forum (2012), Best Transformational Leader Award by the Asian Centre for Corporate Governance & Sustainability (2012), Featured in Asia's 25 most powerful business people by Fortune magazine (2011) and Lloyds Banking Group Business Leader of the Year Award at The Asian Awards (2011).

Indian Honours:

'Disruptor Personality of the Year Award' by Bloomberg TV India (2016), 'Social Media Person of the Year' by the Internet and Mobile Association of India (2016), Conferred the degree of Doctor of Science (Honoris Causa) by the Indian Institute of Technology, Bombay (2015), Business Today CEO of the Year (2014), 'Special Recognition for Creating a True Global Indian MNC' at India's Best Market Analyst Award by Zee Business (2013), Forbes India Leadership Awards 'Entrepreneur for the Year' (2013), Business Leader of the Year by NDTV (2012), JRD Tata Corporate Leadership Award from All India Management Association (2011), IMC Juran Quality Medal by IMC Ramkrishna Bajaj National Quality Award Trust (2010), CNBC TV18 Outstanding Business Leader of the Year (2009), Business Leader of the Year by Economic Times (2009), Ernst & Young Entrepreneur of the Year India award (2009) and an Indian of the Year award by NDTV (2009).

Mr. Mahindra is a Member of the following Board Committees:

Sr. No.	Name of the Company	Name of the Committee	Position Held
1.	Mahindra & Mahindra Limited	Strategic Investment Committee	Chairman
		Loans & Investment Committee	Chairman
		Stakeholders Relationship Committee	Member
		Research & Development Committee	Member
		Sale of Assets Committee	Member
		Corporate Social Responsibility Committee	Member

Mr. Mahindra holds 14,30,008 Ordinary (Equity) Shares in the Company.

Mr. M. M. Murugappan Independent Director

Mr. M. M. Murugappan has completed 62 years of age. Mr. M. M. Murugappan holds a Bachelor's degree in Chemical Engineering from the AC College of Technology, University of Madras, India and a Master of Science Degree also in Chemical Engineering from the University of Michigan, Ann Arbor, Michigan, USA. He is a member of the American and Indian Institutes of Chemical Engineers and the Plastics & Rubber Institute. He was recently elected as a Fellow Member of the Indian Ceramic Society.

Mr. M. M. Murugappan was first appointed as a Director on the Board of the Company on 28th August, 1992.

Mr. M. M. Murugappan serves as the Executive Chairman of the Corporate and Supervisory Board of the Murugappa Group. He is the Chairman of Tube Investments of India Limited ("TII"), TI Financial Holdings Limited, Cholamandalam MS General Insurance Company Limited, Wendt India Limited, Carborundum Universal Limited ("CUMI"), Coromandel International Limited and Volzhsky Abrasive Works. He is also on the board of Cyient Limited, Ambadi Investments Limited, Cholamandalam Health Insurance Limited, Murugappa Organo Water Solutions Private Limited, M. M. Muthiah Research Foundation and Idea Lab (India) Private Limited.

After a brief stint in the field of Environmental Engineering Design in the United States, Mr. M. M. Murugappan joined CUMI in the year 1979.

In January, 2004, Mr. M. M. Murugappan took over as Chairman of CUMI, playing a pivotal role in transforming CUMI into an international company. He has broken new grounds in positioning CUMI as a technology and innovation-driven organization. His strategic approach towards business partnerships with global leaders has been one of the key factors contributing to CUMI's consistent growth, internationally.

In April, 2006, Mr. M. M. Murugappan was appointed Chairman of TII. At TII, he is very involved, together with the team, in developing a strong engineering focused business to address opportunities in the transportation sector as a critical component supplier. Here too he has facilitated relationships with global leaders and has encouraged research, innovation and strong customer partnerships.

He has also served on the Board of Governors of IIT Madras, for six years till November, 2011 and has enabled many industry – academic partnerships. He now serves on the board of the IIT-Madras Research Park and is a mentor to many companies incubated there.

As Trustee of the Group's AMM Foundation, he is actively involved in the development of various citizenship initiatives, particularly in education, health care, performing arts and sport.

Mr. M. M. Murugappan is a Member of the following Board Committees:

Sr. No.	Name of the Company	Name of the Committee	Position Held
1.	Mahindra & Mahindra Limited	Governance, Nomination and Remuneration Committee	Chairman
		Research and Development Committee	Chairman
		Audit Committee	Member
		Risk Management Committee	Member
2.	Tube Investments of India Limited	Stakeholders Relationship Committee	Chairman
		Loans Committee	Chairman
		Shares and Debentures Committee	Chairman
		Nomination and Remuneration Committee	Member
3.	Cyient Limited	Audit Committee	Chairman
		Risk Management Committee	Chairman
		Nomination and Remuneration Committee	Member
4.	Carborundum Universal Limited	Stakeholders Relationship Committee	Chairman
		Investment Committee	Member
5.	Wendt India Limited	Stakeholders Relationship Committee	Chairman
6.	TI Financial Holdings Limited	Stakeholders Relationship Committee	Chairman
		Corporate Social Responsibility Committee	Chairman
		Nomination and Remuneration Committee	Member

Sr. No.	Name of the Company	Name of the Committee	Position Held
7.	Ambadi Investments Limited	Audit Committee	Member
		Share Transfer Committee	Member
		Borrowing Committee	Member
		Corporate Social Responsibility Committee	Member
8.	Cholamandalam MS General Insurance Company Limited	Management Committee	Chairman
		Corporate Social Responsibility Committee	Chairman
		Investment Committee, Business Committee & Risk Management Committee	Member

Mr. M. M. Murugappan holds 2,00,000 Ordinary (Equity) Shares in the Company.

Mr. Nadir B. Godrej

Independent Director

Mr. Nadir B. Godrej has completed 66 years of age. A Bachelor of Chemical Engineering from the Massachusetts Institute of Technology and a Master of Chemical Engineering from Stanford University, Mr. Nadir B. Godrej completed his MBA from the Harvard Business School.

Mr. Nadir B. Godrej was first appointed as a Director on the Board of the Company on 28th August, 1992.

A veteran of the Indian industry, Mr. Nadir B. Godrej has played an important role in developing the animal feed, agricultural input and chemicals businesses owned by Godrej. His active interest in research related to these areas has resulted in several patents in the field of agricultural chemicals and surfactants.

With his tremendous experience and expertise, Mr. Nadir B. Godrej has also contributed to the development of a variety of industries by participating keenly in industry bodies such as the Compound Livestock Feed Manufacturers Association of India, Indian Chemical Manufacturers Association, and Oil Technologists' Association of India ("OTAI").

Currently, Mr. Nadir B. Godrej is the President of Alliance Française de Bombay. For his contribution to Indo-French relations, the French Government has honoured him with the awards of "Chevalier de l'Ordre National du Mérite" and "Chevalier de la Légion d'Honneur".

Mr. Nadir B. Godrej has also been honoured with the Life Time Achievement Awards from:

- OTAI;
- Chemexcil; and
- The All India Liquid Bulk Importers and Exporters Association (AILBIEA).

Mr. Godrej is the author of "Life and Other Poems" & "Nadir Godrej The Poet", a collection of English and French poems.

Mr. Nadir B. Godrej is the Chairman of Godrej Agrovet Limited, Astec Lifesciences Limited, Godrej Tyson Foods Limited & Creamline Dairy Products Limited and Managing Director of Godrej Industries Limited. He is also a Director in other companies such as Godrej Consumer Products Limited, Godrej Properties Limited, The Indian Hotels Co Limited, Godrej & Boyce Mfg. Co. Limited, Isprava Vesta Private Limited and in foreign companies such as Godrej International Limited and ACI Godrej Agrovet Private Limited.

Mr. Nadir B. Godrej is a Member of the following Board Committees:

Sr. No.	Name of the Company	Name of the Committee	Position Held
4.	Godrej Industries Limited	Corporate Social Responsibility Committee	Chairman
		Risk Management Committee	Chairman
		Stakeholders Relationship Committee	Member
5.	Godrej Agrovet Limited	Stakeholders Relationship Committee	Chairman
		Risk Management Committee	Chairman
		Corporate Social Responsibility Committee	Member
6.	Godrej Tyson Foods Limited	Nomination and Remuneration Committee	Member

Mr. Nadir B. Godrej holds 11,34,780 Ordinary (Equity) Shares in the Company.

F. Codes of Conduct

The Board of your Company has laid down two separate Codes of Conduct ("Codes"), one for all the Board Members and the other for Senior Management and Employees of the Company. These Codes have been posted on the Company's website: <http://www.mahindra.com>. All the Board Members and Senior Management Personnel have affirmed compliance with these Codes. A declaration signed by the Executive Chairman to this effect is enclosed at the end of this Report.

The Code of Conduct for the Board Members of the Company also includes Code for Independent Directors which is a guide to professional conduct for Independent Directors, pursuant to section 149(8) and Schedule IV of the Act.

G. CEO/CFO Certification

The Executive Chairman, Managing Director and Group CFO & Group CIO of the Company jointly give annual certification on financial reporting and internal controls to the Board in terms of Regulation 17(8) of the Listing Regulations. The Executive Chairman, Managing Director and Group CFO & Group CIO also jointly give quarterly certification on financial results while placing the financial results before the Board in terms of Regulation 33(2) of the Listing Regulations.

H. Board Evaluation

Pursuant to the provisions of the Act and the Listing Regulations, the Board has carried out an annual evaluation

Sr. No.	Name of the Company	Name of the Committee	Position Held
1.	Mahindra & Mahindra Limited	Audit Committee	Member
		Governance, Nomination and Remuneration Committee	Member
		Strategic Investment Committee	Member
		Risk Management Committee	Member
		Research and Development Committee	Member
2.	Godrej Consumer Products Limited	Stakeholders Relationship Committee	Chairman
		Corporate Social Responsibility Committee	Chairman
3.	The Indian Hotels Company Limited	Stakeholders Relationship Committee	Chairman
		Audit Committee	Member
		Nomination and Remuneration Committee	Member
		Corporate Social Responsibility Committee	Member
		Risk Management Committee	Member

of its own performance and that of its Committees as well as performance of all the Directors individually. Feedback was sought by way of a structured questionnaire covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board Culture, Execution and Performance of Specific Duties, Obligations and Governance and the evaluation was carried out based on responses received from the Directors.

A separate exercise was carried out by the Governance, Nomination and Remuneration Committee of the Board to evaluate the performance of Individual Directors. The performance evaluation of the Non-Independent Directors and the Board as a whole was carried out by the Independent Directors. The performance evaluation of the Executive Chairman of the Company was also carried out by the Independent Directors, taking into account the views of the Managing Director and Non-Executive Directors. The Independent Directors and Executive Chairman also carried out performance evaluation of the Managing Director of the Company. The Directors expressed their satisfaction with the evaluation process.

I. Familiarisation Programme for Independent Directors

Pursuant to Regulation 25(7) of the Listing Regulations, the Company imparted various familiarisation programmes for its Directors including review of Investments of the Company by Strategic Investment Committee, Industry Outlook at the Board Meetings, Regulatory updates at Board and Audit Committee Meetings, Presentations on Internal Control over Financial Reporting, Operational Control over Financial Reporting, Prevention of Insider Trading Regulations, SEBI Listing Regulations, Framework for Related Party Transactions, Plant Visit, Meeting with Senior Executive(s) of your Company, etc. Pursuant to Regulation 46 the details required are available on the website of your Company at the web link: [http://www.mahindra.com/resources/investor-reports/FY18/Annual Reports/Links-AnnualReport.zip](http://www.mahindra.com/resources/investor-reports/FY18/Annual%20Reports/Links-AnnualReport.zip).

II. REMUNERATION TO DIRECTORS

A. Remuneration Policy

Your Company has a well-defined Policy for Remuneration of the Directors, Key Managerial Personnel and other Employees. This Policy is furnished in Annexure V-B to the Board's Report.

Governance, Nomination and Remuneration Committee ("GNRC") while deciding the basis for determining the compensation, both fixed and variable to the Non-Executive

Directors, takes into consideration various factors such as Director's participation in Board and Committee Meetings during the year, other responsibilities undertaken, such as Membership or Chairmanship of Committees, time spent in carrying out other duties, role and functions as envisaged in Schedule IV of the Act and Listing Regulations and such other factors as the GNRC may consider deem fit.

The elements of remuneration package of Executive Directors include salary, benefits, stock options, provident fund, etc. and is decided based on the individual performance, inflation, prevailing industry trends and benchmarks. The Non-Executive Directors are paid remuneration in the form of sitting fees and commission.

B. Remuneration to Non-Executive Directors for the year ended 31st March, 2018

Pursuant to the approval granted by the Members of the Company at the 69th AGM held on 7th August, 2015, the eligible Non-Executive Directors are paid commission upto a maximum of 1% of the net profits of the Company for each financial year, as computed in the manner laid down in section 198 of the Act or any statutory modification(s) or re-enactment(s) thereof or Rs. 38 crores in the aggregate, whichever is lower; provided that none of such Directors, in any Financial Year individually receive a portion of such remuneration more than one quarter percent of the net profits of the Company.

During the year under review, the following Non-Executive Directors were paid a commission of Rs. 181.73 lakhs (provided for in the accounts for the year ended 31st March, 2017), distributed amongst the Directors as under:

(Rs. In Lakhs)

Directors	Commission for the year ended 31 st March, 2017, paid during the year under review
Mr. Deepak S. Parekh @	24.00
Mr. Nadir B. Godrej	20.00
Mr. M. M. Murugappan	24.00
Mr. R. K. Kulkarni *	24.00
Mr. Anupam Puri	20.00
Mr. Vikram Singh Mehta	20.00
Dr. Vishakha N. Desai	24.00
Mr. S. B. Mainak ^ (Nominee of LIC)	18.00#
Mr. T. N. Manoharan	7.73

@ Ceased to be a Director with effect from 8th August, 2017.

* The commission was paid to Khaitan & Co., in which Mr. R. K. Kulkarni is a Partner.

The commission was paid to LIC.

^ Ceased to be a Director of the Company with effect from 11th May, 2018.

A commission of Rs. 271.60 lakhs has been provided as payable to the Non-Executive Directors in the accounts for the year under review. Non-Executive Directors are also paid sitting fees of Rs. 1,00,000 each for every Meeting of the Board and Rs. 50,000 each for every Committee Meeting other than Stakeholders Relationship Committee. The sitting fees paid

for every Meeting of Stakeholders Relationship Committee is Rs. 10,000 each for Non-Executive Director.

The sitting fees paid to Non-Executive Directors and the commission payable to them for the year ended 31st March, 2018 along with their respective shareholdings in your Company are as under:

Directors	Sitting Fees paid for the Board and Committee Meetings held during the year ended 31 st March, 2018 (Rs. in Lakhs)	Commission for the year ended 31 st March, 2018, provided as payable in the accounts of the Company for the year under review (Rs. in Lakhs)	No. of Ordinary (Equity) Shares held as on 31 st March, 2018
Mr. Deepak S. Parekh @	3.50	12.72	N.A.
Mr. Nadir B. Godrej	15.50	30.00	11,34,780
Mr. M. M. Murugappan	14.50	36.00	2,00,000
Mr. R. K. Kulkarni *	19.30	36.00	1,66,176
Mr. Anupam Puri	6.00	30.00	Nil
Mr. Vikram Singh Mehta	15.50	30.00	20,000
Dr. Vishakha N. Desai	6.80	36.00	Nil
Mr. S. B. Mainak ^ (Nominee of LIC)	7.00	27.00#	Nil
Mr. T. N. Manoharan	14.50	33.88	Nil

@ Ceased to be a Director with effect from 8th August, 2017.

* Sitting fees/commission were paid/is payable to Khaitan & Co., in which Mr. R. K. Kulkarni is a Partner.

^ Ceased to be a Director of the Company with effect from 11th May, 2018.

Commission is payable to LIC.

The Non-Executive Directors were not granted stock options during the year under review.

C. Remuneration paid/payable to Executive Chairman and Managing Director (Whole-time Directors) for the year ended 31st March, 2018

Remuneration to Whole-time Directors is fixed by GNRC which is subsequently approved by the Board of Directors and Shareholders at a General Meeting.

Following is the remuneration paid/payable to the Whole-time Directors during the year ended 31st March, 2018:

Directors	(Rs. in Lakhs)					Contract Period
	Salary ¹	Commission	Company's Contribution to Funds ²	Perquisites and Allowances	Total	
Mr. Anand G. Mahindra (Executive Chairman)	339.41	412.12	48.35	3.47	803.35	12 th November, 2016 to 11 th November, 2021
Dr. Pawan Goenka (Managing Director)	335.53	448.22	48.79	388.55 @	1,221.09	12 th November, 2016 to 11 th November, 2020

1 Includes Privilege Leave Encashment.

2 Aggregate of the Company's contributions to Superannuation Fund and Provident Fund.

@ This includes Rs. 351.41 lakhs being perquisite value of ESOPs of the Company exercised during the year.

Notes:

- Notice period applicable to each of the Whole-time Directors is six months.
- Employee Stock Options and Commission are the only components of remuneration that are performance-linked. All other components are fixed.

D. The Stock Option granted to Directors, the period over which accrued and over which exercisable are as under:

Name of Directors to whom Stock Options have been granted	Designation	2000 Scheme							2010 Scheme	
		Options granted in December, 2001*	Options granted in June, 2005**	Options granted in October, 2005	Options granted in September, 2006	Options granted in July, 2007	Options granted in August, 2008	Options granted in September, 2012	Options granted in January, 2011	Options granted in August, 2015
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)		
Mr. Anand G. Mahindra	Executive Chairman	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Dr. Pawan Goenka	Managing Director	25,290	*7,500***	*15,000***	*11,345***	*12,543***	*37,336***	Nil	*71,080	1,12,743****
Mr. Deepak S. Parekh#	Independent Director	20,000	*5,000	Nil	Nil	Nil	Nil	Nil	Nil	N.A.
Mr. Nadir B. Godrej	Independent Director	20,000	*5,000	Nil	Nil	Nil	Nil	Nil	Nil	N.A.
Mr. M. M. Murugappan	Independent Director	20,000	*5,000	Nil	Nil	Nil	Nil	Nil	Nil	N.A.
Mr. R. K. Kulkarni	Independent Director	20,000	*5,000	Nil	Nil	Nil	Nil	Nil	Nil	N.A.
Mr. Anupam Puri	Independent Director	20,000	@ 5,000***	Nil	Nil	Nil	Nil	Nil	Nil	N.A.
Dr. Vishakha N. Desai	Independent Director	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	20,000*****	N.A.	N.A.
Mr. Vikram Singh Mehta	Independent Director	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	*10,000	N.A.	N.A.
Mr. S. B. Mainak^	Nominee Director	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	Nil
Mr. T. N. Manoharan	Independent Director	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.

Ceased to be a Director of the Company with effect from 8th August, 2017.

@ unexercised options lapsed.

^ Ceased to be a Director of the Company with effect from 11th May, 2018.

Options granted at a discount in	Vesting period	Exercise period	Exercise price
(1) December, 2001	Already vested in December, 2002	Within five years from the date of vesting	**Rs. 59 per share***
(2) June, 2005	Already vested in June, 2006	Within five years from the date of vesting	**Rs. 454 per share***
(3) October, 2005	Already vested in October, 2006	Within five years from the date of vesting	Rs. 361 per share***
(4) September, 2006	Four equal instalments in September, 2007, 2008, 2009 and 2010 respectively	On the date of Vesting or within five years from the date of Vesting	Rs. 616 per share***
(5) July, 2007	Four equal instalments in July, 2008, 2009, 2010 and 2011 respectively	On the date of Vesting or within five years from the date of Vesting	Rs. 762 per share***
(6) August, 2008	Four equal instalments in August, 2009, 2010, 2011 and 2012 respectively	On the date of Vesting or within five years from the date of Vesting	Rs. 500 per share***
(7) September, 2012	Four equal instalments in September, 2013, 2014, 2015 and 2016 respectively	On the date of Vesting or within five years from the date of Vesting	Rs. 662 per share
(8) January, 2011	Five equal instalments in January, 2012, 2013, 2014, 2015 and 2016 respectively	On the date of Vesting or within five years from the date of Vesting	Rs. 5 per share
(9) August, 2015	Four instalments in February, 2017, 2018, 2019 and 2020 respectively	On the date of Vesting or within five years from the date of Vesting	Rs. 5 per share

* All these Options have been exercised.

** The Options granted stand augmented by an equal number of Options and the Exercise Price stands reduced to half on account of the 1:1 Bonus Issue made in September, 2005.

*** Further, the number of Stock Options granted and outstanding as on 30th March, 2010, stand augmented by an equal number of Options and Exercise Price stands reduced to half on account of Sub-division of each Ordinary (Equity) Share of the Company having a Face Value of Rs. 10 each fully paid-up into 2 (Two) Ordinary (Equity) Shares of the Face Value of Rs. 5 each fully paid-up.

**** The Options granted and outstanding stand augmented by an equal number of Bonus Options on account of the 1:1 Bonus Issue made in December, 2017.

***** The Options granted and outstanding stand augmented by an equal number of Options and the Exercise Price stands reduced to half on account of the 1:1 Bonus Issue made in December, 2017.

III. RISK MANAGEMENT

Your Company has a well-defined risk management framework in place. The risk management framework works at various levels across the Company. These levels form the strategic defence cover of the Company's risk management. The Company has a robust organisational structure for managing and reporting on risks.

Your Company has constituted a Risk Management Committee consisting of Board Members which is authorised to monitor and review Risk Management plan and risk certificate. The Committee is also empowered, inter alia, to review and recommend to the Board the modifications to the Risk Management Policy. Further, the Board has constituted a Corporate Risk Council comprising of the Senior Executives of the Company. The terms of reference of the Council comprise review of Risks and Risk Management Policy at periodic intervals.

The Risk Management Policy approved by the Board, inter alia, includes identification therein of elements of risk, including those which in the opinion of the Board, may threaten the existence of the Company. Risk Management process has been established across the Company and is designed to identify, assess and frame a response to threats that affect the achievement of its objectives. Further, it is embedded across all the major functions and revolves around the goals and objectives of the Company.

IV. COMMITTEES OF THE BOARD

A. Audit Committee

This Committee comprises of the following Directors viz. Mr. T. N. Manoharan (Chairman of the Committee with effect from 8th August, 2017), Mr. Nadir B. Godrej, Mr. M. M. Murugappan and Mr. R. K. Kulkarni. All the Members of the Committee are Independent Directors. Mr. Deepak S. Parekh ceased to be a Chairman and Member of the Committee with effect from 8th August, 2017 upon completion of his tenure as an Independent Director. All the Members of the Committee possess strong accounting and financial management knowledge. The Company Secretary is the Secretary to the Committee.

The terms of reference of this Committee are very wide and are in line with the regulatory requirements mandated by the Act and Part C of Schedule II of the Listing Regulations. Besides having access to all the required information from within the Company, the Committee can obtain external professional advice whenever required. The Committee acts as a link between the Statutory and the Internal Auditors

and the Board of Directors of the Company. It is authorised to, inter alia, review and monitor the Auditor's independence and performance, effectiveness of audit process, oversight of the Company's financial reporting process and the disclosure of its financial information, review with the management the quarterly and annual financial statements and auditor's report before submission to the Board for approval, select and establish accounting policies, review Reports of the Statutory and the Internal Auditors and meet with them to discuss their findings, suggestions and other related matters, approve (wherever necessary) transactions of the Company with related parties including subsequent modifications thereof, grant omnibus approvals for related party transactions subject to fulfilment of certain conditions, scrutinise inter-corporate loans and investments, valuation of undertakings or assets of the Company, review the risk assessment and minimisation procedures, evaluate internal financial controls and risk management systems, monitor end use of the funds raised through public offers and related matters, etc.

The Committee is also empowered to, inter alia, recommend the remuneration payable to the Statutory Auditors and to recommend a change in the Auditors, if felt necessary. Further, the Committee is empowered to recommend to the Board, the appointment of Chief Financial Officer, the term of appointment and remuneration of the Cost Auditor, Internal Auditor, etc., review the functioning of the Whistleblower Policy/Vigil Mechanism. The Committee also reviews Financial Statements and Investments of unlisted subsidiary companies, Management Discussion & Analysis of financial condition and results of operations.

The Audit Committee has been granted powers as prescribed under Regulation 18(2)(c) of the Listing Regulations and reviews all the information as prescribed in Part C of Schedule II of the Listing Regulations. The Committee also reviews the Report on compliance under Code of Conduct for Prevention of Insider Trading adopted by the Company pursuant to Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015. Further, Compliance Reports under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and Whistleblower Policy are also placed before the Committee.

The Meetings of the Audit Committee are also attended by the Executive Chairman, the Managing Director, the Group CFO & Group CIO, the President (Group M&A, Corporate Accounts & Group Secretarial), the Senior Vice President – Corporate Finance, the Statutory Auditors, the Chief Internal Auditor, the Controller of Accounts, the Managing Partner – Mahindra Partners & President (Group Legal) and the Company Secretary.

The Cost Auditor also attends the Committee Meeting at which the Cost Audit Report(s) are considered.

Mr. Deepak S. Parekh, Chairman of Audit Committee (till 7th August, 2017) and Mr. T. N. Manoharan, present Chairman of the Audit Committee, both were present at the 71st AGM of the Company held on 4th August, 2017 to address the Shareholders' queries pertaining to Annual Accounts of the Company.

The Committee met seven times during the year under review. The Committee Meetings were held on 29th May, 2017, 3rd August, 2017, 9th October, 2017, 9th November, 2017, 13th December, 2017, 8th February, 2018 and 27th March, 2018. The gap between two Meetings did not exceed one hundred and twenty days. The attendance at the Meetings was as under:

Members	Number of Meetings attended
Mr. Deepak S. Parekh @	2
Mr. T. N. Manoharan	7
Mr. Nadir B. Godrej	6
Mr. M. M. Murugappan	7
Mr. R. K. Kulkarni	7

@ Ceased to be a Director and thereby Member and Chairman of the Committee with effect from 8th August, 2017.

B. Governance, Nomination and Remuneration Committee

The Governance, Nomination and Remuneration Committee has been vested with the authority to, inter alia, recommend nominations for Board Membership, develop and recommend policies with respect to composition of the Board commensurate with the size, nature of the business and operations of the Company, establish criteria for selection to the Board with respect to the competencies, qualifications, experience, track record, integrity, establish Director retirement policies and appropriate succession plans and determine overall compensation policies of the Company.

The Committee also administers the Company's Employee Stock Option Schemes formulated from time to time including "Mahindra & Mahindra Limited Employees' Stock Option Scheme - 2000", "Mahindra & Mahindra Limited Employees Stock Option Scheme - 2010" and take appropriate decisions in terms of the concerned Scheme(s).

The terms of reference of this Committee are in line with the regulatory requirements mandated in the Act and Part D of Schedule II of the Listing Regulations.

The scope of the Committee also includes review of market practices and decide on remuneration packages to the Executive Chairman, the Managing Director, the Presidents, etc., lay down their performance parameters and review the same.

In addition to the above, the Committee's role includes identifying persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down, recommending to the Board their appointment and removal and carrying out evaluation of every Director's performance.

The Committee has also formulated the criteria for determining qualifications, positive attributes and independence of a Director and recommended to the Board a Policy relating to the remuneration for the Directors, Key Managerial Personnel and other Employees.

The Committee also carries out a separate exercise to evaluate the performance of individual Directors. Feedback is sought by way of structured questionnaires covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance and performance evaluation is carried out based on the responses received from the Directors.

The performance evaluation of Independent Directors were based on various criteria, inter alia, including attendance at Board and Committee Meetings, skill, experience, ability to challenge views of others in a constructive manner, knowledge acquired with regard to the Company's business, understanding of industry and global trends, etc.

The Committee is also empowered to opine, in respect of the services rendered by a Director in professional capacity, whether such Director possesses requisite qualification for the practice of the profession.

All Committee Members are Independent Directors including the Chairman. The Members are Mr. M. M. Murugappan (Chairman of the Committee), Mr. Nadir B. Godrej, Mr. R. K. Kulkarni and Mr. Vikram Singh Mehta. Mr. Anand G. Mahindra and Mr. Rajeev Dubey, Group President (HR & Corporate Services) & CEO (After-Market Sector) are permanent invitees to the Committee.

As per section 178(7) of the Act and Secretarial Standards, the Chairman of the Committee or, in his absence, any other Member of the Committee authorised by him in this behalf shall attend the General Meetings of the Company. The Chairman of the Committee, Mr. M. M. Murugappan was present at the 71st AGM of the Company held on 4th August, 2017.

The Committee met four times during the year under review. The Committee Meetings were held on 29th May, 2017, 3rd August, 2017, 9th November, 2017 and 27th March, 2018. The attendance at the Meetings was as under:

Members	Number of Meetings attended
Mr. M. M. Murugappan (Chairman)	4
Mr. Nadir B. Godrej	4
Mr. R. K. Kulkarni	4
Mr. Vikram Singh Mehta	4

C. Stakeholders Relationship Committee

The Company's Stakeholders Relationship Committee functions under the Chairmanship of Mr. R. K. Kulkarni, Independent Director. Mr. Anand G. Mahindra, Dr. Vishakha N. Desai and Dr. Pawan Goenka are the other Members of the Committee. Mr. Narayan Shankar, Company Secretary is the Compliance Officer of the Company.

The Committee meets, as and when required, to inter alia, deal with matters relating to transfer/transmission of shares, issue of duplicate share certificates, issue of new share certificates (including for transfer to Investor Education & Protection Fund as per the provisions of the Act and Rules framed thereunder) and monitor redressal of the grievances of the security holders of the Company relating to transfers, non-receipt of Annual Report, non-receipt of dividends declared, etc. With a view to expedite the process of share transfers, necessary authority has been delegated to certain officers of the Company to approve the transfers of not more than 10,000 Ordinary (Equity) Shares per transfer, provided the transferee does not hold 2,00,000 or more Ordinary (Equity) Shares in your Company. The Committee is also authorised to approve request for transmission of shares and issue of duplicate share certificates.

The role and terms of reference of the Committee cover the areas as contemplated under Regulation 20 read with Part D of Schedule II of the Listing Regulations and section 178 of the Act, as applicable, besides other terms as referred by the Board of Directors.

As per section 178(7) of the Act and the Secretarial Standards, the Chairman of the Committee or, in his absence, any other Member of the Committee authorised by him in this behalf shall attend the General Meetings of the Company. The Chairman of the Committee, Mr. R. K. Kulkarni was present at the 71st AGM of the Company held on 4th August, 2017.

During the year, 34 complaints were received from the Shareholders, all of which have been attended/resolved to the satisfaction of the Shareholders. As of date, there are no complaints/pending share transfers pertaining to the year under review.

The Committee met three times during the year under review. The Committee Meetings were held on 30th May, 2017, 4th August, 2017 and 10th November, 2017. The attendance at the Meetings was as under:

Members	Number of Meetings attended
Mr. R. K. Kulkarni (Chairman)	3
Mr. Anand G. Mahindra	2
Dr. Pawan Goenka	3
Dr. Vishakha N. Desai	3

D. Corporate Social Responsibility Committee

The Corporate Social Responsibility ("CSR") Committee is a Committee constituted by the Board with powers, inter alia, to make donations/contributions to any Charitable and/or CSR projects or programs to be implemented directly or through an executing agency or other Not for Profit Agency with minimum three years proven track record or through a Corporate Foundation or other reputed Non-Governmental Organisation, of at least two percent of the Company's average net profits during the three immediately preceding Financial Years in pursuance of its CSR Policy for the Company's CSR Initiatives.

The scope of functions of the Committee includes, inter alia, the formulation and recommendation to the Board for its approval and implementation, the Business Responsibility ("BR") Policy(ies) of the Company, undertake periodical assessment of the Company's BR performance, review the draft BR Report and recommend the same to the Board for its approval and inclusion in the Annual Report of the Company.

The role of this Committee also includes recommendation of the amount of expenditure to be incurred on the CSR activities as enumerated in Schedule VII of the Act and also referred to in the CSR Policy of the Company, as also to monitor the CSR Policy from time to time, etc.

The CSR Policy for your Company as duly amended is displayed on the Company's website: <http://www.mahindra.com>.

Dr. Vishakha N. Desai, Independent Director is the Chairperson of the Committee. Mr. Anand G. Mahindra, Dr. Pawan Goenka, Mr. R. K. Kulkarni and Mr. Vikram Singh Mehta are the other Members of the Committee. Out of the total number of Members of the Committee, three are Independent Directors. The Committee met three times during the year. The Committee Meetings were held on 29th May, 2017, 9th November, 2017 and 27th March, 2018. The attendance at the Meetings was as under:

Members	Number of Meetings attended
Dr. Vishakha N. Desai (Chairperson)	3
Mr. Anand G. Mahindra	2
Dr. Pawan Goenka	3
Mr. R. K. Kulkarni	3
Mr. Vikram Singh Mehta	3

E. Risk Management Committee

Regulation 21 of the Listing Regulations mandates constitution of the Risk Management Committee. The Committee is required to lay down the procedures to inform to the Board about the risk assessment and minimisation procedures and the Board shall be responsible for framing, implementing and monitoring the Risk Management Plan of the Company. The Board has constituted a Risk Management Committee. The Committee is headed by Dr. Pawan Goenka. The other Members are Mr. Nadir B. Godrej, Mr. M. M. Murugappan, Mr. R. K. Kulkarni and Mr. T. N. Manoharan. Mr. T. N. Manoharan was appointed as a Member of the Committee with effect from 30th May, 2017 and Mr. Deepak S. Parekh ceased to be a Member of the Committee with effect from 8th August, 2017 upon completion of his tenure as an Independent Director.

During the year under review, the Committee met three times on 29th May, 2017, 9th November, 2017 and 27th March, 2018 which was attended by all of its Members.

F. Research & Development Committee (a voluntary initiative of your Company)

The Research & Development ("R&D") Committee, which was constituted by the Board in 1998, provides direction on the R&D mission and strategy and key R&D and technology issues. The Committee also reviews and makes recommendations on the skills and competencies required and the structure and the process needed to ensure that the R&D initiatives result

in products that are in keeping with the business needs. Mr. M. M. Murugappan is the Chairman of the Committee. Mr. Anand G. Mahindra, Dr. Pawan Goenka and Mr. Nadir B. Godrej are the other Members of the Committee.

The Committee met once during the year under review on 9th November, 2017 which was attended by all of its Members except for Mr. Anand G. Mahindra.

G. Strategic Investment Committee (a voluntary initiative of your Company)

The Strategic Investment Committee is constituted by the Board with powers, inter alia, to evaluate and scrutinise significant investments/funding including but not limited to business acquisitions, reviewing and monitoring existing investments in subsidiaries, joint ventures and other group companies, overseeing and reviewing performance of various subsidiaries and making necessary recommendations to the Board from time to time including disinvestments. Mr. Anand G. Mahindra is the Chairman of the Committee. Mr. Nadir B. Godrej, Mr. Vikram Singh Mehta, Mr. Anupam Puri and Mr. T. N. Manoharan are other Members of the Committee. Mr. T. N. Manoharan was appointed as a Member of the Committee with effect from 30th May, 2017 and Mr. Deepak S. Parekh ceased to be a Member of the Committee with effect from 8th August, 2017 upon completion of his tenure as an Independent Director.

The Committee met five times during the year under review on 29th May, 2017, 3rd August, 2017, 9th November, 2017, 9th February, 2018 and 27th March, 2018. The attendance at the Meetings was as under:

Members	Number of Meetings attended
Mr. Anand G. Mahindra (Chairman)	4
Mr. Deepak S. Parekh [@]	2
Mr. Nadir B. Godrej	5
Mr. Anupam Puri	4
Mr. Vikram Singh Mehta	5
Mr. T. N. Manoharan*	4

[@] Ceased to be a Director and thereby Member of the Committee with effect from 8th August, 2017.

* Appointed as a Member of the Committee with effect from 30th May, 2017.

H. Loans & Investment Committee (a voluntary initiative of your Company)

The Loans & Investment Committee is authorised to approve loans and investment, disinvestment, borrowing moneys and related aspects of fund management in accordance with the authority granted and the parameters prescribed by the Board with Mr. Anand G. Mahindra as the Chairman of the Committee and the other Members being Dr. Pawan Goenka, Mr. R. K. Kulkarni and Mr. Vikram Singh Mehta.

Apart from the Meetings, Circular Resolution(s) is/are passed by the Members after discussion over a conference call between the Directors. Subsequently, these Resolution(s) are noted in the Meeting held after the date on which the Circular Resolution(s) is/are passed by the Members.

The Committee met seven times during the year under review on 29th May, 2017, 3rd August, 2017, 20th September, 2017, 9th October, 2017, 9th November, 2017, 9th February, 2018 and 27th March, 2018. The attendance at the Meetings was as under:

Members	Number of Meetings attended
Mr. Anand G. Mahindra (Chairman)	5
Dr. Pawan Goenka	6
Mr. R. K. Kulkarni	7
Mr. Vikram Singh Mehta	7

V. SUBSIDIARY COMPANIES

Regulation 16 of the Listing Regulations defines a "material subsidiary" to mean a subsidiary, whose income or net worth exceeds twenty percent of the consolidated income or net worth respectively, of the listed entity and its subsidiaries in the immediately preceding accounting year.

Under this definition, the Company did not have any unlisted material subsidiary, incorporated in India during the year under review.

The subsidiaries of the Company function independently, with an adequately empowered Board of Directors and adequate resources. For more effective governance, the minutes of Board Meetings of subsidiaries of the Company are placed before the Board of Directors of the Company for their review at every quarterly Meeting.

The other requirement of Regulation 24 of the Listing Regulations with regard to Corporate Governance requirements for Subsidiary Companies have been complied with.

VI. DISCLOSURES

A. Policy for determining 'material' subsidiaries

Your Company has formulated a Policy for determining 'Material' Subsidiaries as defined in Regulation 16 of the Listing Regulations. This Policy has also been posted on the website of the Company and can be accessed through the web link: <http://www.mahindra.com/resources/investor-reports/FY18/Annual%20Reports/Links-AnnualReport.zip>.

B. Policy on Materiality of and Dealing with Related Party Transactions

Your Company has formulated a Policy on Materiality of and Dealing with Related Party Transactions which specify the manner of entering into related party transactions. This Policy has also been posted on the website of the Company and can be accessed through the web link: <http://www.mahindra.com/resources/investor-reports/FY18/Annual%20Reports/Links-AnnualReport.zip>.

C. Disclosure of Transactions with Related Parties

During the Financial Year 2017-18, there were no materially significant transactions or arrangements entered into between the Company and its Promoters, Directors or their Relatives or the Management, Subsidiaries, etc. that may have potential conflict with the interests of the Company at large. Further, details of related party transactions are presented in Note No. 36 to Annual Accounts in the Annual Report.

D. Disclosure of Accounting Treatment in preparation of Financial Statements

The Company adopted Indian Accounting Standards ("Ind AS") from 1st April, 2016. Accordingly, the financial statements have been prepared in accordance with Ind AS as per the Companies (Indian Accounting Standards) Rules, 2015 as amended and notified under section 133 of the Act and other relevant provisions of the Act.

E. Code for Prevention of Insider Trading Practices

The Company has formulated and adopted the 'Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information' and 'Code of Conduct for Prevention of Insider Trading in Securities of Mahindra & Mahindra Limited' ("M&M Code of Conduct") in compliance with the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 ("the Regulations").

M&M Code of Conduct has been formulated to regulate, monitor and ensure reporting of trading by the Employees and Connected Persons designated on the basis of their functional role in the Company towards achieving compliance with the Regulations and is designed to maintain the highest ethical standards of trading in Securities of the Company by persons to whom it is applicable. M&M Code of Conduct lays down Guidelines, which advises them on procedures to be followed and disclosures to be made, while dealing with securities of the Company and cautions them of the consequences of violations.

F. Whistleblower Policy

The Vigil Mechanism as envisaged in the Act and the Rules prescribed thereunder and the Listing Regulations is implemented through the Whistleblower Policy. This Policy provides for adequate safeguards against victimisation of persons who use such mechanism and make provision for direct access to the Chairperson of the Audit Committee.

As such the Whistleblower Policy provides for protected disclosure and protection to the Whistleblower. Under the Vigil Mechanism, all Stakeholders have been provided access to the Audit Committee through the Chairperson. No personnel has been denied access to the Audit Committee. All Employees, Directors, vendors, suppliers or other stakeholders associated with the Company can make the Protected Disclosure through an e-mail to whistleblower.mahindra@ethicshelpline.in or any other mechanism as prescribed in the Whistleblower Policy.

The Chairperson of the Audit Committee can be reached by sending an e-mail to chairpersonofauditcommittee@mahindra.com or by sending a letter to the below address:

Chairperson of the Audit Committee

Mahindra & Mahindra Limited
Mahindra Towers,
Dr. G. M. Bhosale Marg,
P. K. Kurne Chowk, Worli,
Mumbai - 400 018.

The Whistleblower Policy of the Company is available on the website of the Company and can be accessed at the web link: <http://www.mahindra.com/resources/investor-reports/FY18/Annual%20Reports/Links-AnnualReport.zip>.

VII. MEANS OF COMMUNICATION

Your Company, from time to time and as may be required, communicates with its security-holders and investors through multiple channels of communications such as dissemination of information on the website of the Stock Exchanges, Press Releases, the Annual Reports and uploading relevant information on its website.

The unaudited quarterly results are announced within forty-five days of the close of each quarter, other than the last quarter. The audited annual results are announced within sixty days from the end of the financial year as required under the Listing Regulations. The aforesaid financial results are announced to the Stock Exchanges within the statutory time period from the conclusion of the Board Meeting(s) at which these were considered and approved.

Your Company discloses to the Stock Exchanges, all information required to be disclosed under Regulation 30 read with Part 'A' and Part 'B' of Schedule III of the Listing Regulations including material information having a bearing on the performance/operations of the Company and other price sensitive information. All information is filed electronically on BSE's online portal – BSE Corporate Compliance & Listing Centre (Listing Centre) and on NSE Electronic Application Processing System (NEAPS), the online portal of National Stock Exchange of India Limited.

Presentations are also made to international and domestic institutional investors and analysts. These presentations and other disclosures which are required to be disseminated

on the Company's website under the Listing Regulations have been uploaded on the website of the Company, viz.: <http://www.mahindra.com> and as per the Archival Policy of the Company would be hosted on the website for a minimum period of five years from the date of respective disclosures. The Annual Report of the Company, the quarterly/half-yearly and the audited financial statements and the official news releases of the Company are also disseminated on the Company's website. The quarterly, half-yearly and yearly results are also published in Business Standard and Sakal which are national and local dailies respectively. These are not sent individually to the Shareholders.

VIII. GENERAL SHAREHOLDER INFORMATION

1. 72nd Annual General Meeting

Date : 7th August, 2018

Time : 3:00 p.m.

Venue : Birla Matushri Sabhagar, 19, Sir Vithaldas Thackersey Marg (New Marine Lines), Mumbai - 400 020.

2. Financial Year of the Company

The financial year covers the period from 1st April to 31st March.

3. Date of Book Closure and Dividend Payment Date

Book Closure for Dividend will be from Saturday, 14th July, 2018 to Tuesday, 7th August, 2018, both days inclusive and the Dividend would be paid after 7th August, 2018.

4. Listing of Ordinary (Equity) Shares, Debentures on Stock Exchanges and Stock Code

Your Company's Ordinary (Equity) Shares are listed on BSE Limited (BSE) and National Stock Exchange of India Limited (NSE). The Global Depository Receipts (GDRs) of your Company are listed on the Luxembourg Stock Exchange and are also admitted for trading on International Order Book (IOB) of the London Stock Exchange. The requisite

listing fees have been paid in full to all these Stock Exchanges.

The Company's privately placed Non-Convertible Debentures of Rs. 500 crores and of Rs. 475 crores are listed on the Debt Segment of BSE.

Name and Address of the Exchanges	Type of Security/ Scrip Code	International Securities Identification Number (ISIN)
BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai - 400 001.	Ordinary (Equity) Shares/500520	
National Stock Exchange of India Limited Exchange Plaza, C-1, Block G, Bandra-Kurla Complex, Bandra (East), Mumbai - 400 051.	Ordinary (Equity) Shares/M&M	INE101A01026
Bourse de Luxembourg Society de la Bourse de Luxembourg, Societe Anonyme/R.C.B. 6222, B.P. 165, L-2011, Luxembourg.	Global Depository Receipts (GDRs)	USY541641194
London Stock Exchange Plc, 10, Paternoster Square, London- EC4M 7LS.	GDRs/MHID	-
BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai - 400 001.	Non-Convertible Debentures/ 949342/Scrip ID: 955MML2063	INE101A08070
	Non-Convertible Debentures/ 954977/Scrip ID: 757MML26	INE101A08088

5. Corporate Identity Number: L65990MH1945PLC004558

6. Registered Office Address

Mahindra & Mahindra Limited
Gateway Building,
Apollo Bunder,
Mumbai - 400 001.

7. Stock Price Data

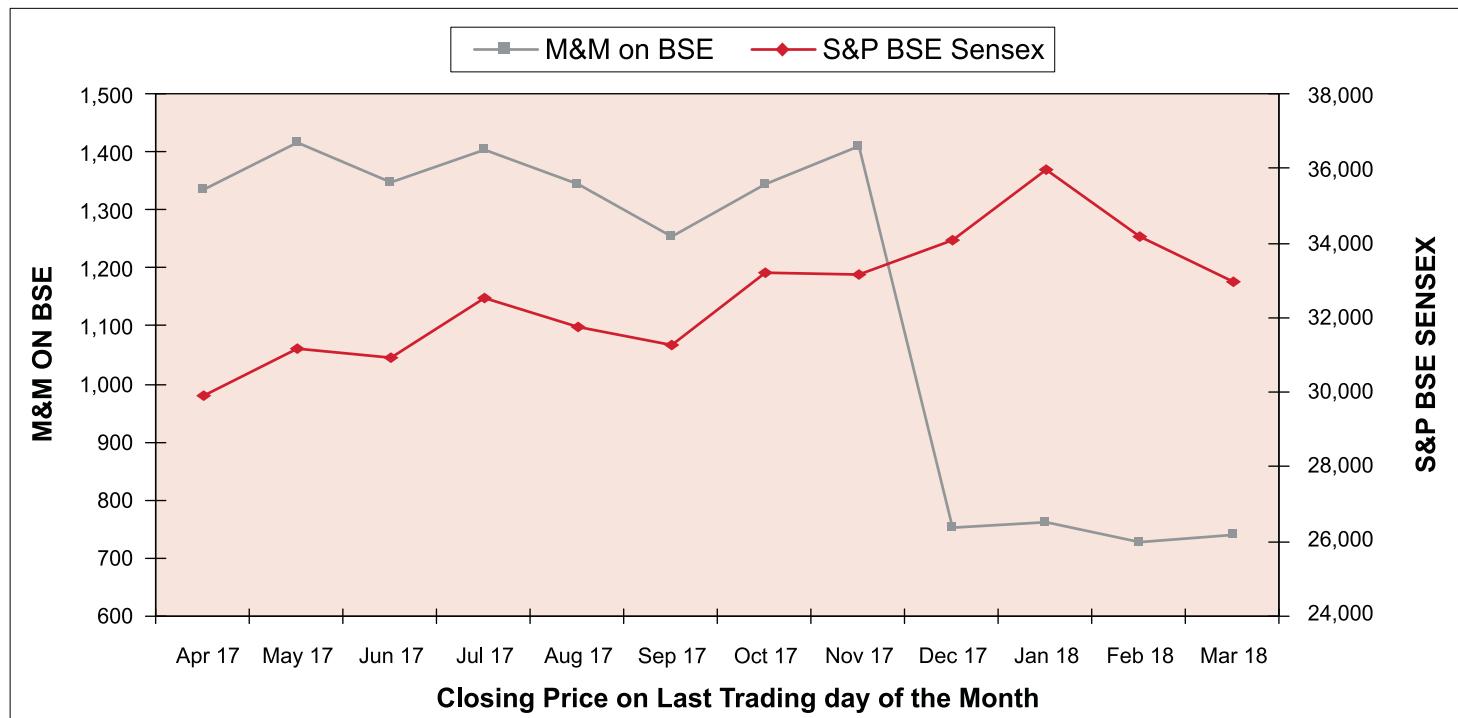
Month	Equity Shares				GDRs	
	BSE Limited		National Stock Exchange of India Limited		Luxembourg Stock Exchange	
	High	Low	High	Low	High	Low
	Rs.	Rs.	Rs.	Rs.	US\$	US\$
April, 2017	1,363.00	1,253.80	1,363.70	1,253.00	21.08	19.46
May, 2017	1,449.00	1,300.60	1,448.50	1,300.00	22.20	20.18
June, 2017	1,459.50	1,344.40	1,458.95	1,345.10	22.33	20.83
July, 2017	1,423.75	1,343.10	1,423.75	1,343.00	22.02	20.91
August, 2017	1,433.95	1,333.10	1,433.65	1,333.00	22.29	20.99
September, 2017	1,354.95	1,225.00	1,351.65	1,224.00	21.07	18.73
October, 2017	1,393.50	1,256.00	1,393.95	1,252.75	21.32	19.20
November, 2017	1,444.45	1,321.00	1,444.00	1,320.10	22.32	20.54
December, 2017*	1,571.15	737.00	1,571.40	736.70	24.40	21.24
January, 2018	775.50	738.50	775.65	738.85	12.05**	11.65**
February, 2018	802.80	700.15	802.55	700.40	12.45	10.90
March, 2018	759.75	704.55	752.00	702.45	11.55	10.85

* The share price became ex-bonus from 21st December, 2017.

** The GDR price on Luxembourg Stock Exchange became ex-bonus with effect from 4th January, 2018.

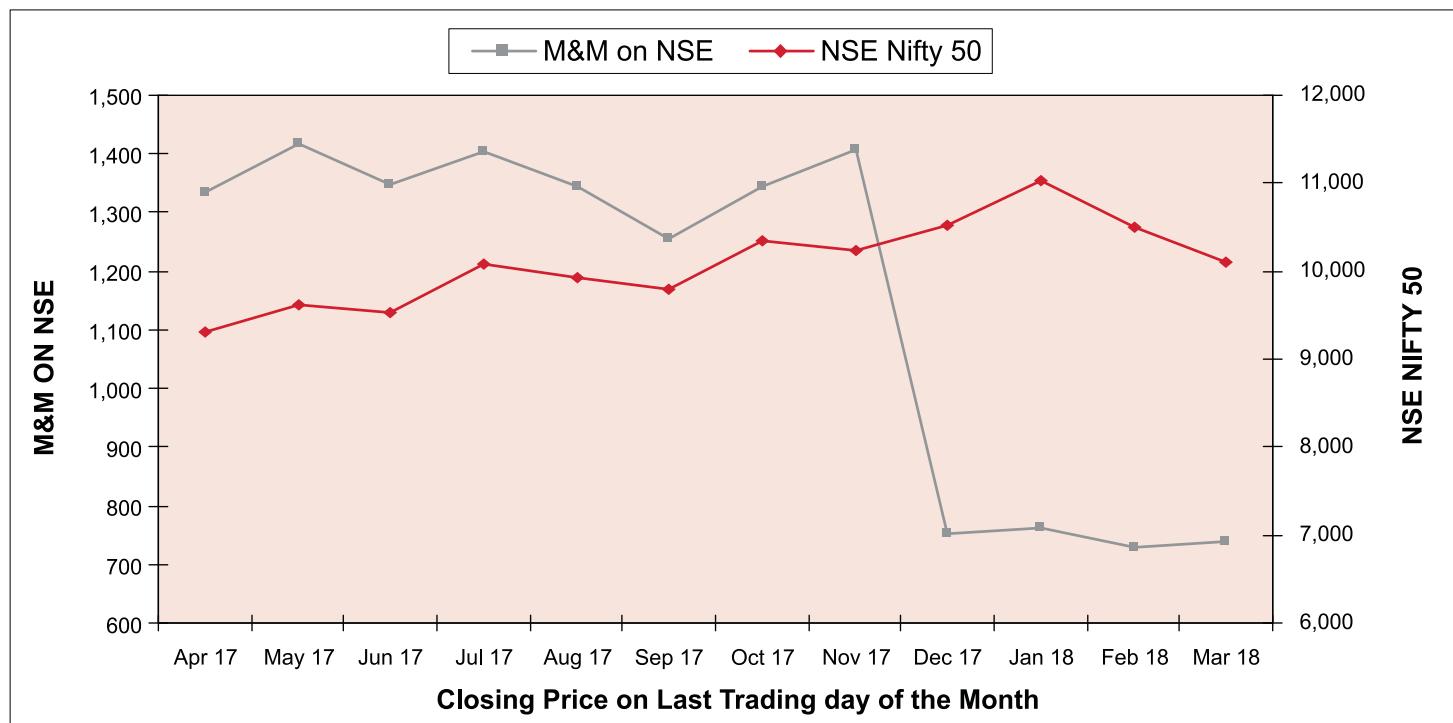
8. Stock Performance

The performance of your Company's shares relative to the S&P BSE Sensitive Index is given in the chart below:



The Share price became ex-bonus with effect from 21st December, 2017.

The performance of your Company's shares relative to the Nifty 50 Index is given in the chart below:



The Share price became ex-bonus with effect from 21st December, 2017.

9. Registrar and Transfer Agents

Karvy Computershare Private Limited
Unit: Mahindra & Mahindra Limited
Karvy Selenium Tower B, Plot No. 31-32,
Gachibowli, Financial District,
Nanakramguda, Hyderabad,
Telangana - 500 032, India.
Tel. No. : +91 40 6716 2222
Fax No. : +91 40 2342 0814
E-mail : einward.ris@karvy.com
Website : www.karvycomputershare.com
Toll Free No. : 1800 3454 001

10. Share Transfer System

Trading in Ordinary (Equity) Shares of the Company through recognized Stock Exchanges is permitted only in dematerialised form.

Shares sent for transfer in physical form are registered within a period of fifteen days from the date of receipt of the documents, provided the documents are valid and complete in all respects. With a view to expedite

the process of share transfers, Mr. V S Parthasarathy, Group CFO & Group CIO or Mr. Zhooben Bhiwandiwala, Managing Partner - Mahindra Partners & President (Group Legal) or Mr. S. Durgashankar, President (Group M&A, Corporate Accounts & Group Secretarial) or Mr. Narayan Shankar, Company Secretary of the Company have been severally authorised to approve the transfers of not more than 10,000 Ordinary (Equity) Shares per transfer, provided the transferee does not hold two lakh or more Ordinary (Equity) Shares in the Company. The Stakeholders Relationship Committee meets as and when required to, inter alia, consider the other transfer proposals, issue of duplicate share certificates and attend to Shareholders' grievances, etc.

The Securities and Exchange Board of India has decided that securities of listed companies can be transferred only in dematerialised form from a cut-off date, to be notified. In view of the above and to avail various benefits of dematerialisation, Members are advised to dematerialise shares held by them in physical form.

11. Distribution of Shareholding as on 31st March, 2018

Number of Shares held	Number of Shareholders	Number of Shares held	% of Shareholding
1 to 1,000	2,40,485	2,68,95,011	2.16
1,001 to 2,000	7,677	1,14,25,288	0.92
2,001 to 10,000	7,689	3,25,38,015	2.62
10,001 to 20,000	1,064	1,50,57,536	1.21
20,001 and above	1,535	115,72,76,694	93.09
Total	2,58,450	124,31,92,544	100.00

12. Dematerialisation of Shares and Liquidity

99.35% of the paid-up Ordinary (Equity) Share Capital of your Company is held in dematerialised form with National Securities Depository Limited and Central Depository Services (India) Limited as on 31st March, 2018. The market lot of the Share of your Company is one Share, as the trading in the Equity Share of your Company is permitted only in dematerialised form. The Non-Promoters' holding as on 31st March, 2018 is around 79.55% and the stock is highly liquid.

13. Outstanding GDRs/ADRs/Warrants or any Convertible Instruments, Conversion date and likely impact on equity

7,21,86,492 GDRs were outstanding as on 31st March, 2018. Since the underlying Ordinary (Equity) Shares represented by GDRs have been allotted in full, the outstanding GDRs have no impact on the Equity of the Company. There are no other convertible instruments outstanding as on 31st March, 2018.

14. Commodity price risk or Foreign Exchange Risk & hedging activities

The year under review saw firming up of commodity prices led by increase in crude oil, on the back of benign commodity prices in the previous year. The commodities like Steel saw sharp increases on account of rise in international prices, supported by antidumping and safeguard measures. The uptrend in commodities is expected to continue in the coming Financial Year.

Your Company continues to watch the market situation closely and continues to focus on mitigating the inflationary impact through "Commodity Risk Management" and other cost reduction measures. Hedging of commodities as a part of "Commodity Risk Management" as well as Foreign Exchange and Commodity price risks are being governed in accordance with the Foreign Exchange Risk Management Policy and Commodity Risk Management Policy, approved by the Board of Directors of your Company.

The details of Foreign Exchange hedging activities undertaken by the Company is disclosed in Note No. 35 to the Annual Accounts of the Annual Report.

15. Plant Locations

Your Company's manufacturing facilities are located at Kandivali, Nashik, Igatpuri, Nagpur, Chakan, Zaheerabad, Jaipur, Rudrapur, Haridwar and Mohali.

16. Address for correspondence

Shareholders may correspond with the Registrar and Transfer Agents at:

Karvy Computershare Private Limited
Unit: Mahindra & Mahindra Limited
Karvy Selenium Tower B, Plot No. 31-32,
Gachibowli, Financial District,
Nanakramguda, Hyderabad,
Telangana - 500 032, India.
Tel. No. : +91 40 6716 2222
Fax No. : +91 40 2342 0814
E-mail : einward.ris@karvy.com
Website : www.karvycomputershare.com
Toll Free No. : 1800 3454 001

For all matters relating to transfer/dematerialisation of shares, payment of dividend and any other query relating to Equity Shares of your Company.

The Registrar and Transfer Agents also have an Office at:
Karvy Computershare Private Limited
24-B, Raja Bahadur Mansion,
Ground Floor, Ambala Doshi Marg,
Behind BSE, Fort,
Mumbai - 400 023.
Tel. No.: +91 22 6623 5454/412/427

Your Company has also designated investors@mahindra.com as an exclusive e-mail ID for Investors for the purpose of registering complaints and the same has been displayed on the Company's website. Karvy Computershare Private Limited also acts as Registrar and Transfer Agents for the Listed Non-Convertible Debentures of the Company.

Security holders would have to correspond with the respective Depository Participants for Securities held in dematerialised form for transfer/transmission of Shares, change of Address, change in Bank details, etc.

For all investor related matters, the Company Secretary & Compliance Officer can also be contacted at:

Mahindra Towers, 5th Floor,
Dr. G. M. Bhosale Marg,
Worli, Mumbai - 400 018.
Tel. No. : +91 22 24901441/24905957
Fax No. : +91 22 24900833
E-mail : investors@mahindra.com

Your Company can also be visited at its website:
<http://www.mahindra.com>.

17. Address for correspondence with Debenture Trustee

Axis Trustee Services Limited
Axis House, Bombay Dyeing Mills Compound,
Pandurang Budhkar Marg, Worli,
Mumbai - 400 025
Tel. No. : +91 22 6226 0074/75
Fax No. : +91 22 4325 3000
E-mail : debenturetrustee@axistrustee.com

18. Disclosures with respect to demat suspense account/unclaimed suspense account

The Company does not have any shares in the demat suspense account/unclaimed suspense account.

19. Management Discussion and Analysis Report

Management Discussion and Analysis Report forms part of this Annual Report.

23. Unclaimed Dividend and shares transferred to Investor Education and Protection Fund ("IEPF")

In accordance with the provisions of sections 124 and 125 of the Act and Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules") dividends which remain unpaid or unclaimed for a period of seven years from the date of transfer to the Unpaid Dividend Account shall be transferred by the company to the Investor Education and Protection Fund ("IEPF").

The IEPF Rules mandate companies to transfer all shares in respect of which dividend has not been paid or claimed for seven consecutive years or more in the name of IEPF. The Members whose dividend/shares are transferred to the IEPF Authority can claim their shares/dividend from the IEPF Authority following the procedure prescribed in the Rules.

In accordance with the said IEPF Rules and its amendments, the Company had sent notices to all the Shareholders whose shares were due for transfer to the IEPF Authority and simultaneously published newspaper advertisement.

Dividend remitted to IEPF during the year:

Financial Year	Dividend declared on	Amount transferred to IEPF (in Rs.)	Date of transfer to IEPF
2009-10	28 th July, 2010	1,68,80,587	18 th September, 2017

Shares transferred/credited to IEPF

Pursuant to IEPF Rules, during the year, the Company transferred 11,00,234 Ordinary (Equity) Shares to IEPF Authority.

The Company had issued Bonus Shares in the proportion of 1:1, i.e. 1 (One) Bonus Ordinary (Equity) Share of Rs. 5 each for every 1 (One) fully paid-up Ordinary (Equity) Share of Rs. 5 each held as on the Record Date. Accordingly, 11,00,234 Bonus

20. Details of non-compliance, etc.

Your Company has complied with all the requirements of regulatory authorities. During the last three years, there were no instances of non-compliance by the Company and no penalty or strictures were imposed on the Company by the Stock Exchanges or SEBI or any statutory authority, on any matter related to the capital markets. The Company has also complied with the requirements of Corporate Governance Report of Paras (2) to (10) mentioned in Part 'C' of Schedule V of the Listing Regulations and disclosed necessary information as specified in Regulation 17 to 27 and Regulation 46(2) (b) to (i) in the respective places in this Report.

21. Compliance with Mandatory requirements

Your Company has complied with all the mandatory requirements of the Listing Regulations relating to Corporate Governance.

22. Compliance with Non-mandatory requirements: Unmodified Audit Opinion

During the year under review, there is no audit qualification in your Company's standalone financial statements. Your Company continues to adopt best practices to ensure regime of financial statements with unmodified audit qualifications.

Ordinary (Equity) Shares were credited to the demat account of IEPF Authority. The IEPF Authority holds 22,00,468 Ordinary (Equity) Shares in the Company as on 31st March, 2018.

The voting rights on these shares shall remain frozen until the rightful owner claims the shares.

The Company has appointed a Nodal Officer under the provisions of IEPF, the details of which are available on the website of the Company <http://www.mahindra.com/contact-us>.

The Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on 4th August, 2017 on the Company's website <http://www.mahindra.com/investors/reports-and-presentations?year=2017-2018&category=all&tab=tabs-2#show-secretarial-reports> and on the website of the Ministry of Corporate Affairs at www.iepf.gov.in/.

The following table provides dates on which unclaimed dividend and their corresponding shares would become liable to be transferred to the IEPF:

Year	Date of declaration of dividend	Due date for transfer to IEPF	Amount (Rs.) (As on 31 st March, 2018)
2010-11	8 th August, 2011	7 th September, 2018	2,18,52,492
2011-12	8 th August, 2012	7 th September, 2019	2,36,60,604
2012-13	13 th August, 2013	12 th September, 2020	2,40,45,619
2013-14	8 th August, 2014	8 th September, 2021	3,45,73,630
2014-15	7 th August, 2015	9 th September, 2022	2,43,72,444
2015-16	10 th August, 2016	9 th September, 2023	3,41,18,904
2016-17	4 th August, 2017	3 rd September, 2024	3,42,59,810

IX. GENERAL BODY MEETINGS:

1. Details of General Meetings and Special Resolutions passed

Annual General Meetings ("AGM") held during the past 3 years and the Special Resolutions passed therein:

Year	Date	Time	Special Resolutions passed
2015	7 th August, 2015	3.00 p.m.	<p>1. Borrow by way of securities including but not limited to secured/unsecured redeemable Non-Convertible Debentures and/or Commercial Paper to be issued under Private Placement basis upto Rs. 5,000 crores.</p> <p>2. Approval for creation of mortgage, charge and hypothecation on all or any of the movable and/or immovable properties, both present and future, and/or the whole or substantially the whole of the undertaking(s) of the Company upto Rs. 5,000 crores, for securing loan(s), debentures, bonds or any other type of borrowing.</p> <p>3. Approval and Adoption of new Articles of Association of the Company.</p> <p>4. Payment of Commission to Non-Executive Directors of the Company.</p>
2016	10 th August, 2016	3.00 p.m.	<p>1. Borrow by way of securities including but not limited to secured/unsecured redeemable Non-Convertible Debentures and/or Commercial Paper to be issued under Private Placement basis upto Rs. 5,000 crores.</p> <p>2. Approval for change in the place of keeping the Registers and Index of Members, Debenture Holders and other security holders, if any, and copies of Annual Returns of the Company.</p>

Year	Date	Time	Special Resolutions passed					
2017	4 th August, 2017	3.00 p.m.	1.	Appointment of Mr. Anand G. Mahindra as Executive Chairman for a period of 5 years with effect from 12 th November, 2016 upto and including 11 th November, 2021 and approval of remuneration payable to him.	2.	Appointment of Dr. Pawan Goenka as Managing Director for a period of 4 years with effect from 12 th November, 2016 upto and including 11 th November, 2020 and approval of remuneration payable to him.	3.	Borrow by way of securities including but not limited to secured/unsecured redeemable Non-Convertible Debentures and/or Commercial Paper to be issued under Private Placement basis upto Rs. 5,000 crores.

The above Meetings were held at Birla Matushri Sabhagar, 19, Sir Vithaldas Thackersey Marg (New Marine Lines), Mumbai - 400 020.

No Extraordinary General Meeting was held during the past 3 years. No Special Resolution(s) requiring a Postal Ballot, except as mentioned for the National Company Law Tribunal Convened Meeting at point 2 below, was passed last year or is being proposed at the ensuing Annual General Meeting.

2. National Company Law Tribunal Convened Meeting held during the last year and the Resolution(s) passed therein:

As per the directions of Mumbai Bench of National Company Law Tribunal ("NCLT"), by its Order dated 5th April, 2017, your Company convened Meeting of the Equity Shareholders of the Company, to consider and approve, if thought fit, with or without modification(s), the arrangement proposed and embodied in the Scheme of Arrangement between the Company and Mahindra Two Wheelers Limited and their respective Shareholders and Creditors. The said Order also mentioned the appointment of Mr. Sachin Bhagwat, Practicing Company Secretary (ICSI Membership No. ACS 10189), as the Scrutinizer for the Meeting.

Details of Voting of the above Resolution are as under:

Particulars	Percentage of Members voting	Percentage of total votes (by Postal Ballot/Remote e-voting and Insta Poll)	Result
Valid Votes in favour of the resolution	98.4127	99.9989	Passed with
Valid Votes against the resolution	1.5873	0.0011	the requisite
Total	100.00	100.00	majority

Procedure adopted for Postal Ballot and Remote E-voting:

- The Notice of the Meeting, Explanatory Statement alongwith Postal Ballot Form under the relevant provisions of the Act and the Scheme were despatched to all the Equity Shareholders, as at cut-off date of Monday, 8th May, 2017 in the permitted mode alongwith a self-addressed postage pre-paid Business Reply Envelope & electronically to those Equity Shareholders which have registered their e-mail addresses with the Company.
- In pursuance of directions issued by NCLT vide its Order dated 5th April, 2017, in Company Scheme Application No. 347 of 2017, the Company had duly released an advertisement intimating the calling of the NCLT Convened Meeting and despatch of Notice, in English Newspaper viz. 'Business Standard' dated 12th May, 2017 and in Marathi Newspaper viz. 'Sakal' dated 12th May, 2017 both having circulation in Mumbai.
- The Voting period for Postal Ballot and Remote E-voting commenced on Sunday, 14th May, 2017 at 9.00 a.m. (IST) and ended on Monday, 12th June, 2017 at 5.00 p.m. (IST). The Voting process (through Insta Poll) was conducted at the NCLT Convened Meeting of the Equity Shareholders of the Company held on Tuesday, 13th June, 2017 at Birla Matushri Sabhagar, 19, Sir Vithaldas Thackersey Marg (New Marine Lines), Mumbai - 400 020.

- The Scrutinizer submitted his combined Report on 14th June, 2017 to Mr. Narayan Shankar. The resolution was passed on Wednesday, 14th June, 2017.

3. Postal Ballot:

During the year, Members of the Company have approved the Ordinary Resolution for issue of Bonus Ordinary (Equity) Shares in the proportion of 1:1, i.e. 1 (One) Bonus Ordinary (Equity) Share of Rs. 5 each for every 1 (One) fully paid-up Ordinary (Equity) Share of Rs. 5 each of the Company held by the Members as on 23rd December, 2017 being the Record Date determined by the Board in this regard.

Mr. Sachin Bhagwat, Practicing Company Secretary (ICSI Membership No. ACS 10189), was appointed as the Scrutinizer to conduct the Postal Ballot and Remote E-voting in a fair and transparent manner and the Company had engaged the services of Karvy Computershare Private Limited as the agency for the purpose of providing e-voting facility.

Details of Voting of the above Resolution are as under:

Particulars	Percentage of total votes	Result
Votes in favour of the Resolution	99.9977	Passed with the requisite majority
Votes against the Resolution	0.0023	
Total	100.00	

Procedure adopted for Postal Ballot:

- The Notice of Postal Ballot dated 10th November, 2017, containing the Resolution, Explanatory Statement, Postal Ballot Form along with the details of Login ID and password were e-mailed on 14th November, 2017 to those Members whose emails were registered with the Depository Participants/Registrar & Transfer Agents and were sent to the rest of the Members by Courier/Registered Post/speed post alongwith a self-addressed postage and pre-paid Business Reply Envelope despatch of which was completed on 14th November, 2017.
- The advertisement was published in the Newspapers viz. 'Business Standard' (English) and 'Sakal' (Marathi) on 15th November, 2017 giving the requisite details as per the provisions of the Act and Secretarial Standard - 2.
- The voting period began on Friday, 17th November, 2017 at 9.00 a.m. (IST) and ended on Saturday, 16th December, 2017 at 5.00 p.m. (IST).
- The Scrutinizer submitted his combined Report on 16th December, 2017 to Mr. Narayan Shankar. The resolution was passed on Saturday, 16th December, 2017.

Mumbai, 29th May, 2018

DECLARATION UNDER THE SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

To

The Members of Mahindra & Mahindra Limited

I, Anand G. Mahindra, Executive Chairman of Mahindra & Mahindra Limited declare that all the Members of the Board of Directors and Senior Management Personnel have affirmed compliance with the Code of Conduct for the year ended 31st March, 2018.

Anand G. Mahindra
Executive Chairman

Mumbai, 29th May, 2018

CERTIFICATE

Independent Auditor's Certificate on Compliance with the Corporate Governance requirements under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

**To the Members of
Mahindra & Mahindra Limited**

1. This certificate is issued in accordance with the terms of our engagement letter dated 22 August, 2017.
2. This report contains details of compliance of conditions of corporate governance by Mahindra & Mahindra Limited ('the Company') for the year ended 31 March, 2018 as stipulated in regulations 17-27, clause (b) to (i) of regulation 46 (2) and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') pursuant to the Listing Agreement of the Company with Stock exchanges.

Management's Responsibility for compliance with the conditions of Listing Regulations

3. The compliance with the terms and conditions contained in the corporate governance is the responsibility of the Management of the Company including the preparation and maintenance of all relevant supporting records and documents.

Auditor's Responsibility

4. Our examination was limited to procedures and implementation thereof adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
5. Pursuant to the requirements of the Listing Regulations, it is our responsibility to provide a reasonable assurance whether the Company has complied with the conditions of Corporate Governance as stipulated in Listing Regulations for the year ended 31 March, 2018.
6. We conducted our examination in accordance with the Guidance Note on Reports or Certificates for Special Purposes issued by the Institute of Chartered Accountants of India (ICAI). The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by ICAI.
7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Independent Auditor's Certificate on Compliance with the Corporate Governance requirements under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Continued)

Opinion

8. In our opinion, and to the best of our information and according to explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Regulations.
9. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Restriction on use

10. The certificate is addressed and provided to the members of the Company solely for the purpose to enable the Company to comply with the requirement of the Listing Regulations, and it should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Jamil Khatri
Partner
Membership No: 102527

MUMBAI, 29th May, 2018

Business Responsibility Report



Business Responsibility Report

for the Financial Year 2017-18

[Pursuant to Regulation 34(2)(f) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]

Section A: General Information about the Company

1. Corporate Identity Number : L65990MH1945PLC004558 (CIN) of the Company
2. Name of the Company : Mahindra & Mahindra Limited
3. Registered address : Gateway Building, Apollo Bunder, Mumbai - 400 001
4. Website : <http://www.mahindra.com>
5. E-mail id : investors@mahindra.com
6. Financial Year reported : 01.04.2017 to 31.03.2018
7. Sector(s) that the Company is engaged in (industrial activity code-wise):

Description	Industrial Activity Code		
	Group	Class	Sub-class
Automotive	291	2910	29101, 29102, 29103, 29104, 29109
Farm Equipment	282	2821	28211, 28212
Truck and Bus	282	2824	28243

8. List three key products/services that the Company manufactures/provides (as in balance sheet):
 - i. Passenger Vehicles (Utility Vehicles, Multi Purpose Vehicles and Cars)
 - ii. Commercial Vehicles
 - iii. Tractors
9. Total number of locations where business activity is undertaken by the Company:
 - i. Number of International Locations: 0
 - ii. Number of National Locations: 47
10. Markets served by the Company – Local/State/National/International: All

Section B: Financial Details of the Company

1. Paid up Capital (INR) : 621.60 crores
2. Total Turnover (INR) : 49,444.99 crores
3. Total profit after taxes (INR) : 4,356.01 crores
4. Total Spending on Corporate Social Responsibility (CSR) (INR) as percentage of profit after tax(%)

As per section 135 of the Companies Act, 2013, the CSR spend is 2.02% of average net profits of the preceding three financial years
5. List of activities in which expenditure in 4 above has been incurred
 - a. Education
 - b. Health
 - c. Environment & Green Cover
 - d. Rural Development

Section C: Other Details

1. Does the Company have any Subsidiary Company/Companies?

Yes. The company has 172 subsidiary companies as on 31st March, 2018.
2. Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)

Yes. Last year the company has released its first Integrated Report conforming to reporting frameworks viz. International Integrated Reporting Council and Global Reporting Guidelines-'GRI G4 Core Option'. The Report was externally assured by DNV-GL. The Company has a Code of Conduct for Employees and Directors as well as a set of Governance Policies. This Code is followed by the Subsidiary Companies also with modifications depending on its business requirement.

For F18, Sustainability initiatives have been implemented at 19 subsidiaries viz.

 1. Mahindra Vehicle Manufacturers Limited
 2. Mahindra Electric Mobility Limited
 3. Mahindra Agri Solutions Limited

4. EPC Industrie Limited
5. Mahindra Two Wheelers Limited
6. Mahindra Lifespace Developers Limited
7. Mahindra World City Developers Limited
8. Mahindra World City (Jaipur) Limited
9. Mahindra Holidays & Resorts India Limited
10. Mahindra & Mahindra Financial Services Limited
11. Mahindra Rural Housing Finance Limited
12. Mahindra Insurance Brokers Limited
13. Mahindra Sanyo Special Steel Private Limited
14. Mahindra First Choice Services Limited
15. Mahindra Intertrade Limited
16. Mahindra Steel Service Centre Limited
17. Mahindra Logistics Limited
18. Mahindra Heavy Engines Limited
19. Mahindra Susten Private Limited

3. Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]

The company has long lasting relationships with its suppliers. A majority of supplier base has been already covered by conducting awareness sessions on 'sustainability'. From F14 a special drive for awareness of suppliers has been started and your Company have covered 573 suppliers till F17. A road map for covering additional 375 suppliers from F17 in the next 3 years has been put in place and actions are already underway to cover suppliers from Mahindra Trucks and Business Division, Mahindra Two Wheelers Limited, Swaraj Division (SD) and Construction Equipment Division. In F17, 145 suppliers were covered by conducting two online training sessions. In continuation, in F18 additional 200 suppliers participated in training & awareness programs on sustainability. Further in F17, your Company supported Institute for Sustainable Communities to launch EHS+ Center at Symbiosis Institute of International Business, Pune. This Center is poised to provide training to Small & Medium Scale Enterprises in the field of Energy and Environment Health & Safety. A detailed curriculum was jointly prepared and training was imparted. In F18, 26 courses were developed and trainings were imparted to 779 participants, thus total 44 courses were developed and 1,694 participants were trained during the two years for Indian industries.

For enhancing skills at the Supplier end, focused activities drive in the following areas was undertaken and organization work structure for the same has been put in place in the Purchasing group for last few years. The areas covered are supplier business capability building (93 suppliers), Mahindra supplier evaluation standard (121 suppliers), Supply Risk Mitigation & Management (241 suppliers).

About 375 Suppliers have actively participated in Annual Supplier meets in F18.

In F16 "Msetu" an IT platform was launched through which technology has been leveraged to interact with Supplier Partners. 100% Suppliers are live on this interactive platform.

The % of entities covered is now more than 60% for Suppliers in above initiatives.

As regards SD, training & awareness of 122 Suppliers (55%) have already been done till F18.

For another 30 Suppliers, training & awareness has been planned in F19.

Similarly, 258 Dealers out of 295 have taken part in sustainability drive via Mahindra Dealers' Excellency Programme. This amounts to 87% of the total Dealers.

Section D: BR Information

1. Details of Director/Directors responsible for BR

- a. Details of the Director/Directors responsible for implementation of the BR policy/policies
 - DIN Number : 00254502
 - Name : Dr. Pawan Kumar Goenka
 - Designation : Managing Director

b. Details of the BR Head

Sr. No.	Particulars	Details
1.	DIN Number (If applicable)	N.A.
2.	Name	Mr. Rajeev Dubey
3.	Designation	Group President (HR & Corporate Services) & CEO (After-Market Sector) and Member of the Group Executive Board
4.	Telephone Number	+9122 24975192 +9122 24901441 Extn. 5594
5.	E-mail ID	DUBEY.RAJEEV@mahindra.com

2. Principle-wise (as per NVGs) BR Policy/policies (Reply in Y/N)

The Business Responsibility Policy ("BR Policy") addressing the following 9 principles as per the National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business (NVGs), duly approved by Board, is in place. This policy is operationalized and supported by various other policies, guidelines and manuals.

P1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.

P2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.

P3: Businesses should promote the wellbeing of all employees.

P4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.

P5: Businesses should respect and promote human rights.

P6: Business should respect, protect, and make efforts to restore the environment.

P7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.

P8: Businesses should support inclusive growth and equitable development.

P9: Businesses should engage with and provide value to their customers and consumers in a responsible manner.

Sr. No.	Questions	P1: Ethics and Transparency	P2: Product Responsibility	P3: Wellbeing of employees	P4: Responsiveness to Stakeholders	P5: Respect Human Rights	P6: Environ- mental Responsibility	P7: Public policy advocacy	P8: Support inclusive growth	P9: Engagement with Customers
1.	Do you have a policy/policies for	Y	Y Note 1	Y	Y	Y	Y	Y	Y	Y
2.	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	N Note 2	Y
3.	Does the policy conform to any national / international standards? If yes, specify? (50 words)	Y	Y	Y	Y	Y	Y	NA Note 3	Y	Y
4.	Has the policy being approved by the Board? If yes, has it been signed by MD/owner/CEO/appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y
5.	Does the company have a specified committee of the Board/ Director/Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6.	Indicate the link for the policy to be viewed online?	Y Note 4	Y Note 4	Y Note 4	Y Note 4	Y Note 4	Y Note 4	Y Note 4	Y Note 4	Y Note 4
7.	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
8.	Does the company have in-house structure to implement the policy/policies.	Y	Y	Y	Y	Y	Y	Y	Y	Y
9.	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?	Y	Y	Y	Y	Y Note 5	Y	NA Note 3	Y	Y
10.	Has the company carried out independent audit/evaluation of the working of this policy by an internal or external agency?	Y	Y	Y	Y	Y	Y	Y	Y	Y

Note 1 – The Company complies with consumers' awareness through appropriate product labelling and operator manual & instructions which ensure safe usage by the customer. However, Company's current control is limited till warranty period. The Company is in the process of addressing this by appropriate communication to all value chain members for their responsibilities.

Note 2 – While there is no formal consultation with all stakeholders, the relevant policies have evolved over a period of time by taking inputs from concerned internal stakeholders.

Note 3 – This question is not applicable for influencing public and regulatory policy.

Note 4 – It has been Company's practice to upload all policies on the intranet site for the information and implementation by the internal stakeholders. The Code of Conduct for Directors, the Employee Code of Conduct, Business Responsibility Policy and Corporate Social Responsibility Policy are available on the following websites:

<http://www.mahindra.com/Investors/Mahindra-and-Mahindra/Governance>

<http://www.mahindra.com/How-We-Help>

<http://www.mahindra.com/resources/pdf/about-us/Code-of-Conduct.pdf>

<http://www.mahindra.com/resources/investorreports/FY16/Governance/MM%20Code%20of%20Conduct%20for%20Directors.pdf>

<http://www.mahindra.com/resources/pdf/csr/CSR-Policy-01-April-2018.pdf>

<http://www.mahindra.com/resources/investor-reports/FY18/Governance/MM%20Business%20Responsibility%20Policy.pdf>

Note 5 – The Company has a "Whistleblower Policy" to address grievances. There is a Corporate Governance Cell where these issues are dealt with.

3. Governance Related to BR

- ▶ Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year:

The CSR Committee of the Board meets at an interval of 6 months to assess the BR performance. Other supporting councils/cells viz. Group Sustainability Council, Group CSR Council, Central Safety Council and Corporate Governance Council meet every 3 months.

- ▶ Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

Mahindra and Mahindra Limited published 'Rise for Good' – its first Integrated Report in F17 that confirms to International Integrated Report Council (IIRC) framework and is in accordance with GRI G4 Guidelines, Core Option. Mahindra Group started publishing Sustainability Report since 2007-08 annually and all Sustainability Reports from 2007-08 till date are GRI compliant. The Integrated Report for F17 is accessible on the Company website at the hyperlink <http://www.mahindra.com/resources/pdf/sustainability/mahindra-integrated-report-FY17.pdf>. The Sustainability Report for F18 is under preparation and will be uploaded on the website of the Company in due course of time.

2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.

During the reporting year, 34 complaints were received from the shareholders, all of which were attended to/ resolved till date.

The company has different mechanisms for receiving and dealing with complaints from various stakeholders like Investors, Customers, Employees, Suppliers, etc.

Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.

1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/ or opportunities.

Product	Social & environmental benefits
1. Passenger Vehicles (UV/ MPV/ Cars)	<p>XUV 500 W9 and XUV500 Gasoline AT</p> <p>XUV 500 W9 and Gasoline Automotive transmission has been launched with innovative technologies - many of which are first in the New Age XUV500. The new additions include Android Auto, Connected Apps, Ecosense & Emergency Call. These new technologies will provide connectivity, convenience and entertainment options to the consumer.</p> <p>NEW Scorpio</p> <p>The New Scorpio is more powerful by incorporating enhanced mHawk engine which delivers higher power of 103 kW (140 bhp) and torque of 320 Nm.</p> <p>An all-new easy shift 6-Speed Transmission that optimizes performance in each gear, enables cruising on highways in overdrive and enhances fuel efficiency.</p> <p>Enhanced technology with new reverse parking camera and dynamic assist, 1-touch lane change indicator and auto window roll-up.</p> <p>Latest generation braking system with 9.1 ABS offers enhanced braking capabilities.</p>

Section E: Principle-wise performance

Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability

1. Does the policy relating to ethics, bribery and corruption cover only the company? Yes/No. Does it extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?

The Company has a Code of Conduct for Directors as well as all employees of the Company that covers issues, inter alia, related to ethics and bribery. It covers all dealings with Suppliers, customers and other business partners including Joint Ventures, and other stakeholders. The Company also has a Code of Conduct for Suppliers and Vendors.

Product	Social & environmental benefits	Product	Social & environmental benefits
2. Light Commercial Vehicles	<p>E-Alfa Mini</p> <p>E-Alfa Mini is best suited for last mile connectivity. e-Alfa Mini has an attractive exterior design, robust body, a large cabin space for ultimate comfort for driver and passengers and superior suspension and chassis. The e-Alfa Mini is powered by a 120Ah battery, a powerful motor and controller of 1kW. Charging the e-Alfa Mini is as simple as charging a mobile phone. On a full charge, the e-Alfa Mini can travel for up to 85 km in standard conditions and can achieve a top speed of 25 kmph.</p> <p>As an Industry first, your Company offers one free battery replacement.</p>		<p>Mahindra NOVO:</p> <p>Arjun Novo is a above 50 HP technologically advanced tractor which can handle 40 farming applications which include puddling, harvesting, reaping and haulage amongst others with longest service interval of 400 hours. Arjun Novo delivers uniform and consistent power with minimum RPM drop in all application and soil conditions. Its high lift capacity hydraulic system, makes it suitable for numerous farming and haulage operations. An ergonomically designed operator station, low maintenance and best in class fuel efficiency in the category are some of the key highlights of this technologically advanced tractor.</p> <p>In F18, Arjun Novo Platform, the most advanced tractors in two HP ranges 60 – 75 HP (less than 75 HP) & 85 – 95 HP (above 75 HP) were launched for USA market.</p> <p>Mahindra JIVO 245 DI 4WD- Power, Performance, Profit.</p> <p>Mahindra JIVO brings unmatched power with its fuel efficient, robust, 2 cylinder, DI engine to carry out all intended operations with ease. Mahindra JIVO also means greater profits because of its low maintenance, best in class mileage, and easy spare part availability with low cost.</p> <p>Mahindra JIVO will experience high level of power, performance and profit like never before.</p> <p>Launched in the range of 24 HP with lift capacity of 450 kg at standard frame, with 8 forward and 2 reverse speed transmission and 2 speed PTO.</p> <p>SWARAJ 963 FE model: New model introduced in above 50HP portfolio on a new platform. This model comes with a new 60 hp fuel efficient engine with 12 forward and 2 reverse speed synchromesh transmission and hydraulics with high precision control and high lift capacity of 2200 kg. This model has superior ergonomics and contemporary styling.</p> <p>SWARAJ 735 & 834 models: The improved transmission housing on these models has resulted in reduction of 17 kg of cast iron and 12 litres of fossil oil per tractor.</p> <p>724 Orchard models: Copper brass radiator has been replaced with Aluminium radiator which require less energy to produce and consequently lesser CO₂ emission.</p>
3. Tractors (Farm Division)	<p>Mahindra Yuvo: More, Faster, Better</p> <p>In the 30-45 HP range, the new age Mahindra Yuvo with advanced technology opens doors to new possibilities.</p> <p>Launched 5HP points and 16 variants of YUVO tractor with 3 and 4 cylinder naturally aspirated, with optimized rated speed of 2000 rpm., with increased back up torque of 18%, Lesser drop in RPM and a powerful engine to ensure tractor remains unstoppable in all 40 applications at different soil conditions across India and neighbouring countries. It's the first in the 30-45HP range, with genuine side shift with improved ergonomics matching for women drivers providing car like comfort and fatigue free driving. Best in class lift capacity of 1500kg, with 2WD and 4WD front axle, improved clutch suitable for agricultural, haulage, special applications without compromise in fuel efficiency and productivity. Modern styling and graphics with wrap around head lamps and clutter free operator work space.</p> <p>Fatigue free driving for long hours with best operator comfort.</p>		

- 2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):**

- i. Reduction during sourcing/production/distribution achieved since the previous year throughout the value chain?

For the above mentioned products, there is no explicit tracking mechanism in respect of resource use. However, the resource use for entire portfolio is tracked and monitored. Since the products portfolio is distributed across various manufacturing locations of the Company, the resource use is monitored per unit of equivalent vehicle or equivalent tractor manufactured. The methodology for calculation – (for equivalent production) has been revised in the reporting year. The figures of previous year as reported in the Annual Report and as per revised calculation are presented in the table below. This information has also been reported in the Company's Sustainability Report for F18.

Resource Use	Divisions	Unit of Measurement	Current Year 2017-18	Previous Year 2016-17 (With revised calculation)	Previous Year 2016-17 as reported in Annual Report
Specific Energy Consumption	Automotive Division	GJ/Equivalent Vehicles	1.230	1.336	2.391
	Farm + Swaraj Division	GJ/Equivalent Tractors	1.260	1.331	1.393
Specific Green House Gas Emissions (Scope 1 and 2)	Automotive Division	tCO ₂ /Equivalent Vehicles	0.185	0.192	0.339
	Farm + Swaraj Division	tCO ₂ /Equivalent Tractors	0.190	0.204	0.210
Specific Water Consumption	Automotive Division	KL/Equivalent Vehicles	1.113	1.169	1.978
	Farm + Swaraj Division	KL/Equivalent Tractors	0.965	1.104	1.104

It can be seen from the above table that there is an improvement in each area.

- ii. Reduction during usage by consumers (energy, water) has been achieved since the previous year?

Due to constant innovations and focus on fuel efficiency, there would be a reduction of energy use by consumers. However, tracking of such reduction is

not possible as it is highly dependent on individual customers' driving habits.

- 3. Does the company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.**

The Company has been working to enhance the degree of sustainability associated with its sourcing practices under the umbrella of "ONE SOURCING". This includes strategy of one supplier per platform and common supplier basket for multiple businesses, setting up of vendor parks at its new plants, sourcing from tightly knit clusters, optimizing logistics to reduce fuel consumption, emissions and carbon footprint, re-working packaging to minimize waste and maximize re-use. The Sustainability road map of the Company covers these areas and the Company takes steps to ensure that its sourcing methods are sustainable. Almost the entire sourcing work is done from the country with a very small percentage of input being procured from overseas.

The Company has Green Supply Chain Management Policy and a Supplier Code of Conduct, which has been shared with all suppliers, under which, the Company is committed to improve the awareness with regard to legal compliances, enhance eco-efficiencies, employee health and safety initiatives etc. at supplier end through initiatives such as Supplier Business Capability Building (SBCB), Mahindra Supplier Evaluation Standard (MSES), Mass Manufacturing Approval (MMA) and Supply Risk Mitigation & Management (SRMM). Continuous engagement with suppliers is ensured through supplier meets, business reviews, multiple training sessions and two-way interactive M SETU Platform. To motivate the suppliers to take the Sustainability agenda forward, good practices at supplier end are recognized, by institutionalizing "Annual Sustainability Award".

- 4. Has the Company taken any steps to procure goods and services from local and small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?**

Yes. The Company has a practice of purchasing goods and services from local suppliers. The Company does not have

any small suppliers where the owner himself or herself is a worker. The Company has multiple plants spread across West, South and North of India. The major factors influencing selection of Suppliers across these regions are:

- ▶ Capability, performance and on-time delivery.
- ▶ Compliance on environment, health and safety guidelines.
- ▶ Readiness to participate in sustainable supply chain management program.
- ▶ Total cost.

The purchasing group has a standard practice of sharing its annual plans and next two year's tentative plans with its key suppliers through communication meets and supplier business reviews. These suppliers are provided with managerial and technical assistance to train them on practices and procedures that will ensure improvements in Productivity, Quality, Cost, Delivery, Safety and Moral (PQCDSM). This is done by initiatives like Supplier Business Capability Building (SBCB), Mahindra Supplier Evaluation Standard (MSES), Technical Capability Building programs, Supply Risk Mitigation and Management (SRMM), Safety Training & assessments and technical support for special processes during new product developments, VAVE activities along with Associate Value Specialist Program for suppliers, etc. The Company has special focus on creating supplier parks near the plants for e.g. Chakan Supplier Park and Zaheerabad Supplier Park. The Company has a continued focus on buying from local suppliers, geographically nearest to the company's manufacturing facility. Almost the entire sourcing work is done from the country with a very small percentage of input being procured from overseas.

5. Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.

It is the Company's ongoing endeavour to have a mechanism to recycle products and limit the waste arising out of production of vehicles and tractors. The Company has initiated well documented processes to ensure compliance with the European Union Directive 2005/64/

EC which is now implemented for vehicles exported to European Union. Our objective is to restrict the amount of waste produced from End of Life of vehicles (ELVs) and increase the recovery and recycling of ELVs that arise. The information on recyclable parts and manual for dismantling is provided with export vehicles. Your Company follow the ISO 22628:2002, to calculate the recyclability rate, the recoverability rate and reusability rate (RRR) of our export vehicles. We have 5 models complying with the European Union Directive 2005/64/EC norms on recyclability. Your Company is actively participating in the committee formed by Society of Indian Automotive Manufacturers (SIAM) to frame processes and procedures for Product Recycling in India. At present, the batteries used in vehicles are recycled in a structured manner through the battery manufacturing companies in India. Similarly other parts such as tyres, body components, etc. are recycled in an unstructured manner through licensed scrap dealers who either recover the material used or cannibalize/refurbish the parts for reuse. So far your Company has been doing a simplified Life Cycle Assessment (LCA) in the form of compliance with ELV directive for European M1 & N1 products. The vehicles are exported and certified as per European Emission Compliance (EEC) directive 2005/64/EC. We have now conducted an experimental project to evaluate full LCA during 2017. For this study one UV pickup model Bolero Maxi Truck (BMT) and one XUV 500 assessment has been completed. The outcomes will be incorporated in the future development phases.

The CO₂ emissions are evaluated during the type approval test at the government approved test agencies and this data is used to assess the CO₂ impact of products as Company weighted average fuel consumption (CAFC) to align with future Fuel Economy emission regulation in India.

Principle 3: Businesses should promote the wellbeing of all employees.

1. Please indicate the Total number of employees: 41673
2. Please indicate the Total number of employees hired on temporary/contractual/casual basis: 20806
3. Please indicate the Number of permanent women employees: 690

4. Please indicate the Number of permanent employees with disabilities: 61
5. Do you have an employee association that is recognized by management: Yes
6. What percentage of your permanent employees is members of this recognized employee association? (Total Unionized Permanent Workmen/Total Permanent Workmen) 90%
7. Please indicate the Number of complaints relating to child labor, forced labor, involuntary labor, sexual harassment in the last financial year and pending, as on the end of the financial year.

Sr. No.	Category	No. of complaints filed during the financial year	No. of complaints pending as on end of the financial year
1.	Child labour/forced labour/involuntary labour	Nil	Nil
2.	Sexual harassment	1	0
3.	Discriminatory employment	Nil	Nil

One complaint pending as on 31st March, 2017, was also disposed-off during the year.

8. **What percentage of your under mentioned employees were given safety and skill up-gradation training in the last year?**
 - ▶ Permanent Employees: 94%
 - ▶ Permanent Women Employees: 85%
 - ▶ Casual/Temporary/Contractual Employees: 68%
 - ▶ Employees with Disabilities: 92%

Principle 4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.

1. **Has the company mapped its internal and external stakeholders?**
Yes
2. **Out of the above, has the company identified the disadvantaged, vulnerable and marginalized stakeholders?**
Yes
3. **Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders? If so, provide details thereof, in about 50 words or so.**

The Company has made conscious efforts to design products and offerings, specifically to improve the earning potential and encourage entrepreneurship amongst rural and semi-urban stakeholders through offering accessible and affordable technology. Moreover, in the Farm equipment business vertical, there is a conscious focus to deliver 'Farm Prosperity' through various products and services that are designed to improve farm productivity especially amongst small farmers. Trringo is a revolutionary tractor and farm equipment rental business that harnesses the power of technology through a strong franchisee network to make farm mechanization easily accessible, affordable and reachable to every Indian farmer. EPC - a Mahindra group company, popularly known as EPC Irrigation is a pioneer of micro-irrigation in India. EPC provides complete solution for agriculture with a focus on Micro-Irrigation, Pumps and inter-related requirements of fertigation and agronomic support.

The Integrated Watershed Management (IWMP) project, a Public Private Partnership (PPP) with the Government of Madhya Pradesh at Damoh has been fully implemented and handed over to the Village Level Water Committees (WCs) and Self Help Groups (SHGs). This project was implemented in 32 villages that spread across 9,660 hectares of land covering 4,219 households thereby benefiting 21,095 people. There were three main interventions of the project 1) Soil & Water Conservation, 2) Productivity Enhancement and 3) Livelihood Generation. The project resulted in 1) Ground Water availability at 6.2 meters as against the baseline of 8 meters. 2) An average percentage increase of income from agriculture by 339% over the baseline. 3) An average percentage increase of household income by 363% over the baseline. The project being scalable and sustainable has resulted in replication at Bhopal and Hatta in Madhya Pradesh.

This project at Bhopal follows the similar PPP model with the Government of Madhya Pradesh. Being implemented in 35 villages that is spread over 10,760 hectares of land covering 6,673 households benefitting 34,228 people. At Hatta, the project is on a 50-50% partnership with National Bank for Agriculture and Rural Development (NABARD). Being implemented in 13 villages that is spread over 4,816 hectares of land covering 1,613 households

benefitting 6,884 people. All three programs follow the 'Ridge to Valley' watershed treatment model.

A Watershed plan is created for each village based on a thorough examination of the village geography. Factors considered in the situational analysis include topography, existing watershed structures, rain water drainage routes, existing storage tanks, irrigation channels, etc. Each village gets a combination of watershed structures that work in unison to achieve the final overall output. Along with increasing water availability, simultaneous work on implementing 'best in class farming package of practices' is also done. Handholding farmers during the entire crop cycle result in sustainable benefits of increase crop production and income generation.

Self Help Groups (SHGs) for livelihood generation are also formed in close co-ordination with the village councils resulting in the generation of additional income sources.

Note: Change in Bhopal Project details vis a vis Previous Year

In F18, 3 villages were merged under the Bhopal Municipal Corporation area and hence removed from the IWMP Bhopal project intervention area.

This removal resulted in the reduction in number of villages, households and project coverage area

IWMP - Bhopal

Parameters	F17	F18
Number of Villages	38	35
Coverage Area (hectares)	12,140	10,760
Households	7,066	6,673
Population	30,000	34,228

The company has entered into a 'Agroforestry Livelihood Generation Programme' at Araku Valley. The Agroforestry project is regenerating the lost green cover through plantation of indigenous species and at the same time generating livelihood opportunities by planting fruit bearing trees for the tribal population staying in the valley to earn income from. The programme is in its phase 2 in which entire tree plantation is done by the NGO partner Naandi Foundation.

Further details of community development initiatives are given in Principle 8.

Principle 5: Businesses should respect and promote human rights.

1. Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?

The Business Responsibility Policy covers the aspects on Human Rights for the Company. Human Rights issues are a part of the supplier selection process and are also included in the contracts drawn up with them. The Company has put in place a Whistleblower Helpline managed by an external agency to ensure that any violations to its Code of Conduct (including violation of Human rights) are addressed objectively. Besides this, through various awareness sessions, various stake holders like contractors, security personnel, associates are sensitized and this helps to promote adherence on Human Rights aspects.

2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management.

8 Complaints have been received through the Whistleblower Helpline. 1 was received by the Chairman of the Audit Committee.

There is an active and a well-defined four step Grievance Redressal Machinery available at each plant for workmen through which all types of grievances are redressed. Additionally, Employee Satisfaction Survey for workmen is periodically carried out and all low scoring responses are discussed in Focused Group Meetings and duly resolved. Although there is no process to separately maintain records for grievances related to Human Rights, the above stated mechanism adequately addresses this issue. There is a mechanism for all employees of Automotive and Farm Sectors to voice their concerns to the Sector President through a 'Reach-out' mailbox which is addressed with confidentiality. Besides, in order to address the Human Rights violation in specific for blue collared workmen (Permanent and Flexible workforce), a Grievance Register has been kept at Time Office to raise concerns. However, no complaints have been received or reported for the reporting year.

Principle 6: Business should respect, protect, and make efforts to restore the environment.

1. Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs/others.

The Company has various policies related to environmental protection. The Green Supply Chain Management Policy includes environment protection and covers suppliers. The subsidiaries/Joint Ventures have their own policies which are in sync with the Company's environmental policies.

2. Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.

Yes. Every year the company discloses its performance in Dow Jones Sustainability Index (DJSI), Carbon Disclosure Project (CDP) and CII Sustainability Plus. Sustainability Roadmap is ready with targets taken to reduce carbon emissions, water consumption, increase in use of renewable energy, enhance recycling of waste. It is reviewed periodically. It is the 1st company globally to sign a program EP-100 which is committed to double the energy productivity by 2030. It has also announced its internal carbon price of US \$ 10 per ton of carbon emitted and became first company in India to do so. The Company is also a signatory for India Business Biodiversity Initiative (IBBI). These strategies and initiatives are elaborated in the Company's Sustainability Report for F18 and will be available on <http://www.mahindra.com/How-We-Help/Environment/ Sustainability>.

Please note the indicative list of various projects implemented in this regard. The complete details will be available in the Sustainability Report for F18

Energy Savings:

- ▶ Heat recovery system
- ▶ Energy efficient air conditioning system
- ▶ Programmable logic controllers for machines

Water Savings:

- ▶ Installation of level controllers
- ▶ Use of ETP/STP treated water for gardening and flushing
- ▶ Rain water harvesting for recharging pits

Waste Reduction:

- ▶ 5 plants certified for Zero Waste to Landfill.

- ▶ Use of metallic waste in furnace
- ▶ Reusing sand for core making

3. Does the company identify and assess potential environmental risks? Y/N

Yes, the Company has a mechanism to identify and assess potential environmental risks across all locations.

4. Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?

Yes. The name of the CDM is – Program of Activities (PoA) 9731: Energy Efficiency through Micro irrigation system – India. The Registered PoA aims at encouraging energy efficiency through installation of efficient irrigation system such as drip and sprinkler irrigation replacing the conventional flood method of irrigation resulting in GHG Emission reduction & Water Conservation. It was registered in September 2013.

5. Has the Company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc? Y/N. If yes, please give hyperlink for web page etc.

Yes. Same as stated under Sr 2 above mentioned under Principal 6.

6. Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?

Yes

7. Number of show cause/ legal notices received from CPCB/ SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.

Nil

Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.

1. Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:

Yes. The company is member of following trade and chamber or association in alphabetical order.

- a. The Associated Chambers of Commerce and Industry of India, b. Bombay Chamber of Commerce and Industry

(BCCI), c. Confederation of Indian Industry (CII), d. Employers' Federation of India, e. Federation of Indian Chambers of Commerce and Industry, f. Indian Merchants Chambers, g. National Human Resource Development Network, h. Society of Indian Automobile Manufacturers (SIAM), i. The Energy and Resource Institute, j. Tractor Manufacturer's Association (TMA).

2. **Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others).**

The Company participates as a stakeholder of SIAM and TMA on policies related to Automotive and Tractor Industry, Sustainable Mobility and Farm Tech Prosperity, Economic Reforms, Sustainable Business Principles (Sustainable Supply Chain Management) and Vehicle Recall policy. The Company also contributes through CII/BCCI, when views are solicited on matters such as Securities Law, Corporate Laws, etc.

Principle 8: Businesses should support inclusive growth and equitable development.

1. **Does the company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.**

Yes. Since its inception Mahindra & Mahindra Limited has been a socially responsible corporate making investments in the community which go beyond any mandatory legal and statutory requirements. The CSR vision of the Company is to focus its efforts within the constituencies of girls, youth and farmers, by innovatively supporting them through programs designed in the domains of education, health and environment, while harnessing the power of technology. By investing our CSR efforts in these critical constituencies who contribute to nation building and the economy, your Company will enable its stakeholders and communities to RISE. In accordance with the Companies Act, 2013 Mahindra & Mahindra Limited has committed 2% PBT annually towards CSR initiatives. Further the unique Employee Social Options platform (ESOP) provides

employees a menu of volunteering opportunities enabling them to participate actively in the company's CSR initiatives. Some of the major initiatives the company has invested in F18 are as follows:

- a. **Project Nanhi Kali** – Provision of educational support to underprivileged girls from poor urban, remote rural and tribal communities across India.
- b. **Mahindra Pride School and Mahindra Pride Classrooms** – Livelihood training programme for youth from socially and economically disadvantaged groups.
- c. **Mahindra Scholarships at Mahindra United World College of India (MUWCI)** – To enable deserving and meritorious students to study at MUWCI.
- d. **Promoting Health and Preventive Healthcare** – Providing financial and psychological support to patients suffering from critical and life threatening illnesses, palliative care program for people with chronic illnesses such as cancer, Alzheimer's, kidney failure, lung conditions and stroke and support for setting up The Head and Neck Cancer Institute of India.
- e. **Lifeline Express** – Supported a mobile hospital on a train, providing medical interventions and surgeries often in remote rural areas.
- f. **Mahindra Hariyali** – Afforestation initiative to improve green cover and protect bio-diversity in the country and at the same time contribute to the livelihood of farmers.
- g. **Integrated Watershed Management Project (IWMP)** – A public private partnership with the Government of Madhya Pradesh at Bhopal and National Bank for Agriculture and Rural Development (NABARD) at Hatta for Soil & Water Conservation, Productivity Enhancement and Livelihood Generations interventions.
- h. **Mahindra Saarthi Abhiyaan**: Scholarships to daughters of truck drivers which allows them to pursue higher education thus reducing drop outs amongst girls.
- i. **Wardha Farmer Family Project (WFFP)** – The project supports small and marginal farmers, targeting to improve their livelihood opportunities and prosperity

by training them in effective farming practices including soil health, crop planning, creating model farms with bio-dynamic farming practices, with an aim of increasing crop productivity.

- j. **BAJA:** Training under graduate engineering students in automotive engineering thereby enabling them to get jobs in the automobile industry.
 - k. **A World In Motion (AWIM):** Training Class V and VI students in mechanical automobile concepts for building vehicles for road and water.
 - l. **Environment, Health & Safety Plus Center (EHS+):** The EHS+ Center aims to provide factory managers with information and tools to improve environment, health and safety conditions for workers and surrounding communities. These trainings focus on increasing resource efficiency, enhancing gender equity and empowerment, and reducing greenhouse gas emissions.
 - m. **Rise for Safe Roads:** First of its kind in India, the project will create India's 1st ZERO Fatality Corridor on the Mumbai Pune Expressway. Interventions under 4E's are conducted i.e. Engineering, Enforcement, Education and Emergency Response. Supplementing efforts for defensive driver training for long haul truck drivers are also conducted under the Anticipatory Driving and Action Prevention Training (ADAPT™) program.
 - n. **Village Social Transformation Mission:** A path breaking public-private partnership, between the Government of Maharashtra and India's leading corporates and philanthropic organisations, to plug developmental gaps in rural Maharashtra and collectively partake in nation building.
 - o. **ESOP:** The Company's ESOP programme supports employees in creating volunteering projects based on the needs of underprivileged communities in and around their places of work.
- 2. Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/any other organization?**

CSR initiatives are implemented either directly by the company through its ESOP structure where the Mahindra

employees directly implement the CSR programmes or through implementing partners which include NGOs having an established track record of at least 3 years in carrying on the specific activity. The main implementation partners the company works with are the Mahindra Foundation, The K. C. Mahindra Education Trust, Tech Mahindra Foundation and Naandi Foundation.

3. Have you done any impact assessment of your initiative?

Impact assessments were conducted by Deloitte Touche Tohmatsu Limited to measure the outputs and outcomes for the following projects:

- Integrated Watershed Management Program (IWMP) at Damoh, Madhya Pradesh : A PPP with the Government of Madhya Pradesh. The project resulted in 1) Ground Water availability at 6.2 meters against the baseline of 8 meters. 2) An average percentage increase of income from agriculture by 339% over the baseline. 3) An average percentage increase of household income by 363% over the baseline.
- Integrated Watershed Management Program (IWMP) at Bhopal, Madhya Pradesh : A PPP with the Government of Madhya Pradesh. The project resulted in 1) Ground Water availability at 10.9 meters against the baseline of 12 meters. 2) An average percentage increase of income from agriculture by 262% over the baseline. 3) An average percentage increase of household income by 150% over the baseline.
- Community Farming Project at Raigad, Maharashtra undertaken with NGO Partner Swades Foundation. The project has resulted in an average annual income increase of 86%. The average post-intervention annual income is INR 60,053/- as compared to INR 32,318/- before the intervention.

4. What is your company's direct contribution to community development projects - Amount in INR and the details of the projects undertaken?

Your Company's contribution to community development projects amounts to approximately Rs. 81.97 crores during F18. Details of some of the major initiatives the company has invested in F18 are given in Point 1 above.

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.

Where CSR projects are implemented, your Company ensured that the initiative is successfully adopted and owned by the community. Below are three examples of the same:

- (a) **PROJECT NANHI KALI** provided educational support (material and academic) to underprivileged girls in India through an after school support program. In F18, the project supported the education of 1,43,992 girls. Of these 14,843 girls were supported by Mahindra & Mahindra Limited, while the Mahindra Group as a whole supported 61,284 girls. The balance girls are supported by individuals and other corporates. The Mahindra Group also supported 25 NStar centres (out of 73 centres) through which 5,066 young girls (16-21 years) received training in computer skills, English speaking, financial literacy, health and nutritional awareness along with physical fitness, to enable them to build a life of dignity and self-respect. When the project is introduced in a new area, your Company ensures that a 'Village Education Committee' is set up and parents as well as village elders are sensitised on the importance of girls' education in particular, and other gender related issues. The NStar centres for adolescent girls are in the community and a household screening is done to map the girls in the area who are then enrolled at the centre. The centre champions who run the centre are local recruits from the community and this plays a major role in the community's acceptance of the centre.
- (b) **INTEGRATED WATERSHED MANAGEMENT PROJECT (IWMP)** – The project is a Public Private Partnership (PPP) with Government of Madhya Pradesh at Bhopal and with National Bank for Agriculture and Rural Development (NABARD) at Hatta for increasing the ground water table resulting in increased agricultural productivity and improved living standards. These projects have benefitted 35,265 people in 48 villages. Through the project, your Company has successfully increased the ground water table through various 'watershed' measures. All the Soil &

Water Conservation, Productivity Enhancement and Livelihood Enhancement interventions are conducted in complete cohesion with the community i.e. the Village Level Water Committees (WCs) and Self Help Groups (SHGs). The IWMP Project at Damoh has been successfully completed and handed over to the community in F18, thus creating a sustainable and replicable model.

- (c) **MAHINDRA PRIDE SCHOOLS (MPS)** – MPS is a livelihood training school for youth from socially and economically disadvantaged backgrounds. In F18, the Mahindra Group supported 9 MPS in Pune, Patna, Chandigarh, Srinagar, Hyderabad, Varanasi and 3 in Chennai, through which 6,323 students were trained. From inception till date 26,674 students have been trained and 100% have been placed. Mahindra & Mahindra Limited supported the school in Chandigarh, Srinagar, Hyderabad, Varanasi and 2 in Chennai which skilled 3,711 students in F18. Further, in F18, 41,687 students were trained through 955 Mahindra Pride Classrooms in Polytechnics and Arts & Science Colleges across 9 States. The Mahindra Pride Classrooms provide 40-120 hours of training to final year students covering English Speaking, Life Skills, Aptitude, Interview, Group Discussion and Digital Literacy. The USP of the project is 100% placement of the students in lucrative jobs. The alumni of MPS who are employed with different companies serve as role models to the community. More often than not, alumni have directly influenced the new incoming batches of students to enrol. Active alumni clubs regularly send referrals to MPS and at least 30-40% of a batch comprises of referrals. The alumni also act as peer leaders and mentors to students undergoing training at MPS and motivate the current batch of students by sharing their success stories of how they overcame their challenges with the help of MPS.
- (d) **MAHINDRA HARYALI** – It is planting of one million trees every year. The community benefits from the plantations since it supports livelihood as well. For E.g. in Araku, the plantations have helped sustain coffee plantations which have yielded high returns to the tribal population in the valley. Apart from the

Araku valley, plantations undertaken by communities across the country have focused on planting fruit bearing trees since the economic value of such plants is high, communities are eager to adopt these projects. Awareness related to benefits of trees in arresting soil erosion and climate change too has increased in the recent past as a result communities are more receptive of the Mahindra Hariyali project.

Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner

1. What percentage of customer complaints/consumer cases are pending as on the end of financial year.

Customer complaints are treated very seriously in the organization. We hear our customers through various mediums such as emails to customercare@mahindra.com, With You Hamesha 24X7 Call Centre toll free no, websites, tweet handle, telephone, letter, fax etc. The status of pending complaints/cases as on 31st March, 2018 is as follows:

2017-18	Automotive Division	Farm Division (Including Swaraj)	Total
Percentage of Consumer Cases Pending against M&M as on 31 st March 2018 of cumulative cases pending or filed since 1 st April 2009	38.32%	33.19%	37.24%

AD – Customer complaints

Receiving Period	Total Complaints Registered in this period	Open	Close	Open %	Close %
F18	73,586	142	73,444	0.19%	99.81%
F12-F18	3,88,302	142	3,88,160	0.04%	99.96%

FD – Customer complaints

Receiving Period	Total Complaints Registered in this period	Open	Close	Open %	Closed %
F18	19,514	115	19,399	0.59%	99.41%
F11-F18	1,11,478	115	1,11,363	0.10%	99.90%

SD – Customer complaints

Receiving Period	Total Complaints Registered in this period	Open	Close	Open %	Close %
F18	725	5	720	1%	99%
F11-F18	1,546	5	1541	0.3%	99.7%

2. Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A. /Remarks (additional information)

Yes. In addition to mandatory requirements, company also provides service and safety labels as deemed appropriate. e.g.: Product fuel economy data displayed for each variant at selling points (Dealership).

3. Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behavior during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.

Yes. The Company has been impleaded in the below listed proceedings that allege violation of provisions of the Competition/ MRTP Act. The Company is vigorously defending itself in these proceedings.

Description of the matters pending under the Competition Act, 2002:

Case No. 3/2011:

Based on the information given by the Informant Shamsher Kataria against 3 car manufacturers, Honourable Competition Commission of India (CCI) had started investigation in respect of 17 car manufacturers about the non-availability of spare parts in the open market. One of the allegations is OEMs are restricting the availability of spare parts in the open market other than their own distribution network resulting in high prices of the said spare parts and the said spare parts not being available to the independent car repairers. The DG had initiated the investigation in which your Company had submitted the detailed information as sought by the DG. Thereafter the DG submitted a report and based on the said report, the Commission had issued notices to the 17 car manufacturers

to file their respective responses on the said report. Accordingly, your Company had filed the reply to the said report along with all possible supporting documents. Thereafter, the matter was heard by the CCI and on 25th August, 2014. CCI passed an order (Order) against fourteen automobile companies including Mahindra & Mahindra Limited and has imposed a penalty of Rs. 292.25 crores amounting to 2% of the average annual turnover for the years 2007-08, 2008-09 and 2009-10. Your Company vide a Writ Petition W.P.(C) 6610/2014 (W.P) filed before the Hon'ble Delhi High Court (HC) has challenged the vires of certain sections of the Competition Act, 2002 based on which penalty has been calculated and also the Order has been passed by the CCI. The W.P filed by your Company is currently pending before the Delhi High Court and an

interim order staying the order of the CCI is in force until further orders.

4. Did your company carry out any consumer survey/consumer satisfaction trends?

Yes, through

- ▶ JP Power Syndicate Study - Applicable for Personal Model
- ▶ CaPS Study (Done by Central Team at Worli)- Applicable for Personal and Commercial Model
- ▶ CSat (Customer Satisfaction for Commercial Channel) through TNS
- ▶ Brand Track Study
- ▶ Premonasia Survey for Tractors

Financial Position at a Glance

Rupees crores

	As per Ind AS and Schedule III of the Companies Act, 2013				As per previous GAAP and Revised Schedule VI of the Companies Act, 1956				As per previous GAAP and Old Schedule VI of the Companies Act, 1956	
	2018	2017*	2016	2015	2014	2013	2012	2011	2010	2009
Property, Plant and Equipment and Other Intangible Assets	10988	9811	9158	7766	7105	5821	5088	3904	3703	3214
Investments	20583	17908	13547	13139	11380	11834	10297	8913	6398	5786
Foreign Currency Monetary Item Translation Difference Account Asset/(Liability)	—	—	—	—	—	—	—	—	(3)	18
Inventories	2702	2758	2688	2438	2804	2420	2358	1694	1189	1061
Trade Receivable/Debtors	3173	2939	2512	2558	2510	2208	1929	1260	1258	1044
Other Non Current/Current Assets	9971	6297	7594	6181	7490	5171	4098	3753	3599	2959
Misc. Expenditure not written off	—	—	—	—	—	—	—	—	—	13
Borrowings	2864	2773	1844	2620	3745	3227	3174	2321	2880	4053
Non-Current/Current Liabilities and Provisions	13982	10409	10773	9230	9863	8953	7964	6535	5197	4798
Deferred Tax Liabilities/(Assets) (Net)	277	(255)	460	222	890	615	527	355	240	(18)
Equity Capital	595	297	296	296	295	295	295	294	283	273
Other Equity	29699	26489	22127	19,714	16496	14364	11810	10019	7544	4989
Net Worth	30294	26786	22423	20009	16791	14659	12105	10313	7827	5262
Book Value Per Share (Rupees)	+ 254.59	451.23	378.36	338.34	284.26	248.14	205.32	175.43	*138.10	192.12

@ Book Value Per Share is shown after giving effect to the sub-division of each Ordinary (Equity) Share of the face value Rs. 10 each fully paid up into two Ordinary (Equity) Shares of Rs. 5 each fully paid up in March, 2010.

+ Book Value Per Share is adjusted for Bonus Shares allotted in the ratio of 1:1 during December 2017.

* Refer note 40 to the Financial Statements.

Summary of Operations

Rupees crores

	As per Ind AS and Schedule III of the Companies Act, 2013			As per Previous GAAP and Schedule III of the Companies Act, 2013	As per previous GAAP and Revised Schedule VI of the Companies Act, 1956				As per previous GAAP and Old Schedule VI of the Companies Act, 1956	
	2018	2017*	2016	2015	2014	2013	2012	2011	2010	2009
Income	50481	48729	44489	41481	43838	43962	34820	25989	20724	15072
Materials	34135	32081	29516	27955	29432	30425	23500	16264	12333	9274
Excise Duty	759	3330	2764	2188	2612	2972	2501	2095	1807	1587
Employee Benefits Expense	2841	2714	2349	2317	2164	1866	1701	1432	1198	1025
Finance Costs/Interest	112	160	186	214	259	191	163	72	157	134
Depreciation, amortisation and impairment expense	1479	1526	1068	975	863	711	576	414	371	292
Other Expenses	5487	4743	4390	3999	4191	3441	2881	2310	2102	1734
Exceptional items	434	548	69	336	52	91	108	118	91	10
Profit before tax for the year	6102	4723	4284	4169	4369	4447	3606	3520	2847	1036
Tax for the year	1746	1080	1080	848	611	1094	727	858	759	199
Adj. pertaining to Prev. Years	—	—	—	—	—	—	—	—	—	▲31
Balance profit	4356	3643	3205	3321	3758	3353	2879	2662	2088	868
Dividend (including tax thereon)	#1055	925	841	847	963	894	869	803	624	312
Equity Dividend (%)	150	260	240	240	280	260	250	230	190	100
Earnings Per Share (Rupees) ^	36.64	30.69	26.52	28.12	31.83	28.43	24.49	23.11	18.99	7.96
Vehicles produced/purchased (Units)	546974	499117	496859	464799	506035	555510	474145	355500	284516	201993
Vehicles sold (Units)	548508	506624	494096	464850	507176	551469	469345	354073	282119	206688
Tractors produced (Units)	315759	272308	217383	224330	277425	219893	246475	216388	173276	119098
Tractors sold (Units)	317531	263177	214173	234766	268487	224844	236666	214325	175196	120202

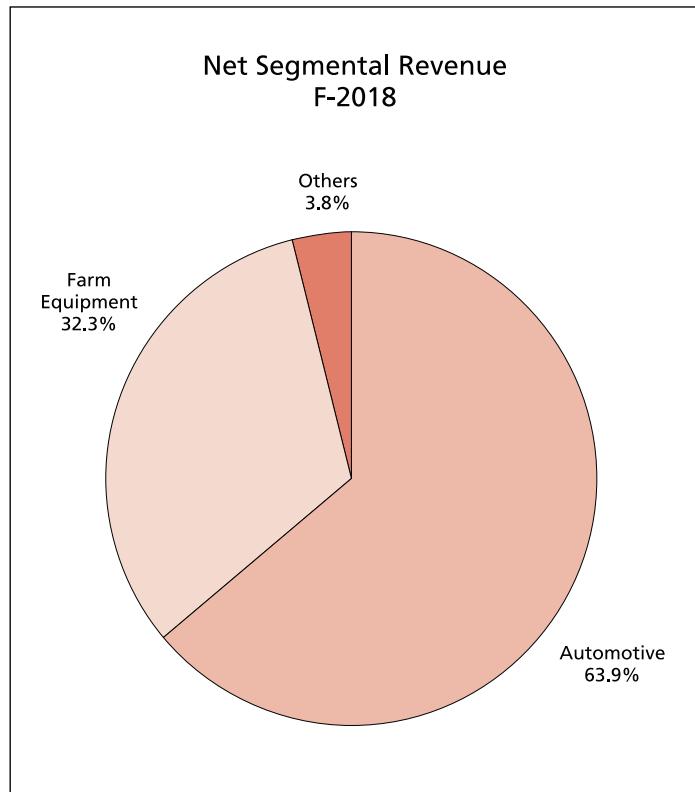
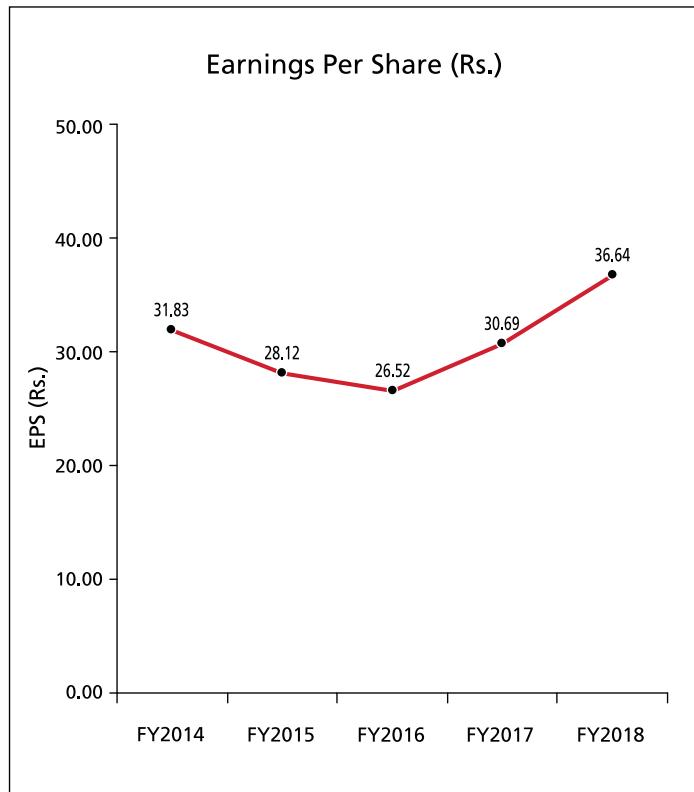
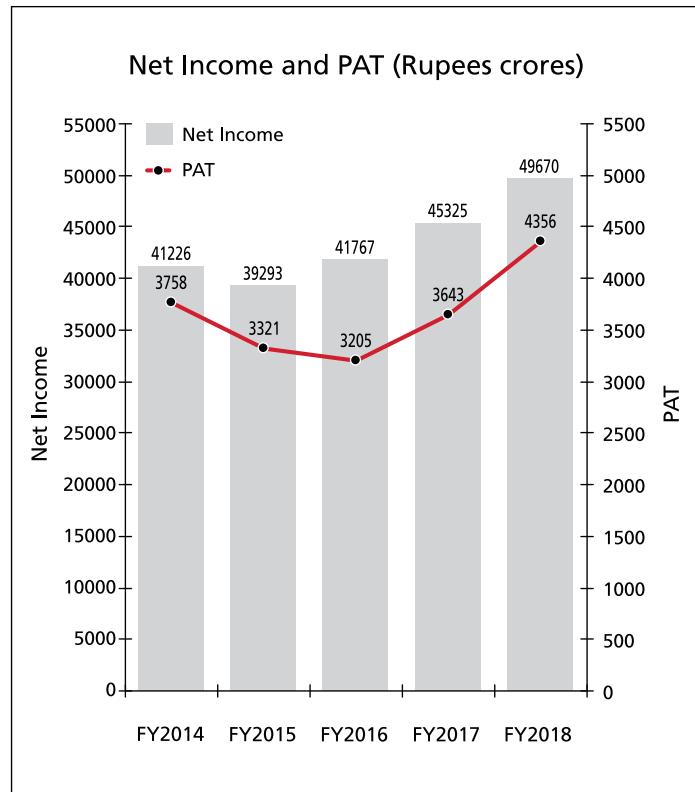
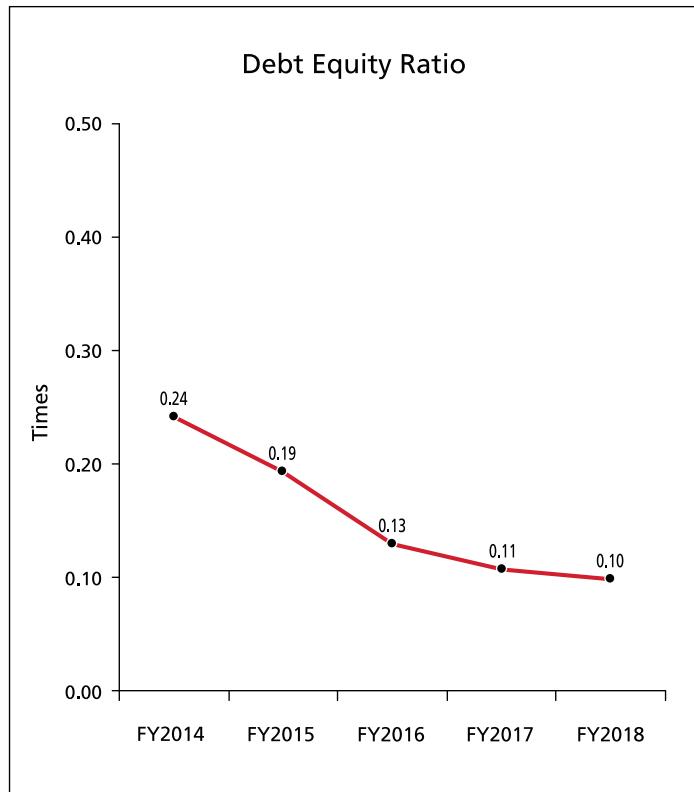
Proposed Dividend.

▲ Profit of Mahindra Holdings and Finance Limited for the period 1st February, 2008 to 31st March, 2008.

^ Adjusted for Bonus Shares allotted in the ratio of 1:1 during December 2017.

* Refer note 40 to the Financial Statements.

Financial Highlights



Standalone Accounts



Independent Auditors' Report to the Members of Mahindra & Mahindra Limited

Report on the Audit of the Standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of Mahindra & Mahindra Limited ("the Company"), which comprise the Balance Sheet as at 31 March 2018, the Statement of Profit and Loss, the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the state of affairs, profit (including other comprehensive income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone Ind AS financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements.

We are also responsible to conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the opinion. Our conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause an entity to cease to continue as a going concern.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at 31 March 2018, its profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Other Matters

The comparative financial information of the Company for the year ended 31 March 2017, included in these standalone Ind AS financial statements, as adjusted to give effect to the merger of the Two Wheeler business of Mahindra Two Wheeler Limited ('MTWL'), were audited by the predecessor auditor who expressed an unmodified opinion on those financial statements (vide their unmodified opinion dated 30 May 2017). The merger of MTWL is pursuant to the Scheme of Arrangement ('Scheme') which has been approved by the National Law Company Tribunal ('NCLT') vide its order dated 25 October 2017. The Scheme is effective from the appointed date of 1 October 2016, and the merger being a common control business combination,

the comparative financial statements of the Company have been restated to record the merger from 1 April 2016. Further, adjustment for the merger for the year ended 31 March 2017 is based on the financial statements of MTWL which were audited by the auditors of MTWL who expressed unmodified opinion (vide their unmodified report dated 25 July 2017) and whose report has been furnished to us by the Management, and has been relied upon by us for the purpose of audit of these standalone Ind AS financial statements. Our opinion is not modified in respect of this matter with respect to the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss, the Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act.
 - e) On the basis of the written representations received from the directors as on 31 March 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2018 from being appointed as a Director in terms of Section 164(2) of the Act.

- f) With respect to the adequacy of the internal financial controls with reference to the standalone Ind AS financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements; – Refer Note 38 to the standalone Ind AS financial statements.
 - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts; – Refer Note 18 to the standalone Ind AS financial statements.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
 - iv. The disclosures in the financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made since they do not pertain to the financial year ended 31 March 2018. However amounts as appearing in the audited standalone Ind AS financial statements for the period ended 31 March 2017 have been disclosed.

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No. 101248W/W-100022

Mumbai, 29 May, 2018

Jamil Khatri
Partner
(Membership No. 102527)

Annexure A to the Independent Auditors' Report – 31st March, 2018

With reference to the Annexure A referred to in the Independent Auditors' Report to the members of **Mahindra & Mahindra Limited** ('the Company') on the standalone Ind AS financial statements for the year ended 31 March 2018, we report the following:

- i (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a programme of physical verification of its fixed assets by which all fixed assets are verified once in three years, pursuant to which the fixed assets were physically verified in the financial year ended 31 March 2016 and no material discrepancies were noticed on such verification and have been dealt with in the books of account.
- (c) With respect to immovable properties of acquired land and buildings that are freehold, according to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed / transfer deed / conveyance deed / court orders approving schemes of arrangements / amalgamations provided to us, we report that, the title deeds of such immovable properties are held in the name of the Company as at the Balance Sheet date.
- ii The inventory has been physically verified by the management at reasonable intervals during the year. In our opinion, the frequency of such verification is reasonable. The discrepancies noticed on verification between the physical stocks and the book records were not material and have been suitably adjusted in the books of accounts.
- iii The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Accordingly, paragraphs 3 (iii) of the Order are not applicable to the Company.

- iv According to the information and explanations given to us and based on the audit procedures conducted by us, the Company has complied with provisions of Section 185 and 186 of the Act, with respect to granting of loans, making investment and providing guarantees and securities.
- v According to the information and explanations given to us, the Company has not accepted any deposit during the year and accordingly the compliance with Section 73 and 76 of the Companies Act, 2013 is not applicable. In respect of unclaimed deposits, the Company has complied with the provisions of Sections 74 and 75 or any other relevant provisions of the Act. According to the information and explanations given to us, no order has been passed by the Company Law Board or the National Company Law Tribunal or the Reserve Bank of India or any Court or any other Tribunal on the Company.
- vi We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules prescribed by the Central Government for the maintenance of cost records under Section 148(1) of the Act and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained.
- vii (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Employees' State Insurance, Income tax, Sales tax, Service tax, Duty of Customs, Duty of Excise, Valued added tax, Cess, Goods and Service Tax and other material statutory dues have been regularly deposited during the period by the Company with the appropriate authorities. According to the information and explanations given to us, there are no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income tax, Sales tax, Service tax, Duty of Customs, Duty of Excise, Cess, Goods and Service Tax and other material statutory dues that have remained outstanding for more than six months from the date it became payable.

- (b) According to the information and explanations given to us, there are no dues of Income tax, Sales tax, service tax, Duty of Customs, Duty of Excise, Valued added tax, Goods and Service Tax and other material statutory dues which have not been deposited with the appropriate authorities on account of any dispute, except for the following:

Name of the Statute	Nature of Dues	Amount (Rs. In crores)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income tax	349.69	AY 2009-10 to AY 2013 -14	Income Tax Appellate Tribunal
		17.19	AY 2000-01 to AY 2001-02 and AY 2007-08 to AY 2009-10	Commissioner of Income tax (Appeals)
Central Excise Act, 1944	Duty of Excise	3.00	2005-2010	High Court
		892.36	1991-2016	Appellate Authority-Tribunal Level
		28.16	1995-2017	Appellate Authority-Commissioner
Sales Tax and Value Added Tax Laws	Sales tax	228.65	1994-2016	High Court
		28.19	1991-2011	Appellate Authority-Tribunal Level
		899.36	1992-2017	Appellate Authority-Commissioner
		18.56	2006-2012	Appellate Authority-Revisonal Board
Finance Act, 1994	Service tax	0.10	2005-2012	High Court
		31.16	2002-2015	Appellate Authority-Tribunal Level
		7.13	2002-2018	Appellate Authority-Commissioner
Customs Act, 1962	Duty of Customs	1.49	1996-2001	High Court
		1.14	1990-1994	Appellate Authority-Tribunal Level
		2506.18		

- viii In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to financial institutions, banks and government and outstanding dues to debenture holders during the year.
- ix The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. In our opinion and according to the information and explanations given to us, the term loans taken by the Company has been applied for the purpose for which they were raised.
- x During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud by the Company or any material instances of fraud on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the management.
- xi In our opinion and according to the information and explanations given to us, the Company has paid/provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Companies Act, 2013.
- xii In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company and Nidhi Rules, 2014 are not applicable to it. Accordingly, paragraph 3 (xii) of the Order is not applicable to the Company.
- xiii In our opinion and according to the information and explanations given to us, the Company has entered into transactions with

the related parties in compliance with provision of Section 177 and 188 of the Act. The details of such related party transactions have been disclosed in standalone Ind AS financial statements as required under applicable Ind AS.

- xiv According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3 (xiv) of the Order is not applicable to the Company.
- xv According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3 (xv) of the Order is not applicable to the Company.
- xvi According to the information and explanations given to us and based on our examination of the records of the Company, the Company is not required to be registered under Section 45 IA of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3 (xvi) of the Order is not applicable to the Company.

For B S R & Co. LLP
Chartered Accountants
 Firm's Registration No. 101248W/W-100022

Jamil Khatri
 Partner
 Mumbai, 29th May, 2018
 (Membership No. 102527)

Annexure B to the Independent Auditors' Report of even date on the standalone Ind AS financial statements of Mahindra & Mahindra Limited – 31 March 2018

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to financial statements of **Mahindra & Mahindra Limited** ("the Company") as of 31 March 2018 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls with reference to financial statements based on the internal control criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable, to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to financial statements.

Meaning of Internal Financial Controls with reference to financial statements

A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone Ind AS financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone Ind AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the standalone Ind AS financial statements.

Inherent Limitations of Internal Financial Controls with reference to financial statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at 31 March 2018, based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For B S R & Co. LLP

Chartered Accountants

Firm's Registration No. 101248W/W-100022

Jamil Khatri

Partner

Mumbai, 29 May, 2018

(Membership No. 102527)

Balance Sheet

as at 31st March, 2018

Rupees crores

	Note	2018	2017*
I. ASSETS			
NON-CURRENT ASSETS			
(a) Property, Plant and Equipment.....	4	6,507.95	6,536.72
(b) Capital Work-in-Progress.....		1,079.72	409.78
(c) Other Intangible Assets.....	5	1,351.46	1,234.32
(d) Intangible Assets Under Development.....		2,048.99	1,630.62
(e) Financial Assets			
(i) Investments.....	6	16,645.48	14,301.70
(ii) Loans.....	7	43.01	34.12
(iii) Other Financial Assets	8	488.73	378.59
(f) Deferred Tax Assets (Net)	19	—	254.84
(g) Income Tax Assets (Net)		637.08	489.89
(h) Other Non-Current Assets.....	9	2,139.86	2,089.74
		30,942.28	27,360.32
CURRENT ASSETS			
(a) Inventories.....	10	2,701.69	2,758.01
(b) Financial Assets			
(i) Investments.....	6	3,937.49	3,606.70
(ii) Trade Receivables	11	3,172.98	2,938.84
(iii) Cash and Cash Equivalents.....	12	1,417.95	546.09
(iv) Bank Balances other than Cash and Cash Equivalents	12	1,475.78	1,141.39
(v) Loans.....	7	975.16	506.51
(vi) Other Financial Assets	8	621.53	571.29
(c) Other Current Assets.....	9	2,061.79	539.17
(d) Assets held for sale.....	13	110.10	—
		16,474.47	12,608.00
TOTAL ASSETS		47,416.75	39,968.32
II. EQUITY AND LIABILITIES			
EQUITY			
(a) Equity Share Capital.....	14	594.97	296.81
(b) Other Equity	15	29,699.07	26,488.81
		30,294.04	26,785.62
LIABILITIES			
NON-CURRENT LIABILITIES			
(a) Financial Liabilities			
(i) Borrowings.....	16	2,195.90	2,233.99
(ii) Other Financial Liabilities.....	17	374.35	419.36
(b) Provisions	18	861.81	824.45
(c) Deferred Tax Liabilities (Net)	19	277.24	—
(d) Other Non-Current Liabilities	20	90.20	70.85
		3,799.50	3,548.65
CURRENT LIABILITIES			
(a) Financial Liabilities			
(i) Borrowings.....	16	668.47	538.88
(ii) Trade Payables	21	8,603.40	6,881.08
(iii) Other Financial Liabilities.....	17	906.99	757.01
(b) Other Current Liabilities.....	20	2,212.42	696.81
(c) Provisions.....	18	667.39	565.48
(d) Current Tax Liabilities (Net)		264.54	194.79
		13,323.21	9,634.05
TOTAL EQUITY AND LIABILITIES		47,416.75	39,968.32

*Refer Note 40

The accompanying notes 1 to 41 are an integral part of the Financial Statements

In terms of our report attached.

For B S R & Co. LLP
Chartered Accountants
Firm Registration No. 101248W/W-100022

Jamil Khatri
Partner
Membership No : 102527

Nadir B. Godrej
M. M. Murugappan
R. K. Kulkarni
Anupam Puri
Vishakha N. Desai
Vikram Singh Mehta
T. N. Manoharan

Directors

Anand G. Mahindra
Dr. Pawan Goenka
V. S. Parthasarathy
Narayan Shankar

Executive Chairman
Managing Director
Group Chief Financial Officer & Group CIO
Company Secretary

Mumbai, 29th May, 2018

Mumbai, 29th May, 2018

Statement of Profit and Loss

for the year ended 31st March, 2018

Rupees crores

	Note	2018	2017*
INCOME			
Revenue from Operations.....	22	49,444.99	47,383.74
Other Income.....	23	1,036.36	1,345.46
Total Income		50,481.35	48,729.20
EXPENSES			
Cost of materials consumed.....	24	23,265.31	21,129.65
Purchases of Stock-in-trade.....		10,674.47	10,893.63
Changes in inventories of finished goods, stock-in-trade and work-in-progress.....	25	194.87	57.87
Excise Duty		759.44	3,330.24
Employee benefits expense	26	2,840.89	2,714.43
Finance costs.....	27	112.20	159.59
Depreciation, amortisation and impairment expense.....	28	1,479.42	1,526.38
Other expenses.....	29	5,614.45	4,880.33
		44,941.05	44,692.12
Less : Cost of manufactured products capitalised		128.46	137.07
Total Expenses		44,812.59	44,555.05
Profit before exceptional items and tax.....		5,668.76	4,174.15
Exceptional Items	30	433.61	548.46
Profit before tax		6,102.37	4,722.61
Tax Expense			
Current Tax.....	19	1,211.23	973.67
Deferred Tax	19	535.13	105.55
Profit for the year.....		4,356.01	3,643.39
Other Comprehensive Income/(Loss)			
A. (i) Items that will not be reclassified to profit or loss			
(a) Remeasurements of the defined benefit plans.....		12.43	(4.99)
(b) Equity instruments through other comprehensive income.....		(4.31)	0.17
(ii) Income tax relating to items that will not be reclassified to profit or loss.....		(4.36)	1.73
B. (i) Items that will be reclassified to profit or loss			
(a) Debt instruments through other comprehensive income.....		(0.98)	(1.20)
(b) Effective portion of gains and loss on designated portion of hedging instruments in a cash flow hedge		(20.36)	9.87
(ii) Income tax relating to items that will be reclassified to profit or loss.....		7.41	(3.00)
Total Other Comprehensive Income/(Loss)		(10.17)	2.58
Total Comprehensive Income for the year		4,345.84	3,645.97
Earnings per equity share :			
(Face Value Rs. 5/- per share) (Rupees)			
Basic	31	36.64	30.69
Diluted	31	36.47	30.54

*Refer Note 40

The accompanying notes 1 to 41 are an integral part of the Financial Statements

In terms of our report attached.

For B S R & Co. LLP
Chartered Accountants
Firm Registration No. 101248W/W-100022

Jamil Khatri
Partner
Membership No : 102527

Nadir B. Godrej
M. M. Murugappan
R. K. Kulkarni
Anupam Puri
Vishakha N. Desai
Vikram Singh Mehta
T. N. Manoharan

Directors

Anand G. Mahindra
Dr. Pawan Goenka
V. S. Parthasarathy
Narayan Shankar

Executive Chairman
Managing Director
Group Chief Financial Officer & Group CIO
Company Secretary

Mumbai, 29th May, 2018

Mumbai, 29th May, 2018

Statement of Changes in Equity

for the year ended 31st March, 2018

A) Equity Share Capital

	2018	2017
Issued, Subscribed and Paid-up :		
Balance as at the beginning of the year....	296.81	296.32
Add: Allotment of shares by ESOP Trust to Employees	0.55	0.49
Add: Issue of Bonus Shares (net of shares issued to ESOP Trust).....	297.36	—
Add: Shares issued under Scheme of Arrangement	0.25	—
Balance as at the end of the year.....	594.97	296.81

B) Other Equity

	Share Pending Issuance	Capital Reserve	Securities Premium Account (refer note A)	General Reserve (refer note B)	Debenture Redemption Reserve	Employee Stock Options Reserve	Retained Earnings	Debt instrument through Other Comprehensive Income	Items of other comprehensive income	Total
As at 1st April, 2016	—	10.13	2,334.02	1,730.36	7.50	137.50	17,904.67	0.63	(0.30)	2.34
Profit for the year	—	—	—	—	—	—	3,643.39	—	—	3,643.39
Other Comprehensive Income (Loss),.....	—	—	—	—	—	—	(3.26)	(0.78)	0.17	6.45
Total Comprehensive Income for the year	—	—	—	—	—	—	3,640.13	(0.78)	0.17	6.45
Dividend paid on Equity Shares (including tax thereon)	—	—	—	—	—	—	(841.12)	—	—	(841.12)
Addition due to Scheme of Arrangement (refer note 40),.....	0.25	335.87	—	—	—	—	1,092.07	—	—	1,428.19
Transfers from retained earnings	—	—	—	—	14.38	—	(14.38)	—	—	—
Exercise of employee stock options.....	—	—	48.37	—	—	(48.37)	—	—	—	—
Allotment of shares by ESOP Trust to Employees.....	—	—	—	1.20	—	—	—	—	—	1.20
On account of employee stock options lapsed	—	—	—	(0.25)	—	—	(0.27)	—	—	(0.25)
Share based payment to employees.....	—	—	—	—	—	127.97	—	—	—	127.97
As at 31st March, 2017	0.25	346.00	2,383.59	1,730.38	21.88	216.83	21,781.37	(0.15)	(0.13)	8.79
										26,488.81

Reserves and Surplus							Items of other comprehensive income			Total
	Share Pending Issuance	Capital Reserve	Securities Premium Account (refer note A)	General Reserve (refer note B)	Debenture Redemption Reserve	Employee Stock Options Reserve	Retained Earnings	Debt instrument through Other Comprehensive Income	Equity instrument through Other Comprehensive Income	Effective portion of Cash Flow Hedges
As at 1st April, 2017	0.25	346.00	2,383.59	1,730.38	21.88	216.83	2,178.37	(0.15)	(0.13)	8.79
Profit for the year	—	—	—	—	—	—	4,356.01	—	—	4,356.01
Other Comprehensive Income/(Loss).....	—	—	—	—	—	—	8.07	(0.64)	(4.31)	(10.17)
Total Comprehensive Income for the year	—	—	—	—	—	—	4,364.08	(0.64)	(4.31)	4,345.84
Dividend paid on Equity Shares (including tax thereon).....	—	—	—	—	—	—	(925.25)	—	—	(925.25)
Transfers from retained earnings	—	—	—	—	14.38	—	(14.38)	—	—	—
Exercise of employee stock options.....	—	—	—	73.80	—	—	(73.80)	—	—	—
Allotment of shares by ESOP Trust to Employees	—	—	1.04	—	—	—	—	—	—	1.04
Allotment of bonus shares by ESOP Trust to Employees	—	—	(0.12)	(0.21)	—	—	—	—	—	(0.33)
On account of employee stock options lapsed	—	—	—	0.28	—	(0.28)	—	—	—	—
Share based payment to employees.....	—	—	—	—	—	86.58	—	—	—	86.58
Issue of Bonus Shares	—	—	(310.80)	—	—	—	—	—	—	(310.80)
Allotment of bonus shares to ESOP trust	—	—	13.43	—	—	—	—	—	—	13.43
Shares allotted.....	(0.25)	—	—	—	—	—	—	—	—	(0.25)
As at 31st March, 2018	—	346.00	2,160.94	1,730.45	36.26	229.33	25,205.82	(0.79)	(4.44)	(4.50)
										29,699.07

Remeasurement gain (net) on defined benefit plans Rs. 8.07 crores (2017 : loss Rs. 3.26 crores) is recognised during the year as part of retained earnings.

Notes:

- A) The Company has reduced the Share Capital by Rs. 13.27 crores (2017 : Rs. 13.49 crores) and Securities Premium Account by Rs. 254.54 crores (2017 : Rs. 255.58 crores) for the 2,65,47,211 shares of Rs. 5 each (2017 : 2,69,73,260 shares of Rs. 5 each) held by the Trust pending transfer to the eligible employees.
- B) The Share Capital of the Company has also been reduced and the General Reserve increased by Rs. 0.04 crores (2017 : Rs. 0.25 crores) for the 82,548 bonus shares of Rs. 5 each (2017 : 5,08,597 bonus shares of Rs. 5 each) issued by the Company in September, 2005 to the Trust.
- C) The Share Capital of the Company has also been reduced and the Securities Premium Account increased by Rs. 13.31 crores (2017: Rs. Nil) for the 2,66,29,759 bonus shares of Rs. 5 each (2017 : Nil) issued by the Company in December, 2017 to the Trust but not yet transferred by the Trust to the employees.

The accompanying notes 1 to 41 are an integral part of the Financial Statements.

In terms of our report attached.

Nadir B. Godrej
For B S R & Co. LLP
Chartered Accountants
Firm Registration No. 101248W/W-100022
Jamil Khatri
Partner
Membership No : 102527

Anand G. Mahindra
Executive Chairman
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Vikram Singh Mehta
T. N. Manoharan

Dr. Pawan Goenka
Managing Director
V. S. Parthasarathy
Group Chief Financial Officer & Group CIO
Narayan Shankar
Company Secretary

Cash Flow Statement

for the year ended 31st March, 2018

Rupees crores

	2018	2017
A. CASH FLOW FROM OPERATING ACTIVITIES :		
Profit before exceptional items and tax	5,668.76	4,174.15
Adjustments for :		
Depreciation, amortisation and impairment expenses.....	1,479.42	1,526.38
(Gain)/loss on foreign exchange fluctuations (Net).....	55.14	(21.97)
Investment and interest income.....	(808.42)	(979.99)
Net gain arising on financial assets measured at fair value through profit or loss.....	(8.89)	(189.11)
Finance costs.....	112.20	159.59
Share based payment expenses.....	81.93	119.51
Gain on sale of current investments (Net)	(59.99)	(28.60)
Loss/(profit) on Property, Plant and Equipment sold/scrapped/written off (Net)	15.27	(20.18)
Impairment of Intangible Assets Under Development and other assets.....	—	13.91
	866.66	579.54
Operating Profit before Working Capital changes.....	6,535.42	4,753.69
Changes in :		
Trade and other receivables.....	(1,753.79)	(724.19)
Inventories.....	56.32	(20.03)
Trade and other payables.....	3,477.80	693.40
	1,780.33	(50.82)
Cash generated from operations	8,315.75	4,702.87
Income Taxes paid (Net of refunds)	(1,288.67)	(992.87)
NET CASH FROM OPERATING ACTIVITIES	7,027.08	3,710.00
B. CASH FLOW FROM INVESTING ACTIVITIES :		
Payments to acquire Property, Plant and Equipment and Other Intangible Assets.....	(2,683.20)	(2,219.48)
Proceeds from sale of Property, Plant and Equipment and Other Intangible Assets.....	14.39	145.23
Payments to acquire non-current investments - Subsidiaries	(1,900.34)	(2,824.03)
Payments to acquire non-current investments - Associates.....	(17.88)	(213.07)
Payments to acquire non-current investments - JV's.....	(484.59)	(213.05)
Payments to acquire other non-current investments.....	—	(9.01)
Payments to acquire current investments.....	(1,36,022.66)	(1,14,825.00)
Proceeds from sale of current investments	1,35,862.21	1,13,729.39
Share application money paid.....	(146.14)	(79.59)
Changes in earmarked balances and margin accounts with banks	3.76	(0.36)
Bank deposits placed.....	(1,874.09)	(2,110.74)
Bank deposits matured	1,539.80	2,414.48
Interest received	172.11	301.65
Dividends received.....	486.52	599.36
Inter-corporate deposits given	(1,119.55)	(645.00)
Inter-corporate deposits refunded.....	642.93	628.68
Repayment of loan given.....	—	1,200.00
Exceptional Items :		
Proceeds from sale of non-current investments in Subsidiaries, Associates and JV's.....	416.31	1,099.98
Proceeds from transfer of business (Net of cash)	—	238.73
NET CASH USED IN INVESTING ACTIVITIES	(5,110.42)	(2,781.83)

Cash Flow Statement (contd.)

Rupees crores

	2018	2017
C. CASH FLOW FROM FINANCING ACTIVITIES :		
Proceeds from borrowings.....	1,299.08	2,341.21
Repayment of borrowings	(1,239.86)	(2,515.39)
Dividends paid (including tax thereon).....	(923.01)	(839.11)
Interest, commitment and finance charges paid	(169.52)	(148.20)
NET CASH USED IN FINANCING ACTIVITIES.....	(1,033.31)	(1,161.49)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	883.35	(233.32)
Cash and Cash Equivalents at the beginning of the year.....	533.89	842.31
Addition/(deletion) consequent to merger	—	(75.19)
Unrealised gain/(loss) on foreign currency Cash and Cash Equivalents.....	0.71	0.09
Cash and Cash Equivalents at the end of the year.....	1,417.95	533.89

Notes:

1. The above Cash Flow Statement has been prepared under the "indirect method" as set out in 'Indian Accounting Standard (Ind AS) 7 - Statement of Cash Flows'.
2. Also refer Note 30 and Note 40.

The accompanying notes 1 to 41 are an integral part of the Financial Statements.

In terms of our report attached.

For B S R & Co. LLP
Chartered Accountants
Firm Registration No. 101248W/W-100022

Jamil Khatri
Partner
Membership No : 102527

Mumbai, 29th May, 2018

Nadir B. Godrej
M. M. Murugappan
R. K. Kulkarni
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V. S. Parthasarathy

Narayan Shankar

Executive Chairman

Managing Director

Group Chief Financial Officer & Group CIO

Company Secretary

Mumbai, 29th May, 2018

Notes forming part of the Financial Statements

1. General information

Mahindra & Mahindra Limited ('the Company') is a limited company incorporated in India. The address of its registered office and principal activities of the Company are disclosed in the introduction to the Annual Report.

The Ordinary (Equity) shares of the Company are listed on the National Stock Exchange of India Limited ("NSE"), the BSE Limited ("BSE") in India. The Global Depository Receipts (GDRs) (underlying equity shares) of the Company are listed on the Luxembourg Stock Exchange and are also admitted for trading on International Order Book (IOB) of the London Stock Exchange.

2. Significant Accounting Policies

(a) Statement of compliance and basis of preparation and presentation

These standalone or separate financial statements of Mahindra & Mahindra Limited ('the Company') have been prepared in accordance with Indian Accounting Standards as per the Companies (Indian Accounting Standards) Rules, 2015 as amended and notified under Section 133 of the Companies Act, 2013 (the 'Act') and other relevant provisions of the Act.

These standalone or separate financial statements were approved by the Company's Board of Directors and authorised for issue on 29th May, 2018.

(b) Basis of measurement

The financial statements have been prepared on the historical cost basis except for certain financial instruments which are measured at fair values.

(c) Measurement of fair values

A number of Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. The Company has established policies and procedures with respect to the measurement of fair values.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets and liabilities.
- Level 2: Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

(d) Use of estimates and judgments

The preparation of financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions, that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses at the date of these financial statements and the reported amounts of revenues and expenses for the years presented. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed at each balance sheet date. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods affected.

Key sources of estimation uncertainty at the date of financial statements, which may cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year, is in respect of useful lives of property, plant and equipment, intangible assets, provision for product warranty and fair value of financial assets/liabilities and impairment of investments.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Useful lives of property, plant and equipment and intangible assets

The Company reviews the useful life of property, plant and equipment and intangible assets at the end of each reporting period. This re-assessment may result in change in depreciation and amortisation expense in future periods.

Provision for product warranties

The Company recognises provision for warranties in respect of the products that it sells. Provisions are discounted, where necessary, to its present value based on the best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

Fair value of financial assets and liabilities and investments

The Company measures certain financial assets and liabilities on fair value basis at each balance sheet date or at the time they are assessed for impairment. Fair value measurement that are based on significant unobservable inputs (Level 3) requires estimates of operating margin, discount rate, future growth rate, terminal values, etc. based on management's best estimate about future developments.

(e) Property, plant and equipment

Property, plant and equipment are stated at cost of acquisition or construction less accumulated depreciation and accumulated impairment, if any.

Cost includes financing cost relating to borrowed funds attributable to the construction or acquisition of qualifying tangible assets upto the date the assets are ready for use.

Depreciation is provided on straight-line basis for property, plant and equipment so as to expense the depreciable amount, i.e. the cost less estimated residual value, over its estimated useful lives. The estimated useful lives and residual values are reviewed annually and the effect of any changes in estimate is accounted for on a prospective basis.

When an asset is scrapped or otherwise disposed off, the cost and related depreciation are removed from the books of account and resultant profit or loss, if any, is reflected in the Statement of Profit and Loss.

The management's estimate of useful lives are in accordance with Schedule II to the Companies Act, 2013, other than the following asset classes, based on the Company's expected usage pattern supported by technical assessment:

<u>Asset Class</u>	<u>Useful lives</u>
i) Certain items of Plant and Equipment	2 years, 3 years, 5 years, 7 years, 10 years, 20 years and 25 years as the case may be.
ii) Buildings (Roads)	15 years
iii) Vehicles	5 years

(f) Intangible assets

Intangible assets are initially recognised at cost.

Subsequent to initial recognition, intangible assets with indefinite useful lives are carried at cost less accumulated impairment, if any. Intangible assets with definite useful lives are amortised on a straight line basis so as to reflect the pattern in which the asset's economic benefits are consumed.

Intangible assets under development

The Company expenses costs incurred during research phase to profit or loss in the year in which they are incurred. Development phase expenses are initially recognised as intangible assets under development until the development phase is complete, upon which the amount is capitalised as intangible asset.

Other intangible assets**i) Technical Knowhow**

The expenditure incurred is amortised over the estimated period of benefit, not exceeding six years commencing with the year of purchase of the technology.

ii) Development Expenditure

The expenditure incurred on technical services and other project/product related expenses are amortised over the estimated period of benefit, not exceeding five years.

iii) Brand license fee

The expenditure incurred is amortised over the period of relevant licence fee or the estimated period of benefit, whichever is lower.

iv) Software Expenditure

The expenditure incurred is amortised over three financial years equally commencing from the year in which the expenditure is incurred.

v) Others

The expenditure incurred is amortised over the estimated period of benefit.

The amortisation period for intangible assets with finite useful lives are reviewed annually and changes in expected useful lives are treated as changes in estimates.

(g) Impairment of assets

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount, which is the higher of the value in use or fair value less cost to sell, of the asset or cash-generating unit, as the case may be, is estimated and impairment loss (if any) is recognised and the carrying amount is reduced to its recoverable amount. In assessing the value in use,

the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted. When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

When an impairment loss subsequently reverses, the carrying amount of the asset or a cash-generating unit is increased to the revised estimate of its recoverable amount, so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) earlier.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

(h) Inventories

Inventories comprise all costs of purchase, conversion and other costs incurred in bringing the inventories to their present location and condition.

Raw materials and bought out components are valued at the lower of cost or net realisable value. Cost is determined on the basis of the weighted average method.

Finished goods produced and purchased for sale, manufactured components and work-in-progress are carried at cost or net realisable value whichever is lower. Excise duty is included in the value of finished goods inventory, where applicable.

Stores, spares and tools other than obsolete and slow moving items are carried at cost. Obsolete and slow moving items are valued at cost or estimated net realisable value, whichever is lower.

(i) Foreign exchange transactions and translation

Transactions in foreign currencies i.e. other than the Company's functional currency of Indian Rupees are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are translated at the functional currency using exchange rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value is determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Exchange differences on monetary items are recognised in profit or loss in the period in which they arise except for exchange differences on transactions entered into in order to hedge certain foreign currency risks (refer policy on Derivative Financial Instruments and Hedge Accounting).

(j) Investments in subsidiaries, associates and joint ventures

The Company accounts for its investments in subsidiaries, associates and joint ventures at cost less accumulated impairment, if any.

(k) Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Classification and subsequent measurement

Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace. All recognised financial assets are subsequently measured at either amortised cost or fair value depending on their respective classification.

On initial recognition, a financial asset is classified as - measured at :

- Amortised cost; or
- Fair Value through Other Comprehensive Income (FVTOCI) - debt investment; or
- Fair Value through Other Comprehensive Income (FVTOCI) - equity investment; or
- Fair Value through Profit or Loss (FVTPL)

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

All financial assets not classified as measured at amortised cost or FVTOCI are measured at FVTPL. This includes all derivative financial assets unless designated as effective hedge instruments which are accounted as per hedge accounting requirements discussed below.

Financial assets at amortised cost are subsequently measured at amortised cost using effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment expenses are recognised in profit or loss. Any gain and loss on derecognition is also recognised in profit or loss.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Debt investment at FVTOCI are subsequently measured at fair value. Interest income under effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in Other Comprehensive Income (OCI). On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

For equity investments, the Company makes an election on an instrument-by-instrument basis to designate equity investments as measured at FVTOCI. These elected investments are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the reserves. The cumulative gain or loss is not reclassified to profit or loss on disposal of the investments. These investments in equity are not held for trading. Instead, they are held for medium or long-term strategic purpose. Upon the application of Ind AS 109, the Company has chosen to designate these investments as at FVTOCI as the Company believes that this provides a more meaningful presentation for medium or long-term strategic investments, than reflecting changes in fair value immediately in profit or loss. Dividend income received on such equity investments are recognised in profit or loss.

Equity investments that are not designated to be measured at FVTOCI are designated to be measured at FVTPL. Subsequent changes in fair value are recognised in profit or loss.

Financial liabilities and equity instruments

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company is recognised at the proceeds received, net of directly attributable transaction costs.

Financial liabilities

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading or it is a derivative (that does not meet hedge accounting requirements) or it is designated as such on initial recognition. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all of the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for the amount it may have to pay.

If the Company enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised and the proceeds received are recognised as a collateralised borrowing.

Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts issued by the Company are initially measured at their fair values and, if not designated as at FVTPL, are subsequently measured at the higher of:

- the amount of loss allowance determined in accordance with impairment requirements of Ind AS 109; and
- the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of Ind AS 18.

Derivative financial instruments and hedge accounting

The Company enters into derivative financial instruments, primarily foreign exchange forward contracts and interest rate swaps, to manage its exposure to foreign exchange and interest rate risks. Derivatives embedded in non-derivative host contracts that are not financial assets within the scope of Ind AS 109 are treated as separate derivatives when their risks and characteristics are not closely related to those of the host contracts and the host contracts are not measured at FVTPL.

Derivatives are initially recognised at fair value at the date the contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedging relationship and the nature of the hedged item.

The Company designates certain hedging instruments, which include derivatives in respect of foreign currency risk, as either fair value hedges or cash flow hedges. Hedges of foreign exchange risk on firm commitments are accounted for as cash flow hedges.

At the inception of the hedge relationship, the Company documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Company documents whether the hedging instrument is highly effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk.

Changes in fair value of the designated portion of derivatives that qualify as fair value hedges are recognised in profit or loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income and accumulated under hedging reserve. The gain or loss relating to the ineffective portion is recognised immediately in the profit or loss.

Amounts previously recognised in other comprehensive income and accumulated in equity relating to (effective portion as described above) are reclassified to profit or loss in the periods when the hedged item affects profit or loss.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. Any gain or loss recognised in other comprehensive income and accumulated in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in profit or loss. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in equity is recognised immediately in profit or loss.

Impairment of financial assets

The Company applies the expected credit loss (ECL) model for recognising impairment loss on financial assets. With respect to trade receivables, the Company measures the loss allowance at an amount equal to lifetime expected credit losses.

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets. For debt securities at FVTOCI, the loss allowance is recognised in OCI and is not reduced from the carrying amount of the financial asset in the balance sheet.

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities under the Company's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

(I) Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are inclusive of excise duty, in respect of revenue upto 30th June, 2017, and net of customer returns, trade allowance, rebates, value added taxes and amount collected on behalf of third parties.

Sale of goods

Revenue from the sale of goods is recognized when all the following conditions are satisfied:

- a) the Company has transferred to the buyer the significant risks and rewards of ownership of the goods;
- b) the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- c) the amount of revenue can be measured reliably;
- d) it is probable that the economic benefits associated with the transaction will flow to the entity; and
- e) the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Sale of services

Sale of services are recognised on rendering of such services.

Dividend and interest income

Dividend from investments are recognised in profit or loss when the right to receive payment is established.

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably.

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable. The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

(m) Government Grants

The Company, directly or indirectly through a consortium of Mahindra Group Companies, is entitled to various incentives from government authorities in respect of manufacturing units located in developing regions. The Company accounts for its entitlement as income on accrual basis.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Company recognises as expenses the related costs for which the grants are intended to compensate.

The benefit of a government loan at a below market-rate of interest is treated as government grant and is measured as the difference between proceeds received and the fair value of the loan based on prevailing market interest rates.

(n) Employee Benefits***Superannuation Fund, ESIC and Labour Welfare Fund***

The Company's contribution paid/payable during the year to Superannuation Fund, ESIC and Labour Welfare Fund are recognised in profit or loss.

Provident Fund

Contributions to Provident Fund are made to a Trust administered by the Company/Regional Provident Fund Commissioners and are charged to profit or loss as incurred. The Company is liable for the contribution and any shortfall in interest between the amount of interest realised by the investments and the interest payable to members at the rate declared by the Government of India in respect of the Trust administered by the Company.

Long term Compensated Absences

Company's liability towards long term compensated absences are determined by independent actuaries, using the projected unit credit method.

Gratuity, post retirement medical benefit and post retirement housing allowance schemes

Company's liability towards gratuity, post retirement medical benefit and post retirement housing allowance schemes are determined by independent actuaries, using the projected unit credit method. Past services are recognised at the earlier of the plan amendment/curtailment and the recognition of related restructuring costs/termination benefits.

The obligation on long term compensated absences and defined benefit plans are measured at the present value of estimated future cash flows using a discount rate that is determined by reference to the market yields at the balance sheet date on government bonds where the currency and terms of the government bonds are consistent with the currency and estimated terms of the obligation.

Remeasurement gains/losses

Remeasurement of defined benefit plans, comprising of actuarial gains or losses, return on plan assets excluding interest income are recognised immediately in balance sheet with corresponding debit or credit to other comprehensive income. Remeasurements are not reclassified to profit or loss in subsequent period.

Remeasurement gains or losses on long term compensated absences that are classified as other long term benefits are recognised in profit or loss.

Employee Stock Option Scheme

Equity-settled share-based payments to employees are measured at the fair value of the equity instruments at the grant date. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity.

(o) Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

(p) Income taxes

Current tax

Current tax is determined as the amount of tax payable in respect of taxable income for the year. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax

Deferred tax assets and liabilities are recognized for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases. Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary differences could be utilized. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax against which the MAT paid will be adjusted. The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

(q) Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When provision is measured using the cash flow estimated to settle the present obligation, its carrying amount is the present value of these cash flows (when the effect of the time value of money is material).

Provisions for the expected cost of warranty obligations are recognised at the time of sale of the relevant products, at the best estimate of the expenditure required to settle the Company's obligation.

(r) Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Certain arrangements convey a right to use an asset in return for a payment or series of payments. At inception of the arrangement, the Company determines whether such an arrangement is or contains a lease and separates the consideration into those for the lease and those for other elements. The lease component is accounted as per Company's accounting policy on leasing transactions.

The Company as lessor

Rental income from operating leases is generally recognised on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the Company's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

The Company as lessee

Assets held under finance leases are initially recognised as assets of the Company at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation. Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognised immediately in profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Company's general policy on borrowing costs. Contingent rentals are recognised as expenses in the periods in which they are incurred.

Rental expense from operating leases is generally recognised on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue.

3. Recent Accounting Pronouncements**Standards issued but not yet effective:**

In March 2018, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2018, notifying Ind AS 115 - 'Revenue from Contracts with Customers' and consequential amendments to various Ind AS standards. The amended Rules also notified amendments to Ind AS 12 - 'Income Taxes', Ind AS 21 - 'The Effect of Changes in Foreign Exchange Rates', Ind AS 28 - 'Investments in Associates and Joint Ventures' and Ind AS 40 - 'Investment Property'. These amendments are in accordance with the recent amendments made by International Accounting Standards Board (IASB). The amendments are effective from accounting periods beginning from 1st April, 2018.

Ind AS 115 – 'Revenue from Contracts with Customers':

This standard establishes a single comprehensive model for accounting of revenue arising from contracts with customers. Ind AS 115 will supersede the current revenue recognition guidance under Ind AS 11 Construction Contracts and Ind AS 18 Revenue. The Company is currently assessing the impact of application of Ind AS 115 on the Company's financial statements.

Amendments to Ind AS 12 – 'Income Taxes':

The amendments clarify the requirement for recognising deferred tax assets on unrealised losses on debt instruments that are measured at fair value. The amendments also clarify certain other aspects of accounting for deferred tax assets. The changes will not have any material impact on the financial statements of the Company.

Amendments to Ind AS 21 – 'The Effect of Changes in Foreign Exchange Rates':

The amendments clarify translation of advance payments denominated in foreign currency into functional currency at the spot rate on the day of payment. The guidance aims to reduce diversity in practice. The changes will not have any material impact on the financial statements of the Company.

Amendments to Ind AS 28 – 'Investments in Associates and Joint Ventures':

The amendments clarifies accounting options in consolidated financial statements of a venture capital or similar entity and investment entity. These amendments are not applicable to the Company's standalone financial statements.

Amendments to Ind AS 40 – 'Investment Property':

The amendments clarify transfers of investment property to or from the portfolio in the case of a change of use. These amendments are not applicable to the Company's standalone financial statements.

Amendments to Ind AS 112 – 'Disclosure of Interests in Other Entities':

The amendments clarify that disclosure requirements for interest in other entities also apply to interests that are classified (or included in a disposal group that is classified) as held for sale or as discontinued operations in accordance with Ind AS 105, Non-current Assets Held for Sale and Discontinued Operations. These amendments are not applicable to the Company's standalone financial statements.

4. Property, Plant and Equipment

Rupees crores

Particulars	Land - Freehold	Buildings	Plant and Equipment	Office Equipment	Furniture and Fixtures	Aircraft	Vehicles	Total
Cost								
Balance as at 1st April, 2016	267.76	1,620.67	9,579.57	102.37	178.09	103.46	338.99	12,190.91
Acquisitions through business combinations (refer note 40)	—	59.72	334.77	14.47	5.55	—	15.03	429.54
Additions during the year	—	46.50	720.97	9.29	12.62	—	79.66	869.04
Deductions during the year	6.08	12.11	140.32	11.23	3.04	—	49.15	221.93
Balance as at 31st March, 2017.....	261.68	1,714.78	10,494.99	114.90	193.22	103.46	384.53	13,267.56
Balance as at 1st April, 2017	261.68	1,714.78	10,494.99	114.90	193.22	103.46	384.53	13,267.56
Additions during the year	0.71	146.08	767.53	10.29	10.61	—	81.40	1,016.62
Deductions during the year	—	0.55	66.99	1.49	1.19	—	55.08	125.30
Balance as at 31st March, 2018	262.39	1,860.31	11,195.53	123.70	202.64	103.46	410.85	14,158.88
Accumulated depreciation and impairment								
Balance as at 1st April, 2016.....	—	374.08	4,915.29	64.70	103.39	21.82	165.90	5,645.18
Acquisitions through business combinations (refer note 40)	—	13.63	153.21	11.57	2.25	—	3.36	184.02
Depreciation expense for the year.....	—	47.41	838.63	13.88	17.18	4.81	60.62	982.53
Deductions during the year	—	0.85	120.17	9.70	1.87	—	31.73	164.32
Impairment during the year.....	—	—	83.43	—	—	—	—	83.43
Balance as at 31st March, 2017.....	—	434.27	5,870.39	80.45	120.95	26.63	198.15	6,730.84
Balance as at 1st April, 2017	—	434.27	5,870.39	80.45	120.95	26.63	198.15	6,730.84
Depreciation expense for the year.....	—	49.83	871.80	12.30	15.49	4.81	61.50	1,015.73
Deductions during the year	—	0.39	50.85	1.39	0.99	—	42.02	95.64
Balance as at 31st March, 2018	—	483.71	6,691.34	91.36	135.45	31.44	217.63	7,650.93
Net carrying amount								
Net carrying amount as at 31 st March, 2017	261.68	1,280.51	4,624.60	34.45	72.27	76.83	186.38	6,536.72
Net carrying amount as at 31st March, 2018	262.39	1,376.60	4,504.19	32.34	67.19	72.02	193.22	6,507.95

Notes:

a. Additions during the year includes borrowing costs capitalised during the year **Rs. 1.56 crores** (2017 : Rs. 8.42 crores).

b. Buildings include **Rs. * crores** (2017 : Rs. * crores) being the value of shares in co-operative housing societies.

* denotes amounts less than Rs. 50,000.

5. Other Intangible Assets

Rupees crores

Particulars	Development Expenditure (Internally Generated)	Brand Licence	Computer Software	Others	Total
Cost					
Balance as at 1st April, 2016.....	1,498.69	—	66.06	42.93	1,607.68
Acquisitions through business combinations (refer note 40).....	92.37	—	9.01	14.14	115.52
Additions during the year	405.40	129.16	28.20	—	562.76
Deductions during the year	57.33	—	15.33	3.59	76.25
Balance as at 31st March, 2017.....	1,939.13	129.16	87.94	53.48	2,209.71
Balance as at 1st April, 2017	1,939.13	129.16	87.94	53.48	2,209.71
Additions during the year	566.24	—	14.59	—	580.83
Deductions during the year	8.83	—	9.12	53.48	71.43
Balance as at 31st March, 2018	2,496.54	129.16	93.41	—	2,719.11
Accumulated amortisation & impairment					
Balance as at 1st April, 2016.....	467.74	—	49.65	40.03	557.42
Acquisitions through business combinations (refer note 40).....	34.06	—	7.95	14.14	56.15
Amortisation expense for the year	362.65	3.59	21.08	—	387.32
Deductions during the year	57.32	—	15.32	0.69	73.33
Impairment during the year.....	47.83	—	—	—	47.83
Balance as at 31st March, 2017.....	854.96	3.59	63.36	53.48	975.39
Balance as at 1st April, 2017	854.96	3.59	63.36	53.48	975.39
Amortisation expense for the year	440.10	4.31	19.28	—	463.69
Deductions during the year	8.83	—	9.12	53.48	71.43
Balance as at 31st March, 2018	1,286.23	7.90	73.52	—	1,367.65
Net carrying amount					
Net carrying amount as at 31 st March, 2017	1,084.17	125.57	24.58	—	1,234.32
Net carrying amount as at 31st March, 2018.....	1,210.31	121.26	19.89	—	1,351.46

Notes:

- a. Additions during the year includes borrowing costs capitalised during the year **Rs. 11.25 crores** (2017 : Rs. 5.63 crores).
- b. Intangible – Others include congregies of rights, non compete fees, trade mark etc.

6. Non-Current Investments

Particulars	Face Value Per Unit (Rupees)	2018		2017		
		Number	Rupees crores	Number	Rupees crores	
Investments in Equity Instruments (fully paid-up)						
Quoted						
(A) At Cost						
(i) In Subsidiary Companies						
Equity shares						
Mahindra Lifespace Developers Limited.....	10	2,64,39,850	440.28	2,08,46,126	276.94	
Mahindra & Mahindra Financial Services Limited	2	31,62,07,660	1,205.91	29,12,07,660	150.91	
Mahindra Holidays & Resorts India Limited.....	10	8,98,90,615	24.72	5,99,27,077	24.72	
Ssangyong Motor Company (Listed on a Stock Exchange outside India)	KRW 5000	9,99,64,502	2,133.94	9,99,64,502	2,133.94	
EPC Industrie Limited.....	10	1,51,44,433	77.75	1,51,44,433	77.75	
Mahindra Logistics Limited^	10	4,18,12,157	41.81	—	—	
			3,924.41		2,664.26	
(ii) In Associate Companies						
Equity shares						
Swaraj Engines Limited.....	10	40,39,206	1.60	41,26,417	1.63	
Tech Mahindra Limited.....	5	25,62,48,704	1,003.98	25,62,48,704	1,003.98	
			1,005.58		1,005.61	
(B) Designated and carried at FVTOCI						
(i) In Other Companies						
Equity shares						
			2.06		2.14	
			2.06		2.14	
			4,932.05		3,672.01	
Unquoted						
(A) At Cost						
(i) In Subsidiary Companies						
Equity shares						
Mahindra Engineering and Chemical Products Limited	10	10,08,79,506	853.89	8,74,50,924	759.89	
Mahindra USA Inc.	US\$ 0.25	5,60,00,000	66.37	5,60,00,000	66.37	
Gromax Agri Equipment Limited (Formerly known as Mahindra Gujarat Tractor Limited).....	10	59,73,218	4.29	59,73,218	4.29	
Mahindra Agri Solutions Limited	10	6,81,63,987	278.15	6,81,63,987	278.15	
Bristlecone Limited.....	US\$ 0.001	42,22,250	19.26	42,22,250	19.26	
Mahindra and Mahindra South Africa (Proprietary) Limited .	ZAR 1	5,20,00,000	28.54	5,20,00,000	28.54	
Mahindra Overseas Investment Company (Mauritius) Limited....	US \$ 1	18,05,79,209	1,022.73	13,04,39,209	699.45	
Mahindra Trucks and Buses Limited	0.20	4,66,74,78,380	144.51	3,97,29,80,600	130.62	
Mahindra Vehicle Manufacturers Limited.....	10	4,05,77,23,484	4,057.72	3,89,79,46,331	3,897.95	
Mahindra Holdings Limited	10	1,16,14,06,535	1,161.41	1,10,78,16,535	1,107.82	
Mahindra Consulting Engineers Limited	10	11,51,000	1.25	11,51,000	1.25	
NBS International Limited	10	2,45,50,474	25.30	95,50,490	10.29	
Mahindra Automotive Australia Pty. Limited	AUD 1	45,75,000	21.16	45,75,000	21.16	
Mahindra Defence Systems Limited.....	10	1,59,05,994	272.95	1,49,33,248	249.75	
Mahindra 'Electoral Trust' Company.....	10	50,000	0.05	50,000	0.05	
Mahindra eMarket Limited	10	3,59,865	0.02	3,59,865	0.02	
Trringo.com Limited	10	2,06,00,000	20.60	95,00,000	9.50	
Mahindra Two Wheelers Europe Holdings S.a.r.l.....	EUR 1	1,49,00,000	188.71	1,49,00,000	188.71	
Classic Legends Private Limited	10	—	—	60,00,000	6.71	
Mahindra do Brasil Industrial Ltda.(quotas)	BRL 1	2,39,73,450	50.56	2,39,73,450	50.56	
Orizonte Business Solutions Limited.....	10	2,26,31,262	21.85	1,47,80,000	14.00	
Mahindra & Mahindra Contech Limited.....	10	35,000	0.04	35,000	0.04	
Kota Farm Services Limited	10	2,73,420	—	2,73,420	—	
Mahindra Construction Company Limited	10	9,00,000	—	9,00,000	—	
Officemartindia.com Limited	10	7,49,997	—	7,49,997	—	
Mitsubishi Mahindra Agricultural Machinery Co., Ltd. - Equity share	NA	1	42.53	1	42.53	
- Class A Shares	NA	3	149.06	3	149.06	
Mahindra Waste To Energy Solutions Limited.....	10	25,10,000	2.51	—	—	
Mahindra Telecom Energy Management Services Limited	10	10,000	0.01	—	—	
			8,433.47		7,735.97	

6. Non-Current Investments (contd.)

Particulars	Face Value Per Unit (Rupees)	2018		2017	
		Number	Rupees crores	Number	Rupees crores
Preference shares (classified as equity instruments)					
Series 'A' Preference Shares : Bristlecone Limited	US\$ 0.001	77,75,147	31.72	77,75,147	31.72
Series 'B' Preference Shares : Bristlecone Limited	US\$ 0.001	69,20,000	15.13	69,20,000	15.13
0.01% Compulsory Convertible Cumulative Preference Shares: Orizonte Business Solutions Limited	10	45,31,972	14.95 61.80 8,495.27	—	— 46.85 7,782.82
(ii) In Trust Securities					
M&M Benefit Trust			1,459.77		1,459.77
Sunrise Initiatives Trust			52.30		52.30
Mahindra World Motor Driving School Trust			0.01		0.01
M&M Fractional Entitlement Trust			0.01		0.01
			1,512.09		1,512.09
(iii) In Associate Companies					
Equity shares					
PSL Media & Communications Limited	5	19,750	0.01	19,750	0.01
Sampo Rosenlew Oy	NA	1,050	110.49	1,050	110.49
PF Holdings B.V.	EUR 1	1,83,36,050	185.76	1,67,36,050	173.95
Carnot Technologies Private Limited	10	1,296	1.07 297.33	—	— 284.45
Preference shares (classified as equity instruments)					
Series A Compulsory Convertible Cumulative Preference shares: Carnot Technologies Private Limited	100	6,074	5.00 5.00 302.33	—	— 284.45
(iv) In Joint Venture Companies					
Equity Shares					
Mahindra Sanyo Special Steel Private Limited #.....	10	34,75,264	145.13	61,11,665	255.23
Classic Legends Private Limited	10	6,13,28,000	62.04	—	—
Mahindra Logistics Limited^	10	—	—	5,14,78,330	51.48
Mahindra Aerospace Private Limited	10	48,21,20,326	721.94	15,35,34,824	289.94
M.I.T.R.A Agro Equipments Private Limited	10	68,413	8.90 938.01	—	— 596.65
Preference shares (classified as equity instruments)					
5% Non Cumulative Compulsory Convertible Preference Shares : Mahindra Aerospace Private Limited	10	50,00,000	5.00	50,00,000	5.00
0.1% Cumulative Compulsorily Convertible Preference Shares: Mahindra Aerospace Private Limited	10	—	—	19,00,00,000	190.00
Series P1 Preference Shares: Zoomcar India Private Limited.....	10	3,63,752	129.13	—	—
Series C Compulsorily Convertible Cumulative Participating Preference Shares: Resfeber Labs Private Limited	100	2,46,280	50.05 184.18 1,122.19	—	— 195.00 791.65

6. Non-Current Investments (contd.)

Particulars	Face Value Per Unit (Rupees)	2018		2017	
		Number	Rupees crores	Number	Rupees crores
(B) Designated and carried at FVTOCI					
(i) In Other Companies					
Equity shares.....			0.31		0.31
Preferred stock (classified as equity instruments).....			—		4.23
			0.31		4.54
Investments in Equity Instruments (Total)			16,364.24		14,047.56
Investments in Debt instruments:					
Unquoted					
(A) At Amortised Cost					
(i) In Subsidiary Companies					
6.50% Cumulative Redeemable Non-convertible and Non-participating Preference shares: Mahindra Vehicle Manufacturers Limited	10	60,00,00,000	600.00	60,00,00,000	600.00
10.00% Non-Cumulative Redeemable Participating Preference Shares : Mahindra Construction Company Limited.....	100	5,40,000	—	5,40,000	—
			600.00		600.00
			*		*
			600.00		600.00
Investments in Debt Instruments (Total)					
Other Non-Current Investments					
Unquoted					
Carried at FVTPL					
Investment in Alternate Investment Fund			2.31		2.21
Other Non-Current Investments (Total).....			2.31		2.21
Total Non-Current Investments (Gross)			16,966.55		14,649.77
Less: Aggregate amount of impairment in value of investments			(321.07)		(348.07)
Total Non-Current Investments (Net).....			16,645.48		14,301.70
Other Disclosures					
(i) Aggregate amount of quoted investments (Gross)			4,932.05		3,672.01
Market Value of quoted investments [includes Rs. 3,033.52 crores (2017: Rs. 4,609.37 crores) in respect of investment listed on a Stock Exchange outside India]			40,819.79		29,769.04
(ii) Aggregate amount of unquoted investments (Gross).....			12,034.50		10,977.76

Notes :

26,36,401 equity shares of Mahindra Sanyo Special Steel Private Limited classified as 'Assets held for sale' as on 31st March, 2018 (refer note 13).

^ During the year ended 31st March, 2018 status of Mahindra Logistics Limited has changed from Joint Venture to Subsidiary of the Company.

* denotes amounts less than Rs. 50,000.

6. Current Investments

Rupees crores

Particulars	2018	2017
Quoted:		
Carried at FVTPL		
Investments in Mutual Funds.....	2,549.45	2,275.73
Investments in Market Linked Debentures.....	105.67	—
	2,655.12	2,275.73
Carried at FVTOCI		
Investments in Equity Instruments.....	0.01	0.01
Investments in Government Securities.....	—	1.93
Investments in Debentures/Bonds.....	147.13	20.25
	147.14	22.19
	2,802.26	2,297.92
Unquoted:		
Carried at FVTOCI		
Investments in Certificate of Deposits.....	641.24	698.21
Investments in Commercial Papers.....	93.99	199.74
Investments in Non Convertible Debentures	—	210.83
	735.23	1,108.78
Carried at Amortised cost		
Investments in Corporate Fixed Deposit.....	400.00	200.00
	400.00	200.00
Total Current Investments.....	3,937.49	3,606.70
Other Disclosures		
(i) Aggregate amount of quoted investments (Gross).....	2,802.26	2,297.92
Market Value of quoted investments.....	2,802.26	2,297.92
(ii) Aggregate amount of unquoted investments (Gross)	1,135.23	1,308.78

7. Loans

Rupees crores

Particulars	2018		2017	
	Current	Non-Current	Current	Non-Current
a) Loans to related parties (refer note 36)				
Unsecured, considered good	654.87	16.71	475.54	12.84
Doubtful.....	5.27	10.00	5.27	10.00
	660.14	26.71	480.81	22.84
Less: Allowance for Expected Credit Loss.....	5.27	10.00	5.27	10.00
Total (a).....	654.87	16.71	475.54	12.84
b) Other Loans				
Unsecured, considered good	320.29	26.30	30.97	21.28
Doubtful.....	5.98	—	5.98	—
	326.27	26.30	36.95	21.28
Less: Allowance for Expected Credit Loss.....	5.98	—	5.98	—
Total (b)	320.29	26.30	30.97	21.28
Total Loans	975.16	43.01	506.51	34.12

- (a) Non-Current Loans to Related Parties includes Loan to a Director of **Rs. 9.06 crores** (2017 : Rs. 5.19 crores).
- (b) Other Current and Non-Current Loans mainly includes loans to employees and loans given to other companies.
- (c) Loans given to employees as per the Company's policy are not considered for the purposes of disclosure under Section 186(4) of the Companies Act, 2013.

8. Other Financial Assets

Rupees crores

Particulars	2018		2017	
	Current	Non-Current	Current	Non-Current
Financial assets at amortised cost :				
Security Deposits	26.73	31.70	21.27	36.66
Bank Deposits	—	9.28	—	13.13
Interest accrued	161.41	—	116.40	—
Other financial assets.....	433.39	279.43	417.00	178.17
Carried at Fair Value:				
Derivative financial assets	—	7.45	8.67	—
Derivatives on Interest over Subsidiaries, Associates and Joint Ventures	—	160.87	7.95	150.63
Total Other Financial Assets	621.53	488.73	571.29	378.59

Other financial assets include receivables out of oil royalty income, scrap sales, incentive receivable and other recoverable expenses.

Derivative financial assets includes foreign currency forwards, commodity derivatives in the nature of forward contracts, interest rate swaps and options.

9. Other Assets (Non Financial)

Rupees crores

Particulars	2018		2017	
	Current	Non-Current	Current	Non-Current
Capital Advance.....	—	645.98	—	523.59
Security Deposits	—	6.22	—	4.41
Other Advances	2,061.79	1,487.66	539.17	1,561.74
Total Other Assets (Non Financial)	2,061.79	2,139.86	539.17	2,089.74

Other advances include advances to suppliers, prepaid expenses, duty drawback receivables, other recoverable expenses, balances with government authorities (other than income taxes) and GST receivable etc.

10. Inventories

Rupees crores

Particulars	2018	2017
Raw Materials and Bought-out Components [includes in transit Rs. 95.79 crores (2017 : Rs 94.84 crores)]	967.07	832.94
Work-in-Progress	93.37	89.51
Finished Products Produced	1,013.63	1,219.44
Stock-in-Trade [includes in transit Rs. 34.70 crores (2017 : Rs 40.44 crores)].....	381.80	409.39
Manufactured Components	133.74	99.08
Stores and Spares	64.22	64.24
Tools.....	47.86	43.41
Total Inventories	2,701.69	2,758.01

- (a) The amount of inventories recognised as an expense **Rs. 39,448.41 crores** (2017 : Rs 39,329.79 crores) including **Rs. 40.00 crores** (2017 : Rs. 58.12 crores) in respect of write-down of inventory to net realisable value and has been reduced by Rs. 34.30 crores (2017 : Rs 27.11 crores) in respect of the reversal of such write downs. Reversal in provision is due to sale and/or consumption of inventory provided for in earlier years.
- (b) The Company has availed working capital facilities and other non-fund based facilities viz. bank guarantees and letters of credit, some of which are secured by hypothecation of inventories.
- (c) Mode of valuation of inventories is stated in note 2(h).

11. Trade Receivables

Rupees crores

Particulars	2018	2017
Unsecured, considered good.....	3,172.98	2,938.84
Doubtful.....	49.25	47.46
	3,222.23	2,986.30
Less : Allowance for Expected Credit Loss	49.25	47.46
Total Trade Receivables	3,172.98	2,938.84

Also refer note 35(f).

12. Cash and Bank Balances

Rupees crores

Particulars	2018	2017
Cash and Cash Equivalents		
Balances with banks		
— On Current Accounts	1,079.79	179.18
— Fixed Deposits with original maturity less than 3 months	146.20	32.13
	1,225.99	211.31
Cheques, drafts on hand (including in transit).....	191.80	334.51
Cash on hand.....	0.16	0.27
Total Cash and Cash Equivalents	1,417.95	546.09
Bank Balances other than Cash and Cash Equivalents		
Earmarked balances with banks.....	19.72	17.48
Balances with Banks on Margin Accounts.....	2.11	8.12
Fixed Deposits.....	1,453.95	1,115.79
Total Other Bank balances.....	1,475.78	1,141.39

Reconciliation of Cash and Cash Equivalents

Rupees crores

Particulars	2018	2017
Total Cash and Cash Equivalents as per Balance Sheet.....	1,417.95	546.09
Less: Loans and Advances on cash credit account from Banks	—	12.20
Total Cash and Cash Equivalents as per Statement of Cashflow.....	1,417.95	533.89

13. The Company has on 9th February, 2018, entered into an agreement, subject to requisite approvals, to sell 26,36,401 Equity shares of Rs. 10 each in Mahindra Sanyo Special Steel Private Limited (MSSSPL) aggregating 22% of the paid-up Equity Share Capital of MSSSPL, to Sanyo Special Steel Co. Ltd. for a consideration of Rs. 146.32 crores.

14. Equity Share Capital

Particulars	2018	2017
Authorised :		
8,10,00,00,000 (2017 : 1,20,00,00,000) Ordinary (Equity) Shares of Rs. 5 each	4,050.00	600.00
25,00,000 Unclassified Shares of Rs. 100 each	25.00	25.00
	4,075.00	625.00
Issued, Subscribed and Paid-up :		
1,24,31,92,544 (2017 : 62,10,92,384) Ordinary (Equity) Shares of Rs. 5 each fully paid-up.....	621.60	310.55
Less:-		
5,32,59,518 (2017 : 2,74,81,857) Ordinary (Equity) Shares of Rs. 5 each fully paid-up issued to ESOP Trust but not yet allotted to employees	26.63	13.74
Adjusted Issued, Subscribed and Paid-up Share Capital	594.97	296.81

- a. Reconciliation of number of Ordinary (Equity) Shares and amount outstanding :

Particulars	2018		2017	
	No. of Shares	Rupees crores	No. of Shares	Rupees crores
Issued, Subscribed and Paid-up :				
Balance as at the beginning of the year.....	62,10,92,384	310.55	62,10,92,384	310.55
Add : Shares issued under Scheme of Arrangement (refer note 40).....	5,03,888	0.25	—	—
	62,15,96,272	310.80	62,10,92,384	310.55
Add: Issue of Bonus Shares	62,15,96,272	310.80	—	—
Balance as at the end of the year	1,24,31,92,544	621.60	62,10,92,384	310.55
Less: Shares issued to ESOP Trust but not allotted to Employees.....	5,32,59,518	26.63	2,74,81,857	13.74
Adjusted Issued, Subscribed and Paid-up Share Capital	1,18,99,33,026	594.97	59,36,10,527	296.81

- b. The Ordinary (Equity) Shares of the Company rank *pari-passu* in all respects including voting rights and entitlement to dividend.

- c. Details of Ordinary (Equity) Shares held by shareholders holding more than 5% of the aggregate shares in the Company :

Name of the Shareholder	2018		2017	
	No. of Shares	% Shareholding	No. of Shares	% Shareholding
Prudential Management and Services Pvt. Ltd.....	14,15,21,940	11.38	7,07,60,970	11.39
Life Insurance Corporation of India	10,83,68,931	8.72	6,80,51,139	10.96
M&M Benefit Trust.....	10,36,70,428	8.34	5,18,35,214	8.35
J. P. Morgan Chase Bank, N.A. (for GDR holders).....	7,21,86,492	5.81	3,28,79,851	5.29

- d. For the period of preceding five years as on the Balance Sheet date, Issued, Subscribed and Paid-up Share Capital includes :

- Aggregate of 5,03,888 (2017 : 5,917) Ordinary (Equity) Shares of Rs. 5 each allotted as fully paid-up pursuant to Scheme of Arrangement without payment being received in cash.
- Aggregate of 62,15,96,272 (2017 : Nil) Ordinary (Equity) Shares allotted as fully paid-up by way of bonus shares.

15. Other Equity :**Description of the nature and purpose of Other Equity :**

Capital Reserve : Capital Reserve mainly represents the amount of net assets acquired over and above consideration paid consequent to the Scheme of Arrangement (refer note 40).

Securities Premium Account : The Securities Premium is created on issue of shares.

General Reserve : The General Reserve comprises of transfer of profits from retained earnings for appropriation purposes. The reserve can be distributed/utilised by the Company in accordance with the Companies Act, 2013.

Debenture Redemption Reserve : Debenture Redemption Reserve is a Statutory Reserve (as per Companies Act, 2013) created out of profits of the Company available for payment of dividend for the purpose of redemption of Debentures issued by the Company. On completion of redemption, the reserve is transferred to retained earnings.

Employee Stock Options Reserve : The Employee Stock Options Reserve represents reserve in respect of equity settled share options granted to the Company's employees in pursuance of the Employee Stock Option Plan.

Details of Dividends proposed :

Particulars	Rupees crores	
	2018	2017
Dividend per share (Rupees).....	7.50	13.00
Dividend on Equity Shares	932.39	807.42
Dividend Distribution Tax.....	122.14	120.20
Total Dividend including Dividend Distribution Tax	1,054.53	927.62

16. Borrowings**a) Long Term Borrowings****i) Non-Current borrowings**

Particulars	Rupees crores	
	2018	2017
Unsecured (Carried at Amortised Cost) :		
Debentures.....	973.72	973.62
Term Loan from Banks.....	402.66	344.66
Other Loans.....	819.52	915.71
Total Unsecured Borrowings	2,195.90	2,233.99

Particulars	Rupees crores	
	2018	2017
(a) Debentures :		
– 9.55% p.a. Senior Redeemable Non-Convertible Debentures maturing in July 2063	500.00	500.00
– 7.57% p.a. Redeemable Non-Convertible Debentures maturing in September 2026	475.00	475.00
Less : Unamortised finance cost.....	1.28	1.38
	973.72	973.62

- (b) Term loan from banks comprise of EURO External Commercial Borrowings carrying an average margin of 95 basis points over three month EURO LIBOR and are repayable after five years and one day from the date of respective availment of loan.
- (c) Other loans comprise deferred sales tax loans which are interest free and repayable in five equal installments after ten years from the year of availment of respective loan.

ii) Current maturities of long term borrowings

Particulars	Rupees crores	
	2018	2017
Debentures.....	0.01	0.01
Other Loans.....	93.70	78.20
Total	93.71	78.21

Also refer note 17.

16. Borrowings (contd.)

b) Short Term Borrowings

Rupees crores		
Particulars	2018	2017
Secured (Carried at Amortised Cost) :		
Loans and Advances on cash credit account from Banks.....	—	12.20
Unsecured (Carried at Amortised Cost) :		
Term Loan from Banks.....	668.47	511.68
Loans from related parties (refer note 36)	—	15.00
Total Short Term Borrowings	668.47	538.88

Unsecured Borrowings :

Term loan from banks consist of :

- (a) Export packing credit facility carrying interest rate of 2.22% p.a. are repayable within a year from the date of availment of loan.
- (b) Rupee packing credit facility under Interest equalisation scheme carrying fixed interest rate ranging from 3.18% p.a. to 3.95% p.a. repayable within a year from the date of availment of loan.
- (c) Rupee packing credit facility carrying fixed interest rate of 6.25% p.a. repayable within a year from the date of availment of loan.

c) Reconciliation of movement in borrowings to cash flows from financing activities

Rupees crores		
Particulars	2018	2017
Opening balance		
- Long Term Borrowings	2,233.99	1,495.42
- Short Term Borrowings (other than loans repayable on demand).....	526.68	348.13
- Current maturities of long term borrowings.....	78.21	1,073.37
- Unclaimed matured deposits.....	0.84	0.97
Total Opening Balance	2,839.72	2,917.89
a) <i>Cash flow movements</i>		
- Proceeds from borrowings	1,299.08	2,341.21
- Repayment of borrowings.....	(1,239.86)	(2,515.39)
	59.22	(174.18)
b) <i>Non-cash movements</i>		
- On account of Business combinations during the year.....	—	123.00
- Effect of amortisation of loan origination costs	0.51	0.28
- Foreign exchange translation	59.13	(27.27)
	59.64	96.01
Closing Balance		
- Long Term Borrowings	2,195.90	2,233.99
- Short Term Borrowings (other than loans repayable on demand).....	668.47	526.68
- Current maturities of long term borrowings.....	93.71	78.21
- Unclaimed matured deposits.....	0.50	0.84
Total Closing Balance	2,958.58	2,839.72

17. Other Financial Liabilities

Rupees crores

Particulars	2018		2017	
	Current	Non-Current	Current	Non-Current
Carried at Amortised Cost:				
Current maturities of long term borrowings.....	93.71	—	78.21	—
Interest accrued and not due on borrowings.....	22.75	—	21.85	—
Unclaimed dividends.....	19.72	—	17.48	—
Unclaimed matured deposits and interest accrued thereon.....	0.50	—	0.84	—
Security deposits.....	—	82.11	—	69.88
Other liabilities	760.09	292.24	638.63	321.28
Carried at Fair Value:				
Derivative financial Liabilities	10.22	—	—	28.20
Total other financial liabilities	906.99	374.35	757.01	419.36

Other liabilities include salaries and wages payable, capital creditors, brand licenses payable and monies adjusted from share capital and reserves & surplus on account of shares held by ESOP Trust pending transfer to the eligible employees.

18. Provisions

Rupees crores

Particulars	2018		2017	
	Current	Non-Current	Current	Non-Current
Provision for Employee Benefits.....	220.77	589.99	213.55	602.10
Provision for Warranty.....	296.08	232.47	239.41	200.84
Provision for Service coupon.....	150.54	39.35	112.52	21.51
Total Provisions	667.39	861.81	565.48	824.45

Provision for warranty relates to provision made in respect of sale of certain products, the estimated cost of which is accrued at the time of sale.

The products are generally covered under a free warranty period ranging from 6 months to 5 years.

The movement in provision for warranty and service coupon is as follows :

Rupees crores

Particulars	2018		2017	
	Provision for Warranty	Provision for Service coupon	Provision for Warranty	Provision for Service coupon
Opening Balance				
— Non-Current.....	200.84	21.51	183.38	17.48
— Current	239.41	112.52	189.16	112.20
	440.25	134.03	372.54	129.68
Addition due to the Scheme of Arrangement (refer note 40).....	—	—	6.06	3.05
Additional provisions recognised	300.63	151.31	279.49	91.31
Amounts used during the period.....	(238.86)	(99.64)	(242.76)	(93.67)
Unwinding of discount	26.53	4.19	24.92	3.66
Closing Balance.....	528.55	189.89	440.25	134.03
— Non-Current.....	232.47	39.35	200.84	21.51
— Current	296.08	150.54	239.41	112.52
	528.55	189.89	440.25	134.03

19. Income Taxes

Deferred Tax (Assets)/Liabilities (Net)

Particulars	Balance as at 31-3-2016	Consequent to merger	Charge/ (credit) to Profit or Loss	Charge/ (credit) to OCI	Balance as at 31-3-2017	Charge/ (credit) to Profit or Loss	Charge/ (credit) to OCI	Balance as at 31-3-2018
Fiscal allowances on Property, Plant and Equipment and Other Intangible Assets..	1,439.67	7.90	122.43	—	1,570.00	180.78	—	1,750.78
Provision for employee benefits.....	(189.10)	(4.21)	11.99	(1.73)	(183.05)	(22.72)	4.36	(201.41)
Allowances for credit losses.....	(38.67)	(1.30)	2.45	—	(37.52)	(3.73)	—	(41.25)
Unabsorbed Depreciation and Business Losses carried forward.....	—	(810.20)	810.20	—	—	—	—	—
Minimum Alternate Tax Credit.....	(718.89)	—	(906.31)	—	(1,625.20)	378.49	—	(1,246.71)
Others	(32.93)	(13.93)	64.79	3.00	20.93	2.31	(7.41)	15.83
Total Deferred Tax (Assets)/Liabilities (Net)	460.08	(821.74)	105.55	1.27	(254.84)	535.13	(3.05)	277.24

Income Tax recognised in profit or loss

Particulars	Rupees crores	
	2018	2017
Current Tax:		
In respect of current year.....	1,213.46	1,003.94
In respect of prior years	(2.23)	(30.27)
	1,211.23	973.67
Deferred Tax:		
In respect of current year origination and reversal of temporary differences.....	518.22	75.28
Adjustments due to changes in tax rates.....	14.68	—
In respect of prior years	2.23	30.27
	535.13	105.55
Total Income Tax recognised in profit or loss	1,746.36	1,079.22

Income Tax recognised in Other comprehensive income

Particulars	Rupees crores	
	2018	2017
Deferred tax related to items recognised in Other comprehensive income during the year:		
Effective portion of gains and loss on designated portion of hedging instruments in a cash flow hedge	7.07	(3.42)
Net fair value gain on investments in debt instruments at FVTOCI	0.34	0.42
Remeasurement of defined benefit plans.....	(4.36)	1.73
Total Income tax recognised in Other comprehensive income	3.05	(1.27)

The reconciliation of estimated income tax expense at tax rate to income tax expense reported in profit or loss is as follows:

Particulars	Rupees crores	
	2018	2017
Profit before tax.....		
Profit before tax.....	6,102.37	4,722.61
Applicable income tax rate	34.61%	34.61%
Expected income tax expense	2,111.91	1,634.40
Tax effect of adjustments to reconcile expected income tax expense to reported income tax expense:		
Effect of income exempt from tax.....	(358.90)	(340.04)
Effect of concessions (Research and Development and other allowances).....	(117.25)	(245.10)
Effect of expenses/provisions not deductible in determining taxable profit.....	80.87	169.62
Effects of income not considered as taxable on compliance of condition	—	(112.70)
Adjustments due to changes in tax rates.....	14.68	—
Effect of recognition of deferred tax asset on previous year tax losses.....	—	(42.59)
Others.....	15.05	15.63
Reported income tax expense	1,746.36	1,079.22

19. Income Taxes (contd)

The amount and expiry period of unused capital losses for which no deferred tax asset is recognised in the Balance Sheet :

Rupees crores

Expiry Period	2018	2017
Upto Five years	718.88	718.98

20. Other Non Financial Liabilities

Rupees crores

Particulars	2018		2017	
	Current	Non-Current	Current	Non-Current
Advances received from customers.....	314.52	90.20	224.11	70.85
Others	1,897.90	—	472.70	—
Total Other Non Financial Liabilities	2,212.42	90.20	696.81	70.85

Others mainly include government dues, taxes payable, GST payable and salary deductions payable.

There are no amounts due and outstanding to be credited to the Investor Education and Protection Fund.

21. Trade Payables

Rupees crores

Particulars	2018	2017
Acceptances.....	846.92	729.10
Trade payable – Micro and Small enterprises	235.60	179.72
Trade payable – Other than Micro and Small enterprises.....	7,520.88	5,972.26
Total Trade Payables	8,603.40	6,881.08

Micro, Small and Medium enterprises have been identified by the Company on the basis of the information available. Total outstanding dues of Micro and Small enterprises, which are outstanding for more than the stipulated period and other disclosures as per the Micro, Small and Medium Enterprises Development Act, 2006 (hereinafter referred to as "the MSMED Act") are given below :

Rupees crores

Particulars	2018	2017
(a) Dues remaining unpaid		
— Principal	93.38	63.77
— Interest on the above	0.44	0.47
(b) Interest paid in terms of Section 16 of the MSMED Act along with the amount of payment made to the supplier beyond the appointed day during the year		
— Principal paid beyond the appointed date.....	1,168.99	500.61
— Interest paid in terms of Section 16 of the MSMED Act	2.99	3.33
(c) Amount of interest due and payable for the period of delay on payments made beyond the appointed day during the year	3.42	2.46
(d) Further interest due and payable even in the succeeding years, until such date when the interest due as above are actually paid to the small enterprises.....	1.30	1.41
(e) Amount of interest accrued and remaining unpaid.....	5.16	4.34

22. Revenue from Operations*

Rupees crores

Particulars	2018	2017
Sale of products	48,288.43	46,246.69
Sale of services.....	583.33	462.48
Gross Revenue from Sale of Products and Services	48,871.76	46,709.17
Other operating revenue		
(i) Scrap Sales	103.46	87.85
(ii) Government Grant and Incentives (including export benefits)	236.42	369.63
(iii) Others.....	233.35	217.09
Total Revenue from Operations	49,444.99	47,383.74

* The Government of India introduced the Goods and Services Tax (GST) with effect from 1st July, 2017. GST is collected on behalf of the Government and no economic benefit flows to the entity and hence Revenue from Operations under GST regime is presented excluding GST as per Ind AS 18 'Revenue'. However, Revenue from Operations under pre-GST regime included Excise Duty which is now subsumed in GST. Consequently, the figures for the year ended 31st March 2018 are not comparable with the previous periods presented in the above table.

23. Other Income

Particulars		Rupees crores
	2018	2017
(a) Interest Income		
— On Financial Assets measured at Amortised Cost	214.50	274.53
— On Financial Assets at Fair Value Through Other Comprehensive Income	50.20	44.91
(b) Dividend Income		
— On equity investments in subsidiaries, associates and JV's.....	486.19	599.36
— Mutual fund at Fair Value through Profit or Loss.....	57.53	61.19
(c) Net Gain/(Loss) arising on financial assets/ liabilities mandatorily measured at Fair Value through profit or loss.....	68.77	218.00
(d) Other non operating income (net of directly attributable expenses)	159.17	147.47
Total Other Income	1,036.36	1,345.46

Dividend income includes dividend on investments carried at fair value through other comprehensive income Rs. * crores (2017 : Rs. * crores).

* denotes amount less than Rs. 50,000

24. Cost of materials consumed

Particulars		Rupees crores
	2018	2017
Opening inventory	832.94	767.47
Add: Purchases.....	23,399.44	21,195.12
	24,232.38	21,962.59
Less: Closing inventory	967.07	832.94
Total Cost of materials consumed	23,265.31	21,129.65

25. Changes in inventories of finished goods, work-in-progress and stock-in-trade

Particulars		Rupees crores
	2018	2017
Opening inventory :		
Finished goods produced	1,219.44	1,108.81
Work-in-progress.....	89.51	95.53
Stock-in-trade.....	409.39	543.47
Manufactured Components	99.07	110.54
	1,817.41	1,858.35
Less : Stock Transfer on Transfer of Business		
Finished goods produced	—	59.43
Add : Stock Transfer on Scheme of Arrangement (refer note 40)		
Finished goods produced	—	72.64
Work-in-progress.....	—	3.73
Less: Closing inventory :		
Finished goods produced	1,013.63	1,219.44
Work-in-progress.....	93.37	89.51
Stock-in-trade.....	381.80	409.39
Manufactured Components	133.74	99.08
	1,622.54	1,817.42
Net decrease in inventory.....	194.87	57.87

26. Employee Benefits Expense

Particulars		Rupees crores
	2018	2017
(a) Salaries and wages, including bonus.....	2,319.45	2,189.68
(b) Contribution to provident and other funds	207.72	195.26
(c) Share based payment to employees.....	81.93	119.51
(d) Staff welfare expenses	231.79	209.98
Total Employee Benefits Expense	2,840.89	2,714.43

27. Finance Cost

Rupees crores

Particulars	2018	2017
(a) Interest expense for financial liabilities at amortised cost.....	130.10	138.82
Less : Amounts included in the cost of qualifying assets	93.46	44.48
	36.64	94.34
(b) Other borrowing costs	75.56	65.25
Total Finance Cost	112.20	159.59

Other borrowing costs includes discounting charges and unwinding of discount.

The weighted average capitalisation rate used to determine the amount of borrowing costs eligible for capitalisation is 3.90% p.a. (2017 : 3.56% p.a)

28. Depreciation, Amortisation and Impairment Expense

Rupees crores

Particulars	2018	2017
(a) Depreciation on Property, Plant and Equipment.....	1,015.73	982.53
(b) Amortisation on Other Intangible Assets.....	463.69	387.32
(c) Impairment of property, plant & equipment, intangible assets including capital work in progress....	—	156.53
Total Depreciation, Amortisation and Impairment Expense	1,479.42	1,526.38

29. Other Expenses

Rupees crores

Particulars	2018	2017
Advertisements.....	662.13	530.38
Freight outward.....	1,181.05	951.38
Stores consumed.....	131.91	120.35
Tools consumed	48.08	40.94
Power and Fuel.....	247.13	230.33
Repairs and Maintenance.....	389.15	350.84
Sales promotion expenses	334.60	328.42
Legal and Professional charges (refer note (a))	451.58	434.25
Hire and Service charges	594.69	454.44
Miscellaneous expenses (refer note (b), (c) & (d))	1,574.13	1,439.00
Total Other Expenses	5,614.45	4,880.33

(a) Auditors remuneration (Net of taxes where applicable) included in Legal and Professional charges are as below :

Rupees crores

Particulars	2018	2017
Statutory Auditors:		
Audit Fees	3.20	3.49
Taxation Matters	0.07	0.55
Other Services.....	1.08	1.59
Reimbursement of expenses	0.10	0.03
Total	4.45	5.66
Cost Auditors:		
Audit Fees	0.08	0.10
Reimbursement of expenses	*	—
Total	0.08	0.10

* denotes amount less than Rs. 50,000.

The above includes amounts paid/payable for professional services rendered by firm in which some of the partners of the statutory auditor's firm are partners **Rs. Nil** (2017 : Rs. 0.79 crores).

- (b) Expenditure incurred on Corporate Social Responsibility (CSR) under Section 135 of the Companies Act, 2013 **Rs. 81.97 crores** (2017 : Rs. 83.57 crores).
- (c) Donations given to New Democratic Electoral Trust **Rs. Nil** (2017 : Rs. 6.03 crores).
- (d) The foreign exchange loss recognised in profit or loss is **Rs. 14.86 crores**. (2017 : gain of Rs. 13.14 crores).

30. Exceptional Items (net) recognised in profit or loss

Exceptional items of **Rs. 433.61 crores** (2017 : Rs. 548.46 crores) comprise of :

- a) profit on sale of certain long term investments **Rs. 406.61 crores** (2017 : Rs. 679.46 crores).
- b) profit on transfer of agri business **Rs. Nil** (2017 : Rs. 91.00 crores).
- c) During the year ended 31st March, 2018, the Company has recognised reversal of impairment loss on an investment **Rs. 27.00 crores**. During the year ended 31st March, 2017, the Company had recognised an aggregate impairment loss of Rs. 222.00 crores on certain investments in subsidiaries and joint ventures considering the performance of these companies and their future projections.

31. Earning Per Share (EPS)

Particulars	2018	2017
Profit for the year (Rupees crores).....	4,356.01	3,643.39
Weighted average number of Ordinary (Equity) Shares used in computing basic EPS.....	1,18,89,16,634	1,18,70,92,363
Effect of potential Dilutive Ordinary (Equity) Shares.....	53,70,700	59,83,232
Weighted average number of Ordinary (Equity) Shares used in computing diluted EPS.....	1,19,42,87,334	1,19,30,75,595
Basic Earnings per share (Rs.) (Face value of Rs. 5 per share)	36.64	30.69
Diluted Earnings per share (Rs.)	36.47	30.54

During the year, the Company allotted 62,15,96,272 Ordinary (Equity) Shares of Rs. 5 each as fully paid-up Bonus (Equity) Shares in the ratio of 1:1 [i.e. 1 (One) fully paid-up Bonus Ordinary (Equity) Share of Rs. 5 each for every 1 (One) fully paid-up Ordinary (Equity) Share of Rs. 5 each held] to all registered shareholders as on the record date. Consequently, in accordance with Ind AS 33 "Earnings per Share", the basic and diluted earnings per share for the previous year have been adjusted to give effect to the aforesaid issue of Bonus Shares.

32. Employee Benefits

General description of defined benefit plans :

Gratuity

The Company operates a gratuity plan covering qualifying employees. The benefit payable is the greater of the amount calculated as per the Payment of Gratuity Act or the Company scheme applicable to the employee. The benefit vests upon completion of five years of continuous service and once vested it is payable to employees on retirement or on termination of employment. In case of death while in service, the gratuity is payable irrespective of vesting. The Company makes annual contribution to the group gratuity scheme administered by the Life Insurance Corporation of India through its Gratuity Trust Fund.

Post retirement medical

The Company provides post retirement medical cover to select grade of employees to cover the retiring employees and their spouse upto a specified age through mediclaim policy on which the premiums are paid by the Company. The eligibility of the employee for the benefit as well as the amount of medical cover purchased is determined by the grade of the employee at the time of retirement.

Post retirement housing allowance

The Company operates a post retirement benefit scheme for a certain grade of employees in which a monthly allowance determined on the basis of the last drawn basic salary at the time of retirement, is paid to the retiring employee in lieu of housing.

Through its defined benefit plans the Company is exposed to a number of risks, the most significant of which are detailed below:

Asset Volatility

The plan liabilities are calculated using a discount rate set with references to government bond yields; if plan assets underperform compared to this yield, this will create or increase a deficit. The defined benefit plans may hold equity type assets, which may carry volatility and associated risk.

Changes in bond yields

A decrease in government bond yields will increase plan liabilities, although this is expected to be partially offset by an increase in the value of the plan's investment in debt instruments.

Inflation risk

The present value of some of the defined benefit plan obligations are calculated with reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability. The post retirement medical benefit obligation is sensitive to medical inflation and accordingly, an increase in medical inflation rate would increase the plan's liability.

Life expectancy

The present value of defined benefit plan obligation is calculated by reference to the best estimate of the mortality of plan participants, both during and after the employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

Details of defined benefit plans as per actuarial valuation are as below.

A. Gratuity, post retirement medical and post retirement housing allowance

Particulars	Rupees crores					
	Funded Plan		Unfunded Plans			
	Gratuity	Post retirement medical	Post retirement housing allowance			
	2018	2017	2018	2017	2018	2017
I. Amounts recognised in profit or loss						
Current service cost.....	55.91	51.91	2.03	1.41	2.50	2.22
Past service cost.....	—	—	4.49	—	—	—
Net interest expense/(income)	16.41	14.59	2.35	1.91	3.83	3.49
Total amount included in employee benefits expense.....	72.32	66.50	8.87	3.32	6.33	5.71
II. Amounts recognised in other comprehensive income						
Remeasurement (gains)/losses:						
a. Actuarial (gains)/losses arising from changes in -						
— financial assumptions.....	(13.97)	12.83	(1.33)	0.95	(1.23)	1.18
— experience adjustments	2.84	(8.26)	4.94	3.23	1.01	0.86
b. Return on plan assets, excluding amount included in net interest expense/ (income).....	(4.69)	(5.80)	—	—	—	—
Total amount recognised in other comprehensive income.....	(15.82)	(1.23)	3.61	4.18	(0.22)	2.04
III. Changes in the defined benefit obligation						
Opening defined benefit obligation.....	727.23	671.01	31.35	24.67	51.32	45.44
Add/(less) on account of business combination/transfers	(0.49)	16.08	—	(0.14)	—	—
Current service cost.....	55.91	51.91	2.03	1.41	2.50	2.22
Past service cost.....	—	—	4.49	—	—	—
Interest expense	49.88	49.36	2.35	1.91	3.83	3.49
Remeasurement (gains)/losses arising from changes in -						
— financial assumptions	(13.97)	12.83	(1.33)	0.95	(1.23)	1.18
— experience adjustments	2.84	(8.26)	4.94	3.23	1.01	0.86
Benefits paid.....	(73.78)	(65.70)	(1.17)	(0.68)	(1.87)	(1.87)
Closing defined benefit obligation	747.62	727.23	42.66	31.35	55.56	51.32
IV. Changes in fair value of plan assets during the year						
Opening fair value of plan assets	490.14	473.01	—	—	—	—
Add/(less) on account of business combination.....	—	14.29	—	—	—	—
Interest income.....	33.47	34.77	—	—	—	—
Return on plan assets excluding interest income.....	4.69	5.80	—	—	—	—
Contribution by employer	100.84	27.97	1.17	0.68	1.87	1.87
Benefits paid.....	(73.78)	(65.70)	(1.17)	(0.68)	(1.87)	(1.87)
Closing fair value of plan assets.....	555.36	490.14	—	—	—	—
V. Net defined benefit obligation						
Defined benefit obligation	747.62	727.23	42.66	31.35	55.56	51.32
Fair value of plan assets	555.36	490.14	—	—	—	—
Surplus/(Deficit).....	(192.26)	(237.09)	(42.66)	(31.35)	(55.56)	(51.32)
Current portion of the above.....	(124.16)	(118.59)	(1.47)	(0.98)	(1.87)	(1.87)
Non-current portion of the above.....	(68.10)	(118.50)	(41.19)	(30.37)	(53.69)	(49.45)

Particulars		Rupees crores	2018	2017
Actuarial Assumptions and Sensitivity				
I. Actuarial assumptions				
Discount rate.....			7.85%	7.60%
Attrition rate.....			7.00%	7.00%
Costs inflation.....			7 - 10%	7 - 10%
II. Quantitative sensitivity analysis for impact of significant assumptions on defined benefit obligation are as below:				
One percentage point increase in discount rate			(60.59)	(56.87)
One percentage point decrease in discount rate			69.92	65.52
One percentage point increase in Salary growth rate			58.17	53.87
One percentage point decrease in Salary growth rate.....			(51.82)	(48.91)
One percentage point increase in attrition rate.....			(6.40)	(6.73)
One percentage point decrease attrition rate			9.49	7.59
One percentage point increase in medical inflation rate			5.72	4.29
One percentage point decrease in medical inflation rate			(4.82)	(3.61)
III. Maturity profile of defined benefit obligation				
Within 1 year			127.50	123.97
Between 2 and 5 years.....			316.47	315.22
Between 6 and 9 years.....			310.79	289.66
10 years and above			1,138.36	1,006.87

The estimate of future salary increases, considered in actuarial valuation, takes account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

B. Trust-managed Provident fund

Particulars		Rupees crores	2018	2017
I. Net defined benefit obligation				
Defined benefit obligation			2,220.30	2,024.80
Fair value of plan assets			2,220.30	2,024.80
Surplus/(Deficit).....			—	—
II. Actuarial assumptions				
Discount rate.....			7.85%	7.60%
Average remaining tenure of investment portfolio (years).....			5.95	6.12
Guaranteed rate of return			8.55%	8.65%

The plan assets have been primarily invested in government securities and corporate bonds.

The Company's contribution to Provident Fund and Superannuation fund aggregating **Rs. 134.66 crores** (2017 : Rs. 128.30 crores) has been recognised in Profit or Loss under the head Employee Benefits Expense.

33. The Company has allotted 55,24,219 Ordinary (Equity) Shares of Rs. 10 each, 10,00,000 Ordinary (Equity) Shares of Rs. 10 each, 1,73,53,034 Ordinary (Equity) Shares of Rs. 5 each, 19,11,628 Ordinary (Equity) Shares of Rs. 5 each and 52,00,000 Ordinary (Equity) Shares of Rs. 5 each in the years ended 31st March, 2002, 31st March, 2010, 31st March, 2011, 31st March, 2014 and 31st March, 2015 respectively to the Mahindra & Mahindra Employees' Stock Option Trust set up by the Company. The trust holds these shares for the benefit of the employees and issues them to the eligible employees as per the recommendation of the Compensation Committee.

Options granted under Mahindra & Mahindra Limited Employees Stock Option Scheme - 2000 ("2000 Scheme") vest in 4 equal installments on the expiry of 12 Months, 24 Months, 36 Months and 48 Months from the date of grant. The options may be exercised on any day over a period of five years from the date of vesting. Number of vested options exercisable is subject to a minimum of 50 or number of options vested whichever is lower.

Options granted under Mahindra & Mahindra Limited Employees Stock Option Scheme - 2010 ("2010 Scheme") vest in

- i) 5 equal instalments on the expiry of 12 Months, 24 Months, 36 Months, 48 Months and 60 Months from the date of grant. OR
- ii) 4 instalments bifurcated as 20% on the expiry of 18 months, 20% on the expiry of 30 months, 30% on the expiry of 42 months and 30% on the expiry of 54 months.

The options may be exercised on any day over a period of 5 years from the date of vesting. Number of vested options exercisable is subject to a minimum of 50 or number of options vested whichever is lower.

Summary of stock options

	No. of stock options	Weighted average exercise price (Rs.)
Options outstanding on 1 st April, 2017 (including 52,76,838 options outstanding from 4 years vesting grants).....	77,48,104*	14.57*
Options granted during the year (including 1,12,996 options with 4 years vesting grant)	4,15,454*	2.50*
Options forfeited/lapsed during the year (including 1,43,840 options forfeited from 4 years vesting grants) pre bonus	4,47,084*	80.75*
Options forfeited/lapsed during the year (including 39,312 options forfeited from 4 years vesting grants) post bonus	49,588	2.50
Options exercised during the year (including 4,90,998 options exercised from 4 years vesting grants) pre bonus	12,28,102*	34.08*
Options exercised during the year (including 3,42,866 options exercised from 4 years vesting grants) post bonus	4,76,094	4.71
Options outstanding on 31 st March, 2018 (including 43,72,818 options outstanding from 4 years vesting grants)	59,62,690	5.63
Options vested but not exercised on 31st March, 2018 (including 8,51,613 options vested from 4 years vesting grants).....	16,06,472	28.24

* The above mentioned no. of shares and weighted average price have been adjusted for bonus declared by the Company on 21st December, 2017.

Average share price on the date of exercise of the options are as under (adjusted for bonus shares)

Date of exercise	Weighted average share price (Rs.)
24 th April, 2017 to 23 rd March, 2018	704.16

Information in respect of options outstanding as at 31st March, 2018 (adjusted for bonus shares) :

Range of exercise price	Number of options	Weighted average remaining life
Rs. 2.50.....	58,74,938	5.98 years
Rs. 181.00	67,752	0.59 years
Rs. 331.00	20,000	2.98 years

The fair values of options granted during the year are as follows (adjusted for bonus shares) :

Grant Date	No. of Years vesting	Fair value per option
29 th May, 2017	5 years	Rs. 633.89
9 th November, 2017	5 years	Rs. 646.99
9 th November, 2017	4 years	Rs. 645.81

The fair value has been calculated using the Black Scholes Options Pricing Model and the significant assumptions made in this regard are as follows :

	Grant dated		
	9 th November, 2017 (5 years vesting)	9 th November, 2017 (4 years vesting)	29 th May, 2017 (5 years vesting)
Risk free interest rate	6.82%	6.85%	6.86%
Expected life	5.51 years	5.70 years	5.51 years
Expected volatility.....	26.38%	26.47%	27.27%
Expected dividend yield	0.95%	0.95%	0.97%
Exercise Price (Rs.) (adjusted for bonus shares).....	2.50	2.50	2.50
Stock Price (Rs.) (adjusted for bonus shares).....	683.50	683.50	670.43

In respect of Options granted under the Employee Stock Option Plan the accounting is done as per requirements of Ind AS 102. Consequently, salaries, wages, bonus etc. includes Rs. 81.93 crores (2017 : Rs. 119.51 crores) being expenses on account of share based payments,

after adjusting for reversals on account of options forfeited. The amount excludes **Rs. 4.65 crores** (2017 : Rs. 8.46 crores) charged to its subsidiaries for options issued to their employees.

34. Capital management

The Company's capital management strategy is to effectively determine, raise and deploy capital so as to create value for its shareholders. The same is done through a mix of either equity and/or preference and/or convertible and/or combination of short term/long term debt as may be appropriate.

The Company determines the amount of capital required on the basis of its products, capital expenditure, operations and strategic investment plans. The same is funded through a combination of capital sources be it either equity and/or preference and/or convertible and/or combination of short term/long term debt as may be appropriate.

The capital structure is monitored on the basis of net debt to equity and maturity profile of overall debt portfolio of the Company.

Net Debt and Equity is given in the table below :

Particulars	Rupees crores	
	2018	2017
Total Shareholders' Equity as reported in Balance Sheet	30,294.04	26,785.62
Net Debt		
Short term debt.....	668.47	538.88
Long term debt (including current portion of long term debt).....	2,289.61	2,312.20
Gross Debt.....	2,958.08	2,851.08
Less :		
Current investments	3,937.49	3,606.70
Cash and Bank Balances.....	2,893.73	1,687.48
Net Debt.....	(3,873.14)	(2,443.10)
Total Capital deployed	26,420.90	24,342.52

35. Financial Risk Management Framework

In the course of its business, the Company is exposed to certain financial risks namely credit risk, interest risk, currency risk & liquidity risk. The Company's primary focus is to achieve better predictability of financial markets and seek to minimize potential adverse effects on its financial performance.

The financial risks are managed in accordance with the Company's risk management policy which has been approved by its Board of Directors.

Market Risk

Market risk is the risk that changes in market prices such as foreign exchange rates, interest rates etc. could affect the Company's income or the value of its holdings of financial instruments including cash flow. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while maximising the return.

Currency Risk

The Company's exposure to currency risk relates primarily to the Company's operating activities including anticipated sales, purchases and borrowings where the transactions are denominated in a currency other than the Company's functional currency.

The Company's foreign currency exposures are managed in accordance with its Foreign Exchange Risk Management Policy which has been approved by its Board of Directors. The Company hedges its foreign currency risk mainly by way of Forward Covers. Other derivative instruments may be used if deemed appropriate.

The carrying amounts of the Company's foreign currency exposure at the end of the reporting period are as follows :

Particulars	US Dollar	Euro	Australian Dollar	Others	Total
As at 31st March, 2018					
Financial assets	984.26	28.54	39.40	35.66	1,087.86
Financial liabilities	368.26	452.23	3.17	7.71	831.37
As at 31st March, 2017					
Financial assets	757.80	80.66	30.86	26.12	895.44
Financial liabilities	314.28	384.97	5.02	4.67	708.94

a) Hedge Accounting - Forwards

Contracts that meet the requirements for hedge accounting are accounted as per the hedge accounting requirements of Ind AS 109-Financial Instruments, while other contracts are accounted as derivatives measured through profit or loss.

Details of Forward Foreign Currency Contracts outstanding at the end of reporting period

Outstanding Contracts	Average exchange rate	Notional value	Hedge ratio	Carrying amount of hedging instrument included in Other Financial Assets/ (Liabilities)	Rupees crores	
					Change in the fair value of hedging instrument during the year - Gain/ (loss)	Change in the value of hedged item used to determine hedge effectiveness - Gain/ (loss)
31st March, 2018						
Cash Flow Hedges						
<i>Buy currency</i>						
Maturing in 1+ years.....						
— EUR	100.82	404.08	1:1	3.87	35.61	(35.61)
<i>Sell currency</i>						
Maturing less than 1 year						
— USD	66.89	412.74	1:1	2.01	2.01	(2.01)
— AYD.....	52.51	39.60	1:1	1.15	1.15	(1.15)
— ZAR	5.22	215.57	1:1	(12.21)	(12.21)	12.21
Total				(5.18)	26.56	(26.56)
31st March, 2017						
Cash Flow Hedges						
<i>Buy currency</i>						
Maturing less than 1 year						
— USD	68.64	268.50	1:1	(12.88)	(12.88)	12.88
Maturing in 1+ year						
— EUR	100.82	346.48	1:1	(31.74)	(31.74)	31.74
<i>Sell currency</i>						
Maturing less than 1 year						
— USD	69.71	368.53	1:1	18.80	18.80	(18.80)
— ZAR	4.87	86.95	1:1	1.13	1.13	(1.13)
Total				(24.69)	(24.69)	24.69

Details of hedge ineffectiveness**Rupees crores**

Particulars	Ineffectiveness recognised in Profit or Loss	Effective portion recognised in OCI
Year Ended 31st March, 2018		
Cash Flow Hedges	—	15.35
Year Ended 31st March, 2017		
Cash Flow Hedges	—	36.91

The Company has outstanding forward exchange contracts that are not accounted as hedges.

Notional value of the same is as given below:

Particulars	Rupees crores	
	2018	2017
Buy currency		
Maturing less than 1 year		
— USD	242.61	—
Sell currency		
Maturing less than 1 year		
— USD	399.18	—

b) Interest Rate Risk

The Company uses a mix of cash and borrowings to manage the liquidity and fund requirements of its day-to-day operations. Further, certain interest bearing liabilities carry variable interest rates.

Interest Rate risk on variable rate borrowings is managed by way of interest rate swaps.

Hedge Accounting : Interest Rate Swaps

Interest Rate Swaps entered into by the Company meet the requirements for hedge accounting under Ind AS 109 - Financial Instruments, and thus are accounted as such.

Details of Interest Rate Swaps outstanding at the end of reporting period

Outstanding Contracts	Average interest rate	Notional value	Hedge ratio	Carrying amount of hedging instrument included in Other Financial Assets / (Liabilities)	Change in the fair value of hedging instrument during the year - Gain/ (loss)	Change in the value of hedged item used to determine hedge effectiveness - Gain/ (loss)
31st March, 2018						
Cash Flow Hedges						
<i>Floating to fixed Interest Rate Swaps</i>						
Maturing in 1+ years.....	0.74%	404.08	1:1	3.58	0.04	(0.04)
Total.....				3.58	0.04	(0.04)
31st March, 2017						
Cash Flow Hedges						
<i>Floating to fixed Interest Rate Swaps</i>						
Maturing in 1+ years.....	0.74%	346.48	1:1	3.54	3.54	(3.54)
Total.....				3.54	3.54	(3.54)

Details of hedge ineffectiveness

	Rupees crores
Year Ended 31st March, 2018	
Cash Flow Hedges	—
Year Ended 31st March, 2017	
Cash Flow Hedges	—
	3.54

c) The movements in Cash Flow Hedge Reserve for instruments designated in a cash flow hedge are as follows :

Rupees crores

Particulars	2018			2017		
	Exchange Rate Risk hedges	Interest Rate Risk hedges	Total	Exchange Rate Risk hedges	Interest Rate Risk hedges	Total
Balance as at the beginning of the year	Gross	9.92	3.54	13.46	7.27	(3.68)
	Deferred tax	(3.43)	(1.24)	(4.67)	(2.51)	1.26
	Net	6.49	2.30	8.79	4.76	(2.42)
(Gains)/Losses transferred to Profit or Loss on occurrence of the forecast transaction ...		(35.75)	—	(35.75)	(31.60)	3.68
(Gains)/Losses transferred to Profit or Loss due to cash flows no longer expected to occur		—	—	—	(2.66)	—
Change in Fair Value of Effective Portion of cash flow hedges.....		15.35	0.04	15.39	36.91	3.54
Total		(20.40)	0.04	(20.36)	2.65	7.22
Deferred tax effect on above		7.09	(0.02)	7.07	(0.92)	(2.50)
Balance as at the end of the year	Gross	(10.48)	3.58	(6.90)	9.92	3.54
	Deferred tax	3.66	(1.26)	2.40	(3.43)	(1.24)
	Net	(6.82)	2.32	(4.50)	6.49	2.30
Of the above:						
Balance relating to continuing hedges.....		(6.82)	2.32	(4.50)	6.49	2.30
Total		(6.82)	2.32	(4.50)	6.49	2.30

d) Credit Risk Management

Credit Risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The Company's exposure are continuously monitored.

e) Financial Guarantees

In addition, the Company is exposed to credit risk in relation to financial guarantees given to banks provided by the Company. The Company's maximum exposure in this respect is the maximum amount the Company could have to pay if the guarantee is called on. However, financial guarantees are accounted as explained in note 2 (k).

Rupees crores

Particulars	2018		2017	
Financial Guarantee Liabilities		40.85		44.62

f) Trade Receivables

The Company applies the simplified approach to providing for expected credit losses prescribed by Ind AS 109, which permits the use of the lifetime expected loss provision for all trade receivables. The Company has computed expected credit losses based on a provision matrix which uses historical credit loss experience of the Company. Forward-looking information (including macroeconomic information) has been incorporated into the determination of expected credit losses. The Company has taken dealer deposits, bank guarantees etc. which are considered as collateral and these are considered in determination of expected credit losses, where applicable.

Amounts pertaining to these collaterals are as given below:

Rupees crores

Particulars	2018		2017	
Dealer Deposits.....		8.62		5.16
Bank Guarantees		899.58		793.09
Others (including Letter of Credit)		93.79		69.58

The loss allowance for trade receivables using expected credit losses for different ageing periods are as follows:

Particulars	Not due	0-6 months past due	> 6 months	Rupees crores
	Total			
As at 31st March, 2018				
Gross carrying amount.....	620.22	2,488.31	113.70	3,222.23
Loss allowance provision	—	(2.16)	(47.09)	(49.25)
Net	<u>620.22</u>	<u>2,486.15</u>	<u>66.61</u>	<u>3,172.98</u>
As at 31st March, 2017				
Gross carrying amount.....	542.27	2,356.30	87.73	2,986.30
Loss allowance provision	—	(1.56)	(45.90)	(47.46)
Net	<u>542.27</u>	<u>2,354.74</u>	<u>41.83</u>	<u>2,938.84</u>

Reconciliation of loss allowance for Trade Receivables

Particulars	2018	2017
Balance as at the beginning of the year.....	(47.46)	(58.47)
Additions during the year	(21.09)	(16.59)
Amounts written off during the year.....	10.85	0.90
Amount of loss reversed/written back.....	8.45	19.15
Addition due to Scheme of Arrangement (refer note 40).....	—	(3.75)
Transferred on account of transfer of business.....	—	11.30
Balance as at the end of the year.....	(49.25)	(47.46)
Of the trade receivables written off during the year, amount subject to enforcement activity.....	1.45	—

- g)** The Company's maximum exposure to credit risk in respect of Financial Guarantee contracts are disclosed in note 35 (h). In respect of other financial assets, the maximum exposure to credit risk at the end of the reporting period is the carrying amount of each class of financial assets.

h) Liquidity Risk Management

Maturity profile of financial liabilities

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows.

Particulars	Less than 1 Year	1-3 Years	3 Years to 5 Years	5 Years and above
As at 31st March, 2018				
Interest-free sales tax deferral loans from State Government	93.70	243.73	206.81	368.98
Short term borrowings	668.47	—	—	—
Long term borrowings.....	0.01	—	402.66	973.72
Trade payables.....	8,603.40	—	—	—
Other Financial Liabilities.....	796.82	40.61	1.30	297.82
Financial Guarantees.....	1,306.70	—	—	—
Total.....	11,469.10	284.34	610.77	1,640.52

Particulars	Rupees crores			
	Less than 1 Year	1-3 Years	3 Years to 5 Years	5 Years and above
As at 31st March, 2017				
Interest-free sales tax deferral loans from State Government	78.20	190.17	249.44	476.10
Short term borrowings	538.88	—	—	—
Long term borrowings.....	0.01	—	344.66	973.62
Trade payables.....	6,881.08	—	—	—
Other Financial Liabilities.....	676.69	95.72	0.13	256.24
Financial Guarantees.....	991.23	—	—	—
Total.....	9,166.09	285.89	594.23	1,705.96

The amounts included above for financial guarantee contracts are the maximum amounts the Company could be forced to settle under the arrangement for the full guaranteed amount if that amount is claimed by the counterparty to the guarantee. Based on expectations at the end of the reporting period, the Company considers that it is more likely than not that such an amount will not be payable under the arrangement.

The following table details the Company's liquidity analysis for its derivative financial instruments. When the amount payable or receivable is not fixed, the amount disclosed has been determined by reference to the projected interest rates as illustrated by the yield curves at the end of the reporting period.

Particulars	Rupees crores			
	Less than 1 Year	1-3 Years	3 Years to 5 Years	
Derivative financial instruments - Receivable/(Payables), net				
As at 31st March, 2018				
Net settled				
Interest rate swaps	—	1.93	1.65	
Commodity futures.....	(0.10)	—	—	
Gross settled				
Foreign exchange forward contracts				
— Payable.....	(8.31)	—	—	
— Receivable.....	—	—	3.87	
Options.....	(1.81)	—	—	
Total.....	(10.22)	1.93	5.52	
As at 31st March, 2017				
Net settled				
Interest rate swaps	—	0.74	2.80	
Commodity futures.....	1.63	—	—	
Gross settled				
Foreign exchange forward contracts.....	7.04	—	(31.74)	
Total.....	8.67	0.74	(28.94)	

i) Sensitivity Analysis

Foreign Currency Sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in exchange rates, with all other variables held constant.

Particulars	Currency	Change in rate	Rupees crores	
			Effect on Profit Before Tax	Effect on pre-tax equity
Year ended 31st March, 2018.....	USD	+10%	48.97	(22.14)
	EUR	+10%	(1.96)	—
Year ended 31st March, 2017.....	USD	+10%	44.55	(10.92)
	EUR	+10%	4.22	—

If the change in rates decline by a similar percentage, there will be opposite impact of similar amount on Profit Before Tax and Pre-tax Equity.

The sensitivity analysis is unrepresentative of the inherent foreign exchange risk because the exposure at the end of the reporting period does not reflect the exposure during the year.

Interest Rate sensitivity

The sensitivity analysis below have been determined based on exposure to interest rate for both derivative and non-derivative instruments at the end of reporting period. For floating rate liabilities, analysis is prepared assuming the amount of liability outstanding at the end of the reporting period was outstanding for the whole year.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected, after the impact of hedge accounting. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

Particulars	Currency	Increase/ decrease in basis points	Effect on Profit Before Tax	Rupees crores Effect on pre-tax equity
Year ended 31st March, 2018.....	EUR	+25	—	3.56
Year ended 31 st March, 2017	EUR	+25	—	3.91

If the change in rates decline by a similar percentage, there will be opposite impact of similar amount on Profit Before Tax and Pre-tax Equity.

j) **Offsetting of balances**

The Company has not offset financial assets and financial liabilities.

k) **Collaterals**

The Company has availed working capital facilities and other non-fund based facilities viz. bank guarantees and letters of credit, which are secured by hypothecation of book debts, receivables, outstanding monies and all other current assets.

I) Fair Value Disclosures

Particulars	Financial Instruments regularly measured using Fair Value – recurring items		Fair value hierarchy	Valuation technique(s)	Applicable for Level 2 and Level 3 hierarchy		Relationship of unobservable inputs to fair value and sensitivity	Rupees crores
	Financial assets/ (financial liabilities)	Category	2018	2017	Key inputs	For Level 3 hierarchy valuation Significant unobservable input(s) for level 3 hierarchy		
1) Foreign currency forwards, Options, Interest rate swaps & commodity derivatives	Financial instruments measured at FVTPL/FVTOCI		(2.77)	(19.53)	Level 2	Discounted Cash Flow	Future cash flows are estimated based on forward exchange rates (from observable forward exchange rates at the end of the reporting period) and contract forward rates, discounted at a rate that reflects the credit risk of various counter parties.	—
2) Derivatives on Interest over Subsidiaries, Associates and Joint Ventures	Financial Assets (net)	Financial instruments measured at FVTPL	160.87	158.58	Level 3	Comparable Companies Method/ Comparable Companies Quoted multiples- compares the price for which comparable companies are traded on the capital market. For Discounted Cash Flow -Companies Financial projections. These include forecasts of balance sheet, statement of profit and loss along with underlying assumptions.	For Comparable Companies Method/ Comparable Companies Quoted multiples- compares the price for which comparable companies are traded on the capital market. For Discounted Cash Flow -Companies Financial projections etc. corresponding change in the valuation of derivatives in interest in subsidiaries and associates.	Interest Rates to discount future cash flow, Financial Projections
3) Investment in Market Linked Debentures	Financial Assets	Financial instruments measured at FVTPL	105.67	—	Level 1	Quoted market price	Not applicable as Level 1 hierarchy	—
4) Investment in Mutual Funds and Alternate Investment Fund	Financial Assets	Financial instruments measured at FVTPL	2,551.76	2,277.94	Level 1	Quoted market price for Mutual Funds; Unquoted market price for Alternate Investment Fund	Not applicable as Level 1 hierarchy	—
5) Investment in equity instruments- Quoted	Financial Assets	Financial instruments designated at FVTOCI	2.07	2.15	Level 1	Quoted bid price in active market	Not applicable as Level 1 hierarchy	—
6) Equity investments- Unquoted	Financial Assets	Financial instruments designated at FVTOCI	0.31	4.54	Level 3	Market Multiple Approach	In this approach the fair value is derived based on market multiples like PE multiple, Enterprise value (EV) multiple, Revenue multiple etc.	Market multiples used by benchmarking for valuation
7) Investment in Government Securities	Financial Assets	Financial instruments measured at FVTOCI	—	1.93	Level 1	Quoted market price	Not applicable as Level 1 hierarchy	—
8) Investments in Debentures/Bonds	Financial Assets	Financial instruments measured at FVTOCI	147.13	20.25	Level 1	Quoted market price	Not applicable as Level 1 hierarchy	—
9) Investments in Non Convertible Debentures	Financial Assets	Financial instruments measured at FVTOCI	—	210.83	Level 1	Unquoted market price	Not applicable as Level 1 hierarchy	—
10) Commercial Papers and Certificate of Deposits	Financial Assets	Financial instruments measured at FVTOCI	735.23	897.95	Level 1	Unquoted market price	Not applicable as Level 1 hierarchy	—

m) Financial Instruments not measured using Fair Value i.e. measured using amortized cost

Particulars	Carrying Value	Rupees crores Fair value (Level 2)
As at 31st March, 2018		
Non-Current Investments		
6.50% Cumulative Redeemable Non-convertible and Non-participating Preference shares: Mahindra Vehicle Manufacturers Limited.....	600.00	581.60
Non-Current Borrowings		
— Debentures	973.72	937.90
— Other loans	819.52	603.57
As at 31st March, 2017		
Financial liabilities		
— Other loans	915.71	658.45

Except for the above, carrying value of Other financial assets/liabilities represent reasonable estimate of fair value.

There were no transfers between Level 1 and Level 2 during the year.

n) Reconciliation of Level 3 fair value measurements of financial instruments measured at fair value

Particulars	Unquoted Equity investment	Derivatives on Interest over Subsidiaries, Associates and Joint Ventures (Net)	Rupees crores Total
Year Ended 31st March, 2018			
Opening balance of fair value.....	4.54	158.58	163.12
Total incomes/gains or losses recognised:			
— in profit or loss	—	3.12	3.12
— in other comprehensive income	(4.23)	—	(4.23)
Fair value of purchases made during the year	—	(0.83)	(0.83)
Closing balance of fair value	0.31	160.87	161.18
Year Ended 31st March, 2017			
Opening balance of fair value.....	4.53	(21.47)	(16.94)
Total incomes/gains or losses recognised:			
— in profit or loss	—	189.40	189.40
— in other comprehensive income	0.01	—	0.01
Fair value of purchases made during the year	—	(9.35)	(9.35)
Closing balance of fair value	4.54	158.58	163.12

36. Related Party Disclosures

(a) Related parties where control exists :

Subsidiaries :

Sl. No.	Name of the Company	Sl. No.	Name of the Company
1	2 x 2 Logistics Private Limited (w.e.f. 10 th November, 2017)	48	Infinity Hospitality Group Company Limited
2	Anthurium Developers Limited	49	Kiinteistö Oy Himoksen Tähti 2
3	Arabian Dreams Hotel Apartments LLC	50	Kiinteistö Oy Himos Gardens
4	Are Villa 3 AB (w.e.f. 26 th January, 2018) (Formerly known as Visionsbolaget 12191 AB)	51	Kiinteistö Oy Katinnurkka
5	Are Villa 4 AB (w.e.f. 26 th January, 2018) (Formerly known as Visionsbolaget 12192 AB) (Upto 8 th March, 2018)	52	Kiinteistö Oy Kuusamon Pulkkajärvi 1
6	Are Villas 1 AB	53	Kiinteistö Oy Kylpyläntorni 1
7	Are Villas 2 AB	54	Kiinteistö Oy Mällösniemi
8	Astra Solren Private Limited	55	Kiinteistö Oy Rauhan Liikekiinteistöt 1
9	Auto Digitech Private Limited	56	Kiinteistö Oy Rauhan Ranta 1
10	Bristlecone (Malaysia) Sdn. Bhd.	57	Kiinteistö Oy Rauhan Ranta 2
11	Bristlecone (Singapore) Pte. Limited	58	Kiinteistö Oy Spa Lofts 2
12	Bristlecone Consulting Limited	59	Kiinteistö Oy Spa Lofts 3
13	Bristlecone GmbH	60	Kiinteistö Oy Tenetinlahti
14	Bristlecone Inc.	61	Kiinteistö Oy Tiurunniemi
15	Bristlecone India Limited	62	Kiinteistö Oy Vanha Ykköstii
16	Bristlecone International AG	63	Kismat Developers Private Limited (Upto 28 th December, 2017)
17	Bristlecone Limited	64	Knowledge Township Limited
18	Bristlecone Middle East DMCC	65	Kota Farm Services Limited
19	Bristlecone UK Limited	66	Lords Freight (India) Private Limited (w.e.f. 10 th November, 2017)
20	BSA Company Limited (Upto 30 th June, 2017)	67	M&M Benefit Trust
21	Classic Legends Private Limited (Upto 30 th June, 2017)	68	Mahindra & Mahindra ESOP Trust
22	Cleansolar Renewable Energy Private Limited	69	Mahindra Consulting Engineers Limited ESOP Trust
23	Covington S.a.r.l.	70	MachinePulse Tech Private Limited
24	Daiya Computer Services Co., Ltd.	71	Mahindra & Mahindra Contech Limited
25	Daiya Kikou Co., Ltd. (Upto 27 th October, 2017)	72	Mahindra & Mahindra Financial Services Limited
26	Deep Mangal Developers Private Limited	73	Mahindra Agri Solutions Limited
27	Defence Land Systems India Limited (Upto 18 th October, 2017)	74	Mahindra Airways Limited
28	Divine Solren Private Limited	75	Mahindra and Mahindra South Africa (Proprietary) Limited
29	EPC Industrie Limited	76	Mahindra Asset Management Company Private Limited
30	Erkunt Sanayi A.S. (w.e.f. 1 st December, 2017)	77	Mahindra Auto Steel Private Limited
31	Erkunt Traktor Sanayii A.S. (w.e.f. 1 st December, 2017)	78	Mahindra Automobile Distributor Private Limited
32	Gables Promoters Private Limited	79	Mahindra Automotive Australia Pty. Limited
33	Gateway Housing Company Limited (Upto 27 th February, 2018)	80	Mahindra Automotive North America Inc. (w.e.f. 25 th April, 2017)
34	Gromax Agri Equipment Limited (Formerly known as Mahindra Gujarat Tractor Limited)	81	Mahindra Construction Company Limited
35	HCR Management Oy	82	Mahindra Consulting Engineers Limited
36	Heritage Bird (M) Sdn. Bhd.	83	Mahindra Defence Naval Systems Limited (Formerly known as Mahindra Defence Naval Systems Private Limited)
37	Hisarlar İthalat İhracat Pazarlama Anonim Şirketi	84	Mahindra Defence Systems Limited
38	Hisarlar Makina Sanayi ve Ticaret Anonim Şirketi	85	Mahindra do Brasil Industrial Ltda.
39	Holiday Club Canarias Investments S.L.U.	86	Mahindra 'Electoral Trust' Company
40	Holiday Club Canarias Resort Management S.L.U.	87	Mahindra Electric Mobility Limited
41	Holiday Club Canarias Sales & Marketing S.L.U.	88	Mahindra Electrical Steel Private Limited
42	Holiday Club Resorts Oy	89	Mahindra eMarket Limited
43	Holiday Club Resorts Rus LLC	90	Mahindra Emirates Vehicle Armouring FZ-LLC (w.e.f. 15 th October, 2017)
44	Holiday Club Sport and Spahotels AB	91	Mahindra Engineering and Chemical Products Limited
45	Holiday Club Sweden Ab	92	Mahindra Europe S.r.l.
46	Industrial Cluster Private Limited (Upto 17 th September, 2017)	93	Mahindra First Choice Wheels Limited ESOP Trust
47	Industrial Township (Maharashtra) Limited		

36. Related Party Disclosures (contd.)

Sl. No.	Name of the Company	Sl. No.	Name of the Company
94	Mahindra First Choice Services Limited	142	Mega Suryaurja Private Limited (Formerly known as Mahindra Suryaurja Private Limited)
95	Mahindra First Choice Wheels Limited	143	MH Boutique Hospitality Limited
96	Mahindra Fresh Fruits Distribution Holding Company (Europe) B.V. (w.e.f. 17 th November, 2017)	144	MHR Holdings (Mauritius) Limited
97	Mahindra Graphic Research Design S.r.l.	145	Mahindra Holidays & Resorts India Limited ESOP Trust
98	Mahindra Greenyard Private Limited	146	Mitsubishi Mahindra Agricultural Machinery Co., Ltd.
99	Mahindra Heavy Engines Limited	147	Mitsubishi Noki Hanbai Co., Ltd.
100	Mahindra Holdings Limited	148	Mahindra & Mahindra Financial Services Limited ESOP Trust
101	Mahindra Holidays & Resorts India Limited	149	Moonshine Construction Private Limited
102	Mahindra Hotels and Residences India Limited	150	Mumbai Mantra Media Limited
103	Mahindra HZPC Private Limited	151	NBS International Limited
104	Mahindra Infrastructure Developers Limited	152	Neo Solren Private Limited
105	Mahindra Insurance Brokers Limited	153	OFD Holding B.V.
106	Mahindra Integrated Business Solutions Private Limited	154	Officemartindia.com Limited
107	Mahindra Integrated Township Limited	155	Origin Direct Asia (Shanghai) Trading Company Limited
108	Mahindra International UK Limited	156	Origin Direct Asia Ltd.
109	Mahindra Intertrade Limited	157	Origin Fruit Direct B.V.
110	Mahindra Lifespace Developers Limited	158	Origin Fruit Services South America SpA
111	Mahindra Logistics Limited (w.e.f. 10 th November, 2017)	159	Orizonte Business Solutions Limited
112	Mahindra Marine Private Limited	160	Ownership Services Sweden Ab
113	Mahindra Mexico, S. de. R. L.	161	Peugeot Motocycles Deutschland GmbH
114	Mahindra MiddleEast Electrical Steel Service Centre (FZC)	162	Peugeot Motocycles Italia S.p.A.
115	Mahindra MSTC Recycling Private Limited	163	Peugeot Motocycles S.A.S.
116	Mahindra Namaste Limited	164	Raigad Industrial & Business Park Limited (Upto 28 th December, 2017)
117	Mahindra North American Technical Center, Inc.	165	Rathna Bhoomi Enterprises Private Limited
118	Mahindra Overseas Investment Company (Mauritius) Limited	166	Retail Initiative Holdings Limited
119	Mahindra Racing S.p.A.	167	Ryono Asset Management Co., Ltd.
120	Mahindra Racing UK Limited	168	Ryono Engineering Co., Ltd.
121	Mahindra Renewables Private Limited	169	Ryono Factory Co., Ltd.
122	Mahindra Residential Developers Limited	170	Ssangyong European Parts Center B.V.
123	Mahindra Retail Private Limited	171	Ssangyong Motor (Shanghai) Company Limited
124	Mahindra Rural Housing Finance Limited	172	Ssangyong Motor Company
125	Mahindra Steel Service Centre Limited	173	ST-42-Jupiter Trust A Jan 13-Axis/ITSL (Upto 26 th May, 2017)
126	Mahindra Susten Private Limited	174	ST-43-MM TRUST MAR 13 I-IDBI/ITSL (Upto 29 th May, 2017)
127	Mahindra Telecom Energy Management Services Limited (w.e.f 25 th June, 2017)	175	ST-44-MM TRUST MAR 13 II-Citi/ITSL (Upto 29 th May, 2017)
128	Mahindra Telecommunications Investment Private Limited (Upto 27 th February, 2018)	176	ST-46-MM TRUST MAR 13 IV-HDFC/ITSL (Upto 29 th May, 2017)
129	Mahindra Tractor Assembly Inc.	177	ST-47-MM TRUST MARCH 14 I-IDBI/ITSL (Upto 29 th May, 2017)
130	Mahindra Trucks and Buses Limited	178	ST-48-MM TRUST MARCH 14 II-YES/ITSL (Upto 26 th May, 2017)
131	Mahindra Trustee Company Private Limited	179	ST-49-MM TRUST MARCH 14 III-HDFC/ITSL (Upto 29 th May, 2017)
132	Mahindra Two Wheelers Europe Holdings S.a.r.l.	180	ST-51-MM TRUST SEPTEMBER 14 -YES/ITSL
133	Mahindra Two Wheelers Limited	181	ST-52-MM TRUST NOVEMBER 14 I-ICICI/ITSL
134	Mahindra USA Inc.	182	ST-53-MM TRUST Feb 15-ICICI/ITSL
135	Mahindra Vehicle Manufacturers Limited	183	ST-54-MM TRUST Mar 15 I-ICICI/ITSL
136	Mahindra Vehicle Sales and Service Inc. (w.e.f. 6 th June, 2017)	184	ST-55-MM TRUST Mar 15 II-HDFC/ITSL
137	Mahindra Water Utilities Limited	185	Sunrise Initiatives Trust
138	Mahindra West Africa Limited	186	Suomen Vapaa-aikakirjinteistöt Oy LKV
139	Mahindra World City (Maharashtra) Limited	187	Supermarket Capri Oy
140	Mahindra Waste To Energy Solutions Limited (w.e.f 25 th June, 2017) (Formerly known as Mahindra Waste Energy Solutions Limited)	188	Topical Builders Private Limited (Upto 28 th December, 2017)
141	Marvel Solren Private Limited	189	Trringo.com Limited

36. Related Party Disclosures : (contd.)

(b) Other parties with whom transactions have taken place during the year :

(i) Associates :

Sl. No.	Name of the Company	Sl. No.	Name of the Company
1.	Swaraj Engines Limited	3.	Tech Mahindra Limited
2.	Sampo Rosenlew Oy	5.	Satyam Venture Engineering Services Private Limited
	<i>Subsidiaries of Associate</i>	6.	Tech Mahindra (Shanghai) Co. Limited
1.	Mahindra CIE Automotive Limited		
2.	Mahindra Gears Transmission Private Limited (Upto 31 st December, 2017)		
3.	PF Holdings B.V.		
4.	Pininfarina S.p.A.		

(ii) Joint Ventures :

Sl. No.	Name of the Company	Sl. No.	Name of the Company
1.	Mahindra Sanyo Special Steel Private Limited	6.	M.I.T.R.A Agro Equipments Private Limited (w.e.f. 15 th February, 2018)
2.	Mahindra Aerospace Private Limited	7.	Mahindra World City (Jaipur) Limited
3.	Mahindra Logistics Limited (Upto 9 th November, 2017)	8.	Mahindra World City Developers Limited
4.	Mahindra Solar One Private Limited (Upto 26 th February, 2018)	9.	Mahindra Yueda (Yancheng) Tractor Company Limited (Upto 24 th August, 2017)
5.	Classic Legends Private Limited (w.e.f. 1 st July, 2017)		
	<i>Subsidiaries of Joint Venture</i>	4.	Mahindra Aerostructures Private Limited
1.	2 x 2 Logistics Private Limited (Upto 9 th November, 2017)	5.	Mahindra Suryaprakash Private Limited (Upto 26 th February, 2018)
2.	Gippsaero Pty. Limited		
3.	Lords Freight (India) Private Limited (Upto 9 th November, 2017)		

(iii) Joint Venture of a Subsidiary :

Sl. No.	Name of the Company
1.	Mahindra Tsubaki Conveyor Systems Private Limited

(iv) Key Management Personnel (KMP) :

Executive Chairman.....	Mr. Anand G. Mahindra
Managing Director	Dr. Pawan Goenka

(v) Enterprise over which KMP is able to exercise significant influence :

Sl. No.	Name of the Company
1.	Prudential Management & Services Private Limited

(vi) Welfare Fund :

Sl. No.	Name of the Fund	Sl. No.	Name of the Fund
1.	Mahindra World School Education Trust	3.	M&M Employees' Welfare Fund No. 2
2.	M&M Employees' Welfare Fund No. 1	4.	M&M Employees' Welfare Fund No. 3

36. Related Party Disclosures : (contd.)

(c) The related party transactions are as under :

Sl. No.	Nature of Transactions	For the Year Ended 31 st March	Subsidiaries	Associates/ Associates of Subsidiaries/ Subsidiaries of Associate	Joint Ventures/ Joint Ventures of Subsidiaries/ Joint Operations/ Subsidiaries of Joint Venture	KMP/KMP Exercising Significant influence/ Close member of KMP	Rupees crores
							Welfare Funds
1.	Purchases :						
	Goods.....	2018	12,515.78	2,095.72	13.20	—	—
		2017	10,212.15	1,723.35	127.24	—	—
	Services.....	2018	1,183.12	172.73	918.23	0.18	—
		2017	435.83	171.43	1,295.98	—	—
	Property, Plant and Equipment.....	2018	20.78	13.59	0.04	—	—
		2017	3.41	3.76	0.46	—	—
	Other Intangible Assets.....	2018	279.14	—	—	—	—
		2017	151.98	—	—	—	—
2.	Sales :						
	Goods.....	2018	2,081.03	23.19	4.90	—	—
		2017	1,755.64	17.61	4.10	—	—
	Property, Plant and Equipment.....	2018	1.96	0.23	—	—	—
		2017	0.63	—	—	—	—
	Services.....	2018	78.54	5.10	4.76	0.42	—
		2017	55.60	7.78	0.78	—	—
3.	Investments :						
	Purchased/Subscribed/Conversion/Bonus.....	2018	1,937.49	11.81	297.33	—	—
		2017	3,114.75	126.01	213.05	—	—
	Derivative on interest over subsidiaries.....	2018	—	—	—	—	—
		2017	14.08	—	—	—	—
	Sold/Redeemed	2018	—	20.93	—	0.01	—
		2017	741.87	—	—	—	—
4.	Transfer of Business	2018	—	—	—	—	—
		2017	260.01	—	—	—	—
5.	Deputation of Personnel :						
	From Parties	2018	1.43	0.59	0.17	—	—
		2017	1.50	0.04	—	—	—
	To Parties.....	2018	29.59	3.83	1.92	—	—
		2017	31.46	3.93	0.98	—	—
6.	Managerial Remuneration	2018	—	—	—	16.73	—
		2017	—	—	—	15.06	—
7.	Stock Option	2018	—	—	—	3.51	—
		2017	—	—	—	—	—
8.	Commission and other benefits to Non-executive/independent directors (including nominee directors).....	2018	—	—	—	3.73	—
		2017	—	—	—	2.76	—
9.	Finance :						
	Inter Corporate Deposits given	2018	629.55	—	50.00	—	—
		2017	570.00	—	—	—	—
	Inter Corporate Deposits refunded by parties..	2018	442.93	—	50.00	—	—
		2017	593.68	—	—	—	—
	Inter Corporate Deposit Taken	2018	—	—	—	—	—
		2017	15.00	—	—	—	—

36. Related Party Disclosures : (contd.)

(c) The related party transactions are as under : (contd.)

Rupees crores

Sl. No.	Nature of Transactions	For the Year Ended 31 st March	Subsidiaries	Associates/ Associates of Subsidiaries/ Subsidiaries of Associate	Joint Ventures/ Joint Ventures of Subsidiaries/ Joint Operations/ Subsidiaries of Joint Venture	KMP/KMP Exercising Significant influence/ Close member of KMP	Welfare Funds
	Inter Corporate Deposit Taken refunded to parties.....	2018 2017	15.00 —	— —	— —	— —	— —
	Loan given.....	2018 2017	— —	— —	— —	4.50 —	— —
	Refund of loan given.....	2018 2017	— 1,200.00	— —	— —	— —	— —
	Interest Income.....	2018 2017	71.81 120.05	— 0.26	3.20 2.68	0.44 0.26	— —
	Interest Expenses.....	2018 2017	0.04 0.18	— —	— —	— —	— —
	Dividend received.....	2018 2017	237.82 274.70	248.37 321.12	— 3.54	— —	— —
	Security Deposits Paid/Refunded	2018 2017	0.15 0.09	— —	0.09 0.05	— —	— —
	Security Deposits Received/Refunded	2018 2017	0.20 0.09	— 0.02	0.09 0.05	— —	— —
	Share Application Money Given.....	2018 2017	146.14 79.59	— —	— —	— —	— —
10.	Dividends Distributed	2018 2017	102.88 96.06	— —	— —	94.62 87.29	2.64 2.44
11.	Guarantees Given.....	2018 2017	707.13 198.53	— 792.70	— —	— —	— —
12.	Other Transactions :						
	Other Income.....	2018 2017	100.66 80.80	5.22 2.34	3.22 3.48	— 0.35	— —
	Other Expenses.....	2018 2017	101.01 117.21	0.14 16.23	0.60 7.45	— 0.18	2.00 —
	Allowance for credit loss on debts/for doubtful assets provided during the year (net)	2018 2017	— (3.95)	— —	— (1.73)	— —	— —
	Reimbursements received from parties.....	2018 2017	73.57 70.64	6.28 9.48	16.31 14.58	— —	1.50 0.80
	Reimbursements made to parties	2018 2017	53.60 26.41	7.24 4.16	2.02 1.92	— —	— 0.08
	Advances Received from Parties.....	2018 2017	— 0.01	— 0.81	— —	— —	— —
	Advances Given to Parties.....	2018 2017	22.52 —	— 24.24	— —	— —	— —
	Advances given to parties Refunded/ Converted.....	2018 2017	— 6.85	— 24.24	— 0.44	— —	— —

36. Related Party Disclosures : (contd.)

(c) The related party transactions are as under : (contd.)

Sl. No.	Nature of Transactions	Balance as on 31 st March	Subsidiaries	Associates/ Associates of Subsidiaries/ Subsidiaries of Associate	Joint Ventures/ Joint Ventures of Subsidiaries/ Joint Operations/ Subsidiaries of Joint Venture	Rupees crores	
						KMP/KMP Exercising Significant influence/Close member of KMP	Welfare Funds
13.	Outstandings : Payable	2018	1,230.81	305.42	6.22	4.12	—
		2017	678.03	230.41	54.00	3.81	—
	Inter Corporate Deposits Payable (Incl. Interest payable).....	2018	—	—	—	—	—
		2017	15.02	—	—	—	—
	Receivable	2018	1,140.66	12.39	19.28	12.51	17.00
		2017	668.25	12.99	27.79	5.91	17.00
	Inter Corporate Deposits Outstanding	2018	659.15	—	—	—	—
		2017	470.12	—	—	—	—
	Share Application Money Outstanding	2018	146.14	—	—	—	—
		2017	79.59	—	—	—	—
14.	Allowance for credit loss on debts/ for doubtful assets	2018	7.68	0.05	—	1.90	10.00
		2017	7.66	—	—	—	10.00
15.	Guarantees given	2018	458.74	847.96	—	—	—
		2017	198.53	792.70	—	—	—

Details of related party transactions with Key Management Personnel are as under :

Sl. No.	Nature of Transactions	Name of KMP	Year	Rupees crores
1.	Salary including perquisites	Mr. Anand Mahindra	2018	3.43
			2017	3.41
	Stock Options	Dr. Pawan Goenka	2018	3.73
			2017	3.37
2.	Commission	Mr. Anand Mahindra	2018	—
			2017	—
	Others Contribution to Funds	Dr. Pawan Goenka	2018	3.51
			2017	—
3.	Dr. Pawan Goenka	Mr. Anand Mahindra	2018	4.12
			2017	3.82
	Dr. Pawan Goenka	Dr. Pawan Goenka	2018	4.48
			2017	3.58
4.	Mr. Anand Mahindra	Mr. Anand Mahindra	2018	0.48
			2017	0.44
	Dr. Pawan Goenka	Dr. Pawan Goenka	2018	0.49
			2017	0.44

Also refer note 40.

36. Related Party Disclosures : (contd.)

(d) Disclosure required under Section 186(4) of the Companies Act, 2013 for Loans and Guarantees (Net of provision):

Sl. No.	Name	Relation	Rupees crores	
			2018	2017
1.	Inter Corporate deposits and Loans			
	Bristlecone Limited	Subsidiary	48.88	71.98
	Mahindra Overseas Investment Company (Mauritius) Limited	Subsidiary	75.67	73.55
	Mahindra Rural Housing Finance Limited	Subsidiary	50.00	—
	Mahindra Agri Solutions Limited	Subsidiary	10.00	—
	Mahindra World School Education Trust	Welfare Fund	7.00	7.00
	Mahindra & Mahindra Financial Services Limited	Subsidiary	400.00	250.00
	Mahindra Retail Private Limited	Subsidiary	70.00	70.00
	Kotak Mahindra Investment Limited	—	200.00	25.00
	Kotak Mahindra Prime Limited	—	115.00	—
2.	Guarantees			
	Peugeot Motorcycles S.A.S.	Subsidiary	458.74	198.53
	PF Holding B.V.	Subsidiary of Associate	847.96	792.70

Note: a) Inter corporate deposits given and repaid during the year amounting to **Rs. 344.55 crores** (2017 : Rs. 324.24 crores) were given to Mahindra HZPC Private Limited (subsidiary), Mahindra Lifespace Developers Limited (subsidiary), Mahindra Trucks and Buses Limited (subsidiary), Trringo.com Limited (subsidiary), Orizonte Business Solutions Limited (subsidiary), Mahindra World City (Jaipur) Limited (joint venture), Kotak Mahindra Prime Limited and Kotak Mahindra Investment Limited.

b) Refer note 6 for investments.

37. Segment information

Operating Segments

The reportable segments of the Company are Automotive and Farm Equipment. The segments are largely organised and managed separately according to the organisation structure that is designed based on the nature of products and services and profile of customers. Operating segments are reported in a manner consistent with the internal reporting provided to the Executive Chairman and Managing Director jointly regarded as the Chief Operating Decision Maker ("CODM"). Description of each of the reportable segments for all periods presented, is as under.

- (a) **Automotive** :- This segment comprises of sale of automobiles, spares, mobility solutions and related services;
- (b) **Farm Equipment** :- This segment comprises of sale of tractors, implements, spares and related services;
- (c) **Others** :- This segment comprise of Construction Equipment, Powerrol, Two Wheelers and Spares Business Unit.

The CODM evaluates the Company's performance and allocates resources based on an analysis of various performance indicators by operating segments. The CODM reviews revenue and gross profit as the performance indicator for all of the operating segments.

The measurement of each segment's revenues, expenses and assets is consistent with the accounting policies that are used in preparation of the financial statements. Segment profit represents the profit before interest and tax.

Information regarding the Company's reportable segments is presented below :

Particulars	2018						2017					
	Automotive	Farm Equipment	Other	Total Segment	Eliminations	Total	Automotive	Farm Equipment	Other	Total Segment	Eliminations	Total
Revenue												
Net External Revenue	31,795.13	15,761.81	1,888.05	49,444.99	—	49,444.99	31,996.18	13,582.99	1,804.57	47,383.74	—	47,383.74
Inter Segment Revenue.....	27.85	331.74	0.21	359.80	(359.80)	—	23.50	318.91	—	342.41	(342.41)	—
Total Revenue	31,822.98	16,093.55	1,888.26	49,804.79	(359.80)	49,444.99	32,019.68	13,901.90	1,804.57	47,726.15	(342.41)	47,383.74
Result												
Segment Result	2,190.50	3,145.37	20.48	5,356.35	—	5,356.35	1,412.78	2,561.68	(378.50)	3,595.96	—	3,595.96
Less :												
Finance costs							112.20					159.59
Add :												
Unallocated corporate income net of unallocated expenses ...							424.61					737.78
Exceptional items unallocable to segments							433.61					548.46
Profit before tax							6,102.37					4,722.61
Income Taxes							1,746.36					1,079.22
Profit after tax							4,356.01					3,643.39
OTHER INFORMATION												
Segment Assets	14,951.77	6,303.19	1,041.40	22,296.36	—	22,296.36	12,838.82	5,213.42	823.82	18,876.06	—	18,876.06
Unallocated Corporate Assets							25,120.39					21,092.26
Total Assets	14,951.77	6,303.19	1,041.40	22,296.36	—	22,296.36	47,416.75	5,213.42	823.82	18,876.06	—	39,968.32
Segment Liabilities.....	8,874.45	3,367.08	506.18	12,747.71	—	12,747.71	6,493.07	2,235.81	459.42	9,188.30	—	9,188.30
Unallocated Corporate Liabilities							4,375.00					3,994.40
Total Liabilities	8,874.45	3,367.08	506.18	12,747.71	—	12,747.71	6,493.07	2,235.81	459.42	9,188.30	—	13,182.70
Additions to non-current assets	2,137.19	369.90	49.17	2,556.26	—	2,556.26	1,902.97	281.85	16.34	2,201.16	—	2,201.16
Depreciation, Amortisation and Impairment Expense.....	1,160.11	250.42	32.93	1,443.45	—	1,443.45	1,049.54	219.65	221.01	1,490.20	—	1,490.20
Non cash expenses other than depreciation.....	—	—	—	—	—	—	2.64	—	11.27	13.91	—	13.91

Note:

Addition to non-current assets consist of capital expenditure on property, plant and equipment, capital work-in-progress, intangible assets including those under development and capital advances.

Revenue from type of products and services

The operating segments are primarily based on nature of products and services and hence the Revenue from external customers of each segment is representative of revenue based on products and services.

Geographical Information :

Particulars	2018			2017			Rupees crores
	Domestic	Overseas	Total	Domestic	Overseas	Total	
Revenue from External Customers.....	46,319.69	3,125.30	49,444.99	43,961.32	3,422.42	47,383.74	
Non-Current Assets	13,765.06	—	13,765.06	12,391.07	—	12,391.07	

Domestic includes sales to customers located in India and service income accrued in India.

Overseas includes sales and services rendered to customers located outside India.

Information about major customers

During the year ended 31st March, 2018 revenues from transactions with a single external customer did not amount to 10% or more of the Company's revenues from external customers.

38. Contingent Liability & Commitments :**(A) Contingent Liability :**

(a) Claims against the Company not acknowledged as debts comprise of :

- (i) Excise Duty, Sales Tax and Service Tax claims disputed by the Company relating to issues of applicability and classification aggregating **Rs. 2,240.66 crores** (2017 : Rs. 3,536.07 crores) before tax.
- (ii) Other matters (excluding claims where amounts are not ascertainable) : **Rs. 27.38 crores** (2017 : Rs. 28.79 crores) before tax.

(b) Taxation matters:

- (i) Demands against the Company not acknowledged as debts and not provided for, in respect of which the Company is in appeal and exclusive of the effect of similar matters in respect of assessments remaining to be completed.
 - Income-tax : **Rs. 904.43 crores** (2017 : Rs. 627.66 crores).
- (ii) Items in respect of which the Company has succeeded in appeal, but the Income-tax Department is pursuing/likely to pursue in appeal/reference and exclusive of the effect of similar matters in respect of assessments remaining to be completed :
 - Income-tax matters : **Rs. 64.17 crores** (2017 : Rs. 110.78 crores).

(c) The Customs, Excise and Service Tax Appellate Tribunal (CESTAT) by its order dated 7th December, 2009 has rejected the Company's appeal against the order dated 30th March, 2005 passed by the Commissioner of Central Excise (Adjudication), Navi Mumbai confirming the demand made on the Company for payment of differential excise duty (including penalty) of Rs. 304.10 crores in connection with the classification of Company's Commander range of vehicles, during the years 1991 to 1996. Whilst the Company had classified the Commander range of vehicles as 10-seater attracting a lower rate of excise duty, the Commissioner of Central Excise (Adjudication), Navi Mumbai, has held that these vehicles could not be classified as 10-seater as they did not fulfil the requirement of 10-seater vehicles, as provided under the Motor Vehicles Act, 1988 (MVA) read with Maharashtra Motor Vehicles Rules, 1989 (MMVR) and as such attracted a higher rate of excise duty. The Company has challenged the CESTAT order in the Supreme Court.

In earlier collateral proceedings on this issue, the CESTAT had, by an order dated 19th July, 2005 settled the controversy in the Company's favour. The CESTAT had accepted the Company's submission that MVA and MMVR could not be referred to for determining the classification for the purpose of levy of excise duty and rejected the Department's appeal against the order of the Collector, Central Excise classifying the Commander range of vehicles as 10-seater. The Department had challenged the CESTAT order in the Supreme Court.

Without prejudice to the grounds raised in this appeal, the Company has paid an amount of Rs. 40.00 crores in January, 2010. The Supreme Court has admitted the Company's appeal and has stayed the recovery of the balance amount till further orders.

Both these orders of the Tribunals were heard and disposed off by the Honorable Supreme Court, in August 2014. Since contrary views were expressed by the Tribunals in two parallel proceedings, the Honorable Supreme Court directed that a larger bench of the Tribunal be constituted to hear the appeals without expressing any opinion on the issues.

The Larger Bench of the CESTAT heard the matter in February, 2015 and by an order dated 27th February, 2015, remanded the matter to the Commissioner of Central Excise for consideration of the case afresh keeping all issues open. The matter is presently pending before the Honorable Commissioner. The Company strongly believes, based on legal advice it has received, that it has a good case

on merits and would eventually succeed in the matter. As regards Commander case the matter is still pending adjudication before the Commissioner. However, pending the final outcome, basis the earlier adjudication order, the Company has reflected the above amount aggregating Rs. 304.10 crores (duty+penalty) and the interest of Rs. 390.72 crores accrued on the same upto 31st March, 2018, under note (a)(i) above.

In another case relating to Armada range of vehicles manufactured during the years 1992 to 1996, by the Company at its Nashik facility, the Commissioner of Central Excise, Nashik passed an order dated 20th March, 2006 confirming a demand of Rs. 24.75 crores, on the same grounds as adopted for Commander range of vehicles. This matter was heard by the Honorable Tribunal at Mumbai, which was pleased to allow the Company's appeal.

- (d) In respect of (a) & (b) above, it is not practicable for the Company to estimate the closure of these issues and the consequential timings of cash flows, if any.

(B) Commitments :

The estimated amount of contracts remaining to be executed on capital account and not provided for as at 31st March, 2018 is Rs. 888.09 crores (2017 : Rs. 965.43 crores) and other commitment as at 31st March, 2018 is Rs. 7.50 crores (2017 : Rs. 7.50 crores).

39. Research and Development expenditure

- (a) In recognised Research and Development units :
 - (i) Expensed to Profit or Loss, including certain expenditure based on allocations made by the Company, aggregate **Rs. 822.00 crores** (2017 : Rs. 804.56 crores) [excluding depreciation and amortisation of **Rs. 564.24 crores** (2017 : Rs. 474.88 crores)].
 - (ii) Development expenditure incurred during the year **Rs. 830.39 crores** (2017 : Rs. 716.42 crores).
 - (iii) Capitalisation of assets **Rs. 163.97 crores** (2017 : Rs. 120.12 crores).
 - (b) In other units :
 - (i) Expensed to Profit or Loss, including certain expenditure based on allocations made by the Company, aggregate **Rs. 75.05 crores** (2017 : Rs. 84.12 crores) [excluding depreciation and amortisation of **Rs. 25.88 crores** (2017 : Rs. 29.33 crores)].
 - (ii) Development expenditure incurred during the year **Rs. 154.64 crores** (2017 : Rs. 101.88 crores).
 - (iii) Capitalisation of assets **Rs. 9.34 crores** (2017 : Rs. 29.97 crores).

40. The Scheme of Arrangement ('The Scheme') for merger of Two Wheeler business of the Company's subsidiary, Mahindra Two Wheelers Limited (MTWL), with the Company has been approved by the Mumbai Bench of National Company Law Tribunal and on completion of the required formalities on 25th October, 2017, the Scheme has become effective from appointed date i.e., 1st October, 2016. The merger has been accounted under the 'pooling of interests' method in accordance with Appendix C of Ind AS 103 'Business Combinations' and comparatives have been restated for merger from the beginning of the previous year i.e. 1st April, 2016. Further, in terms of the Scheme, 5,03,888 Ordinary (Equity) shares (pre-bonus) of Rs. 5 each of the Company have been issued and allotted as fully paid up to the minority shareholders of MTWL in the ratio of 1 (One) Ordinary (Equity) Share of Rs. 5 each fully paid-up in the capital of the Company for every 461 (Four Hundred and Sixty One) fully paid-up Equity Shares held in MTWL. Consequently, an amount of **Rs. 335.87 crores** representing difference between the consideration issued and value of net identifiable assets acquired has been transferred to Capital Reserve.

41. Previous year's figures have been regrouped/reclassified wherever necessary.

Signatures to Notes 1 to 41

In terms of our report attached.

For B S R & Co. LLP
Chartered Accountants
Firm Registration No. 101248W/W-100022

Mumbai, 29th May, 2018

Nadir B. Godrej
M. M. Murugappan
R. K. Kulkarni
Anupam Puri
Vishakha N. Desai
Vikram Singh Mehta
T. N. Manoharan

Directors

Anand G. Mahindra

Dr. Pawan Goenka

V. S. Parthasarathy

Narayan Shankar

Executive Chairman

Managing Director

Group Chief Financial Officer & Group CIO

Company Secretary

Mumbai, 29th May, 2018

Consolidated Accounts



Independent Auditor's Report to the Members of Mahindra & Mahindra Limited

Report on the Audit of Consolidated Ind AS Financial Statements

We have audited the accompanying consolidated Ind AS financial statements of **Mahindra & Mahindra Limited** (hereinafter referred to as "the Company" or "M&M") and its subsidiaries (the Company and its subsidiaries together referred to as "the Group"), its associates and its joint ventures, which comprise the Consolidated Balance Sheet as at 31 March 2018, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement for the year then ended, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

Management's Responsibility for the Consolidated Ind AS Financial Statements

The Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated state of affairs, consolidated profit (including other comprehensive income), consolidated statement of changes in equity and consolidated cash flows of the Group including its associates and joint ventures in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act. The respective Board of Directors of the companies included in the Group and of its associates and joint ventures are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and its associates and joint ventures and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its associates and joint ventures are responsible for assessing the ability of the Group and of its associates and joint ventures to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate or cease operations, or has no realistic alternative but to do so.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting

and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143 (10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We are also responsible to conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of Group and of its associates and joint ventures to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause Group and its associates and joint ventures to cease to continue as a going concern.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph 2 (a) of the Other matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries, associates and joint ventures, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, its associates and joint ventures as at 31 March 2018, and their consolidated profit (including other comprehensive income), consolidated statement of changes in equity and consolidated cash flows for the year ended on that date.

Other matters

1. The comparative financial information of the Group, its associates and joint ventures for the year ended 31 March 2017 prepared in accordance with Ind AS included in these consolidated financial statements have been audited by the predecessor auditor who had audited the financial statements for the relevant period. The report of the predecessor auditor on the comparative financial information dated 30 May 2018 expressed an unmodified opinion.
2. (a) We did not audit the financial statements of 157 subsidiaries, whose financial statements reflect total assets of Rs. 39,384 crores as at 31 March 2018, total revenues of Rs. 38,009 crores and net cash inflows amounting to Rs. 825 crores for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net profit of Rs. 357 crores for the year ended 31 March 2018, as considered in the consolidated financial statements, in respect of 34 associates and 19 joint ventures, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Company's Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, associates and joint ventures and our report in terms of subsection (3) of Section 143 of the Act, insofar as it relates to the aforesaid subsidiaries, associates and joint ventures is based solely on the reports of the other auditors.

Certain of these subsidiaries, associates and joint ventures are located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Company's management has converted the financial statements of such subsidiaries/associates/joint ventures located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiaries/associates/ joint ventures located outside India is based on the reports of other auditors and the conversion adjustments prepared by the management of the Company and audited by us.

Our opinion above on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of reports of the other auditors on financial

statements and the other financial information of subsidiaries, associates and joint ventures, as noted in the 'Other matters' paragraph, we report, to the extent applicable, that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
- b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
- c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- d) In our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.
- e) On the basis of the written representations received from the directors of the Company as on 31 March 2018 taken on record by the Board of Directors of the Company and the reports of the statutory auditors of its subsidiary companies, associate companies and joint ventures incorporated in India, none of the directors of the Group companies, its associate companies, and joint ventures incorporated in India is disqualified as on 31 March 2018 from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company, its subsidiary companies, associate companies and joint ventures incorporated in India and the operating effectiveness of such controls, refer to our separate Report in the "Annexure".
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements as also the other financial information of the subsidiaries, associates and joint ventures, as noted in the 'Other matters' paragraph:
 - i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, its associates and joint ventures. Refer Note 40 to the consolidated financial statements.

- ii. Provision has been made in the consolidated financial statements, as required under the applicable law or Ind AS, for material foreseeable losses, on long-term contracts including derivative contracts. Refer Note 20 to the consolidated financial statements in respect of such items as it relates to the Group, its associates and joint ventures.
- iii. There has been no delay in transferring amounts to the Investor Education and Protection Fund by the Company and its subsidiary companies, associate companies and joint ventures incorporated in India during the year ended 31 March 2018.
- iv. The disclosures in the consolidated financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016

to 30 December 2016 have not been made since they do not pertain to the financial year ended 31 March 2018. However, amounts as appearing in the audited consolidated financial statements for the period ended 31 March 2017 have been disclosed.

For B S R & Co. LLP
Chartered Accountants
(Firm's Registration No. 101248W/W-100022)

Mumbai, 29 May, 2018

Jamil Khatri
Partner
(Membership No. 102527)

Annexure to the Independent Auditors' Report of even date on the Consolidated Ind AS financial statements of Mahindra & Mahindra Limited

Report on the Internal Financial Controls under Clause (i) of Sub section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated Ind AS financial statements of **Mahindra & Mahindra Limited** ("the Company") as of and for the year ended 31 March 2018, we have audited the internal financial controls with reference to financial statements of Company, its subsidiary companies, its associate companies and joint ventures, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Company, its subsidiary companies, its associate companies and joint ventures, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal controls with reference to financial statements criteria established by the Holding Company considering the essential components of internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements of the Company, its subsidiary companies, its associate companies and joint ventures, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by the ICAI and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable, to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and

operating effectiveness of internal controls based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the subsidiary companies, associate companies and joint ventures which are companies incorporated in India, in terms of their reports referred to in the Other matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to financial statements.

Meaning of Internal Financial Controls with reference to Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion and to the best of our information and according to the explanations given to us and based on consideration of reporting of the other auditors as mentioned in the Other Matters paragraph,

the Company, its subsidiary companies, its associate companies and joint ventures, which are companies incorporated in India have, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at 31 March 2018, based on the internal controls with reference to financial statements criteria established by the Holding Company, considering the essential components of internal controls stated in the Guidance Note issued by the ICAI.

Other matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements in so far as it relates

to eighty five subsidiary companies, eight associate companies and sixteen joint ventures which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

For B S R & Co. LLP

Chartered Accountants

(Firm's Registration No. 101248W/W-100022)

Jamil Khatri

Partner

Mumbai, 29 May, 2018

(Membership No. 102527)

Consolidated Balance Sheet

as at 31st March, 2018

	Note	2018	Rupees crores 2017
I. ASSETS			
NON-CURRENT ASSETS			
Property, Plant and Equipment.....	4	20,820.49	18,306.97
Capital Work-in-Progress.....		1,814.57	1,887.86
Goodwill	5	2,159.67	558.61
Other Intangible Assets.....	6	3,201.74	2,123.43
Intangible Assets Under Development.....		2,454.90	2,391.08
Investments accounted using Equity method.....	7	9,421.45	8,795.54
Financial Assets			
(i) Investments.....	7	1,246.09	1,166.23
(ii) Trade Receivables	8	513.84	576.59
(iii) Loans.....	9	31,414.43	25,193.54
(iv) Other Financial Assets	10	512.43	443.91
Deferred Tax Assets (net).....	11	841.60	906.67
Income Tax Assets (net).....		1,251.02	987.02
Other Non-Current Assets.....	12	2,482.66	2,616.94
		78,134.89	65,954.39
CURRENT ASSETS			
Inventories.....	13	9,335.57	8,886.01
Financial Assets			
(i) Investments.....	7	5,350.07	4,700.67
(ii) Trade Receivables	8	8,489.82	7,199.26
(iii) Cash and Cash Equivalents.....	14	4,466.63	2,945.79
(iv) Bank Balances other than Cash and Cash Equivalents	14	2,080.97	1,708.24
(v) Loans.....	9	24,725.46	20,698.48
(vi) Other Financial Assets	10	1,255.78	1,095.94
Other Current Assets.....	12	3,308.11	1,553.37
Assets held for sale.....	44	63.61	—
		59,076.02	48,787.76
TOTAL ASSETS		1,37,210.91	1,14,742.15
II. EQUITY AND LIABILITIES			
EQUITY			
Equity Share Capital.....	15	543.13	270.89
Other Equity	16	36,232.06	29,467.10
Equity attributable to owners of the Company.....		36,775.19	29,737.99
Non-controlling Interests		8,250.47	6,356.90
		45,025.66	36,094.89
LIABILITIES			
NON-CURRENT LIABILITIES			
Financial Liabilities			
(i) Borrowings.....	17	33,809.18	30,124.51
(ii) Trade Payables	18	4.88	4.38
(iii) Other Financial Liabilities.....	19	1,689.46	1,392.78
Provisions.....	20	3,785.68	3,507.04
Deferred Tax Liabilities (Net).....	11	1,587.42	1,787.45
Other Non-Current Liabilities	21	2,159.09	1,998.63
		43,035.71	38,814.79
CURRENT LIABILITIES			
Financial Liabilities			
(i) Borrowings	17	11,325.54	10,121.65
(ii) Trade Payables	18	18,287.34	14,796.87
(iii) Other Financial Liabilities.....	19	14,208.43	11,775.94
Other Current Liabilities.....	21	3,528.86	1,579.76
Provisions.....	20	1,395.26	1,215.91
Current Tax Liabilities (Net)		404.11	342.34
		49,149.54	39,832.47
TOTAL EQUITY AND LIABILITIES		1,37,210.91	1,14,742.15

The accompanying notes 1 to 45 are an integral part of the Consolidated Financial Statements

In terms of our report attached.

For B S R & Co. LLP
Chartered Accountants
Firm Registration No. 101248W/W-100022

Jamil Khatri
Partner
Membership No : 102527
Mumbai, 29th May, 2018

Nadir B. Godrej
M. M. Murugappan
R. K. Kulkarni
Anupam Puri
Vishakha N. Desai
Vikram Singh Mehta
T. N. Manoharan

Directors

Anand G. Mahindra
Dr. Pawan Goenka
V. S. Parthasarathy
Narayan Shankar

Executive Chairman
Managing Director
Group Chief Financial Officer & Group CIO
Company Secretary

Mumbai, 29th May, 2018

Consolidated Statement of Profit and Loss

for the year ended 31st March, 2018

		Rupees crores	2018	2017
INCOME				
Revenue from Operations.....	22	93,264.77	88,983.03	
Other Income.....	23	631.03	730.10	
Total Income		93,895.80	89,713.13	
EXPENSES				
Cost of Materials Consumed.....	24	48,439.86	45,805.38	
Purchases of Stock-in-Trade.....		5,017.43	4,849.82	
Changes in Inventories of Finished Goods, Stock-in-Trade and Work-in-Progress.....	25	83.33	(13.83)	
Excise Duty.....		1,170.82	5,209.98	
Employee Benefits Expense	26	10,004.62	8,910.63	
Finance Costs	27	3,987.09	3,648.46	
Depreciation and Amortisation Expense.....	4.6	3,279.90	2,812.72	
Other Expenses.....	28	16,820.50	15,019.32	
Less : Cost of manufactured/purchased products capitalised		88,803.55	86,242.48	
Total Expenses.....		1,497.89	1,533.10	
Profit Before Exceptional Items and Tax		87,305.66	84,709.38	
Exceptional Items	29	6,590.14	5,003.75	
Share of Profit/(Loss) of Associates and Joint Ventures.....		2,628.12	447.11	
Profit Before Tax		1,107.26	899.40	
Profit Before Tax		10,325.52	6,350.26	
Tax Expense.....	11	2,563.61	2,059.33	
Current Tax.....		(195.88)	240.40	
Profit for the year		7,957.79	4,050.53	
Other Comprehensive Income				
A. (i) Items that will not be reclassified to profit or loss				
(a) Remeasurements of the defined benefit plans		123.80	226.75	
(b) Equity instruments through other comprehensive income.....		(6.92)	(5.38)	
(c) Share of other comprehensive income of equity accounted investees.....		(3.37)	(2.42)	
(ii) Income tax relating to items that will not be reclassified to profit or loss		3.46	4.19	
B. (i) Items that will be reclassified to profit or loss				
(a) Exchange differences in translating the financial statements of foreign operations		298.19	(40.38)	
(b) Debt instruments through other comprehensive income.....		(0.98)	(1.20)	
(c) Effective portion of gains/(losses) on designated portion of hedging instruments in cash flow hedge.....		(61.30)	41.52	
(d) Share of other comprehensive income/(loss) of equity accounted investees.....		37.87	(30.64)	
(ii) Income tax relating to items that will be reclassified to profit or loss		7.60	(3.00)	
Total Other Comprehensive Income		398.35	189.44	
Total Comprehensive Income for the year		8,356.14	4,239.97	
Profit for the year attributable to:				
Owners of the Company		7,510.39	3,698.04	
Non-controlling interests.....		447.40	352.49	
Profit for the year		7,957.79	4,050.53	
Other Comprehensive Income for the year attributable to:				
Owners of the Company		319.45	127.60	
Non-controlling interests.....		78.90	61.84	
Other Comprehensive Income for the year attributable to:		398.35	189.44	
Owners of the Company		7,829.84	3,825.64	
Non-controlling interests.....		526.30	414.33	
Other Comprehensive Income for the year attributable to:		8,356.14	4,239.97	
Earnings per equity share : (Face Value Rs. 5/- per share) (Rupees)	30			
Basic		69.20	34.16	
Diluted		68.86	33.98	

The accompanying notes 1 to 45 are an integral part of the Consolidated Financial Statements

In terms of our report attached.

For B S R & Co. LLP
Chartered Accountants
Firm Registration No. 101248W/W-100022

Jamil Khatri
Partner
Membership No : 102527
Mumbai, 29th May, 2018

Nadir B. Godrej
M. M. Murugappan
R. K. Kulkarni
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Vishakha N. Desai
Vikram Singh Mehta
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Directors

Anand G. Mahindra
Dr. Pawan Goenka
V. S. Parthasarathy
Narayan Shankar

Executive Chairman
Managing Director
Group Chief Financial Officer & Group CIO
Company Secretary
Mumbai, 29th May, 2018

Consolidated Statement of Changes in Equity for the year ended 31st March, 2018

A) Equity Share Capital

	2018	2017
Issued, Subscribed and Paid-up:		
Balance as at the beginning of the year.....	270.89	270.40
Add : Allotment of shares by ESOP Trust to Employees.....	0.55	0.49
Add : Issue of Bonus Shares (net of shares issued to M&M ESOP Trust & M&M Benefit Trust)	271.44	—
Add : Shares issued under Scheme of Arrangement.....	0.25	—
Balance as at the end of the year.....	543.13	270.89

B) Other Equity

	Attributable to owners of the Company						Non-controlling interests	Total	
	Reserves and Surplus			Items of Other Comprehensive Income					
	Capital Reserve on consolidation	Securities Premium Account	Employee Stock Options Outstanding	Other Reserves	Retained Earnings	Debt instrument through Other Comprehensive Income	Equity instrument through Other Comprehensive Income	Effective portion of Cash Flow Hedges (Note 33)	Foreign Currency Translation Reserve
As at 1st April, 2016	1,510.59	2,334.02	137.50	3,893.59	18,281.82	0.63	(1.28)	(9.13)	74.51
Profit for the year.....	—	—	—	—	3,698.04	—	—	—	3,698.04
Other Comprehensive Income / (Loss).....	—	—	—	—	166.09	(0.78)	(7.03)	104.53	(135.51)
Total Comprehensive Income for the year	—	—	—	—	3,864.13	(0.78)	(7.03)	104.53	(135.21)
Dividend paid on Equity Shares (including tax thereon)	—	—	—	—	(773.67)	—	—	—	(773.67)
Transfers to Retained Earnings	—	—	—	(70.24)	70.24	—	—	—	—
Transfers from Retained Earnings.....	—	—	—	159.19	(159.19)	—	—	—	—
On business combinations during the year	7.54	—	—	—	—	—	—	—	7.54
Exercise of employee stock options.....	—	48.37	(48.37)	—	—	—	—	—	—
Allotment of shares by M&M ESOP Trust to employees	—	1.20	—	(0.25)	—	—	—	—	0.95
On account of employee stock options lapsed/forfeited	—	—	(0.27)	0.27	—	—	—	—	—
Share-based payment expense.....	—	—	127.97	—	—	56.42	—	—	127.97
Consequent to change in Group's Interest.....	—	—	—	—	—	—	—	—	—
As at 31st March, 2017	1,518.13	2,383.59	216.83	3,982.56	21,339.75	(0.15)	(8.31)	95.40	(60.70)
									29,467.10
									6,356.90
									35,824.00

Consolidated Statement of Changes in Equity for the year ended 31st March, 2018 (contd.)

B) Other Equity (contd.)

	Attributable to owners of the Company											
	Reserves and Surplus			Items of Other Comprehensive Income								
	Capital Reserve on consolidation	Securities Premium Account	Employee Stock Options outstanding Account	Other Reserves	Retained Earnings	Debt instrument through Other Comprehensive Income	Equity instrument through Other Comprehensive Income	Effective portion of Cash Flow Hedges (Note 33)	Foreign Currency Translation Reserve	Total Other Equity	Non-controlling interests	Total
As at 1st April, 2017	1,518.13	2,383.59	216.83	3,982.56	21,339.75	(0.15)	(8.31)	95.40	(60.70)	29,467.10	6,356.90	35,824.00
Profit for the year	—	—	—	—	7,510.39	—	—	—	—	7,510.39	447.40	7,957.79
Other Comprehensive Income / (Loss)	—	—	—	—	99.23	(0.64)	(12.48)	(181.55)	414.89	319.45	78.90	398.35
Total Comprehensive Income for the year..	—	—	—	—	7,609.62	(0.54)	(12.48)	(181.55)	414.89	7,829.84	526.30	8,356.14
Dividend paid on Equity Shares (including tax thereon).....	—	—	—	—	(847.97)	—	—	—	—	(847.97)	(117.63)	(965.60)
Issue of bonus shares during the year	—	—	—	—	—	—	—	—	—	(310.80)	—	(310.80)
Allotment of bonus shares to M&M ESOP trust and M&M Benefit Trust	—	39.35	—	—	—	—	—	—	—	39.35	—	39.35
Transfers from Retained earnings	—	—	—	245.03	(245.03)	—	—	—	—	—	—	—
On business combinations during the year	—	—	—	—	—	—	—	—	—	—	—	—
Exercise of employee stock options.....	—	73.80	(73.80)	—	—	—	—	—	—	—	—	—
Allotment of bonus shares by M&M ESOP Trust to Employees.....	—	(0.12)	—	(0.21)	—	—	—	—	—	(0.33)	—	(0.33)
Allotment of shares by M&M ESOP Trust to Employees	—	1.04	—	—	—	—	—	—	—	1.04	—	1.04
On account of employee stock options lapsed	—	—	(0.28)	0.28	—	—	—	—	—	—	—	—
Share-based payment expense.....	—	—	86.58	—	—	—	—	—	—	86.58	—	86.58
Transactions with non-controlling interest and changes in Group's interest	—	—	—	—	(32.75)	—	—	—	—	(32.75)	1,303.81	1,271.06
As at 31st March, 2018	1,518.13	2,186.86	229.33	4,227.66	27,823.62	(0.79)	(20.79)	(86.15)	354.19	36,232.06	8,250.47	44,482.53

Consolidated Statement of Changes in Equity for the year ended 31st March, 2018 (contd.)

C) Other Reserves

Particulars						Rupees crores
	Capital Redemption Reserve	Capital Reserve	Debenture Redemption Reserve	General Reserve	Statutory Reserve	Total
As at 1st April, 2016	73.69	23.52	150.56	2,981.70	664.12	3,893.59
Transfer from Retained Earnings	—	—	71.98	30.82	56.39	159.19
Transfer to Retained Earnings.....	—	—	(70.24)	—	—	(70.24)
Allotment of shares by M&M ESOP Trust to employees	—	—	—	(0.25)	—	(0.25)
On account of employee stock options lapsed	—	—	—	0.27	—	0.27
As at 31st March, 2017	73.69	23.52	152.30	3,012.54	720.51	3,982.56
As at 1st April, 2017	73.69	23.52	152.30	3,012.54	720.51	3,982.56
Transfer from Retained Earnings	—	—	84.35	45.90	114.78	245.03
Allotment of bonus shares by M&M ESOP Trust to Employees.....	—	—	—	(0.21)	—	(0.21)
On account of employee stock options lapsed	—	—	—	0.28	—	0.28
As at 31st March, 2018	73.69	23.52	236.65	3,058.51	835.29	4,227.66

Notes:

- a) The Company has reduced the Share Capital by **Rs. 13.27 crores** (2017 : Rs. 13.49 crores) and Securities Premium Account by **Rs. 254.54 crores** (2017 : Rs. 255.58 crores) for **2,65,47,211** shares of Rs. 5 each (2017 : 2,69,73,260 shares of Rs. 5 each) held by M&M ESOP Trust pending transfer to the eligible employees.
- b) The Share Capital of the Company has also been reduced and the General Reserve increased by **Rs. 0.04 crores** (2017 : Rs. 0.25 crores) for **82,548** bonus shares of Rs. 5 each (2017 : 5,08,597 bonus shares of Rs. 5 each) issued by the Company in September, 2005 to M&M ESOP Trust.
- c) The Company has also reduced the Share Capital by **Rs. 25.92 crores** (2017 : Rs. 25.92 crores) and Retained Earnings by **Rs. 1,433.85 crores** (2017 : Rs. 1,433.85 crores) for **5,18,35,214** shares of Rs. 5 each (2017 : 5,18,35,214 shares of Rs. 5 each) held by M&M Benefit Trust.
- d) The Share Capital of the Company has also been reduced and the Securities Premium Account increased by **Rs. 39.23 crores** (2017 : Rs. Nil) for **2,66,29,759** bonus shares of Rs. 5 each (2017 : Nil) issued by the Company in December, 2017 to M&M ESOP Trust and for **5,18,35,214** bonus shares of Rs. 5 each (2017 : Nil) issued by the Company in December, 2017 to M&M Benefit Trust.

The accompanying notes 1 to 45 are an integral part of the Consolidated Financial Statements

In terms of our report attached.

For B S R & Co. LLP
Chartered Accountants
Firm Registration No. 101248W/W-100022

Jamil Khatri
Partner
Membership No : 102527
Mumbai, 29th May, 2018

Nadir B. Godrej
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Executive Chairman
Managing Director
Group Chief Financial Officer & Group CIO
Company Secretary
Mumbai, 29th May, 2018

Consolidated Cash Flow Statement for the year ended 31st March, 2018

Rupees crores

	2018	2017
A. CASH FLOW FROM OPERATING ACTIVITIES :		
Profit before exceptional items and tax	6,590.14	5,003.75
Adjustments for :		
Depreciation, amortisation and impairment expenses	3,279.90	2,941.51
Loss/(Gain) on foreign exchange fluctuation (net).....	91.76	(55.35)
Dividend and interest income [excluding Rs. 8,353.21 crores (2017 : Rs. 7,319.66 crores) in respect of financial services business].....	(402.99)	(422.81)
Interest, commitment and finance charges [excluding Rs. 3,409.89 crores (2017 : Rs. 3,186.45 crores) in respect of financial services business].....	577.20	462.01
Share-based payment expenses.....	112.00	170.70
Net Gain on financial instruments.....	(99.43)	(242.26)
Loss on property, plant and equipment sold/scrapped/written off (net)	10.45	53.90
	3,568.89	2,907.70
Operating Profit before Working Capital changes.....	10,159.03	7,911.45
Changes in :		
Trade and other receivables.....	(2,065.91)	(2,175.10)
Financial Services receivable	(9,852.00)	(6,434.37)
Inventories.....	(256.32)	240.97
Trade and other payables.....	5,360.93	2,644.95
	(6,813.30)	(5,723.55)
Cash generated from operations	3,345.73	2,187.90
Income Taxes paid (Net of refunds)	(2,663.87)	(2,004.81)
Net Cash flow from Operating Activities	681.86	183.09
B. CASH FLOW FROM INVESTING ACTIVITIES :		
Payment to acquire property, plant & equipment and other intangible assets	(5,905.78)	(5,026.15)
Proceeds from sale of property, plant & equipment and other intangible assets	114.72	62.63
Payment to acquire investments.....	(1,55,158.64)	(1,32,172.74)
Proceeds from sale of investments	1,54,630.80	1,30,940.06
Interest received	253.62	345.88
Dividends received from Joint ventures and Associates	301.52	391.21
Dividends received from others	14.76	17.71
Bank Deposits placed	(2,180.56)	(2,505.34)
Bank Deposits matured.....	1,932.95	2,722.86
Increase in Earmarked and Margin account	(43.10)	(8.17)
Purchase of Investment in Joint ventures and Associates.....	(703.98)	(647.36)
Purchase consideration paid on acquisition of Subsidiaries net of cash acquired	(400.77)	(83.47)
Consideration received on disposal of Joint ventures and Associates	1,676.53	87.50
Net cash used in Investing Activities	(5,467.93)	(5,875.38)

Consolidated Cash Flow Statement

for the year ended 31st March, 2018 (contd.)

Rupees crores

	2018	2017
C. CASH FLOW FROM FINANCING ACTIVITIES :		
Proceeds from Issue of Shares to Employees by ESOP Trust.....	4.41	12.19
Proceeds from borrowings.....	66,819.38	72,180.59
Repayments of borrowings.....	(60,213.53)	(66,024.07)
Net increase in Loans repayable on demand and cash credit.....	(144.52)	1,101.60
Dividends paid (including dividend distribution tax paid thereon)	(845.73)	(771.66)
Dividend paid to non-controlling interests (including dividend distribution tax paid thereon)	(117.63)	(164.28)
Proceeds from issue of shares to non-controlling interest (net).....	1,333.05	244.65
Interest, Commitment and Finance charges paid	(520.93)	(471.05)
Net cash from financing activities.....	6,314.50	6,107.97
 Net increase/(decrease) in cash and cash equivalents	 1,528.43	 415.68
 Cash and cash equivalents at the beginning of the year	 2,937.49	 2,521.72
Unrealised gain/(loss) on foreign currency cash and cash equivalents.....	0.71	0.09
 Cash and cash equivalents at the end of the year	 4,466.63	 2,937.49
 Supplementary information :		
Non-Cash transactions		
a) Investment in equity accounted associates.....	—	354.60
b) Issue of equity shares as consideration to non-controlling interest in the Scheme of Arrangement (Refer Note 42)	0.25	—

Notes to the Consolidated Cash Flow Statements for the year ended 31st March, 2018

The above Cash Flow Statement has been prepared under the 'indirect method' as set out in Ind AS 7 - Statement of Cash Flow.

The accompanying notes 1 to 45 are an integral part of the Consolidated Financial Statements.

In terms of our report attached.

For B S R & Co. LLP
Chartered Accountants
Firm Registration No. 101248W/W-100022

Jamil Khatri
Partner
Membership No : 102527
Mumbai, 29th May, 2018

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Anupam Puri
Vishakha N. Desai
Vikram Singh Mehta
T. N. Manoharan

Directors

Anand G. Mahindra
Dr. Pawan Goenka
V. S. Parthasarathy
Narayan Shankar

Executive Chairman
Managing Director
Group Chief Financial Officer & Group CIO
Company Secretary
Mumbai, 29th May, 2018

Notes to the Consolidated Financial Statements for the year ended 31st March, 2018

1. General information

Mahindra & Mahindra Limited ('the Company') is a limited company incorporated in India. The address of its registered office and principal activities of the Company are disclosed in the introduction to the Annual Report.

The Ordinary (Equity) shares of the Company are listed on the National Stock Exchange ("NSE"), the Bombay Stock Exchange ("BSE") in India. The Global Depository Receipts (GDRs) (underlying equity shares) of the Company are listed on the Luxembourg Stock Exchange and also admitted for trading on International Order Book (IOB) of London Stock Exchange.

2. Significant Accounting Policies

a) Statement of compliance and basis of preparation and presentation

These consolidated financial statements of Mahindra & Mahindra Limited and its subsidiaries ('the Group' or 'Mahindra Group') have been prepared in accordance with Indian Accounting Standards as per the Companies (Indian Accounting Standards) Rules, 2015 as amended and notified under Section 133 of the Companies Act, 2013 (the 'Act') and other relevant provisions of the Act.

These consolidated financial statements were approved by the Company's Board of Directors and authorised for issue on 29th May, 2018.

b) Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values.

c) Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and its subsidiaries.

Subsidiaries

Subsidiaries are entities over which the Group has control. Subsidiaries are consolidated on a line-by-line basis from the date the control is transferred to the Group. They are deconsolidated from the date that control ceases. The acquisition method of accounting is used to account for business combinations by the Group. Changes in the Group's interest in subsidiaries that do not result in a loss of control are accounted as equity transactions. The carrying amount of the Company's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. These financial statements are prepared by applying uniform accounting policies in use at the Group.

Associates

Associates are the entities over which the Group has significant influence. Investment in associates are accounted for using the equity method of accounting, after initially being recognised at cost.

Joint Arrangements

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have the rights to the net assets of the arrangement. The results, assets and liabilities of a joint venture are accounted using the equity method of accounting. Where the Group's activities are conducted through joint operations (i.e. the parties have rights to the assets and obligation for liabilities relating to the arrangement), the Group recognises its share of assets, liabilities, income and expenses of such joint operations incurred jointly along with its share of income from the sale of output.

d) Measurement of fair values

A number of Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. The Group has established policies and procedures with respect to the measurement of fair values.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets and liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

e) Critical Accounting Estimates and Judgments

The preparation of financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions, that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses at the date of these financial statements and the reported amounts of revenues and expenses for the years presented. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed at each balance sheet date. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods affected.

Key sources of estimation uncertainty at the date of financial statements, which may cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year, is in respect of useful lives of property, plant and equipment, other intangible assets, provision for product warranty, fair value of financial assets/liabilities and impairment of investments and goodwill.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Useful lives of property, plant and equipment and other intangible assets

The Group reviews the useful life of property, plant and equipment and other intangible assets at the end of each reporting period. This re-assessment may result in change in depreciation and amortisation expense in future periods.

Provision for product warranties

The Group recognises provision for warranties in respect of the products that it sells. Provisions are discounted, where necessary, to its present value based on the best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

Fair value of financial assets and liabilities and investments

The Group measures certain financial assets and liabilities on fair value basis at each balance sheet date or at the time they are assessed for impairment. Fair value measurement that are based on significant unobservable inputs (Level 3) requires estimates of operating margin, discount rate, future growth rate, terminal values, etc. based on management's best estimate about future developments.

Impairment of goodwill

The Group estimates the value in use of the cash generating unit (CGU) based on the future cash flows after considering current economic conditions and trends, estimated future operating results and growth rate and anticipated future economic and regulatory conditions. The estimated cash flows are developed using internal forecasts. The discount rate used for the CGUs represent the weighted average cost of capital based on historical market returns of comparable companies.

f) Property, plant and equipment

Property, plant and equipment are stated at cost of acquisition or construction less accumulated depreciation less accumulated impairment, if any.

Cost includes financing cost relating to borrowed funds attributable to the construction or acquisition of qualifying tangible assets upto the date the assets are ready for use.

Depreciation is provided on straight-line basis for property, plant and equipment so as to expense the depreciable amount, i.e. the cost less estimated residual value, over its estimated useful lives. The estimated useful lives and residual values are reviewed annually and the effect of any changes in estimate is accounted for on a prospective basis.

When an asset is scrapped or otherwise disposed off, the cost and related depreciation are removed from the books of account and resultant profit or loss, if any, is reflected in profit or loss.

The management's estimate of useful lives are in accordance with Schedule II to the Companies Act, 2013, other than the following asset classes, based on the Group's expected usage pattern supported by technical assessment:

Asset Class	Useful lives
i) Plant and equipment	2-25 years
ii) Buildings, including roads	3-60 years
iii) Vehicles	2-10 years

g) Goodwill and Intangible Assets

Goodwill is initially recognised as the excess of consideration paid and acquirer's interest in the net fair value of the identifiable net assets of acquired business. Subsequent to initial measurement, goodwill is measured at cost less accumulated impairment, if any. Goodwill is allocated to the cash-generating unit which is expected to benefit from the business combination.

Intangible assets are initially recognised at cost except those acquired in a business combination on or after the transition date in which case it is recognised at their acquisition date fair value.

Subsequent to initial recognition, intangible assets other than goodwill and intangible assets with indefinite useful lives are carried at cost less accumulated amortisation and accumulated impairment, if any. Intangible assets with indefinite useful lives are reviewed annually to determine whether indefinite-life assessment continues to be supportable. Intangible assets with definite useful lives are amortised on a straight line basis so as to reflect the pattern in which the asset's economic benefits are consumed.

Intangible assets under development

The Group expenses costs incurred during research phase to profit or loss in the year in which they are incurred. Development phase expenses are initially recognised as intangible assets under development until the development phase is complete, upon which the amount is capitalised as intangible asset.

Intangible assets acquired under business combination

Intangible assets acquired in a business combination and recognised separately from goodwill are initially recognised at their fair value on the acquisition date (which is regarded as their cost).

Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

Other intangible assets*Technical Knowhow*

The expenditure incurred is amortised over the estimated period of benefit, not exceeding six years commencing with the year of purchase of the technology.

Development Expenditure

The expenditure incurred on technical services and other project/product related expenses are amortised over the estimated period of benefit, not exceeding five years.

Brand license fee

The expenditure incurred is amortised over the period of relevant licence fee or the estimated period of benefit, whichever is lower.

Software Expenditure

The expenditure incurred is amortised over three financial years equally commencing from the year in which the expenditure is incurred.

Others

The expenditure incurred is amortised over the estimated period of benefit.

The amortisation period for intangible assets with finite useful lives are reviewed annually and changes in expected useful lives are treated as changes in estimates.

h) Impairment of Assets

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount, which is the higher of the value in use or fair value less cost to sell, of the asset or cash-generating unit, as the case may be, is estimated and impairment loss (if any) is recognised and the carrying amount is reduced to its recoverable amount.

When an impairment loss subsequently reverses, the carrying amount of the asset or a cash-generating unit is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) earlier. Impairment loss recognised in profit or loss are presented as part of 'other expenses'.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

i) Inventories

Inventories comprise all costs of purchase, conversion and other costs incurred in bringing the inventories to their present location and condition.

Raw materials and bought out components are valued at the lower of cost or net realisable value. Cost is determined on the basis of the weighted average method.

Finished goods produced and purchased for sale, manufactured components and work-in-progress are carried at cost or net realisable value whichever is lower. Excise duty is included in the value of finished goods inventory.

Stores, spares and tools other than obsolete and slow moving items are carried at cost. Obsolete and slow moving items are valued at cost or estimated net realisable value, whichever is lower.

j) Foreign exchange transactions and translation

The functional currency of the Company and its Indian subsidiaries is Indian Rupees whereas the functional currency of foreign subsidiaries is the currency of their countries of domicile.

Transactions in foreign currencies are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are translated at the functional currency using exchange rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are measured at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Exchange differences on monetary items are recognised in profit or loss in the period in which they arise except for exchange differences on transactions entered into in order to hedge certain foreign currency risks (refer policy on Derivative Financial Instruments and Hedge Accounting).

For the purposes of presenting these consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into Indian Rupees using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity (and attributed to non-controlling interests as appropriate).

On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign operation, a disposal involving loss of control over a subsidiary that includes a foreign operation, or a partial disposal of an interest in a joint arrangement or an associate that includes a foreign operation of which the retained interest becomes a financial asset), the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss.

In addition, in relation to a partial disposal of a subsidiary that includes a foreign operation that does not result in the Group losing control over the subsidiary, the proportionate share of accumulated exchange differences are re-attributed to non-controlling interests and are not recognised in profit or loss. For all other partial disposal (i.e. partial disposals of associates or joint arrangements that do not result in the Group losing significant influence or joint control), the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

k) Financial Instruments

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Classification and subsequent measurement

Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace. All recognised financial assets are subsequently measured at either amortised cost or fair value depending on their respective classification.

On initial recognition, a financial asset is classified as measured at -

- Amortised cost; or
- Fair Value through Other Comprehensive Income (FVTOCI) – debt investment; or
- Fair Value through Other Comprehensive Income (FVTOCI) – equity investment; or
- Fair Value through Profit or Loss

The classification of debt instrument as amortised cost or FVTOCI is based on the business model and cash flow characteristics of such instrument.

Financial assets are not reclassified subsequent to their initial recognition, except if the Group changes its business model for managing financial assets.

All financial asset not classified as measured at amortised cost or FVTOCI are measured at FVTPL. This includes all derivative financial assets unless designated as effective hedge instruments which are accounted as per hedge accounting requirements discussed below.

Financial assets at amortised cost are subsequently measured at amortised cost using effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain and loss on derecognition is recognised in profit or loss.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Debt investment at FVTOCI are subsequently measured at fair value. Interest income under effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

For equity investments, the Group makes an election on an instrument-by-instrument basis to designate equity investments as measured at FVTOCI. These elected investments are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the reserves. The cumulative gain or loss is not reclassified to profit or loss on disposal of the investments. These investments in equity are not held for trading. Instead, they are held for medium or long-term strategic purpose. Upon the application of Ind AS 109, the Group has chosen to designate these investments as at FVTOCI as the Group believes that this provides a more meaningful presentation for medium or long-term strategic investments, than reflecting changes in fair value immediately in profit or loss. Dividend income received on such equity investments are recognised in profit or loss.

Equity investments that are not designated as measured at FVTOCI are designated as measured at FVTPL and subsequent changes in fair value are recognised in profit or loss.

Financial liabilities and equity instruments

Debt and equity instruments issued by the Group are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group is recognised at the proceeds received, net of directly attributable transaction costs.

Financial liabilities

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading or it is a derivative (that does not meet hedge accounting requirements) or it is designated as such on initial recognition. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

Compound instruments

An issued financial instrument that comprises of both the liability and equity components are accounted as compound financial instruments. The fair value of the liability component is separated from the compound instrument and the residual value is recognised as equity component of other financial instrument. The liability component is subsequently measured at amortised cost, whereas the equity component is not remeasured after initial recognition. The transaction costs related to compound instruments are allocated to the liability and equity components in the proportion to the allocation of gross proceeds. Transaction costs related to equity component is recognised directly in equity and the cost related to liability component is included in the carrying amount of the liability component and amortised using effective interest method.

Derecognition of financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Group neither transfers nor retains substantially all of the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for the amount it may have to pay.

If the Group enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised and the proceeds received are recognised as a collateralised borrowing.

Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

Financial guarantee contracts and loan commitments

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts and loan commitments issued by the Group are initially measured at their fair values and, if not designated as at FVTPL, are subsequently measured at the higher of:

- the amount of loss allowance determined in accordance with impairment requirements of Ind AS 109; and
- the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of Ind AS 18.

Derivative financial instruments and hedge accounting

The Group enters into derivative financial instruments, primarily foreign exchange forward contracts and interest rate swaps, to manage its exposure to foreign exchange and interest rate risks. Derivatives embedded in non-derivative host contracts that are not financial assets within the scope of Ind AS 109 are treated as separate derivatives when their risks and economic characteristics are not closely related to those of the host contracts and the host contracts are not measured at FVTPL.

Derivatives are initially recognised at fair value at the date the contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedging relationship and the nature of the hedged item.

The Group designates certain hedging instruments, which include derivatives in respect of foreign currency risk, as either fair value hedges or cash flow hedges. Hedges of foreign exchange risk on firm commitments are accounted for as cash flow hedges.

At the inception of the hedge relationship, the Group documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Group documents whether the hedging instrument is highly effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk.

Changes in fair value of the designated portion of derivatives that qualify as fair value hedges are recognised in profit or loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income and accumulated under hedging reserve. The gain or loss relating to the ineffective portion is recognised immediately in the statement of profit and loss.

Amounts previously recognised in other comprehensive income and accumulated in equity relating to (effective portion as described above) are reclassified to profit or loss in the periods when the hedged item affects profit or loss.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. Any gain or loss recognised in other comprehensive income and accumulated in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in the statement of profit and loss. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in equity is recognised immediately in the profit or loss.

Impairment of financial assets

The Group applies the expected credit loss (ECL) model for recognising impairment loss on financial assets. With respect to trade receivables, the Group measures the loss allowance at an amount equal to lifetime expected credit losses. For all other financial instruments, the Group recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12 month ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition. 12 month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets. For debt securities at FVTOCI, the loss allowance is recognised in OCI.

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

I) Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are inclusive of excise duty and net of customer returns, trade allowance, rebates, value added taxes and amount collected on behalf of third parties.

Sale of goods

Revenue from the sale of goods is recognized when all the following conditions are satisfied:

- a) the Group has transferred to the buyer the significant risks and rewards of ownership of the goods;
- b) the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- c) the amount of revenue can be measured reliably;
- d) it is probable that the economic benefits associated with the transaction will flow to the entity; and
- e) the costs incurred or to be incurred in respect of the transaction can be measured reliably

Sale of services

Sale of services are recognised on rendering of such services.

Dividend and interest income

Dividend from investments are recognised in profit or loss when the right to receive payment is established.

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably.

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

Income from financing business

Interest income and expense related to financing business of the Group are recognised in profit or loss using the effective interest method. The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to the gross carrying amount of the financial asset or the amortised cost of the financial liability.

When calculating the effective interest rate for financial instruments other than credit-impaired assets, the Group estimates future cash flows considering all contractual terms of the financial instrument, but not expected credit losses. For credit-impaired financial assets, a credit-adjusted effective interest rate is calculated using estimated future cash flows including expected credit losses.

The calculation of the effective interest rate includes transaction costs and fees paid or received that are an integral part of the effective interest rate. Transaction costs include incremental costs that are directly attributable to the acquisition or issue of a financial asset or financial liability.

Long term construction contracts and property development activity

Income from real estate sales is recognised on the transfer of all significant risks and rewards of ownership to the buyers and it is not unreasonable to expect ultimate collection and no significant uncertainty exists regarding the amount of consideration. However if, at the time of transfer substantial acts are yet to be performed under the contract, revenue is recognised on proportionate basis as the acts are performed, i.e. on the percentage of completion basis.

When the outcome of the construction contract can be estimated reliably, revenue and costs are recognised by reference to the stage of completion of the contract activity at the end of the reporting periods, measured based on the proportion of the contract costs incurred for work performed to date relative to the estimated total contract costs, except where this would not be representative of the stage of completion. Variations in contract work, claims and incentive payments are included to the extent that the amount can be measured reliably and its receipt is considered probable.

When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised to the extent of contract costs incurred that it is probable will be recoverable. Contract costs are recognised as expenses in the period in which they are incurred.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

When contract costs incurred to date plus recognised profits less recognised losses exceed progress billings, the surplus is shown as amounts due from customers for contract work. For contracts where progress billings exceed contract costs incurred to date plus recognised profits less recognised losses, the surplus is shown as the amounts due to customers for contract work. Amounts received before the related work is performed are included in the balance sheet, as a liability, as advances received. Amounts billed for work performed but not yet paid by the customer are included in the consolidated balance sheet under trade receivables, whereas amount not billed for work performed are included under other current assets.

Further, in accordance with the Guidance Note on Accounting for Real Estate Transactions (for entities to whom Ind AS is applicable) issued by the Institute of Chartered Accountants of India, revenues from real estate projects are recognised only when:

- i. all critical approvals necessary for commencement of the project have been obtained,
- ii. the actual construction and development cost incurred is at least 25% of the total construction and development cost (without considering land cost),
- iii. when at least 10% of the sales consideration is realised, and
- iv. where 25% of the total saleable area of the project is secured by contracts of agreement with buyers.

Revenue from sale of land and other rights are considered upon transfer of all significant risks and rewards of ownership of such real estate/property as per the terms of the contract entered into with the buyers, which generally with the firmity of the sale contracts/agreements.

Project management fees receivable on fixed period contracts is accounted over the tenure of the contract/agreement. Where the fee is linked to the input costs, revenue is recognised as a proportion of the work completed based on progress claims submitted. Where the management fee is linked to the revenue generation from the project, revenue is recognised on the percentage of completion basis.

Vacation Ownership

The activity of selling vacation ownership and providing holiday facilities to members is for a specified period each year, over a number of years, for which membership fee is collected either in full up front, or on a deferred payment basis. Admission fee, which is non-refundable, is recognized as income on admission of a member to the extent there is no significant uncertainty as to its collectability at inception. Entitlement fee, which entitles the members the vacation ownership facilities over the agreed membership period, is recognized as income equally over the tenure of membership (33 years / 25 years / 10 years or any other tenure applicable to the respective member), commencing from the year of admission of each member. Entitlement fees which will be recognised in future periods are disclosed under Other Liabilities – Deferred Income.

Annual subscription fee dues from members are recognized as income on accrual basis and fees pertaining to the period beyond the date of the balance sheet is recognised as Deferred Income. Interest income is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time proportionate basis, by reference to the principal outstanding and at the agreed rates. Income of resorts from room rentals, food and beverages, etc. is recognized when services are rendered.

Revenue is recognized only when it is probable that the economic benefits associated with the transaction will flow to the Group. Revenue with respect to instalments/contracts where there is an uncertainty about collectability is deferred (even though the membership is not cancelled). The estimation of such revenues doubtful of recovery has been made by the Group based on past trends of year-wise cancellation of memberships and considering factors impacting future trends.

Revenue from sale of vacation ownership weeks is recognised when related right to use the specific property over the specific week(s) is transferred to the buyer for a consideration, which coincides with transfer of significant risks and rewards of ownership.

Income from sale of vacation ownership weeks in villas is recognized when the outcome of a villa project can be estimated reliably. Project revenue and contract costs associated with the contract are recognised as revenue and expenses respectively by reference to the percentage of completion of the project activity at the reporting date.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense in profit or loss in the period in which such probability occurs.

m) Government Grants

The Group, directly or indirectly through a consortium of group companies, is entitled to various incentives from government authorities in respect of manufacturing units located in developing regions. The Group accounts for its entitlement as income on accrual basis.

The benefit of a government loan at a below market-rate of interest is treated as government grant and is measured as the difference between proceeds received and the fair value of the loan based on prevailing market interest rates at the inception of the loan.

n) Employee Benefits***Superannuation Fund, ESIC and Labour Welfare Fund***

The Group's contribution paid / payable during the year to Superannuation Fund, ESIC and Labour Welfare Fund are recognised in profit or loss.

Provident Fund

Contributions to Provident Fund are made to Trusts administered by the Group/Regional Provident Fund Commissioners and are charged to profit or loss as incurred. The Group is liable for the contribution and any shortfall in interest between the amount of interest realised by the investments and the interest payable to members at the rate declared by the Government of India in respect of the Trust administered by the Group companies.

Long term Compensated Absences

The liability towards long term compensated absences are determined by independent actuaries using the projected unit credit method.

Gratuity, post retirement medical benefit and post retirement housing allowance schemes

The liability towards gratuity, post retirement medical benefit and post retirement housing allowance schemes are determined by independent actuaries, using the projected unit credit method. Past services are recognised at the earlier of the plan amendment/ curtailment and the recognition of related restructuring costs/termination benefits.

The obligation on long term compensated absences and other defined benefit plan are measured at the present value of estimated future cash flows using a discount rate that is determined by reference to the market yields at the balance sheet date on government bonds (high quality corporate bonds in case of foreign companies) where the currency and terms of the government bonds are consistent with the currency and estimated terms of the defined benefit obligation.

Remeasurement gains/losses

Remeasurement of defined benefit plans, comprising of actuarial gains or losses, return on plan assets excluding interest income are recognised immediately in balance sheet with corresponding debit or credit to other comprehensive income. Remeasurements are not reclassified to profit or loss in subsequent period.

Remeasurement gains or losses on long term compensated absences that are classified as other long term benefits are recognised in profit or loss.

Share based payments

Equity-settled share-based payments to employees are measured at the fair value of the equity instruments at the grant date. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity.

Share appreciation rights which are cash settled share-based payments are recognised as employee benefit expense over the relevant service period. The liabilities are remeasured to fair value at each reporting date.

o) Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

p) Income taxes***Current tax***

Current tax is determined as the amount of tax payable in respect of taxable income for the year. The Group's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax

Deferred tax assets and liabilities are recognized for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases. Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary differences could be utilized. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill. Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Group will pay normal income tax against which the MAT paid will be adjusted. The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

q) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When provision is measured using the cash flow estimated to settle the present obligation, its carrying amount is the present value of these cash flows (when the effect of the time value of money is material).

Provisions for the expected cost of warranty obligations are recognised at the time of sale of the relevant products, at the best estimate of the expenditure required to settle the Group's obligation.

Contingent liabilities acquired in a business combination are initially measured at fair value at the acquisition date. At the end of the subsequent reporting periods, such contingent liabilities are measured at the higher of the amount that would be recognised in accordance with Ind AS 37 - Provisions, Contingent Assets and Contingent Liabilities and the amount initially recognised less cumulative amortisation recognised in accordance with Ind AS 18 – Revenue.

r) Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Certain arrangements convey a right to use an asset in return for a payment or series of payments. At inception of the arrangement, the Group determines whether such an arrangement is or contains a lease and separates the consideration into those for the lease and those for other elements. The lease component is accounted as per Group's accounting policy on leasing transactions.

The Group as lessor

Amounts due from lessees under finance leases are recognised as receivables at the amount of the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases.

Rental income from operating leases is generally recognised on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the Group's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

The Group as lessee

Assets held under finance leases are initially recognised as assets of the Group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the consolidated balance sheet as a finance lease obligation. Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognised immediately in profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Group's general policy on borrowing costs. Contingent rentals are recognised as expenses in the periods in which they are incurred.

Rental expense from operating leases is generally recognised on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue.

s) Business combinations

The Group accounts for its business combinations under acquisition method of accounting. The acquiree's identifiable assets including goodwill, liabilities and contingent liabilities that meet the condition for recognition are recognised at their fair values at the acquisition date. The excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed is recognised as goodwill. Any shortfall is treated as a bargain purchase and recognised as capital reserve.

Before recognising gain in respect thereof, the Group determines whether there exists clear evidence of underlying reasons for classifying the business combination as a bargain purchase. Thereafter, the Group reassesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and recognises any additional asset or liabilities that are identified in that reassessment. The Group then reviews the procedures used to measure the amounts that Ind AS requires for the purposes of calculating the bargain purchase. If the gain remains after this reassessment and review, the Group recognises it directly in equity as capital reserve.

The interest in non-controlling interest is initially measured at fair value or at the proportionate share of the acquiree's identifiable net assets. The choice of measurement basis is made on an acquisition by acquisition basis. Subsequent to initial acquisition, the carrying amount of non-controlling interest is the amount of those interest in initial recognition plus the non-controlling interest's share of subsequent changes in equity of subsidiaries.

When the consideration transferred by the Group in business combination includes assets or liabilities resulting in a contingent consideration arrangement, the contingent consideration is measured at its acquisition date fair value and included as a part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments, are adjusted retrospectively, with corresponding adjustments against goodwill or capital reserve as the case may be.

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to its acquisition-date fair value and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss where such treatment would be appropriate if that interest were disposed of.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amount for the items for which the accounting is incomplete. Those provisional amount are adjusted during the measurement period (which cannot exceed one year from the acquisition date), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amount recognised at that date.

In consolidated financial statements, acquisition of non-controlling interest is accounted as equity transaction. The carrying amount of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

Business Combination under common control are accounted as per Appendix C in Ind AS 103 - Business combinations, at carrying amount of assets and liabilities acquired and any excess of consideration issued over the net assets acquired is recognised as capital reserve on common control business combination.

t) Acquisition of interest in associate and joint ventures

Acquisition of interest in an associate or a joint venture, is initially recognised at cost. Any excess of the cost of the investment over the Group's share of the fair value of the identifiable assets and liabilities of the investee is regarded as goodwill, which is included in the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised in equity as capital reserve in the period in which the investment is acquired.

3. Recent accounting pronouncements

Standards issued but not yet effective:

In March 2018, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2018, notifying Ind AS 115 – ‘Revenue from Contracts with Customers’ and consequential amendments to various Ind AS standards. The amended Rules also notified amendments to Ind AS 12 – ‘Income Taxes’, Ind AS 21 – ‘The Effect of Changes in Foreign Exchange Rates’, Ind AS 28 – ‘Investments in Associates and Joint Ventures’ and Ind AS 40 – ‘Investment Property’. These amendments are in accordance with the recent amendments made by International Accounting Standards Board (IASB). The amendments are effective from accounting periods beginning from 1st April, 2018.

Ind AS 115 – ‘Revenue from Contracts with Customers’:

This standard establishes a single comprehensive model for accounting of revenue arising from contracts with customers. Ind AS 115 will supersede the current revenue recognition guidance under Ind AS 11 Construction Contracts and Ind AS 18 Revenue. The Company is currently assessing the impact of application of Ind AS 115 on the Company's consolidated financial statements.

Amendments to Ind AS 12 – ‘Income Taxes’:

The amendments clarify the requirement for recognising deferred tax assets on unrealised losses on debt instruments that are measured at fair value. The amendments also clarify certain other aspects of accounting for deferred tax assets. The changes will not have any material impact on the consolidated financial statements of the Company.

Amendments to Ind AS 21 – ‘The Effect of Changes in Foreign Exchange Rates’:

The amendments clarify translation of advance payments denominated in foreign currency into functional currency at the spot rate on the day of payment. The guidance aims to reduce diversity in practice. The changes will not have any material impact on the consolidated financial statements of the Company.

Amendments to Ind AS 28 – ‘Investments in Associates and Joint Ventures’:

The amendments clarify accounting options in consolidated financial statements of a venture capital or similar entity and investment entity. These amendments are not applicable to the Company's consolidated financial statements.

Amendments to Ind AS 40 – ‘Investment Property’:

The amendments clarify transfers of investment property to or from the portfolio in the case of a change of use. These amendments are not applicable to the Company's consolidated financial statements.

Amendments to Ind AS 112 – ‘Disclosure of Interests in Other Entities’:

The amendments clarify that disclosure requirements for interest in other entities also apply to interests that are classified (or included in a disposal group that is classified) as held for sale or as discontinued operations in accordance with Ind AS 105, Non-current Assets held for Sale and Discontinued Operations. The changes will not have any material impact on the consolidated financial statements of the Company.

4. Property, Plant and Equipment :

Particulars	Land - Freehold	Land - Leasehold	Buildings - Freehold	Buildings - Leasehold	Plant and Equipment - Freshold	Plant and Equipment - Leasehold	Furniture and Fixtures	Vehicles	Aircraft	Office Equipments	Batteries	Rupees crores	
												Total	
Cost													
Balance as at 1 st April, 2016	3,574.80	359.03	7,900.60	57.11	27,210.64	121.97	944.24	548.98	103.46	317.27	17.30	41,155.40	
Additions	95.61	0.79	136.85	1.56	1,655.87	30.23	61.94	123.50	—	34.30	2.57	2,143.22	
Acquisitions through business combinations	29.73	—	67.26	—	31.02	35.45	2.43	0.96	—	0.16	—	167.01	
Foreign exchange translation differences..	(18.04)	—	(44.84)	(0.08)	(141.21)	(2.40)	(2.32)	(1.20)	—	(0.93)	—	(211.02)	
Disposals.....	(14.84)	—	(24.17)	(10.74)	(633.36)	(1.95)	(31.90)	(72.43)	—	—	—	(779.39)	
Balance as at 31st March, 2017	3,667.26	359.82	8,035.70	47.85	28,132.96	183.30	974.39	599.81	103.46	350.80	19.87	42,475.22	
Balance as at 1st April, 2017	3,667.26	359.82	8,035.70	47.85	28,132.96	183.30	974.39	599.81	103.46	350.80	19.87	42,475.22	
Additions	30.22	0.13	469.68	16.46	3,379.47	60.67	94.59	131.88	—	29.48	0.02	4,212.60	
Acquisitions through business combinations	84.70	—	40.57	0.73	330.00	8.54	13.04	36.43	—	5.58	—	519.59	
Foreign exchange translation differences..	154.13	—	241.24	0.03	830.27	6.02	20.68	3.45	—	1.79	—	1,257.61	
Disposals.....	(11.55)	—	(7.85)	(2.88)	(194.58)	(23.91)	(43.21)	(87.17)	—	(15.20)	(0.02)	(386.37)	
Balance as at 31st March, 2018	3,924.76	359.95	8,779.34	62.19	32,478.12	234.62	1,059.49	684.40	103.46	372.45	19.87	48,078.65	
Accumulated depreciation and impairment													
Balance as at 1st April, 2016.....	—	25.60	3,431.96	40.60	18,211.27	19.92	569.08	286.08	21.81	208.64	2.25	22,817.21	
Depreciation expense for the year	—	3.61	208.44	6.20	1,645.71	42.78	99.82	91.70	4.81	40.00	2.75	2,145.82	
Foreign exchange translation differences..	—	—	(26.10)	(0.09)	(129.84)	(3.06)	(1.99)	(1.12)	—	—	—	(162.20)	
Disposals.....	—	—	(21.40)	(8.88)	(609.71)	—	(25.21)	(51.70)	—	(0.25)	—	(717.15)	
Impairment losses recognised in profit or loss	—	—	—	—	83.73	—	0.04	0.77	—	0.03	—	84.57	
Balance as at 31st March, 2017	—	29.21	3,592.90	37.83	19,201.16	59.64	641.74	325.73	26.62	248.42	5.00	24,168.25	
Balance as at 1st April, 2017.....	—	29.21	3,592.90	37.83	19,201.16	59.64	641.74	325.73	26.62	248.42	5.00	24,168.25	
Depreciation expense for the year	—	3.64	214.89	3.49	1,885.05	43.90	99.43	99.11	4.81	39.42	2.92	2,396.66	
Foreign exchange translation differences..	—	—	240.97	0.04	709.28	5.57	16.68	2.60	—	—	—	975.14	
Disposals.....	—	—	(1.35)	(2.73)	(149.60)	(15.96)	(36.07)	(64.06)	—	(12.12)	—	(281.89)	
Balance as at 31st March, 2018	—	32.85	4,047.41	38.63	21,645.89	93.15	721.78	363.38	31.43	275.72	7.92	27,258.16	
Net Carrying Amount													
Net carrying amount as at 31 st March, 2017	3,667.26	330.61	4,442.80	10.02	8,931.80	123.66	332.65	274.08	76.84	102.38	14.87	18,306.97	
Net carrying amount as at 31st March, 2018	3,924.76	327.10	4,731.93	23.56	10,832.23	141.47	337.71	321.02	72.03	96.73	11.95	20,820.49	

The above carrying amounts of Property, Plant and Equipment includes following assets given on operating lease :

Description of Assets	Land - Freehold	Buildings - Freehold	Batteries	Vehicles	Rupees crores Total
As at 31st March, 2018					
Cost	—	21.99	19.87	0.77	42.63
Accumulated depreciation and impairment.....	—	(6.33)	(7.92)	(0.01)	(14.26)
Net carrying amount.....	—	15.66	11.95	0.76	28.37
As at 31st March, 2017					
Cost	0.44	22.24	19.87	—	42.55
Accumulated depreciation and impairment.....	—	(5.32)	(5.00)	—	(10.32)
Net carrying amount.....	0.44	16.92	14.87	—	32.23

5. Goodwill :

	Rupees crores	
	2018	2017
Balance at the beginning of the year.....	558.61	542.17
Additions during the year	1,593.96	23.76
Exchange differences.....	7.10	(7.32)
Balance at the end of the year	2,159.67	558.61

Segmentwise allocation of Goodwill

Goodwill is monitored by the management at the level of operating segments as described in Note 37. The carrying amount of goodwill has been allocated to segments as below.

	Rupees crores	
	2018	2017
Automotive	54.79	77.43
Farm Equipment	167.67	128.92
Financial Services.....	1.34	1.34
Real Estate.....	103.59	103.59
Hospitality	110.87	81.20
Two-Wheelers	107.85	103.94
Others.....	1,613.56	62.19
Total.....	2,159.67	558.61

'Others' segment include goodwill of Rs. 1,526.78 crores recognised during the year on gain of control in Mahindra Logistics Limited (Refer note 34).

6. Other Intangible assets :

					Rupees crores
	Development Expenditure	Computer Software	Brand License & Trademarks	Others	Total
COST					
Balance as at 1 st April, 2016.....	2,723.87	490.47	31.61	138.34	3,384.29
Additions	525.01	83.37	132.83	4.10	745.31
Acquisitions through business combinations	4.72	14.93	—	42.62	62.27
Foreign exchange translation differences.....	(3.60)	(2.82)	(1.05)	(3.55)	(11.02)
Deductions	(57.33)	(23.81)	—	(5.07)	(86.21)
Balance as at 31 st March, 2017.....	3,192.67	562.14	163.39	176.44	4,094.64
 Balance as at 1st April, 2017	3,192.67	562.14	163.39	176.44	4,094.64
Additions	1,643.47	82.54	2.51	59.28	1,787.80
Acquisitions through business combinations	12.33	2.93	—	183.96	199.22
Foreign exchange translation differences.....	48.23	12.54	3.01	4.73	68.51
Deductions	(9.19)	(9.34)	—	(3.62)	(22.15)
Other Adjustments	—	—	—	(27.08)	(27.08)
Balance as at 31 st March, 2018	4,887.51	650.81	168.91	393.71	6,100.94
 ACCUMULATED DEPRECIATION AND IMPAIRMENT					
Balance as at 1 st April, 2016.....	852.08	370.33	9.20	114.90	1,346.51
Amortisation expense for the year	563.74	86.17	8.29	8.70	666.90
Foreign exchange translation differences.....	(2.66)	(1.96)	(0.16)	(0.43)	(5.21)
Deductions	(57.33)	(22.93)	—	(4.56)	(84.82)
Impairment losses recognised in profit or loss.....	47.83	—	—	—	47.83
Balance as at 31 st March, 2017.....	1,403.66	431.61	17.33	118.61	1,971.21
 Balance as at 1st April, 2017	1,403.66	431.61	17.33	118.61	1,971.21
Amortisation expense for the year	778.80	76.13	9.26	19.05	883.24
Foreign exchange translation differences.....	35.90	25.21	1.11	0.73	62.95
Deductions	(8.86)	(9.32)	—	(0.02)	(18.20)
Balance as at 31 st March, 2018	2,209.50	523.63	27.70	138.37	2,899.20
 NET CARRYING AMOUNT					
Net carrying amount as at 31 st March, 2017	1,789.01	130.53	146.06	57.83	2,123.43
Net carrying amount as at 31 st March, 2018.....	2,678.01	127.18	141.21	255.34	3,201.74

7. Investments

A. Non-Current Investments

Particulars	Rupees crores	
	2018	2017
a) Measured as per equity accounting method		
Quoted		
Investments in Equity Instruments		
– of Associates *	6,878.46	6,496.26
Total.....	6,878.46	6,496.26
Unquoted		
Investments in Equity Instruments.....		
– of Associates *	1,403.89	1,163.13
– of Joint ventures *	1,139.10	1,136.15
Total.....	2,542.99	2,299.28
Investments measured as per equity accounting method (a).....	9,421.45	8,795.54
b) Measured at Amortised Cost		
Quoted		
Investments in Non-Convertible debentures or bonds	62.00	89.75
Investments in Government Securities	709.45	708.90
Total.....	771.45	798.65
Unquoted		
Investments in Preference Shares		
– of Associates*	2.61	0.68
– of Joint ventures*	8.08	5.00
– of Other entities	10.15	10.13
Investments in Non Convertible Debentures/Bonds		
– of Joint ventures*	367.82	282.86
– of Other entities	0.04	0.41
Total.....	388.70	299.08
Total Investments measured at Amortised Cost (b).....	1,160.15	1,097.73
c) Measured at FVTOCI		
Quoted		
Investments in Equity Instruments.....	6.89	5.38
Total	6.89	5.38
Unquoted		
Investments in Equity Instruments.....	63.10	48.62
Total	63.10	48.62
Total Investments measured at FVTOCI (c).....	69.99	54.00
d) Measured at FVTPL		
Quoted		
Investments in Mutual Funds	5.01	4.00
Total	5.01	4.00
Unquoted		
Investments in Alternate Investment Fund.....	2.31	2.21
Investments in Others :		
Investments in Equity Instruments.....	8.63	8.29
Total	10.94	10.50
Total Investments measured at FVTPL (d).....	15.95	14.50
Total Investments measured at Fair Value (c+d).....	85.94	68.50
Total carrying amount of investments (a)+(b)+(c)+(d).....	10,667.54	9,961.77
The above Non-Current investments have been presented in the Balance Sheet as below:		
Investments accounted using Equity method.....	9,421.45	8,795.54
Financial Assets – Investments.....	1,246.09	1,166.23
Other disclosures :		
(i) Aggregate amount of quoted investments (Gross).....	7,661.81	7,304.29
Market Value of quoted investment	21,635.36	16,612.84
(ii) Aggregate amount of unquoted investments (Gross).....	3,005.73	2,657.48

* Refer Note 36

B. Current Investments :

Rupees crores

Particulars	2018	2017
(a) Measured at Amortised Cost		
Quoted		
Investments in Non Convertible Debentures or Bonds	102.75	77.75
Total	102.75	77.75
Unquoted		
Investments in Certificate of Deposits	0.32	1.20
Investments in Corporate Fixed Deposits.....	400.00	200.00
Investments in Commercial paper.....	300.51	208.58
Total.....	700.83	409.78
Total Investments measured at Amortised Cost (a).....	803.58	487.53
(b) Measured at FVTOCI		
Quoted		
Investments in Equity Instruments.....	0.01	0.01
Investments in Debentures / Bonds	147.13	20.25
Investments in Government Securities.....	—	1.93
Total.....	147.14	22.19
Unquoted		
Investments in Equity Instruments.....	0.09	—
Investments in Debentures / Bonds	—	210.83
Investments in Certificate of Deposits	641.24	698.21
Investments in Commercial paper.....	93.99	199.74
Total.....	735.32	1,108.78
Total Investments measured at FVTOCI (b)	882.46	1,130.97
(c) Measured at FVTPL		
Quoted		
Investments in debentures or bonds	105.67	—
Investments in Mutual Funds	3,558.36	3,082.17
Total Investments measured at FVTPL (c)	3,664.03	3,082.17
Total Investments measured at Fair Value (b+c).....	4,546.49	4,213.14
Total carrying amount of investments (a)+(b)+(c).....	5,350.07	4,700.67
Other disclosures :		
Aggregate amount of quoted investments.....	3,913.92	3,182.11
Market value of quoted investments.....	3,913.92	3,182.11
Aggregate amount of unquoted investments	1,436.15	1,518.56

8. Trade Receivables :

Rupees crores

Particulars	Non-Current		Current	
	2018	2017	2018	2017
Secured, considered good	10.16	10.79	641.18	515.06
Unsecured, considered good.....	503.68	565.80	7,848.64	6,684.20
Doubtful	1.42	0.91	182.00	204.14
	515.26	577.50	8,671.82	7,403.40
Less: Allowance for Expected Credit Losses.....	1.42	0.91	182.00	204.14
Total.....	513.84	576.59	8,489.82	7,199.26

Refer Note 33 for disclosures related to credit risk, impairment of trade receivables under expected credit loss model and related disclosures.

9. Loans

Particulars	Rupees crores			
	Non-Current		Current	
	2018	2017	2018	2017
a) Security Deposits				
– Unsecured, considered good	275.55	219.05	110.73	131.98
– Doubtful.....	0.53	0.54	0.26	0.04
	276.08	219.59	110.99	132.02
Less: Allowance for doubtful Security Deposits.....	0.53	0.54	0.26	0.04
Total (a).....	275.55	219.05	110.73	131.98
b) Loans to related parties				
Unsecured, considered good	46.32	32.96	76.44	16.25
Doubtful.....	10.00	10.00	—	—
	56.32	42.96	76.44	16.25
Less: Allowance for doubtful loans	10.00	10.00	—	—
Total (b)	46.32	32.96	76.44	16.25
c) Other Loans				
Secured, considered good.....	1.98	—	21.36	16.35
Unsecured, considered good	197.58	179.10	455.56	193.96
Doubtful.....	7.54	6.16	15.14	19.63
	207.10	185.26	492.06	229.94
Less: Allowance for doubtful loans	7.54	6.16	15.14	19.63
Total (c)	199.56	179.10	476.92	210.31
d) Financial Services receivable #				
Secured, considered good.....	31,190.56	25,360.32	20,618.12	17,534.33
Unsecured, considered good	28.64	0.16	1,748.04	1,286.32
Doubtful.....	1,412.97	1,030.53	3,278.75	2,958.67
	32,632.17	26,391.01	25,644.91	21,779.32
Less: Allowance for doubtful loans	1,739.17	1,628.58	1,583.54	1,439.38
Total (d)	30,893.00	24,762.43	24,061.37	20,339.94
Total (a)+(b)+(c)+(d)	31,414.43	25,193.54	24,725.46	20,698.48

Refer Note 33 for disclosures related to credit risk, impairment of trade receivables under expected credit loss model and related disclosures.

10. Other Financial Assets

Particulars	Rupees crores			
	Non-Current		Current	
	2018	2017	2018	2017
Financial assets at amortised cost :				
Bank Deposit.....	86.04	168.06	—	—
Security Deposit.....	35.29	39.19	26.73	—
Interest accrued on investment, other loans	—	—	245.49	218.43
Government grant receivable	153.57	102.38	587.29	515.55
Others.....	—	—	383.90	297.59
Financial Assets at Fair value:				
Derivative financial assets	237.53	134.28	12.37	64.37
Total	512.43	443.91	1,255.78	1,095.94

11. Current Tax and Deferred Tax :**a) Income Tax recognised in profit or loss**

Particulars	Rupees crores	
	2018	2017
Current Tax		
In respect of current year.....	2,576.38	2,080.79
In respect of prior years	(12.77)	(21.46)
Total Current Tax.....	2,563.61	2,059.33
Deferred Tax		
In respect of current year origination and reversal of temporary differences.....	784.92	271.08
Unrecognised tax loss used to reduce deferred tax expense	(980.80)	(30.68)
Total Deferred Tax	(195.88)	240.40
Total Income Tax Expense.....	2,367.73	2,299.73

b) Income Tax recognised in Other Comprehensive Income

Particulars	Rupees crores	
	2018	2017
Current Tax		
Remeasurement of defined benefit plans.....	—	0.04
Deferred Tax related to items recognised in other comprehensive income during the year:		
Effective portion of gains and loss on designated portion of hedging instruments in a cash flow hedge.....	7.26	(3.42)
Net change in fair value of investments in debt instruments at FVTOCI.....	0.34	0.42
Net change in fair value of investments in equity shares at FVTOCI	0.73	(0.37)
Remeasurement of defined benefit plans.....	2.73	4.52
Total	11.06	1.19
Classification of income tax recognised in Other Comprehensive Income		
Income taxes related to items that will not be reclassified to profit or loss.....	3.46	4.19
Income taxes related to items that will be reclassified to profit or loss.....	7.60	(3.00)
Total	11.06	1.19

c) The reconciliation of estimated income tax expense at tax rate to income tax expense reported in profit or loss is as follows :

Particulars	Rupees crores	
	2018	2017
Profit Before Tax	10,325.52	6,350.26
Applicable Income Tax rate.....	34.61%	34.61%
Expected Income Tax expense	3,573.46	2,197.70
Tax effect of adjustments to reconcile expected income tax expense to reported income tax expense:		
Effect of different tax rates in local and foreign tax jurisdictions	(49.82)	34.67
Effect of change in tax rates	13.88	4.38
Effect of income exempt from tax.....	(713.71)	(38.58)
Effect of expenses/provisions that is non-deductible in determining taxable profit.....	198.15	163.22
Effect of concessions (R&D and other allowances).....	(74.23)	(277.02)
Effect of unused tax losses & tax offsets for which no deferred tax asset has been recognised	444.40	341.86
Recognition of deferred tax asset on previous year tax losses	(980.80)	(30.68)
Write down of Deferred tax assets.....	(5.71)	(16.79)
Others (includes current tax pertaining to prior years)	(37.89)	(79.03)
Income tax expense recognised In profit or loss.....	2,367.73	2,299.73

d) Amounts on which deferred tax asset has not been created and related expiry period

Deferred tax assets have not been recognised in respect of following items, because it is not probable that future taxable profit will be available against which the Company can use the benefit therefrom.

Particulars	Rupees crores	
	2018	2017
Deductible Temporary differences (no expiry date).....	485.95	798.86
Unused Tax losses (revenue in nature)	11,110.60	12,177.72
Unused Tax losses (capital in nature).....	739.72	730.20
Unused tax credits	145.54	134.85
Total	12,481.81	13,841.63

e) Unused Tax losses - Revenue in nature

Particulars	Rupees crores	
	2018	2017
Expiry period		
Upto Five Years.....	7,407.01	7,627.28
More than Five Years.....	2,274.44	3,627.43
No Expiry Date.....	1,429.15	923.00
Total	11,110.60	12,177.71

f) Unused Tax losses - Capital in nature

Particulars	Rupees crores	
	2018	2017
Expiry period		
Upto Five Years.....	729.17	719.06
No Expiry Date.....	10.55	11.14
Total	739.72	730.20

g) Unused tax credits

Particulars	Rupees crores	
	2018	2017
Expiry period		
Upto Five Years.....	115.19	108.19
More than Five Years.....	30.35	26.66
Total	145.54	134.85

h) Aggregate amount of temporary differences associated with investment in subsidiaries for which deferred tax liability has not been recognised

Particulars	Rupees crores	
	2018	2017
Undistributed earnings.....	5,009.37	6,137.84

(i) Movement in deferred tax balances

Rupees crores

Year ended 31st March, 2018

Particulars	Opening Balance	Recognised in Profit or Loss	Recognised in OCI	Foreign exchange translation	Acquired in Business Combination	Closing Balance
Tax effect of items resulting in taxable temporary differences						
Fiscal allowances on property, plant and equipment and intangible assets.....	2,023.73	265.65	—	1.37	52.33	2,343.08
Undistributed profit of subsidiaries, associates and joint ventures	982.84	141.25	—	—	—	1,124.09
Others.....	35.24	130.50	—	(0.83)	36.49	201.40
	3,041.81	537.40	—	0.54	88.82	3,668.57
Tax effect of items resulting in deductible temporary differences						
Provision for Employee Benefits.....	244.06	21.80	2.73	0.58	6.28	275.45
Allowances for Expected Credit Loss	882.40	96.30	—	—	5.11	983.81
Carried forward Tax Losses	105.14	75.89	—	0.48	2.80	184.31
MAT Credit.....	750.97	594.27	—	—	0.34	1,345.58
Unrealised gain on Inter-company transactions (net).....	164.92	(16.44)	—	—	—	148.48
Others.....	13.54	(38.54)	8.33	1.29	0.50	(14.88)
	2,161.03	733.28	11.06	2.35	15.03	2,922.75
Net Deferred Tax Asset / (Liabilities)	(880.78)	195.88	11.06	1.81	(73.79)	(745.82)

Rupees crores

For the Year ended 31st March, 2017

Particulars	Opening Balance	Recognised in Profit or Loss	Recognised in OCI	Foreign exchange translation	Acquired in Business Combination	Closing Balance
Tax effect of items resulting in taxable temporary differences						
Fiscal allowances on property, plant and equipment and intangible assets.....	1,770.64	249.56	—	—	3.53	2,023.73
Undistributed profit of subsidiaries, associates and joint ventures	827.27	155.57	—	—	—	982.84
Others.....	7.79	23.79	(0.05)	1.81	1.90	35.24
	2,605.70	428.92	(0.05)	1.81	5.43	3,041.81
Tax effect of items resulting in deductible temporary differences						
Provision for Employee Benefits.....	244.96	(8.42)	4.52	—	3.00	244.06
Allowances for Expected Credit Loss	744.85	136.28	—	—	1.27	882.40
Carried forward Tax Losses	53.74	51.40	—	—	—	105.14
MAT Credit.....	725.84	25.13	—	—	—	750.97
Unrealised gain on Inter-company transactions	117.72	47.20	—	—	—	164.92
Others.....	65.65	(63.07)	(3.42)	—	14.38	13.54
	1,952.76	188.52	1.10	—	18.65	2,161.03
Net Deferred Tax Asset / (Liabilities)	(652.94)	(240.40)	1.15	(1.81)	13.22	(880.78)

Balances of Deferred Tax Assets/Deferred Tax Liabilities presented in Balance sheet as below :

Rupees crores

	2018	2017
Deferred Tax Assets (net).....	841.60	906.67
Deferred Tax Liabilities (net).....	1,587.42	1,787.45
Net Deferred Tax Asset/(Liabilities)	(745.82)	(880.78)

12. Other Assets (Non-Financial)

Particulars	Rupees crores			
	Non-Current		Current	
	2018	2017	2018	2017
Capital Advances	695.60	594.47	—	—
Balances with government authorities (other than income taxes)	1,177.66	1,523.96	2,038.51	422.46
Others	609.40	498.51	1,269.60	1,130.91
Total	2,482.66	2,616.94	3,308.11	1,553.37

Others include advances to suppliers, prepaid expenses.

13. Inventories

Particulars	Rupees crores	
	2018	2017
Raw materials and bought-out components [includes in-transit Rs. 839.73 crores (2017 : Rs. 671.69 crores)].....	3,432.83	3,003.85
Work-in-progress.....	569.92	372.39
Work-in-progress-Property development activity and long term contracts	1,331.52	1,407.23
Finished products produced.....	2,627.75	2,782.07
Stock-in-trade [includes in transit Rs. 93.37 crores (2017 : Rs. 60.68 crores)]	1,014.62	1,025.33
Manufactured components.....	159.15	107.84
Stores and Spares	130.75	125.51
Loose Tools.....	55.43	50.12
Food, beverages, smokes and operating supplies.....	13.60	11.67
Total	9,335.57	8,886.01

- (a) The cost of inventories recognised as an expense during the year was **Rs. 75,734.18 crores** (2017 : Rs. 72,411.02 crores)
- (b) The cost of inventories recognised as an expense include **Rs. 86.46 crores** (2017 : Rs. 129.70 crores) in respect of write-down of inventory to net realisable value, and has been reduced by **Rs. 22.17 crores** (2017 : Rs. 32.13 crores) in respect of the reversal of such write downs.
- (c) Certain companies in the Group have availed working capital facilities and other non-fund based facilities viz. bank guarantees and letters of credit, which are secured by hypothecation of inventories.
- (d) Mode of valuation of inventories is stated in Note 2 (i)

14. Cash and Cash Equivalents and Bank Balance

a) Cash and Cash Equivalents

Particulars	Rupees crores	
	2018	2017
Balances with banks		
– On current accounts.....	3,473.79	2,243.35
– On saving accounts	0.08	0.06
– Fixed deposits with original maturity less than 3 months	763.32	320.65
Cheques, drafts on hand.....	200.81	354.50
Cash on hand	28.63	27.23
Total	4,466.63	2,945.79

b) Bank balances other than Cash and Cash Equivalents

Particulars	Rupees crores	
	2018	2017
Earmarked balances with banks.....	43.67	23.70
Balances with banks on margin accounts.....	55.89	32.76
Fixed deposits	1,981.41	1,651.78
Total Other bank balances	2,080.97	1,708.24

Reconciliation of Cash and Cash Equivalents

Particulars	Rupees crores	
	2018	2017
Total Cash and Cash Equivalents as per Balance Sheet	4,466.63	2,945.79
Less: Bank overdraft	—	8.30
Total Cash and Cash Equivalents as per Statement of Cashflow	4,466.63	2,937.49

15. Equity Share Capital

Rupees crores

Particulars	2018	2017
Authorised :		
8,10,00,00,000 (2017 : 1,20,00,00,000) Ordinary (Equity) Shares of Rs. 5 each	4,050.00	600.00
25,00,000 Unclassified Shares of Rs. 100 each	25.00	25.00
	4,075.00	625.00
Issued, Subscribed and Paid-up :		
1,24,31,92,544 (2017 : 62,10,92,384) Ordinary (Equity) Shares of Rs. 5 each fully paid up.....	621.60	310.55
Less:		
5,32,59,518 (2017 : 2,74,81,857) Ordinary (Equity) Shares of Rs. 5 each fully paid up issued to ESOP Trust but not yet allotted to employees.....	26.63	13.74
Less:-		
10,36,70,428 (2017 : 5,18,35,214) Ordinary (Equity) Shares of Rs. 5 each fully paid up issued to M&M Benefit Trust	51.84	25.92
Adjusted Issued, Subscribed and Paid-up Share Capital	543.13	270.89

(a) Reconciliation of number of Ordinary (Equity) Shares and amount outstanding :

Particulars	2018		2017	
	No. of Shares	Rupees crores	No. of Shares	Rupees crores
Issued, Subscribed and Paid-up :				
Balance as at the beginning of the year	62,10,92,384	310.55	62,10,92,384	310.55
Add :				
Shares issued under Schemes of Arrangement.....	5,03,888	0.25	—	—
Issue of Bonus Shares.....	62,15,96,272	310.80	—	—
Balance as at the end of the year	1,24,31,92,544	621.60	62,10,92,384	310.55
Less:				
Shares issued to M&M ESOP Trust but not allotted to Employees	5,32,59,518	26.63	2,84,58,577	13.74
Shares issued to M&M Benefit Trust.....	10,36,70,428	51.84	5,18,35,214	25.92
Adjusted Issued and Subscribed Share Capital.....	1,08,62,62,598	543.13	54,07,98,593	270.89

(b) The Ordinary (Equity) Shares of the Company rank *pari-passu* in all respects including voting rights and entitlement to dividend.

(c) Details of Ordinary (Equity) Shares held by shareholders holding more than 5% of the aggregate shares in the Company :

Name of the Shareholder	2018		2017	
	No. of Shares	% Shareholding	No. of Shares	% Shareholding
Prudential Management and Services Pvt. Ltd.....	14,15,21,940	11.38	7,07,60,970	11.39
Life Insurance Corporation of India	10,83,68,931	8.72	6,80,51,139	10.96
M&M Benefit Trust.....	10,36,70,428	8.34	5,18,35,214	8.35
J. P. Morgan Chase Bank, N.A. (for GDR holders).....	7,21,86,492	5.81	3,28,79,851	5.29

(d) For the period of preceding five years as on the balance sheet date, Issued and Subscribed Share Capital includes:

- i) Aggregate of 5,03,888 (2017 : 5,917) Ordinary (Equity) Shares of Rs. 5 each allotted as fully paid-up pursuant to Schemes of Arrangement without payment having been received in cash.
- ii) Aggregate of 62,15,96,272 (2017 : Nil) Ordinary (Equity) Shares of Rs. 5 each allotted as fully paid-up by way of bonus shares.

16. Other Equity

a) Description of the nature and purpose of Reserves

Capital Reserve

Capital Reserve represents receipt of Government Grants from a package of incentive given by Maharashtra Government for setting up/ extension of Plants in specified areas.

Capital Reserve on Consolidation

Gain on bargain purchase, i.e., excess of fair value of net assets acquired over the fair value of consideration in a business combination or on acquisition of interest in associate is recognised as Capital Reserve on Consolidation.

Securities Premium Account

The Securities Premium is created on issue of shares

General reserve

The general reserve comprises of transfer of profits from retained earnings for appropriation purposes. The reserve can be distributed/ utilised by the Company in accordance with the Companies Act, 2013.

Debenture Redemption Reserve

Debenture Redemption Reserve is a Statutory Reserve (as per Companies Act, 2013) created out of profits of the Company available for payment of dividend for the purpose of redemption of Debentures issued by the Company. On completion of redemption, the reserve is transferred to Retained Earnings.

Employee Stock Options Outstanding Account

The Employee Stock Options Outstanding represents reserve in respect of equity settled share options granted to the Company's employees in pursuance of the Employee Stock Option Plan.

Statutory reserve

Statutory reserve has been created pursuant to section 45- IC of the RBI Act, 1934 and section 29C of the National Housing Act, 1987.

b) Details of Dividends proposed

Particulars	2018	2017
Authorised : Proposed Dividend per equity share (Rs.).....	7.50	13.00

The proposed dividend is subject to applicable Dividend Distribution Tax as per Income Tax Act, 1961.

17. Borrowings

A) Long Term Borrowings

a) Non-Current Borrowings

Particulars	2018	Rupees crores 2017
Secured (Carried at Amortised Cost) :		
Debentures & Bonds	12,667.14	12,880.93
Term Loan		
(i) From Banks	13,620.34	9,168.76
(ii) From other parties.....	73.67	129.49
Other Loans.....	80.13	66.82
	26,441.28	22,246.00
Unsecured (Carried at Amortised Cost) :		
Debentures & Bonds	4,426.56	3,216.98
Term Loan		
(i) From Banks	419.32	1,477.76
(ii) From other parties.....	81.68	78.83
Deposits	1,600.86	2,173.67
Other Loans.....	839.48	931.27
	7,367.90	7,878.51
	33,809.18	30,124.51

Other loans primarily comprise of deferred sales tax loans which are interest free and repayable in five equal installments after ten years from the year of availment of respective loan.

The borrowings carry varying rate of interest ranging from 0% to 11.75% p.a. and have maturities starting from 2018 and ending with 2063.

b) Current maturities of Long Term borrowing – Refer Note 19.

B) Short Term Borrowings

Particulars	2018	2017
Secured (Carried at Amortised Cost) :		
Other loans	1,151.67	1,339.57
Loans repayable on demand		
(i) From Banks and Cash credit account.....	2,310.55	2,379.95
(ii) From other parties.....	—	5.00
Term Loan from Banks.....	899.13	27.77
	4,361.35	3,752.29
Unsecured (Carried at Amortised Cost) :		
Deposits.....	261.73	250.54
Other loans	433.85	279.81
Loans repayable on demand		
(i) From Banks and Cash credit account.....	786.74	505.33
(ii) From other parties.....	—	33.10
Loan from related parties	132.97	442.76
Commercial Papers.....	4,573.09	4,270.75
Term Loan from Banks.....	775.81	587.07
	6,964.19	6,369.36
Total	11,325.54	10,121.65

Secured borrowings are secured by a *pari-passu* charge on immovable properties of certain entities both present and future, subject to certain exclusions and are also secured by *pari-passu* charge on the movable properties of certain entities including inventories, movable machinery, machinery spares, tools and accessories, both present and future, subject to certain exclusions.

18. Trade Payables

Particulars	Rupees crores			
	Non-Current		Current	
	2018	2017	2018	2017
Acceptances.....	—	—	3,998.12	3,361.87
Trade payable - Micro and small enterprises	—	—	313.50	221.21
Trade payable - Other than micro and small enterprises	4.88	4.38	13,975.72	11,213.79
Total	4.88	4.38	18,287.34	14,796.87

19. Other Financial Liabilities

Particulars	Rupees crores			
	Non-Current		Current	
	2018	2017	2018	2017
Carried at Amortised Cost				
Current maturities of long-term debt.....	—	—	10,763.20	8,515.75
Unclaimed dividends.....	—	—	19.72	17.48
Unclaimed matured deposits and interest accrued thereon.....	—	—	0.50	0.84
Interest accrued.....	380.05	337.35	1,315.81	1,041.01
Others.....	419.69	411.14	2,042.73	2,123.60
Carried at Fair value				
Derivative financial liabilities and gross obligation to acquire non-controlling interest	889.72	644.29	66.47	77.26
Total	1,689.46	1,392.78	14,208.43	11,775.94

20. Provisions

Rupees crores

Particulars	Non-Current		Current	
	2018	2017	2018	2017
Provision for employee benefits.....	2,864.42	2,697.21	491.11	434.15
Provision for warranty.....	876.55	781.17	672.71	594.02
Provision for service coupon.....	39.49	21.57	151.22	113.16
Provision for others.....	5.22	7.09	80.22	74.58
Total.....	3,785.68	3,507.04	1,395.26	1,215.91

Provision for warranty relates to warranty provision made in respect of sale of certain products, the estimated cost of which is accrued at the time of sale.

The products are generally covered under a free warranty period ranging from 6 months to 5 years.

The movement in provision for warranty and service coupon is as follows :

Rupees crores

Particulars	Provision for warranty		Provision for service coupon	
	2018	2017	2018	2017
Opening Balance	1,375.19	1,304.11	134.73	133.46
Additional provisions recognised	649.29	590.62	150.61	91.52
Adjustment due to acquisition/disposal of subsidiaries	18.14	0.75	—	—
Amounts utilised	(579.30)	(537.59)	(98.80)	(93.80)
Unwinding of discount	23.42	22.19	4.17	3.55
Foreign exchange translation differences.....	62.52	(4.89)	—	—
Closing Balance	1,549.26	1,375.19	190.71	134.73
– Non-Current.....	876.55	781.17	39.49	21.57
– Current.....	672.71	594.02	151.22	113.16

21. Other Non-Financial Liabilities

Rupees crores

Particulars	Non-Current		Current	
	2018	2017	2018	2017
Advances received from customers.....	51.44	71.50	844.22	515.48
Deferred Income.....	2,092.67	1,924.98	295.82	250.19
Statutory dues (other than income taxes)	—	—	2,143.62	607.59
Others.....	14.98	2.15	245.20	206.50
Total.....	2,159.09	1,998.63	3,528.86	1,579.76

There are no amounts due and outstanding to be credited to the Investor Education and Protection Fund.

22. Revenue from Operations

Rupees crores

Particulars	2018	2017
Sale of products	78,005.02	75,347.51
Sale of services.....	5,047.88	3,862.24
Interest income of financial services business	8,353.21	7,319.66
Income from long term contracts	535.09	749.43
Lease and rental income	0.30	0.51
Gross Revenue from sale of products and services	91,941.50	87,279.35
Other operating revenue		
– Government grant and incentives.....	348.15	622.39
– Scrap sales	211.03	171.94
– Others.....	764.09	909.35
Total.....	93,264.77	88,983.03

The Government of India introduced the Goods and Services Tax (GST) with effect from 1st July 2017. GST is collected on behalf of the Government and no economic benefit flows to the entity and hence Revenue from Operations under GST regime is presented excluding GST as per Ind AS 18 'Revenue'. However, Revenue from Operations under pre-GST regime included Excise Duty which is now subsumed in GST. Consequently, the figures for the year ended 31st March 2018 are not comparable with the previous year presented in the above table.

23. Other Income

Rupees crores

Particulars	2018	2017
Interest Income		
— On financial assets carried at amortised cost.....	282.20	298.33
— On financial assets carried at FVTOCI	50.20	44.91
Dividend Income		
— On financial instruments classified as equity	—	0.90
— Mutual funds.....	70.59	78.67
Net gains on financial instruments	99.43	242.26
Profit on sale of property, plant and equipment and intangible assets.....	11.84	3.52
Other non-operating income (net of directly attributable expenses).....	116.77	61.51
Total	631.03	730.10

24. Cost of materials consumed

Rupees crores

Particulars	2018	2017
Opening inventory	3,003.85	3,174.21
Add: Purchases.....	48,735.83	45,644.53
	51,739.68	48,818.74
Add: Inventory on acquisition	104.10	26.55
	51,843.78	48,845.29
Less: Closing Inventory	3,432.83	3,003.85
Foreign currency translation difference	28.91	(36.06)
Total	48,439.86	45,805.38

25. Changes in inventories of finished goods, work-in-progress and stock-in-trade

Rupees crores

Particulars	2018	2017
Inventories at the beginning of the year:		
Finished goods produced	2,782.07	2,590.83
Work-in-progress.....	372.39	407.28
Stock-in-trade.....	1,025.33	1,145.97
Manufactured Components	107.84	118.75
	4,287.63	4,262.83
Add: Stock on Acquisition / (disposal)		
Finished goods produced	17.85	18.50
Work-in-progress.....	53.59	11.70
Stock-in-trade.....	—	5.35
	71.44	35.55
Less: Inventories at the end of the year:		
Finished goods produced	2,627.75	2,782.07
Work-in-progress.....	569.92	372.39
Stock-in-trade.....	1,014.62	1,025.33
Manufactured Components	159.15	107.84
	4,371.44	4,287.63
Foreign currency translation difference	95.70	(24.58)
Net (increase) / decrease in inventory	83.33	(13.83)

26. Employee Benefits Expense

Particulars	Rupees crores	
	2018	2017
Salaries and wages, including bonus	8,229.92	7,175.61
Contribution to provident and other funds.....	681.99	680.65
Share based payment expenses.....	112.00	170.70
Staff welfare expenses.....	980.71	883.67
Total.....	10,004.62	8,910.63

27. Finance Cost

Particulars	Rupees crores	
	2018	2017
Interest expense on Financial liabilities at amortised cost.....	3,879.04	3,555.26
Other borrowing cost	108.05	93.20
Total.....	3,987.09	3,648.46

Other borrowing costs mainly include discounting charges and unwinding of discount.

28. Other Expenses

Particulars	Rupees crores	
	2018	2017
Stores consumed.....	308.39	288.80
Tools consumed	57.09	49.69
Power & fuel	733.90	657.06
Rent including lease rentals.....	672.72	593.51
Insurance	144.55	126.54
Repairs and maintenance	792.67	724.93
Advertisement	905.06	723.40
Commission on sales / contracts (net).....	1,783.87	1,614.89
Freight outward.....	2,252.22	1,510.36
Sales promotion expenses	1,249.02	1,162.06
Travelling and conveyance expenses.....	583.71	522.88
Cost of projects	648.08	876.81
Subcontracting, hire and service charges.....	1,784.03	1,315.07
Provision for expected credit losses including write offs.....	899.16	1,236.90
Donations and contributions	128.32	137.91
Miscellaneous Expenses	3,877.71	3,478.51
Total	16,820.50	15,019.32

29. Exceptional Items

Exceptional items of **Rs. 2,628.12 crores** (2017 : Rs. 447.11 crores) comprise of:

- a) Profit on sale of franchise business - **Nil** (2017 : Rs. 198.83 crores)
- b) Profit on disposal of associates and joint venture **Rs. 1,113.45 crores** (2017 : Rs. 36.95 crores)
- c) Profit on change in ownership interest/relationships of subsidiaries, associates & joint venture **Rs. 1,514.67 crores** (2017 : Rs. 211.33 crores)

30. Earning Per Share (EPS)

Particulars	Rupees crores	
	2018	2017
Profit for the year for basic and diluted EPS (Rupees crores)	7,510.39	3,698.04
Weighted average number of Ordinary (Equity) Shares used in computing basic EPS.....	1,08,52,46,206	1,08,24,14,159
Effect of dilutive potential Ordinary (Equity) Shares	53,70,700	59,83,232
Weighted average number of Ordinary (Equity) Shares used in computing diluted EPS	1,09,06,16,906	1,08,83,97,391
Basic Earnings per share (Rs.) (Face value of Rs. 5 per share)	69.20	34.16
Diluted Earnings per share (Rs.)	68.86	33.98

On 26th December, 2017, the Company allotted 62,15,96,272 Ordinary (Equity) Shares of Rs. 5 each as fully paid-up Bonus (Equity) Shares in the ratio of 1:1 [i.e. 1 (One) fully paid-up Bonus Ordinary (Equity) Share of Rs. 5 each for every 1 (One) fully paid-up Ordinary (Equity) Share of Rs. 5 each held] to all registered shareholders as on the record date. Consequently, in accordance with Ind AS 33 "Earnings per Share", the basic and diluted earnings per share for all the periods presented above have been adjusted to give effect to the aforesaid issue of Bonus Shares.

31. Employee Benefits

General description of defined benefit plans:

Gratuity

Some of the group entities operate a gratuity plan covering qualifying employees. The benefit payable is the greater of the amount calculated as per the Payment of Gratuity Act or the Company scheme applicable to the employee. The benefit vests upon completion of five years of continuous service and once vested it is payable to employees on retirement or on termination of employment. In case of death while in service, the gratuity is payable irrespective of vesting. Some entities makes annual contribution to the group gratuity scheme administered by the Life Insurance Corporation of India through its Gratuity Trust Fund.

A Group company provides certain severance benefit to employees on leaving service. The benefit is payable after one year of service and is one months salary for every completed year of service. Additionally based on number of years of service an additional benefit is provided on normal retirement.

Post retirement medical

Few entities provide post retirement medical cover to select grade of employees to cover the retiring employee and their spouse upto a specified age through mediclaim policy on which the premiums are paid by the Company. The eligibility of the employee for the benefit as well as the amount of medical cover purchased is determined by the grade of the employee at the time of retirement.

Post retirement housing allowance

The Company operates a post retirement benefit scheme for a certain grade of employees in which a monthly allowance determined on the basis of the last drawn basic salary at the time of retirement, is paid to the retiring employee in lieu of housing.

Risk exposure

Through its defined benefit plans the Company is exposed to a number of risks, the most significant of which are detailed below:

Asset volatility

The plan liabilities are calculated using a discount rate set with references to government bond yields; if plan assets underperform compared to this yield, this will create or increase a deficit. The defined benefit plans may hold equity type assets, which may carry volatility and associated risk.

Changes in bond yields

A decrease in government bond yields will increase plan liabilities, although this is expected to be partially offset by an increase in the value of the plans' investment in debt instruments.

Inflation risk

The present value of some of the defined benefit plan obligations are calculated with reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability. The post retirement medical benefit obligation is sensitive to medical inflation and accordingly, an increase in medical inflation rate would increase the plan's liability.

Life expectancy

The present value of defined benefit plan obligation is calculated by reference to the best estimate of the mortality of plan participants, both during and after the employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

Defined benefit plans - Actuarial valuation as on 31st March, 2018

Rupees crores

Particulars	Funded Plan		Unfunded Plans					
	Gratuity		Gratuity		Post retirement medical benefits		Post retirement housing allowance	
	2018	2017	2018	2017	2018	2017	2018	2017
1 Amounts recognised in profit or loss								
Current service cost.....	84.82	84.92	238.40	269.27	2.22	1.47	2.50	2.22
Past service cost.....	—	—	—	—	4.49	—	—	—
Effect of the limit in Para 64 (b) of the Ind AS 19	(3.84)	(1.57)	—	—	—	—	—	—
Net interest expense.....	18.26	15.99	52.04	52.14	2.40	1.97	3.83	3.49
Total amount included in employee benefits expense .	99.24	99.34	290.44	321.41	9.11	3.44	6.33	5.71

Defined benefit plans - Actuarial valuation as on 31st March, 2018 (contd.)

Rupees crores

Particulars	Funded Plan				Unfunded Plans			
	Gratuity		Gratuity		Post retirement medical benefits		Post retirement housing allowance	
	2018	2017	2018	2017	2018	2017	2018	2017
2 Amounts recognised in other comprehensive income								
Remeasurement (gains) / losses:								
a) Actuarial (gains) / losses arising from changes in —								
— demographic assumptions.....	2.37	(0.95)	1.06	1.12	—	—	—	—
— financial assumptions.....	(16.00)	21.63	(46.73)	(200.74)	(1.20)	0.97	(1.23)	1.18
— experience adjustments.....	17.54	(11.16)	(79.21)	(34.76)	4.84	3.35	1.01	0.86
b) Return on plan assets, excluding amount included in net interest expense / (income).....	(6.25)	(8.24)	—	—	—	—	—	—
Total amount recognised in other comprehensive income	(2.34)	1.28	(124.88)	(234.38)	3.64	4.32	(0.22)	2.04
3 Changes in the defined benefit obligation								
Opening defined benefit obligation.....	995.86	949.97	1,836.31	1,894.76	32.35	25.45	51.32	45.44
Add / (less) on account of business combination / transfer.....	21.76	(0.43)	18.36	13.46	—	—	—	—
Current service cost.....	84.82	84.92	238.40	269.27	2.22	1.47	2.50	2.22
Past service cost.....	—	—	—	—	4.49	—	—	—
Interest expense.....	56.69	55.27	52.04	52.14	2.40	1.97	3.83	3.49
Remeasurements (gains) / losses.....	3.91	9.52	(124.88)	(234.38)	3.64	4.32	(0.22)	2.04
Benefits paid.....	(95.32)	(84.53)	(142.27)	(129.79)	(1.22)	(0.72)	(1.87)	(1.87)
Foreign exchange translation difference	5.58	(18.86)	99.42	(29.15)	0.22	(0.14)	—	—
Closing defined benefit obligation	1,073.30	995.86	1,977.38	1,836.31	44.10	32.35	55.56	51.32
4 Changes in fair value of plan assets								
Opening fair value of plan assets.....	686.37	669.94	—	—	—	—	—	—
Add / (less) on account of business combination / transfer.....	18.65	0.14	—	—	—	—	—	—
Interest income.....	38.43	39.28	—	—	—	—	—	—
Return on plan assets excluding interest income	6.25	8.24	—	—	—	—	—	—
Contributions by employer	136.03	55.42	—	—	1.22	0.72	1.87	1.87
Benefits paid.....	(95.32)	(84.53)	—	—	(1.22)	(0.72)	(1.87)	(1.87)
Foreign exchange translation difference	4.01	(2.12)	—	—	—	—	—	—
Closing fair value of plan assets.....	794.42	686.37	—	—	—	—	—	—
5 Net defined benefit obligation								
Defined benefit obligation.....	1,073.30	995.86	1,977.38	1,836.31	44.10	32.35	55.56	51.32
Fair value of plan assets	794.42	686.37	—	—	—	—	—	—
Surplus / (Deficit).....	(278.88)	(309.49)	(1,977.38)	(1,836.31)	(44.10)	(32.35)	(55.56)	(51.32)
Current portion of the above.....	(132.36)	(122.24)	(9.94)	(3.25)	(1.51)	(1.03)	(1.87)	(1.87)
Non current portion of the above.....	(146.52)	(187.25)	(1,967.44)	(1,833.06)	(42.59)	(31.32)	(53.69)	(49.45)

6 Actuarial Assumptions and sensitivity:

a Actuarial assumptions

Rupees crores

Assumptions	2018	2017
Discount rate (%)	0.43 - 8.10	0.52 - 8.00
Attrition rate (%)	1.00 - 48.91	1.00 - 48.91
Costs Inflation (%)	3.00 - 10.00	3.00 - 10.00

The estimate of future costs including medical considered in actuarial valuation takes account of inflation, seniority, promotion and other relevant factors.

Defined benefit plans - Actuarial valuation as on 31st March, 2018 (contd.)

b Quantitative sensitivity analysis for impact of significant assumptions on defined benefit obligation are as below:

Assumptions		Rupees crores	
	2018	2017	
One percentage point increase in discount rate	(315.81)	(297.93)	
One percentage point decrease in discount rate	350.22	335.18	
One percentage point increase in salary growth rate.....	313.35	296.54	
One percentage point decrease in salary growth rate.....	(278.69)	(262.24)	
One percentage point increase in attrition rate	(49.78)	(26.06)	
One percentage point decrease in attrition rate	46.98	15.81	
One percentage point increase in medical inflation rate	5.91	4.45	
One percentage point decrease in medical inflation rate	(4.98)	(3.75)	

7 Maturity profile of defined benefit obligation :

Time periods		Rupees crores	
	2018	2017	
Within 1 year	201.42	161.73	
2 - 5 years.....	749.07	622.99	
Between 6 and 9 years	990.37	842.40	
10 years and above	3,209.54	3,068.06	

Trust-managed Provident fund		Rupees crores	
	2018	2017	
I Net defined benefit obligation			
Defined benefit obligation.....	2,220.30	2,024.80	
Fair value of plan assets.....	2,220.30	2,024.80	
Surplus/(Deficit)	—	—	
II Actuarial assumptions			
Discount rate	7.85%	7.60%	
Average remaining tenure of investment portfolio (years)	5.95	6.12	
Guaranteed rate of return	8.55%	8.65%	

Group's contribution (in respect of companies where applicable) for Provident Fund and Superannuation Fund aggregating **Rs. 292.31 crores** (2017 : Rs. 260.25 crores) has been recognised in the Profit or Loss under the head 'Employee Benefits Expense'.

32. Capital Management:

The Group's capital management strategy is to effectively determine, raise and deploy capital so as to create value for its shareholders. The same is done through a mix of either equity and / or preference and / or convertible and / or combination of short term / long term debt as may be appropriate.

The Group determines the amount of capital required on the basis of its product, capital expenditure, operations and strategic investment plans. The capital structure is monitored on the basis of equity, net debt and maturity profile of overall debt portfolio of the Group.

The retail loan finance business of the companies in financial service business is subject to the capital adequacy requirements of the Reserve Bank of India (RBI) and National Housing Bank (NHB). Under capital adequacy guidelines, these companies are required to maintain a capital adequacy ratio consisting of Tier I and Tier II Capital. The total of Tier II Capital at any point of time, shall not exceed 100 percent of Tier I Capital. The Group companies in the financial services business have complied with all regulatory requirements related to regulatory capital and capital adequacy ratios as prescribed by RBI and NHB.

Net Debt and Equity other than financial services segment is given in the table below :

	Rupees crores	2018	2017
Total Equity	36,237.85	28,895.52	
Net Debt			
Short term debt.....	5,099.73	4,036.22	
Long term debt (including current portion of long term debt).....	6,262.34	6,192.61	
Gross Debt	11,362.07	10,228.83	
Less :			
Current investments.....	4,937.51	4,123.31	
Cash and Bank Balances.....	6,069.71	4,057.64	
Net Debt	354.85	2,047.88	
Total Capital deployed	36,592.70	30,943.40	

33. Financial instruments

Financial Risk Management Framework

In the course of its business, the Group is exposed to a certain financial risks namely credit risk, interest risk, currency risk and liquidity risk. The Group's primary focus is to achieve better predictability of financial markets and seek to minimize potential adverse effects on its financial performance.

The financial risks are managed in accordance with the risk management policy which has been approved by Board of Directors of the respective Group companies.

Board of Directors of financial services businesses have established Asset and Liability Management Committee (ALCO), which is responsible for developing and monitoring risk management policies for their businesses. The financial services businesses are exposed to high credit risk given the unbanked rural customer base and diminishing value of collateral. The credit risk is managed through credit norms established based on historical experience.

1. Market Risk Management

Market risk is the risk that changes in market prices such as foreign exchange rates, interest rates etc. could affect the Group's income or the value of its holdings of financial instruments including cash flow. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while maximising the return.

(a) Currency Risk

The Group's exposure to currency risk relates primarily to the Group's operating activities including anticipated sales and purchase and borrowings where the transactions are denominated in foreign currencies.

The Group's foreign currency exposures are managed within approved parameters. The Group hedges its foreign currency risk mainly by way of Forward Covers. Other derivative instruments may also be used if deemed appropriate.

The carrying amounts of the Group's foreign currency exposure at the end of the reporting period are as follows :

	US Dollar	Euro	JPY	Others	Total
As at 31st March, 2018					
Financial Assets	1,579.66	366.33	5.59	615.01	2,566.59
Financial Liabilities.....	2,676.83	787.77	504.25	374.32	4,343.17
As at 31st March, 2017					
Financial Assets.....	1,310.97	444.99	15.90	240.17	2,012.03
Financial Liabilities	2,192.32	879.53	636.91	135.62	3,844.38

Hedge Accounting - Forwards

Contracts that meet the requirements for hedge accounting are accounted as per the hedge accounting requirements of Ind AS 109 -Financial Instruments, while other contracts are accounted as derivatives measured through profit or loss.

Details of Forward Foreign Currency Contracts outstanding at the end of reporting period

Outstanding Contracts	Average exchange rate	Notional value (#)	Hedge ratio	Carrying amount of hedging instrument included in Other Financial Assets / (Liabilities)	Change in the fair value of hedging instrument during the year - gain / (loss)	Rupees crores
						Change in the value of hedged item used to determine hedge effectiveness - (gain) / loss
31st March, 2018						
Cash Flow Hedges						
<i>Buy currency</i>						
Maturing less than 1 year						
— USD / EUR.....	1.19	21.14	1:1	(0.01)	(0.01)	0.01
Maturing in 1 + years						
— EUR / INR.....	75.49	404.08	1:1	3.87	35.61	(35.61)
<i>Sell currency</i>						
Maturing less than 1 year						
— USD / INR.....	64.55	408.39	1:1	2.00	2.00	(2.00)
— EUR / KRW	1,346.58	0.13	1:1	63.62	62.51	(62.51)
— ZAR / INR.....	5.02	215.57	1:1	(12.21)	(12.21)	12.21
— EUR / INR.....	75.49	37.23	1:1	(0.59)	(0.59)	0.59
— AUD / INR.....	49.95	39.60	1:1	1.15	1.15	(1.15)
— GBP / KRW	1,511.52	0.07	1:1	15.97	24.45	(24.45)
31st March, 2017						
Cash Flow Hedges						
<i>Buy currency</i>						
Maturing less than 1 year						
— USD / INR.....	68.64	268.50	1:1	(12.88)	(12.88)	12.88
— USD / EUR.....	1.07	10.39	1:1	0.07	0.07	(0.07)
— CNY / EUR	7.51	10.04	1:1	(0.20)	(0.20)	0.20
Maturing in 1 + years						
— EUR / INR.....	100.82	346.48	1:1	(31.74)	(31.74)	31.74
<i>Sell currency</i>						
Maturing less than 1 year						
— USD / KRW	1,190.67	0.37	1:1	27.51	27.98	(27.98)
— USD / INR.....	69.71	368.53	1:1	18.79	18.79	(18.79)
— EUR / KRW	1,287.21	0.08	1:1	7.45	7.06	(7.06)
— ZAR / INR.....	4.87	86.95	1:1	1.13	1.13	(1.13)
— GBP / KRW	1,480.80	0.09	1:1	7.26	7.20	(7.20)

Notional value of respective currency pair have been converted into presentation currency i.e. INR using year end closing exchange rate

Details of hedge ineffectiveness

		Rupees crores
Year Ended 31st March, 2018		
Cash Flow Hedges	—	18.45
Year Ended 31st March, 2017		
Cash Flow Hedges	(0.01)	82.67

(b) Interest Rate Risk

The Group uses a mix of cash and borrowings to manage the liquidity and fund requirements of its day-to-day operations. Further, certain interest bearing liabilities carry variable interest rates.

Interest Rate risk on variable rate borrowings is managed by way of interest rate swaps.

Hedge Accounting : Interest Rate Swaps

Interest Rate swaps entered into by the Group meet the requirements for hedge accounting under Ind AS 109 - Financial Instruments, and thus are accounted as such.

Details of Interest Rate Swaps outstanding at the end of reporting period

							Rupees crores
Outstanding Contracts	Average interest rate	Notional value	Hedge ratio	Carrying amount of hedging instrument included in Other Financial Assets / (Liabilities)	Change in the fair value of hedging instrument for the year - gain/(loss)	Change in the value of hedged item used to determine hedge effectiveness	
31st March, 2018							
Cash Flow Hedges							
<i>Floating to fixed Interest Rate Swaps</i>							
EUR							
Maturing in 1 + years.....	0.74%	404.08	1:1	3.58	(0.04)	0.04	
Total				3.58	(0.04)	0.04	
31st March, 2017							
Cash Flow Hedges							
<i>Floating to fixed Interest Rate Swaps</i>							
EUR							
Maturing in 1 + years.....	0.74%	346.48	1:1	3.54	3.54	(3.54)	
Total				3.54	3.54	(3.54)	

Details of hedge ineffectiveness

				Rupees crores	
				Ineffectiveness Recognised in Profit or Loss	Effective portion Recognised in OCI
Year Ended 31st March, 2018					
Cash Flow Hedges				—	0.04
Year Ended 31st March, 2017					
Cash Flow Hedges				—	3.54

The movements in Cash Flow Hedge Reserve for instruments designated in a cash flow hedge are as follows :

	2018			2017		
	Exchange Rate Risk hedges	Interest Rate Risk hedges	Total	Exchange Rate Risk hedges	Interest Rate Risk hedges	Total
Balance at the beginning of the year.....	93.10	2.30	95.40	(6.71)	(2.42)	(9.13)
(Gains) / Losses transferred to Profit or Loss on occurrence of the forecast transaction	(79.82)	—	(79.82)	(45.71)	3.68	(42.03)

Rupees crores

	2018			2017		
	Exchange Rate Risk hedges	Interest Rate Risk hedges	Total	Exchange Rate Risk hedges	Interest Rate Risk hedges	Total
(Gains) / Losses transferred to Profit or Loss due to cash flows no longer expected to occur.....	0.03	—	0.03	(2.66)	—	(2.66)
Change in Fair Value of Effective Portion of cash flow hedges.....	18.45	0.04	18.49	82.67	3.54	86.21
Deferred Tax on the above	7.29	(0.03)	7.26	(0.92)	(2.50)	(3.42)
Balance at the end of the year.....	39.05	2.31	41.36	26.67	2.30	28.97
Add / (Less) : Non Controlling interest.....	11.27	—	11.27	(9.47)	—	(9.47)
Add: Share of Associate / Joint Venture...	(138.78)	—	(138.78)	75.90	—	75.90
Total	(88.46)	2.31	(86.15)	93.10	2.30	95.40
Of the above :						
Balance relating to continuing hedges.....	(88.46)	2.31	(86.15)	93.10	2.30	95.40
Balance relating to hedges for which hedge accounting is no longer applied....	—	—	—	—	—	—
	(88.46)	2.31	(86.15)	93.10	2.30	95.40

2. Credit Risk Management

Credit Risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group usually deals with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The exposure is continuously monitored.

(a) Financial Guarantees

In addition, the Group is exposed to credit risk in relation to financial guarantees given to banks provided by the Group. The Group's maximum exposure in this respect is the maximum amount the Group could have to pay if the guarantee is called on. The accounting of financial guarantees is as explained in Note 2(k). Accordingly, the amount recognised in Balance Sheet as liabilities is as below :

Particulars	Rupees crores	
	2018	2017
Financial Guarantee Liabilities.....	39.25	43.79

The Group's maximum exposure to credit risk in respect of Financial Guarantee contracts is Rs. 847.96 crores and Rs. 792.70 crores as at 31st March, 2018 and 2017 respectively.

(b) Trade Receivables

The Group applies the simplified approach to providing for expected credit losses prescribed by Ind AS 109, which permits the use of the lifetime expected loss provision for all trade receivables. The Group has computed expected credit losses based on a provision matrix which uses historical credit loss experience of the Group. Forward-looking information (including macroeconomic information) has been incorporated into the determination of expected credit losses.

The loss allowance for trade receivables using expected credit losses for different ageing periods are as follows:

Other than related to hospitality segment

Rupees crores

Particulars	Not due	Less than 6 months past due	More than 6 months past due	Total
As at 31st March, 2018				
Gross carrying amount.....	3,499.25	3,687.84	420.60	7,607.69
Loss allowance provision	—	(8.36)	(141.86)	(150.22)
Net	3,499.25	3,679.48	278.74	7,457.47

Particulars	Not due	Less than 6 months past due	More than 6 months past due	Rupees crores Total
As at 31st March, 2017				
Gross carrying amount.....	2,352.86	3,627.77	398.92	6,379.55
Loss allowance provision	—	(2.41)	(124.46)	(126.87)
Net	2,352.86	3,625.36	274.46	6,252.68

Related to hospitality segment

Particulars	2018	2017	Rupees crores
Gross carrying amount.....	1,579.39	1,601.35	
Loss allowance provision	(33.20)	(78.18)	
Net	1,546.19	1,523.17	

Reconciliation of loss allowance for Trade Receivables:

Other than related to hospitality segment

Particulars	2018	2017	Rupees crores
Balance as at beginning of the year	126.87	123.44	
Additions during the year	59.79	35.14	
Amounts written off during the year.....	(9.30)	(8.44)	
Amount recovered during the year	(7.53)	(2.65)	
Impairment losses reversed / written back.....	(23.06)	(19.02)	
Foreign exchange translation difference.....	3.45	(1.60)	
Balance at end of the year	150.22	126.87	

Related to hospitality segment

Particulars	2018	2017	Rupees crores
Balance as at beginning of the year	78.18	147.58	
Additions during the year	1.21	21.18	
Amounts written off during the year	(46.19)	—	
Impairment losses reversed / written back.....	—	(90.58)	
Balance at end of the year	33.20	78.18	

In respect of other financial assets, the maximum exposure to credit risk at the end of the reporting period is the carrying amount of each class of financial assets.

(c) Credit risk related to financial services business:

The following table sets out information about credit quality of retail loan assets measured at amortised cost based on months past due information. The amount represents gross carrying amount.

Particulars		Rupees crores	
	2018	2017	
Gross carrying value of loan assets			
Neither Past due nor impaired	40,205.27	30,996.60	
Past due but not impaired			
1 month past due	5,587.67	5,494.94	
2-3 months past due.....	7,015.92	5,159.23	
Impaired (above 3 months).....	5,468.22	6,519.56	
Total Gross carrying value as at reporting date.....	58,277.08	48,170.33	

Credit Quality of Financial Loans

Financial services business has a comprehensive framework for monitoring credit quality of its retail and other loans based on Days past due monitoring. Repayment by individual customers and portfolio is tracked regularly and required steps for recovery is taken through follow ups and legal recourse.

Inputs considered in the ECL model

In assessing the impairment of loans assets under Expected Credit Loss (ECL) Model, the loan assets have been segmented into three stages. The three stages reflect the general pattern of credit deterioration of a financial instrument. The differences in accounting between stages, relate to the recognition of expected credit losses and the calculation and presentation of interest revenue.

The company categorises loan assets into stages based on the Months Past Due status:

- Stage 1: 0-1 month Past Due
- Stage 2: 2-3 months Past Due
- Stage 3: More than 3 months Past Due

Assumptions considered in the ECL model

The financial services business has made the following assumptions in the ECL Model:

- "Loss given default" (LGD) is common for all three stages and is based on loss in past portfolio. Actual cashflows are discounted with average rate for arriving loss rate. Effective interest rate (EIR) has been taken as discount rate for all retail loans.
- "Probability of default" (PD) is applied on Stage 1 and Stage 2 on portfolio basis and for Stage 3 PD is 100%.

Estimation Technique

The financial services business has applied the following estimation technique in its ECL model:

- Probability of default for Stage 1 loan assets is calculated as average of 5 years of movement of cases from Stage 1 to Stage 3 in next 12 months. Probability of default of Stage 2 is calculated based on lifetime ageing of 4 years completed portfolio moving to stage 3. In case of housing loan probability of default of Stage 2 is calculated based on outstanding loan portfolio till March 2017 moving to stage 3.
- Loss given default is calculated based on discounted actual cash flow on past portfolio in default along with reversals.

There is no change in estimation techniques or significant assumptions during the reporting year.

Forward Looking Information

In calculating the expected credit loss rates, the financial services business considers historical loss rates on portfolio over a period which covers most external factors like drought, government and policy changes etc and analysis of data has not shown any correlation directly with external events on repayment by retail loan customers.

Assessment of significant increase in credit risk

When determining whether the risk of default has increased significantly since initial recognition, the financial services business considers both quantitative and qualitative information and analysis based on the business's historical experience, including forward-looking information. The financial services business considers reasonable and supportable information that is relevant and available without undue cost and effort. The financial services business uses the number of days past due to classify a financial instrument in low credit risk category and to determine significant increase in credit risk in retail. As a backstop, the financial services business considers that a significant increase in credit risk occurs no later than when an asset is more than 30 days past due.

Definition of default

The definition of default used for internal credit risk management purposes is based on RBI Guidelines and in case of housing loan based on NHB Guidelines . Under Ind AS, the financial services business considers a financial asset to be in default when it is more than 90 days past due. The financial services business considers a financial asset under default as 'credit impaired'.

Policy for write off of Loan Assets

The financial services business writes off all loans on half yearly basis which has been past due by 6 months from date of maturity and in case of housing loan when there is no collection from last 3 years.

Impairment loss

The expected credit loss allowance provision is determined as follows:

				Rupees crores
	Performing Loans - 12 month ECL	Under performing loans - 'lifetime ECL not credit impaired'	Impaired loans - 'lifetime ECL credit impaired'	Total
Gross Balance as at 31st March, 2018.....	45,792.94	7,015.92	5,468.22	58,277.08
Expected credit loss rate	1.22%	11.94%	35.35%	—
Carrying amount as at 31 st March, 2018 (net of impairment provision)	45,232.41	6,178.29	3,543.67	54,954.37
Gross Balance as at 31st March, 2017.....	36,491.54	5,159.23	6,519.56	48,170.33
Expected credit loss rate	1.18%	6.61%	35.33%	—
Carrying amount as at 31 st March, 2017 (net of impairment provision)	36,060.74	4,817.96	4,223.67	45,102.37

Level of Assessment - Aggregation Criteria

The financial services business recognises the expected credit losses on a collective basis that takes into account comprehensive credit risk information and considers the economic and risk characteristics, pricing range and sector concentration.

Reconciliation of loss allowance provision for loans

Particulars	12-month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	Rupees crores
Balance as at 1st April, 2017.....	430.80	341.27	2,295.89	3,067.96
- Transferred to / from 12 months ECL.....	271.17	(70.48)	(200.69)	—
- Transferred to / from lifetime ECL not credit impaired.....	(41.58)	275.60	(234.02)	—
- Transferred to / from lifetime ECL credit impaired.....	(16.36)	(60.48)	76.84	—
- Loans that have been derecognised during the year	(46.29)	(42.83)	(532.43)	(621.55)
New loans originated during the year.....	333.09	136.44	93.05	562.58
Write-offs.....	(0.03)	(0.49)	(270.45)	(270.97)
Net remeasurement of loss allowance.....	(370.27)	258.60	696.36	584.69
Balance as at 31st March, 2018	560.53	837.63	1,924.55	3,322.71
 Balance as at 1 st April, 2016	298.60	269.53	1,658.15	2,226.28
- Transferred to / from 12 months ECL.....	174.95	(49.47)	(125.48)	—
- Transferred to / from lifetime ECL not credit impaired.....	(35.86)	108.55	(72.69)	—
- Transferred to / from lifetime ECL credit impaired.....	(21.26)	(100.57)	121.83	—
- Loans that have been derecognised during the year	(30.94)	(34.19)	(330.99)	(396.12)
New loans originated during the year.....	262.61	79.02	98.73	440.36
Write-offs.....	(0.02)	(0.39)	(143.38)	(143.79)
Net remeasurement of loss allowance.....	(217.28)	68.79	1,089.72	941.23
Balance as at 31st March, 2017	430.80	341.27	2,295.89	3,067.96

'12 months ECL' and 'lifetime ECL not credit impaired' are collectively assessed. 'Lifetime ECL credit impaired' are individually assessed.

Loan which are written off continue to be subject of enforcement activity.

Significant changes in the gross carrying value that contributed to change in loss allowance

The financial services business mostly provides loans to retail individual customers in Rural and Semi urban area which are of small ticket size. Change in any single customer repayment will not impact significantly to Company's provisioning. All customers are being monitored based on past due status of outstanding loan and corrective actions are taken accordingly to limit the financial services businesses risk.

Concentration of Credit Risk

Financial services business's loan portfolio is predominantly to finance retail automobile and allied equipment loans, housing loans and other business loans. The financial services business manages concentration of risk primarily by geographical region in India. The following tables show the geographical concentrations of financial loans as at year end:

Particulars	Rupees crores	
	2018	2017
Carrying Value.....	58,277.08	48,170.33
Concentration by Geographical region in India:		
North	19,414.20	12,400.58
East.....	6,923.92	5,244.54
West.....	19,813.90	19,940.68
South	12,125.06	10,584.53
Total Loans as at reporting period	58,277.08	48,170.33

Maximum Exposure to credit Risk

The maximum exposure to credit risk of loans is their carrying amount. The maximum exposure is before considering both the effect of mitigation through collateral.

Narrative Description of Collateral

The amount of collateral obtained, if deemed necessary by the financial services business upon extension of credit, is based on management's credit evaluation of the counterparty. Collateral primarily include vehicles and residential units purchased by retail loan customers.

Quantitative Information of Collateral - Credit Impaired assets

(Collateral Coverage - Value of collateral available to mitigate the credit exposure)

Loan To Value (LTV) range	Rupees crores	
	Gross Value of loans in stage 3	
	2018	2017
Upto 50% coverage.....	2,776.13	1,022.12
51 - 70% coverage	1,405.01	1,146.12
71 - 100% coverage.....	856.71	1,620.86
Above 100% coverage.....	430.37	2,730.46
Net	5,468.22	6,519.56

Quantitative Information of Collateral - Repossessed Assets

Particulars	Rupees crores	
	2018	2017
Carrying Value of repossessed collateral.....	379.65	380.00

3. Liquidity risk management

(a) Maturity profile of financial liabilities

The following tables detail the Group's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The tables include both interest and principal cash flows

Particulars	Rupees crores			
	Less than 1 Year	1-3 Years	3 Years to 5 Years	5 Years and above
As at 31st March, 2018				
Short term borrowings - Principal.....	11,325.54	—	—	—
Short term borrowings - Interest	165.44	—	—	—
Long term borrowings (including Current maturities of long term debt) – Principal	10,763.20	22,525.88	5,006.67	6,342.65
Long term borrowings (including Current maturities of long term debt) – Interest	3,291.23	4,381.59	1,599.00	3,974.37
Trade payables.....	18,287.34	4.88	—	—
Financial Guarantee	847.96	—	—	—
Other Financial Liabilities.....	2,062.95	246.49	7.28	133.11
Total.....	46,743.66	27,158.84	6,612.95	10,450.13
As at 31st March, 2017				
Short term borrowings - Principal.....	10,270.56	—	—	—
Short term borrowings - Interest	61.62	—	—	—
Long term borrowings (including Current maturities of long term debt) – Principal	8,515.75	20,113.73	4,583.50	5,552.65
Long term borrowings (including Current maturities of long term debt) – Interest	3,324.29	3,885.31	1,239.30	4,158.03
Trade payables.....	14,796.87	4.38	—	—
Financial Guarantee	792.70	—	—	—
Other Financial Liabilities.....	2,087.69	310.55	—	64.69
Total.....	39,849.48	24,313.97	5,822.80	9,775.37

The amounts included above for financial guarantee contracts are the maximum amounts the Group could be forced to settle under the arrangement for the full guaranteed amount if that amount is claimed by the counterparty to the guaranteee. Based on expectations at the end of the reporting period, the Group considers that it is more likely than not that such an amount will not be payable under the arrangement.

The following table details the Group's liquidity analysis for its derivative financial instruments. When the amount payable or receivable is not fixed, the amount disclosed has been determined by reference to the projected interest rates as illustrated by the yield curves at the end of the reporting period.

(b) Derivative financial instruments - Receivable / (Payables), net

Particulars	Rupees crores		
	Less than 1 Year	1-3 Years	3 Years to 5 Years
As at 31st March, 2018			
Net settled			
Interest rate swaps	(24.50)	(12.35)	(2.16)
Commodity futures.....	—	—	—
Foreign exchange forward contracts.....	0.02	(6.15)	3.87
Gross settled			
Foreign exchange forward contracts / Options.....	(10.08)	—	—
Total.....	(34.56)	(18.50)	1.71

Particulars	Rupees crores		
	Less than 1 Year	1-3 Years	3 Years to 5 Years
As at 31st March, 2017			
Net settled			
Interest rate swaps	2.33	(29.38)	(5.66)
Commodity futures.....	1.62	—	—
Foreign exchange forward contracts.....	(22.32)	—	—
Gross settled			
Foreign exchange forward contracts / Options.....	40.10	—	(31.74)
Total.....	21.73	(29.38)	(37.40)

4. Sensitivity Analysis

(a) Foreign Currency Sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in major exchange rates, with all other variables held constant.

Particulars	Currency	Change in rate	Rupees crores	
			Effect on Profit Before Tax	Effect on pre-tax equity
Year ended 31st March, 2018.....	KRW / USD	+10%	13.38	—
	KRW / JPY	+10%	(49.44)	—
	INR / EUR	+10%	(2.94)	—
Year ended 31st March, 2017	KRW / USD	+10%	26.22	—
	KRW / JPY	+10%	(62.27)	—
	INR / EUR	+10%	47.28	—

If the change in rates decline by a similar percentage, there will be opposite impact of similar amount on Profit Before Tax and Pre-tax Equity.

The sensitivity analysis is unrepresentative of the inherent foreign exchange risk because the exposure at the end of the reporting period does not reflect the exposure during the year.

(b) Interest Rate sensitivity

The sensitivity analyses below have been determined based on exposure to interest rate for both derivative and non-derivative instruments at the end of reporting period. For floating rate liabilities, analysis is prepared assuming the amount of liability outstanding at the end of the reporting period was outstanding for the whole year. The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected, after the impact of hedge accounting. With all other variables held constant, the Group's profit before tax is affected through the impact on floating rate borrowings, as follows:

Particulars	Currency	Increase / decrease in basis points	Rupees crores	
			Effect on profit before tax	Effect on pre-tax equity
Year ended 31st March, 2018.....	INR	+50 bps	(56.66)	—
	EUR	+25 bps	(2.47)	3.56
Year ended 31st March, 2017	INR	+50 bps	(50.82)	—
	EUR	+25 bps	(0.63)	3.91

If the change in rates decline by a similar percentage, there will be opposite impact of similar amount on Profit Before Tax and Pre-tax Equity.

5. Offsetting of balances:

The Company has not offset financial assets and financial liabilities.

6. Fair Value Disclosures

a) Financial Instruments regularly measured using Fair Value – recurring items

Rupees crores						
						Relationship of unobservable inputs to fair value and sensitivity
Financial assets / financial liabilities	Financial assets/financial liabilities	Category	Fair Value	Fair value hierarchy	Valuation technique(s)	Key inputs
			2018	2017		
1) Foreign currency forwards, Interest rate swaps & commodity derivatives	Financial Assets/(Liabilities)	Financial Instruments measured at FVTPL/FVTOCI	(33.93)	(22.60)	Level 2 Discounted Cash Flow	Future cash flows are estimated based on forward exchange rates (from observable reporting period) and contract forward rates, discounted at a rate that reflects the credit risk of various counter parties.
2) Currency options	Financial Assets/(Liabilities)	Financial Instruments measured at FVTPL	(21.95)	(6.18)	Level 2 Black Scholes valuation model	Strike rate, spot rate, time to maturity, volatility and risk free interest rate
3) Derivatives on interest over Subsidiaries, associates and joint ventures	Financial Assets/(Liabilities)	Financial Instruments measured at FVTPL	175.86	185.22	Level 3 Comparable Companies Method / Discounted Cash-flow / Price of recent transactions / Comparable Companies quoted multiples	Interest rates to discount future cashflows, financial projections Any change (increase / decrease) in the discount factor, financial projections etc. would entail corresponding change in the valuation of derivatives on interest in subsidiaries and associates.
4) Investment in Mutual Funds and Alternate Investment Fund	Financial Assets	Financial instrument measured at FVTPL	3,565.68	3,088.38	Level 1 Quoted market price for Mutual Funds	
5) Investment in equity instruments - Quoted	Financial Assets	Financial instrument designated at FVTOCI	6.90	5.39	Level 1 Quoted bid price in active market	
6) Investment in equity instruments- Unquoted	Financial Assets	Financial instrument designated at FVTOCI	63.19	48.62	Level 3 Discounted Cash Flow / Market Multiple approach	For Discounted Cash Flow approach - The inputs include, long term revenue growth rates, long term pre tax operating profit margin, WACC, Discount for lack of market for respective equity instrument. For Market Multiple approach - In this approach fair value is derived based on market multiples like PE multiple, Enterprise value (EV) multiple, Revenue Multiple etc.
7) Investment in debt instruments - Government Securities	Financial Assets	Financial instrument measured at FVTOCI	—	1.93	Level 1 Quoted market price	Terminal growth rate, weighted average cost of capital. Market multiples used for benchmarking.
8) Investment in debt instruments - Debentures/ Bonds, etc	Financial Assets	Financial instrument measured at FVTPL	147.13	231.08	Level 1 Quoted market price	
9) Investment in Other financial instruments -CP, CD	Financial Assets	Financial instrument measured at FVTOCI	105.67	—	Level 1 Quoted market price	

Reconciliation of Level 3 fair value measurements of financial instruments measured at fair value

Rupees crores

Particulars	Unquoted Equity investment	Derivatives on interest over Subsidiaries, associates and joint ventures (Net)	Total
Year Ended 31st March, 2018			
Opening balance	56.91	185.22	242.13
Total gains or losses recognised:			
a) in profit / (loss)	0.03	(8.53)	(8.50)
b) in other comprehensive income	(6.84)	—	(6.84)
Acquisitions during the year.....	30.28	(0.83)	29.45
Transfers out of Level 3	(8.56)	—	(8.56)
Closing balance.....	71.82	175.86	247.68
Year Ended 31st March, 2017			
Opening balance	43.10	36.73	79.83
Total gains or losses recognised:			
a) in profit / (loss)	2.98	171.50	174.48
b) in other comprehensive income	(5.55)	—	(5.55)
Acquisitions during the year.....	16.42	(23.01)	(6.59)
Sale made during the year.....	(0.04)	—	(0.04)
Closing balance	56.91	185.22	242.13

Equity Investments designated at FVTOCI

Rupees crores

Particulars	2018	2017
Investment in quoted and unquoted equity instruments:		
Fair Value of Investments		
Fair Value of Investments	70.09	54.01
Dividend income on investments held	—	—

There were no disposal of investment during the year ended 31st March, 2018 and 2017 respectively.**b) Financial Instruments measured at amortised cost**

Rupees crores

Particulars	Carrying Value	Fair value	Fair value				
			Level 1	Level 2	Level 3		
As at 31st March, 2018							
Financial assets							
a) Investments	1,963.73	2,025.80	910.64	1,112.53	2.63		
b) Trade Receivables.....	9,003.66	9,003.66	—	9,003.66	—		
c) Financial Services Receivables.....	54,954.37	55,338.12	—	—	55,338.12		
d) Security Deposits.....	448.30	448.30	—	448.30	—		
e) Other Loans.....	2,169.49	2,152.46	—	2,004.61	147.85		
f) Fixed Deposits	86.04	86.04	—	86.04	—		
Total.....	68,625.59	69,054.38	910.64	12,655.14	55,488.60		

Rupees crores

Particulars	Carrying Value	Fair value	Fair value		
			Level 1	Level 2	Level 3
Financial liabilities					
a) Non-current Borrowings.....	33,809.18	34,505.72	15,320.55	19,185.17	—
b) Trade Payables.....	18,292.22	18,292.22	—	18,292.22	—
c) Short Term Borrowings.....	11,325.54	11,325.54	—	11,325.54	—
d) Other Financial Liabilities	14,941.70	14,927.53	5,029.07	9,833.12	65.34
Total.....	78,368.64	79,051.01	20,349.62	58,636.05	65.34
As at 31st March, 2017					
Financial assets					
a) Investments	1,585.26	1,634.68	907.40	727.28	—
b) Trade Receivables.....	7,775.85	7,775.85	—	7,775.85	—
c) Financial Services Receivables.....	45,102.37	44,413.20	—	167.50	44,245.70
d) Security Deposits.....	390.22	390.22	—	390.22	—
e) Other Loans.....	1,572.57	1,657.23	—	1,462.30	194.93
f) Fixed Deposits	168.06	168.97	—	168.97	—
Total.....	56,594.33	56,040.15	907.40	10,692.12	44,440.63
Financial liabilities					
a) Non-current Borrowings	30,124.51	31,049.62	14,919.75	16,129.87	—
b) Trade Payables.....	14,801.25	14,801.25	—	14,801.25	—
c) Short Term Borrowings	10,121.65	10,121.65	—	10,121.65	—
d) Other Financial Liabilities	12,447.17	12,447.17	2,433.80	9,881.50	131.87
Total.....	67,494.58	68,419.69	17,353.55	50,934.27	131.87

Except for the above, carrying value of Other financial assets/liabilities represent reasonable estimate of fair value.

There were no transfers between Level 1 and Level 2 during the year.

34. Significant acquisitions and changes in ownership:

a) Acquisition of Subsidiaries

Mahindra Logistics Limited

On 10th November, 2017, Mahindra & Mahindra Limited sold 13.59% stake in Mahindra Logistics Limited through Initial Public Offer (IPO) in which the other private equity shareholder also sold an equivalent stake. Consequent to the IPO, due to changes in the rights of the private equity shareholder, the status of Mahindra Logistics Limited has changed from joint venture to subsidiary. Further, in accordance with IndAS 110 - 'Consolidated Financial Statements', the retained interest has been re-measured at fair value. The gain on sale of stake and the re-measurement gain on retained interest have been recognised as exceptional items in the Consolidated Statement of Profit & Loss.

Consequent to gaining of control, the results of Mahindra Logistics operations have been consolidated by the Group from 10th November, 2017 on a line-by-line basis.

	Rupees crores
Fair value of retained interest	1,793.75
Non-controlling interest.....	187.30
Less: Fair value of net asset and liabilities acquired	(454.27)
Goodwill on acquisition.....	1,526.78

The Non-controlling interest on acquisition date has been measured at proportionate share of identifiable assets and liabilities acquired. The resultant goodwill has been allocated to 'Others' segment.

The fair values of assets and liabilities acquired in respect of the above business combinations are as under:

	Rupees crores
Property, Plant and Equipment	70.37
Intangible Assets - acquired on acquisition	107.70
Intangible Assets - others.....	1.18
Cash and cash equivalents	50.78
Other current and non-current assets / (liabilities), net.....	283.17
Borrowings.....	(36.06)
Deferred tax assets / (liabilities), net.....	(22.87)
Fair value of net asset / (liabilities) acquired	<u>454.27</u>

Erkunt Traktor Sanayii A.S. and Erkunt Sanayi A.S.

On 1st December, 2017, the Group acquired 100.00% share capital of Erkunt Traktor Sanayi A.S. and 98.69%, share capital of Erkunt Sanayi A.S., Turkey. Erkunt Traktor Sanayii A.S. ('Erkunt Traktor') is the fourth largest player in the Turkish tractor industry with wide product portfolio for diverse farming needs catering to local and export market. The acquisition would provide the Group access to Turkish agricultural machinery market which is the fourth largest tractor market globally. Erkunt Sanayi A.S. ('Erkunt Foundry') is one of the leading producer and suppliers of iron castings and machined parts for farm equipment, automotive, construction equipment industry segments in the Turkish and global markets.

The results of Erkunt Traktor and Erkunt Foundry operations have been consolidated by the Group from the consummation date of 1st December, 2017 on a line-by-line basis. The purchase consideration for this acquisition amounted to Rs. 278.79 crores for Erkunt Traktor and Rs. 197.29 crores for Erkunt Foundry, entire amount comprising of initial cash consideration.

	Rupees crores
Purchase consideration paid	476.08
Non-controlling interest.....	5.32
Less: Fair value of net asset and liabilities acquired	(445.34)
Goodwill on acquisition.....	<u>36.06</u>

On acquisition date, the non-controlling interest has been measured at its proportionate share of identifiable assets and liabilities acquired. The goodwill has been allocated to 'Farm Equipment' segment.

The fair values of assets and liabilities acquired in respect of the above business combination are as under:

	Rupees crores
Property, Plant and Equipment	460.00
Intangible Assets - acquired on acquisition	7.15
Intangible Assets - others.....	71.25
Investments.....	7.85
Cash and cash equivalents	26.01
Other current and non-current assets (net).....	230.50
Borrowings.....	(294.15)
Deferred tax assets/(liabilities), net	(63.27)
Fair value of net asset/(liabilities) acquired	<u>445.34</u>

Impact of acquisitions on the results of the Group

Revenue and Profit for the year ended 31st March, 2018 includes Rs. 1,179.65 crores and profit of Rs. 26.44 crores respectively pertaining to acquisitions made during the year. If the acquisitions had happened at the beginning of the year, management estimates that the reported Revenue for the year ended 31st March, 2018 would have been higher by Rs. 2,946.17 crores and Profit for the year higher by Rs. 39.00 crores.

b) Acquisition of Associates and Joint ventures

Zoomcar India Private Limited

On 16th February, 2018, the Group subscribed to 3,63,752 Series P1 Preference Shares of Zoomcar India Private Limited ('Zoomcar India') for a consideration of Rs. 129.13 crores. The arrangement provides that subject to regulatory approvals, Series P1 Preference Shares of Zoomcar India would be exchanged for Series C Preferred Stock of Zoomcar Inc. at a future date. Based on the investment made in Series P1 Preference Shares of Zoomcar India, the arrangement provides Mahindra & Mahindra Limited with voting rights amounting to 11.76% of the voting power on an if-converted basis and right to appoint a Preferred Director on the board of Zoomcar Inc.

c) Disposal of investments in subsidiaries, associates and joint ventures

CIE Automotive S.A.

In December 2017, Mahindra Overseas Investment Company (Mauritius) Limited, a wholly owned subsidiary of Mahindra & Mahindra Limited, sold 64,50,000 shares representing 5.0% of share capital of CIE Automotive S.A., Spain for an aggregate consideration amounting to Rs. 1,160.60 crores (Euro 151.58 million). Following the sale, the Group's shareholding in CIE Automotive S.A. has reduced to 7.435% of its Share Capital.

35. Disclosure of interest in Subsidiaries and interest of Non Controlling Interest :

(a) Details of the Group's subsidiaries at the end of the reporting period are as follows:

Name of the Subsidiary	Place of Incorporation and Place of Operation	Proportion of ownership interest *		Proportion of voting power where different	
		2018	2017	2018	2017
Mahindra Vehicle Manufacturers Limited.....	India	100.00%	100.00%		
Mahindra Heavy Engines Limited.....	India	100.00%	100.00%		
Mahindra Electric Mobility Limited	India	99.13%	98.87%		
Mahindra Trucks and Buses Limited	India	100.00%	100.00%		
Mahindra Automobile Distributor Private Limited	India	100.00%	95.00%		
NBS International Limited	India	100.00%	100.00%		
Mahindra Automotive Australia Pty. Limited	Australia	100.00%	100.00%		
Ssangyong Motor Company.....	South Korea	72.46%	72.46%		
Ssangyong Motor (Shanghai) Company Limited.....	China	72.46%	72.46%	100.00%	100.00%
Ssangyong European Parts Center B.V.....	Netherlands	72.46%	72.46%	100.00%	100.00%
Mahindra Europe S.r.l.....	Italy	100.00%	100.00%		
Mahindra and Mahindra South Africa (Proprietary) Limited	South Africa	100.00%	100.00%		
Mahindra Graphic Research Design S.r.l.....	Italy	100.00%	100.00%		
Mahindra West Africa Limited.....	Nigeria	100.00%	100.00%		
Mahindra International UK Limited.....	U.K.	100.00%	100.00%		
Gromax Agri Equipment Limited (formerly known as Mahindra Gujarat Tractor Limited).....	India	60.00%	60.00%		
Auto Digitech Private Limited	India	100.00%	100.00%		
Kota Farm Services Limited.....	India	47.81%	47.81%	51.02%	51.02%
Trringo.com Limited	India	100.00%	100.00%		
Mahindra USA Inc	U.S.A.	100.00%	100.00%		
Mitsubishi Mahindra Agricultural Machinery Co., Ltd **.....	Japan	66.67%	66.67%	33.33%	33.33%
Mitsubishi Noki Hanbai co., Ltd	Japan	66.67%	66.67%	100.00%	100.00%
Ryono Factory co., Ltd	Japan	66.67%	66.67%	100.00%	100.00%
Ryono Engineering co., Ltd	Japan	66.67%	66.67%	100.00%	100.00%
Daiya Computer Services co., Ltd	Japan	66.67%	66.67%	100.00%	100.00%
Daiya Kikou co., Ltd. (Liquidated w.e.f. 27 th October, 2017).....	Japan		66.67%		100.00%
Ryono Asset Management co., Ltd	Japan	66.67%	66.67%	100.00%	100.00%
Mahindra Mexico S. de. R. L.....	Mexico	100.00%	99.00%		
Mahindra do Brasil Industrial Ltda.....	Brazil	100.00%	100.00%		
Hisarlar Makina Sanayi ve Ticaret Anonim Sirketi	Turkey	77.18%	75.07%		
Hisarlar İthalat İhracat Pazarlama Anonim Sirketi.....	Turkey	77.18%	75.07%	100.00%	100.00%
Mahindra & Mahindra Financial Services Limited	India	51.46%	51.54%		
Mahindra Insurance Brokers Limited	India	41.17%	43.81%	80.00%	85.00%
Mahindra Rural Housing Finance Limited	India	45.80%	45.10%	89.00%	87.50%
Mahindra Asset Management Company Private Limited.....	India	51.46%	51.54%	100.00%	100.00%
Mahindra Trustee Company Private Limited.....	India	51.46%	51.54%	100.00%	100.00%
Mahindra Lifespace Developers Limited.....	India	51.51%	50.78%		
Mahindra Infrastructure Developers Limited.....	India	51.51%	50.78%	100.00%	100.00%
Mahindra World City (Maharashtra) Limited.....	India	51.51%	50.78%	100.00%	100.00%
Mahindra Integrated Township Limited	India	37.79%	37.25%	73.36%	73.36%
Knowledge Township Limited	India	51.51%	50.78%	100.00%	100.00%
Mahindra Residential Developers Limited	India	37.79%	37.25%	100.00%	100.00%
Industrial Township (Maharashtra) Limited	India	51.51%	50.78%	100.00%	100.00%
Raigad Industrial & Business Park Limited #.....	India	—	50.78%	—	100.00%
Anthurium Developers Limited	India	51.51%	50.78%	100.00%	100.00%
Industrial Cluster Private Limited (Upto 17 th September, 2017).....	India	—	50.78%	—	100.00%
Mahindra Water Utilities Limited	India	51.00%	50.27%	99.00%	99.00%
Kismat Developers Private Limited #	India	—	50.72%	—	99.90%
Topical Builders Private Limited #	India	—	50.75%	—	99.95%

Name of the Subsidiary	Place of Incorporation and Place of Operation	Proportion of ownership interest *		Proportion of voting power where different	
		2018	2017	2018	2017
Rathna Bhoomi Enterprises Private Limited.....	India	51.51%	50.76%	99.97%	99.97%
Deep Mangal Developers Private Limited.....	India	51.51%	50.78%	100.00%	100.00%
Moonshine Construction Private Limited.....	India	51.51%	50.62%	99.69%	99.69%
Mahindra Consulting Engineers Limited	India	84.78%	84.93%		
Mahindra Holidays & Resorts India Limited.....	India	67.71%	67.93%		
Mahindra Hotels and Residences India Limited.....	India	67.71%	67.93%	100.00%	100.00%
Gables Promoters Private Limited	India	67.71%	67.93%	100.00%	100.00%
Heritage Bird (M) Sdn. Bhd.	Malaysia	67.71%	67.93%	100.00%	100.00%
Infinity Hospitality Group Company Limited	Thailand	50.09%	50.25%	100.00%	100.00%
MH Boutique Hospitality Limited @.....	Thailand	33.18%	33.28%	49.00%	49.00%
MHR Holdings (Mauritius) Limited.....	Mauritius	67.71%	67.93%	100.00%	100.00%
Covington S.a.r.l.	Luxembourg	67.71%	67.93%	100.00%	100.00%
HCR Management Oy	Finland	67.71%	67.93%	100.00%	100.00%
Holiday Club Resort Oy	Finland	64.43%	62.45%	95.16%	91.93%
Kiinteistö Oy Himos Gardens	Finland	64.43%	62.45%	100.00%	100.00%
Suomen Vapaa-aikaiinteistöt Oy LKV	Finland	64.43%	62.45%	100.00%	100.00%
Kiinteistö Oy Himoksen Tähti 2.....	Finland	64.43%	62.45%	100.00%	100.00%
Kiinteistö Oy Vanha Ykköstii	Finland	64.43%	62.45%	100.00%	100.00%
Kiinteistö Oy Katinnurkka.....	Finland	64.43%	62.45%	100.00%	100.00%
Kiinteistö Oy Tenetinlahti	Finland	64.43%	62.45%	100.00%	100.00%
Kiinteistö Oy Mällösniemi	Finland	64.43%	62.45%	100.00%	100.00%
Kiinteistö Oy Rauhan Ranta 1.....	Finland	64.43%	62.45%	100.00%	100.00%
Kiinteistö Oy Rauhan Ranta 2.....	Finland	64.43%	62.45%	100.00%	100.00%
Kiinteistö Oy Tiurunniemi	Finland	64.43%	62.45%	100.00%	100.00%
Kiinteistö Oy Rauhan Liikekiinteistöt 1	Finland	64.43%	62.45%	100.00%	100.00%
Supermarket Capri Oy	Finland	64.43%	62.45%	100.00%	100.00%
Kiinteistö Oy Kylpyläntorni 1.....	Finland	64.43%	62.45%	100.00%	100.00%
Kiinteistö Oy Spa Lofts 2	Finland	64.43%	62.45%	100.00%	100.00%
Kiinteistö Oy Spa Lofts 3	Finland	64.43%	62.45%	100.00%	100.00%
Kiinteistö Oy Kuusamon Pulkkajärvi 1.....	Finland	64.43%	62.45%	100.00%	100.00%
Ownership Services Sweden Ab	Sweden	64.43%	62.45%	100.00%	100.00%
Are Villas 1 AB	Sweden	64.43%	62.45%	100.00%	100.00%
Are Villas 2 AB.....	Sweden	64.43%	62.45%	100.00%	100.00%
Are Villas 3 AB (w.e.f. 26 th January, 2018).....	Sweden	64.43%		100.00%	
Holiday Club Sweden Ab Åre	Sweden	64.43%	62.45%	100.00%	100.00%
Holiday Club Sport and Spahotels AB	Sweden	32.86%	31.85%	51.00%	51.00%
Holiday Club Resorts Rus LLC	Russia	64.43%	62.45%	100.00%	100.00%
Holiday Club Canarias Investments S.L.U.	Spain	64.43%	62.45%	100.00%	100.00%
Holiday Club Canarias Sales & Marketing S.L.U.	Spain	64.43%	62.45%	100.00%	100.00%
Holiday Club Canarias Resort Management S.L.U.	Spain	64.43%	62.45%	100.00%	100.00%
Arabian Dreams Hotel Apartments LLC @	U.A.E	33.18%	33.28%	49.00%	49.00%
Mahindra Two Wheelers Limited	India	92.25%	92.25%		
Mahindra Two Wheelers Europe Holdings S.a.r.l.	Luxembourg	100.00%	100.00%		
Peugeot Motorcycles S.A.S.....	France	51.00%	51.00%		
Peugeot Motorcycles Deutschland GmbH	Germany	51.00%	51.00%	100.00%	100.00%
Peugeot Motorcycles Italia S.p.A.....	Italy	51.00%	51.00%	100.00%	100.00%
Mahindra Tractor Assembly Inc.	U.S.A.	100.00%	100.00%		
Mahindra Agri Solutions Limited	India	98.40%	98.40%		
EPC Industrie Limited.....	India	54.65%	54.73%		
Mahindra HZPC Private Limited.....	India	58.99%	59.95%		
Mahindra Greenyard Private Limited.....	India	59.04%	59.04%	60.00%	60.00%
OFD Holding B.V.	Netherlands	83.09%	60.00%		

Name of the Subsidiary	Place of Incorporation and Place of Operation	Proportion of ownership interest *		Proportion of voting power where different	
		2018	2017	2018	2017
Origin Direct Asia Ltd.....	Hong Kong	83.09%	60.00%	100.00%	100.00%
Origin Fruit Direct B.V.	Netherlands	83.09%	60.00%	100.00%	100.00%
Origin Fruit Services South America SpA	Chile	83.09%	60.00%	100.00%	100.00%
Origin Direct Asia (Shanghai) Trading Co. Limited	China	83.09%	60.00%	100.00%	100.00%
Bristlecone Limited.....	Cayman Islands	75.29%	75.35%		
Bristlecone Consulting Limited.....	Canada	75.29%	75.35%	100.00%	100.00%
Bristlecone (Malaysia) Sdn. Bhd.	Malaysia	75.29%	75.35%	100.00%	100.00%
Bristlecone International AG.....	Switzerland	75.29%	75.35%	100.00%	100.00%
Bristlecone UK Limited	U.K.	75.29%	75.35%	100.00%	100.00%
Bristlecone Inc.	U.S.A.	75.29%	75.35%	100.00%	100.00%
Bristlecone Middle East DMCC	U.A.E.	75.29%	75.35%	100.00%	100.00%
Bristlecone India Limited.....	India	75.29%	75.35%	100.00%	100.00%
Bristlecone GmbH.....	Germany	75.29%	75.35%	100.00%	100.00%
Bristlecone (Singapore) Pte. Limited	Singapore	75.29%	75.35%	100.00%	100.00%
Mahindra Intertrade Limited	India	100.00%	100.00%		
Mahindra Steel Service Centre Limited	India	61.00%	61.00%		
Mahindra Electrical Steel Private Limited.....	India	100.00%	100.00%		
Mahindra Auto Steel Private Limited.....	India	51.00%	51.00%		
Mahindra MiddleEast Electrical Steel Service Centre (FZC)	U.A.E.	90.00%	90.00%		
Mahindra Holdings Limited	India	100.00%	100.00%		
Mahindra Overseas Investment Company (Mauritius) Limited.....	Mauritius	100.00%	100.00%		
Mahindra Racing S.p.A.....	Italy	100.00%	100.00%		
Mahindra Racing UK Limited.....	U.K.	100.00%	100.00%		
Mahindra Susten Private Limited	India	100.00%	100.00%		
Mahindra Renewables Private Limited	India	100.00%	100.00%		
Cleansolar Renewable Energy Private Limited	India	100.00%	100.00%		
MachinePulse Tech Private Limited.....	India	100.00%	100.00%		
Divine Solren Private Limited.....	India	100.00%	100.00%		
Neo Solren Private Limited	India	100.00%	100.00%		
Marvel Solren Private Limited	India	100.00%	100.00%		
Astra Solren Private Limited	India	100.00%	100.00%		
Mega Suryaurja Private Limited (formerly known as Mahindra Suryaurja Private Limited).....	India	100.00%	100.00%		
Mahindra Engineering and Chemical Products Limited	India	100.00%	100.00%		
Retail Initiative Holdings Limited.....	India	100.00%	100.00%		
Mahindra Retail Limited.....	India	100.00%	100.00%		
Defence Land Systems India Limited #	India	—	100.00%		
Mahindra Defence Naval Systems Limited (formerly known as Mahindra Defence Naval Systems Private Limited).....	India	100.00%	100.00%		
Mahindra Defence Systems Limited	India	100.00%	100.00%		
Mahindra First Choice Wheels Limited @.....	India	51.06%	48.68%		
Mahindra First Choice Services Limited	India	100.00%	100.00%		
Mahindra Namaste Limited	India	84.78%	84.93%	100.00%	100.00%
Mahindra Integrated Business Solutions Private Limited.....	India	100.00%	100.00%		
Mahindra Telecommunications Investment Private Limited ###.....	India	—	100.00%		
Mahindra 'Electoral Trust' Company.....	India	100.00%	100.00%		
Mahindra eMarket Limited	India	83.47%	83.47%	100.00%	100.00%
Gateway Housing Company Limited ###	India	—	100.00%		
Orizonte Business Solutions Limited	India	92.25%	98.14%	98.66%	
Mahindra Construction Company Limited	India	65.40%	64.99%	91.66%	91.66%
Officemartindia.com Limited.....	India	50.00%	50.00%		
Mahindra & Mahindra Contech Limited @.....	India	46.66%	46.66%		

Name of the Subsidiary	Place of Incorporation and Place of Operation	Proportion of ownership interest *		Proportion of voting power where different	
		2018	2017	2018	2017
Mumbai Mantra Media Limited	India	100.00%	100.00%		
Mahindra Airways Limited	India	100.00%	100.00%		
Mahindra Marine Private Limited	India	81.58%	81.58%		
Mahindra MSTC Recycling Private Limited.....	India	50.00%	50.00%		
Classic Legends Private Limited (upto 30 th June, 2017)	India	—	60.00%		
BSA Company Limited (Upto 30 th June, 2017)	India	—	60.00%	100.00%	
Mahindra & Mahindra Financial Services Limited ESOP Trust	India	51.46%	51.54%	100.00%	100.00%
Mahindra Holidays & Resorts India Limited ESOP Trust.....	India	67.71%	67.93%	100.00%	100.00%
M&M Benefit Trust	India	100.00%	100.00%		
Mahindra & Mahindra ESOP Trust.....	India	100.00%	100.00%		
ST-42-Jupiter Trust A Jan 13-Axis/ITSL (Upto 26 th May, 2017)	India	—	51.54%		
ST-43-MM TRUST MAR 13 I-IDBI/ITSL (Upto 29 th May, 2017).....	India	—	51.54%		
ST-44-MM TRUST MAR 13 II-Citi/ITSL (Upto 29 th May, 2017).....	India	—	51.54%		
ST-46-MM TRUST MAR 13 IV-HDFC/ITSL (Upto 29 th May, 2017).....	India	—	51.54%		
ST-47-MM TRUST MARCH 14 I-IDBI/ITSL (Upto 29 th May, 2017)	India	—	51.54%		
ST-48-MM TRUST MARCH 14 II-YES/ITSL (Upto 26 th May, 2017).....	India	—	51.54%		
ST-49-MM TRUST MARCH 14 III-HDFC/ITSL (Upto 29 th May, 2017)	India	—	51.54%		
ST-51-MM TRUST SEPTEMBER 14 -YES/ITSL	India	51.46%	51.54%		
ST-52-MM TRUST NOVEMBER 14 I-ICICI/ITSL	India	51.46%	51.54%		
ST-53-MM TRUST Feb 15-ICICI/ITSL	India	51.46%	51.54%		
ST-54-MM TRUST Mar 15 I-ICICI/ITSL.....	India	51.46%	51.54%		
ST-55-MM TRUST Mar 15 II-HDFC/ITSL	India	51.46%	51.54%		
Sunrise Initiatives Trust.....	India	100.00%	100.00%		
Mahindra First Choice Wheels Limited ESOP Trust	India	51.06%	48.68%	100.00%	100.00%
Mahindra Consulting Engineers Limited ESOP Trust	India	84.78%	84.93%	100.00%	100.00%
Mahindra Waste To Energy Solutions Limited (w.e.f. 25 th June, 2017)	India	100.00%			
Mahindra Telecom Energy Management Services Limited (w.e.f. 25 th June, 2017).....	India	100.00%			
Mahindra Fresh Fruits Distribution Holding Company (Europe) B.V. (w.e.f. 17 th November, 2017).....	Netherlands	98.40%		100.00%	
Mahindra Automotive North America Inc. (w.e.f. 25 th April, 2017)	USA	100.00%			
Mahindra Vehicle Sales and Service Inc. (w.e.f. 6 th June, 2017).....	USA	100.00%			
Mahindra North American Technical Center, Inc.	USA	100.00%	100.00%		
Erkunt Traktor Sanayii A.S. (w.e.f. 1 st December, 2017)	Turkey	100.00%			
Erkunt Sanayi A.S. (w.e.f. 1 st December, 2017).....	Turkey	98.69%			
Mahindra Logistics Limited (w.e.f. 10 th November, 2017)	India	58.77%			
Lords Freight (India) Private Limited (w.e.f. 10 th November, 2017)....	India	35.26%		60.00%	
2 x 2 Logistics Private Limited (w.e.f. 10 th November, 2017)	India	32.33%		55.00%	
Mahindra Emirates Vehicle Armouring FZ-LLC (w.e.f. 15 th October, 2017)	U.A.E.	88.00%			

* excluding shares issued to ESOP Trusts of the respective entities/their holding companies but not allotted to employees.

represents companies which ceased to be subsidiaries during the year as per the scheme of arrangement. The appointed date and effective date is 1st April, 2016 and 28th December, 2017.

represents companies which ceased to be subsidiaries during the year as per the scheme of arrangement. The appointed date and effective date is 1st January, 2017 and 18th October, 2017.

represents companies which ceased to be subsidiaries during the year as per the scheme of arrangement. The appointed date and effective date is 1st April, 2016 and 27th February, 2018.

@ entities have been treated as subsidiaries even though the Group holds less than half of the voting power in these entities as it has unilateral control over the investees due to other factors that give power like control over composition of board, management control etc.

** In addition to JPY750million Common Stock (which represents 33.33% of the Common stock),the Company owns the entire JPY2250million "Class A" shares (shares with no voting rights); "Class A" shares have rights over dividend and liquidation on an equal basis with Common Stock.

(b) Details of Non-Wholly Owned Subsidiaries that have material Non Controlling Interest

Rupees crores

Sr. No.	Name of the Subsidiary	Place of Incorporation and Place of Operation	Proportion of Ownership Interest and voting rights held by Non- controlling interests		Profit / (Loss) allocated to Non-controlling interest		Accumulated Non-controlling interest	
			2018	2017	2018	2017	2018	2017
1	Mahindra & Mahindra Financial Services Limited.....	India	48.54%	48.46%	526.35	236.66	4,681.61	3,211.16
2	Ssangyong Motor Company.....	South Korea	27.54%	27.54%	(144.93)	62.61	1,243.23	1,307.74
3	Individually Immaterial Non Controlling interest.....				65.99	53.22	2,325.63	1,838.00
	Total				447.40	352.49	8,250.47	6,356.90

Mahindra & Mahindra Financial Services Limited's Principal Activity - Financing of Automotive vehicles.

Ssangyong Motor Company's Principal Activity - Manufacturing & selling of vehicles & automotive parts

(c) Summarised financial information in respect of each of the Group's subsidiaries that has material non-controlling interests is set out below. The summarised financial information below represents amounts before intragroup eliminations and are based on their standalone financial statements.

Rupees crores

Particulars	Mahindra & Mahindra Financial Services Limited		Ssangyong Motor Company	
	2018	2017	2018	2017
Current Assets.....	23,902.08	20,700.62	3,704.02	3,759.43
Non Current Assets	28,941.40	23,576.82	9,664.30	8,626.64
Current Liabilities	18,238.24	15,243.85	6,004.40	5,306.74
Non Current Liabilities.....	24,960.39	22,407.16	2,849.65	2,330.85
Equity Interest attributable to the owners.....	4,963.24	3,415.26	3,271.03	3,440.76
Non-controlling interest.....	4,681.61	3,211.16	1,243.23	1,307.74
Revenue.....	7,177.96	6,644.67	20,410.44	21,153.12
Expenses	6,157.92	6,143.59	20,908.87	20,919.94
Profit / (Loss) for the year	1,020.04	501.08	(498.43)	233.18
Profit / (Loss) attributable to the owners of the company.....	493.70	264.42	(353.50)	170.57
Profit / (Loss) attributable to the Non-controlling interest	526.35	236.66	(144.93)	62.61
Dividends paid to Non-controlling interest.....	65.73	132.38	—	—
Opening Cash & Cash Equivalents.....	411.45	218.77	1,057.41	266.26
Closing Cash & Cash Equivalents	271.9	411.45	1,134.69	1,057.41
Net Cash inflow / (outflow)	(139.55)	192.68	77.28	791.15

36. Investment in Joint Arrangements and Associates :

Interests in Joint Ventures :

The Group's interests in jointly controlled entities of the Group are :

Name of the Entity	Place of Incorporation and Place of Operation	Proportion of ownership interest	
		2018	2017
Mahindra World City (Jaipur) Limited #	India	74.00%	74.00%
Mahindra Bebanco Developers Limited #	India	70.00%	70.00%
Mahindra World City Developers Limited #	India	89.00%	89.00%
Mahindra Homes Private Limited #	India	74.98%	74.98%
Mahindra Inframan Water Utilities Private Limited	India	50.00%	50.00%
Mahindra Sanyo Special Steel Private Limited #	India	51.00%	51.00%
Mahindra Aerospace Private Limited #	India	86.27%	66.67%
Mahindra Solar One Private Ltd. (upto 26 th February, 2018)	India	—	26.00%
Mahindra Tsubaki Conveyor Systems Private Limited	India	49.00%	49.00%
Mahindra Telephonics Integrated Systems Limited #	India	51.00%	51.00%
Mahindra Logistics Limited (Upto 9th Nov, 2018)	India	—	74.12%
Brightsolar Renewable Energy Private Limited #	India	51.00%	51.00%
Mahindra Yueda (Yancheng) Tractor Company Limited (upto 24 th August, 2018)	China	—	51.00%
Jinan Qingqi Peugeot Motocycles Co Ltd.	China	50.00%	50.00%
Mahindra-BT Investment Company (Mauritius) Limited #	Mauritius	57.00%	57.00%
SY Auto Capital Co., LTD #	South Korea	51.00%	51.00%
Mahindra Emirates Vehicle Armouring FZ-LLC # (upto 14 th October, 2017)	UAE	—	51.00%
Industrial Cluster Private Limited (w.e.f. 18 th September, 2018)*	India	100.00%	
Classic Legend Private Limited (w.e.f. 1 st July, 2018) #	India	60.00%	
Mahindra Happinest Developers Limited (w.e.f. 6 th September, 2018) #	India	51.00%	
M.I.T.R.A Agro Equipments Private Limited (w.e.f. 15 th February, 2018)	India	27.06%	
Resfeber Labs Private Limited (w.e.f. 28 th March, 2018)	India	23.47%	
Tropiikin Rantasauna Oy	Finland	47.58%	45.97%
Zoomcar India Private Limited (w.e.f. 16 th February, 2018)**	India	—	

Entities have been treated as Joint Ventures even though the Group holds more than half of the voting power in these entities as it does not have unilateral control over the investee, primarily due to existence of agreements that give the substantive rights to other investors.

* As per agreement with other shareholders, the economic interest of Mahindra Lifespace Developers Limited is 50%.

** Refer Note 34(b).

Interests in Associates :

The Group's interests in associates of the Group are :

Name of the Entity	Place of Incorporation and Place of Operation	Proportion of ownership interest	
		2018	2017
Swaraj Engines Limited	India	33.31%	33.22%
Tech Mahindra Limited.....	India	26.19%	26.33%
Mahindra Finance USA LLC	USA	49.00%	49.00%
Mahindra CIE Automotive Limited #.....	India	17.25%	17.26%
CIE Automotive S.A. #.....	Spain	7.44%	12.44%
PSL Media & Communications Limited	India	40.00%	40.00%

Name of the Entity	Place of Incorporation and Place of Operation	Proportion of ownership interest	
		2018	2017
The East India Company Spirits Pte. Ltd. Singapore	Singapore	20.00%	20.00%
The East India Company Group Ltd #	UK	18.62%	18.62%
Kiinteistö Oy Sallan Kylpylä.....	Finland	46.63%	49.00%
Kiinteistö Oy Seniori-Saimaa.....	Finland	29.50%	31.15%
Shiga Mitsubishi Co, Ltd.	Japan	22.40%	22.40%
Kagawa Mitsubishi Co, Ltd.	Japan	33.33%	33.33%
Okanetsu Kogyo Co, Ltd.	Japan	33.77%	33.77%
Kita-Iwate Ryono Co, Ltd.	Japan	25.00%	25.00%
Aizu Ryono Co, Ltd.	Japan	21.25%	21.25%
Jyoban Ryono Co, Ltd.	Japan	20.00%	20.00%
Fukuryo Kiki Hanbai Co, Ltd.	Japan	20.00%	20.00%
Ibaraki Ryono Co, Ltd.	Japan	21.64%	21.64%
Kotobuki Noki Co, Ltd.	Japan	33.33%	33.33%
Honda Seisakusho Co, Ltd.	Japan	25.00%	25.00%
Yamaichi Honten KK Co, Ltd.	Japan	42.90%	42.86%
Hokkaido Mitsubishi Noki Partnership	Japan	27.90%	27.90%
Tohoku Mitsubishi Noki Partnership	Japan	28.28%	28.28%
Tobu Mitsubishi Noki Partnership	Japan	41.15%	40.90%
Chubu Mitsubishi Noki Partnership.....	Japan	55.59%	49.88%
Seibu Mitsubishi Noki Partnership	Japan	37.47%	36.11%
Kyushu Mitsubishi Noki Partnership	Japan	24.84%	24.84%
P.F. holding B.V.	Netherland	40.00%	40.00%
Merakisan Private Limited.....	India	33.17%	33.17%
Sampo Rosenlew Oy.....	Finland	35.00%	35.00%
Brainbees Solutions Private Limited.....	India	26.76%	26.76%
Medwell Ventures Private Limited #	India	0.06%	0.06%
HDG-Asia Ltd	Netherland	50.00%	50.00%
Scoot Networks Inc.	USA	49.14%	12.96%
Carnot Technologies Private Limited (w.e.f. 9 th March, 2018)*.....	India	23.66%	—

* including participating preference shares.

The financial statements of the Associates are drawn upto 31st March, 2018, other than for CIE Automotive, S.A, Mahindra CIE Automotive Limited and The East India Company Group Ltd where it is upto 31st December, 2017.

entities have been treated as Associate even though the Group holds less than 20% of the voting power in these entities as it has influence over the entity due to the board representation.

All of the above associates/Joint ventures are accounted for using the equity method in these consolidated financial statements.

Summarised financial information in respect of the Group's material associate is set out below:

Particulars	Rupees crores	
	Tech Mahindra Limited - Consolidated	
	2018	2017
Current assets		
Cash and cash equivalents.....	1,966.06	2,001.27
Other assets.....	16,140.94	14,325.27
Total current assets.....	18,107.00	16,326.54
Total Non-current assets.....	12,330.24	9,740.00
Current liabilities		
Financial liabilities.....	4,868.54	3,568.87
Other Liabilities.....	4,278.53	4,054.44
Total current liabilities.....	9,147.06	7,623.31
Total Non-current liabilities	1,938.25	1,541.92
Non-controlling interest	509.05	464.12
Revenue from Operations	30,772.93	29,140.84
Interest Income.....	145.50	124.84
Depreciation and amortisation.....	1,084.98	978.06
Interest Cost.....	162.38	128.59
Income tax expense	1,092.64	1,002.13
Profit / (Loss) for the year.....	3,786.22	2,850.87
Other Comprehensive Income for the year.....	(218.99)	83.34
Total Other Comprehensive Income for the year.....	3,567.24	2,934.21

Tech Mahindra Limited's Principal Activity - Information Technology (IT) and IT Enabled Services

Reconciliation of the above summarised financial information to the carrying amount of the interest in the associate recognised in the consolidated financial statements:

Particulars	Rupees crores	
	Tech Mahindra Limited - Consolidated	
	2018	2017
Closing Net assets.....	18,842.82	16,437.19
Group share in %	26.19%	26.33%
Group share	4,934.93	4,327.91
Goodwill & other Adjustments.....	496.31	496.31
Carrying amount	5,431.24	4,779.92
Market Value	16,356.35	11,786.47

37. Segment information :

Operating Segments

The reportable segments of the Group are Automotive, Farm Equipment, Financial Services, Real Estate, Hospitality, Two Wheelers and Others. The segments are largely organised and managed separately according to the organisation structure that is designed based on the nature of products and services and profile of customers. Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker. Description of the each of the reportable segments is as under:

Automotive: This segment comprises of sale of automobiles, spares, mobility solutions and related services.

Farm Equipment: This segment comprises of sale of tractors, implements, spares and related services.

Financial Services: This segment comprises of offering financial products ranging from vehicle financing, public deposits, mutual funds, SME financing, housing finance, and life and non-life insurance broking services.

Real Estate: This segment comprises of projects, property management & development and operating of commercial complexes.

Hospitality: This segment comprises of sale of timeshare and vacation ownership.

Two Wheelers: This segment comprises of sale of two wheelers, spare parts and related services.

Others: This segment mainly comprises of IT Services, After-market, Defence, Steel trading and processing, Logistics, Susten, Powerol, Agri business, etc.

The Chief Operating Decision Maker ("CODM") evaluates the Company's performance and allocates resources based on an analysis of various performance indicators by operating segments.

The CODM reviews revenue and gross profit as the performance indicator for all of the operating segments.

The measurement of each segment's revenues, expenses and assets is consistent with the accounting policies that are used in preparation of the consolidated financial statements. Segment result represents the profit before interest and tax without allocation of central administration costs, share of profit / (loss) of associates and joint ventures.

Information regarding the Group's reportable segments is presented below:

	Automotive	Farm Equipment	Financial Services	Real Estate	Hospitality	Two Wheelers	Others	Total	Eliminations	Consolidated Total
Revenue										
External Revenue	52,425.15	21,633.90	8,599.23	570.67	2,316.63	1,068.68	6,650.51	93,264.77	-	93,264.77
	53,535.42	18,739.69	7,492.85	762.97	2,283.90	1,166.77	5,001.43	88,983.03	-	88,983.03
Inter Segment Revenue	316.71	354.49	21.43	18.38	0.27	0.06	1,518.59	2,229.93	(2,229.93)	-
	236.62	303.79	15.22	20.18	0.39	0.74	519.23	1,096.17	(1,096.17)	-
Total Revenue	52,741.86	21,988.39	8,620.66	589.05	2,316.90	1,068.74	8,169.10	95,494.70	(2,229.93)	93,264.77
	53,772.04	19,043.48	7,508.07	783.15	2,284.29	1,167.51	5,520.66	90,079.20	(1,096.17)	88,983.03
Segment Result										
	2,068.68	3,051.10	1,850.58	65.07	222.10	(359.95)	381.18	7,278.76	(91.61)	7,187.15
	2,138.49	2,609.04	963.56	72.11	219.99	(692.41)	81.90	5,392.68	(133.11)	5,259.57
Share of Profit / (Loss) of equity accounted investees (net)										1,107.26
										89.40
Reconciliation to Profit / (Loss) before tax										
1. Unallocable corporate expenses, net of income										(352.21)
2. Interest expenses not allocable to segments										(137.05)
3. Interest income not allocable to segments										(577.20)
4. Exceptional Items										(462.01)
Profit before tax										332.40
										343.24
										2,628.12
										447.11
										10,325.52
										6,350.26

Notes:

- Addition to non-current assets consist of capital expenditure on property, plant and equipment, intangible assets including those under development and capital advances.
- Figures in the above table for the current financial year have been presented in bold. Comparatives for each item have been presented below the respective current year figures.

Segment Assets and Liabilities

	Automotive	Farm Equipment	Financial Services	Real Estate	Hospitality	Two Wheelers	Others	Total	Eliminations	Rupees crores	Consolidated Total
Segment Assets	32,200.96	11,505.78	57,335.64	1,846.79	3,898.02	1,222.52	10,147.01	1,18,156.72	-	118,156.72	
	28,978.19	8,860.39	47,386.95	1,940.84	3,712.11	1,114.45	6,250.57	98,243.51	-	98,243.51	
Segment Liabilities	17,551.61	5,690.75	47,838.50	280.55	2,883.62	462.79	2,567.84	77,275.66	-	77,275.66	
	14,046.98	4,361.41	41,485.31	263.31	2,568.64	483.66	1,671.66	64,880.97	-	64,880.97	
Reconciliation of segment assets to total assets:										1,18,156.72	
Segment Assets										98,243.51	
Unallocable Assets										19,054.19	
Total Assets										16,498.64	
										1,37,210.91	
										1,14,742.15	

Unallocable Assets primarily comprise of equity accounted investment in associates and joint ventures, other investments, income tax assets, deferred tax assets.

Reconciliation of segment liabilities to total liabilities:

Segment Liabilities	Unallocable Liabilities	Total Liabilities	Rupees crores
77,275.66	14,909.59	92,185.25	
64,880.97	13,766.29	78,647.26	

Unallocable Liabilities primarily comprise of borrowings (excluding related to Financial Services Segment) and deferred tax liability.

Revenue from type of products and services

The operating segments are primarily based on nature of products and services and hence the Revenue from external customers of each segment is representative of revenue based on products and services.

Geographical information

The Group operates in principal geographical areas – India (country of domicile), and Overseas. The Group's revenue from continuing operations from external customers and information about its non-current assets by geographical location are detailed below:

Particulars	Revenue from external customers	2018	2017	Non-Current assets	2018	2017
India	59,920.82	55,763.14	22,364.35	18,848.34		
Overseas	33,343.95	33,219.89	11,806.90	10,023.57		
	93,264.77	88,983.03	34,171.25	28,871.91		

The revenue information above is based on the location of the customer. The non-current assets in the above table represent Property plant and Equipment, Capital Work-in-progress, Goodwill, Other Intangible Assets Under Development, Income Tax Assets (Net) and Other Loan Assets (Non-financial).

Information about major customers

During the year ended 31st March, 2018 and 2017 respectively, revenues from transactions with a single external customer did not amount to 10 per cent or more of the Group's revenues from external customers.

38. Related Party Disclosures :**(a) Names of related parties where transactions have taken place during the year:****(i) Direct & Indirect Associates :**

Sl. No.	Name of the Company	Sl. No.	Name of the Company
1	Mahindra CIE Automotive Limited	11	Brainbees Solutions Private Limited
2	Tech Mahindra Limited	12	The East India Company Group Ltd.
3	CIE Automotive, S.A.	13	HDG-Asia Ltd
4	Swaraj Engines Limited	14	Mahindra Gears Transmission Private Limited (upto 31 st December, 2017)
5	Mahindra Finance USA, LLC	15	PSL Media & Communications Limited
6	Pininfarina S.p.A.	16	Kumsan Dokum Hazelmeri A.S.
7	PF Holdings B.V.	17	Sampo-Rosenlew Oy, Finland
8	Satyam Venture Engineering Services Private Limited	18	Scoot Networks Inc.
9	Tech Mahindra (Shanghai) Co. Limited		
10	Merakisan Private Limited		

(ii) Joint Ventures :

Sl. No.	Name of the Company	Sl. No.	Name of the Company
1	Mahindra Solar One Private Limited (upto 26 th February, 2018)	15	Mahindra Aerospace Private Limited
2	Mahindra Tsubaki Conveyor Systems Private Limited	16	Mahindra-BT Investment Company (Mauritius) Limited
3	Mahindra Logistics Limited (upto 9 th November, 2018)	17	Jinan Qingqi Peugeot Motocycles Co. Ltd.
4	Mahindra Homes Private Limited	18	2 x 2 Logistics Private Limited (Upto 9 th November, 2017)
5	Mahindra Bebano Developers Limited	19	Gipps Aero Pty Limited
6	Mahindra Telephonics Integrated Systems Limited	20	Lords Freight (India) Private Limited (Upto 9th November, 2017)
7	Mahindra Industrial Park Chennai Limited	21	Mahindra Suryaprakash Private Limited
8	Brightsolar Renewable Energy Private Limited	22	Mahindra Emirates Vehicle Armouring FZ - LLC
9	Mahindra Yueda (Yancheng) Tractor Company Limited (upto 24 th August, 2017)	23	Mahindra Happinest Developers Limited (w.e.f. 24 th October, 2017)
10	Mahindra Aerostructures Private Limited	24	Classic Legends Private Limited (w.e.f. 01 st July, 2017)
11	Mahindra World City (Jaipur) Limited	25	M.I.T.R.A Agro Equipments Private Limited (w.e.f. 15 th February, 2018)
12	Mahindra World City Developers Limited	26	Mahindra Inframan Water Utilities Pvt Ltd
13	Mahindra Sona Limited (upto 16 th December, 2016)	27	SY Auto Capital Co., LTD
14	Mahindra Sanyo Special Steel Private Limited		

(iii) Key Management Personnel (KMP) :

Sl. No.	Designation	Name of KMP
1	Executive Chairman	Mr. Anand G. Mahindra
2	Managing Director	Dr. Pawan Goenka

(iv) Enterprise over which KMP is able to exercise significant influence :

Sl. No.	Name of the Company
1	Prudential Management & Services Pvt Ltd

(v) Welfare Funds :

Sl. No.	Name of the Funds
1	M&M Employees' Welfare Fund No. 1
2	M&M Employees' Welfare Fund No. 2
3	M&M Employees' Welfare Fund No. 3
4	Mahindra World School Education Trust

(b) The related party transactions are as under :

Rupees crores

Sl. No.	Nature of Transactions	For the Year Ended 31 st March	Associates / Associates of Subsidiaries/ Subsidiaries of Associate	Joint Ventures / Joint Ventures of Subsidiaries	KMP / KMP Exercising Significant Influence / close member of KMP	Welfare Funds
1	Purchases : Goods.....	2018 2017	2,332.75 1,883.85	131.78 384.49	- -	- -
	Property, Plant and Equipment	2018 2017	13.61 6.36	0.04 0.46	- -	- -
	Services	2018 2017	202.23 189.16	1,002.54 1,397.25	0.18 -	- -
2	Sales : Goods.....	2018 2017	127.27 164.94	55.50 7.42	4.25 -	- -
	Property, Plant and Equipment.....	2018 2017	0.23 -	- -	- -	- -
	Services	2018 2017	46.78 8.22	45.26 24.64	0.42 -	0.05 -
	Lease	2018 2017	- -	- 1.52	- -	- -
3	Investments : Purchases / Subscribed / Conversion	2018 2017	173.40 253.40	501.06 213.46	- -	- -
	Sales / Redemption / Conversion	2018 2017	20.93 -	32.08 -	0.01 0.02	- -
4	Management contracts including Deputation of personnel : From Parties	2018 2017	0.59 0.04	- 0.04	- -	- -
	To Parties.....	2018 2017	3.83 3.93	2.09 0.98	- -	- -
5	Managerial Remuneration	2018 2017	- -	- -	16.73 15.06	- -
6	Stock Options given by the Company	2018 2017	- -	- -	3.51 -	- -
7	Commission and other benefits to Non-executive / independent directors (including nominee directors).....	2018 2017	- -	- -	3.73 2.76	- -
8	Write back of provision for doubtful debts / advances.....	2018 2017	- -	- 1.80	- -	- -
9	Finance : Inter Corporate deposits given.....	2018 2017	28.79 8.02	178.65 20.94	- -	- -
	Inter Corporate Deposits Refunded by parties....	2018 2017	- -	130.65 14.29	- -	- -
	Loan given.....	2018 2017	- -	- -	4.50 -	- -

Rupees crores						
Sl. No.	Nature of Transactions	For the Year Ended 31 st March	Associates / Associates of Subsidiaries/ Subsidiaries of Associate	Joint Ventures / Joint Ventures of Subsidiaries	KMP / KMP Exercising Significant Influence / close member of KMP	Welfare Funds
10	Inter Corporate deposits taken	2018 2017	180.00 417.00	7.71	-	-
	Inter Corporate deposits refunded	2018 2017	505.00 -	-	-	-
	Interest Income.....	2018 2017	- -	59.27 50.57	0.44 0.26	-
	Interest Expense	2018 2017	8.62 2.09	1.39 2.47	-	-
	Dividend received.....	2018 2017	294.86 364.34	6.66 32.54	-	-
	Dividend distributed	2018 2017	- -	-	94.62 87.29	2.64 2.44
	Other Transactions :					
	Other Income.....	2018 2017	5.22 2.34	3.24 3.49	- 0.35	-
	Other Expenses.....	2018 2017	193.33 160.57	81.54 99.21	- 0.95	2.00
	Reimbursements received from parties.....	2018 2017	6.29 12.30	18.98 13.83	-	1.50 0.80
11	Reimbursements made to parties	2018 2017	4.26 4.19	2.19 2.14	-	- 0.08
	Guarantee given.....	2018 2017	- 792.70	-	-	-
	Outstandings :					
	Payable	2018 2017	358.62 267.95	6.38 105.26	4.12 3.81	-
	Receivable	2018 2017	91.70 113.08	182.98 176.52	12.51 5.91	17.00 17.00
	Debenture / Bonds issued by parties	2018 2017	- -	394.87 320.17	-	-
	Inter Corporate Deposits given	2018 2017	29.14 -	77.11 27.65	-	-
12	Inter Corporate Deposits taken.....	2018 2017	125.00 417.00	7.71 25.00	-	-
	Provision for Doubtful debts / advances	2018 2017	- -	-	1.90 1.74	10.00 10.00
	Security Deposit paid.....	2018 2017	0.02 0.02	0.32 1.04	-	-
14	Advances given.....	2018 2017	- 26.68	-	-	-
15	Advances refunded	2018 2017	- 24.24	-	-	-
16	Guarantees given outstanding	2018 2017	847.96 792.70	-	-	-

39. Employees Stock Option Plan :

The Company has allotted 55,24,219 Ordinary (Equity) Shares of Rs. 10 each, 10,00,000 Ordinary (Equity) Shares of Rs. 10 each, 1,73,53,034 Ordinary (Equity) Shares of Rs. 5 each, 19,11,628 Ordinary (Equity) Shares of Rs. 5 each and 52,00,000 Ordinary (Equity) Shares of Rs. 5 each in the years ended 31st March, 2002, 31st March, 2010, 31st March, 2011, 31st March 2014 and 31st March, 2015 respectively to the Mahindra & Mahindra Employees' Stock Option Trust set up by the Company. The trust holds these shares for the benefit of the employees and issues them to the eligible employees as per the recommendation of the Compensation Committee.

Options granted under Mahindra & Mahindra Limited Employees Stock Option Scheme - 2000 ("2000 Scheme") vest in 4 equal instalments on the expiry of 12 Months, 24 Months, 36 Months and 48 Months from the date of grant. The options may be exercised on any day over a period of five years from the date of vesting. Number of vested options exercisable is subject to a minimum of 50 or number of options vested whichever is lower.

Options granted under Mahindra & Mahindra Limited Employees Stock Option Scheme - 2010 ("2010 Scheme") vest in :

- i) 5 equal instalments on the expiry of 12 Months, 24 Months, 36 Months, 48 Months and 60 Months from the date of grant, OR
- ii) 4 instalments bifurcated as 20% on the expiry of 18 months, 20% on the expiry of 30 months, 30% on the expiry of 42 months and 30% on the expiry of 54 months

The options may be exercised on any day over a period of 5 years from the date of vesting. Number of vested options exercisable is subject to a minimum of 50 or number of options vested whichever is lower.

Summary of stock options

Nature of Transactions	No. of stock options	Weighted average exercise price (Rs.)
Options outstanding on 1 st April, 2017 (including 52,76,838 options outstanding from 4 years vesting grants)*	77,48,104	14.57
Options granted during the year (including 112,996 options with 4 years vesting grant)*.....	4,15,454	2.50
Options forfeited/lapsed during the year (including 143,840 options forfeited from 4 years vesting grants) pre bonus*	4,47,084	80.75
Options forfeited/lapsed during the year (including 39,312 options forfeited from 4 years vesting grants) post bonus.....	49,588	2.50
Options exercised during the year (including 490,998 options exercised from 4 years vesting grants) pre bonus* ...	12,28,102	34.08
Options exercised during the year (including 342,866 options exercised from 4 years vesting grants) post bonus...	4,76,094	4.71
Options outstanding on 31 st March, 2018 (including 43,72,818 options outstanding from 4 years vesting grants)....	59,62,690	5.63
Options vested but not exercised on 31 st March, 2018 (including 851,613 options vested from 4 years vesting grants)	16,06,472	28.24

* The above mentioned no of shares and weighted average price have been adjusted for bonus declared by the Company on 21st December, 2017.

Average share price on the date of exercise of the options are as under (adjusted for bonus shares)

Date of exercise	Weighted average share price (Rs.)
24 th April, 2017 to 23 rd March, 2018.....	704.16

Information in respect of options outstanding as at 31st March, 2018 (adjusted for bonus shares)

Range of exercise price	Number of options	Weighted average remaining life
Rs. 2.50	58,74,938	5.98 years
Rs. 181.00	67,752	0.59 Years
Rs. 331.00	20,000	2.98 Years

The fair values of options granted during the year are as follows (adjusted for bonus shares) :

Grant Date	No of years vesting	Fair value per options
29 th May, 2017	5 years	Rs. 633.89
9 th November, 2017	5 years	Rs. 646.99
9 th November, 2017	4 years	Rs. 645.81

The fair value has been calculated using the Black Scholes Options Pricing Model and the significant assumptions made in this regard are as follows :

	Grant dated		
	9th November, 2017 (5 years vesting)	9th November, 2017 (4 years vesting)	29th May, 2017 (5 years vesting)
Risk free interest rate	6.82%	6.85%	6.86%
Expected life	5.51 years	5.70 years	5.51 years
Expected volatility.....	26.38%	26.47%	27.27%
Expected dividend yield	0.95%	0.95%	0.97%
Exercise Price (Rs.) (adjusted for bonus shares).....	2.50	2.50	2.50
Stock Price (Rs.) (adjusted for bonus shares)	683.50	683.50	670.43

40. Contingent Liability & Commitments :

A. Contingent Liability

(a) Claims against the Group not acknowledged as debts comprise of :

- (i) Excise Duty, Sales Tax and Service Tax claims disputed by the Group relating to issues of applicability and classification aggregating **Rs. 2,420.33 crores** before tax (2017 : Rs. 3,700.07 crores before tax).
- (ii) Other matters (excluding claims where amounts are not ascertainable) : **Rs. 151.13 crores** before tax (2017 : Rs. 277.37 crores before tax)

(b) Taxation matters :

- (i) Demands against the Group not acknowledged as debts and not provided for, relating to issues of deductibility and taxability in respect of which the Group is in appeal and exclusive of the effect of similar matters in respect of assessments remaining to be completed :
 - Income-tax : **Rs. 1,467.03 crores** (2017 : Rs. 1069.96 crores)
- (ii) Items in respect of which the Group has succeeded in appeal, but the Income-tax Department is pursuing / likely to pursue in appeal / reference and exclusive of the effect of similar matters in respect of assessments remaining to be completed :
 - Income-tax matters : **Rs. 335.58 crores** (2017 : Rs. 382.18 crores)

(c) The Customs, Excise and Service Tax Appellate Tribunal (CESTAT) by its order dated 7th December, 2009 has rejected the Company's appeal against the order dated 30th March, 2005 passed by the Commissioner of Central Excise (Adjudication), Navi Mumbai confirming the demand made on the Company for payment of differential excise duty (including penalty) of Rs. 304.10 crores in connection with the classification of Company's Commander range of vehicles, during the years 1991 to 1996. Whilst the Company had classified the Commander range of vehicles as 10-seater attracting a lower rate of excise duty, the Commissioner of Central Excise (Adjudication), Navi Mumbai, has held that these vehicles could not be classified as 10-seater as they did not fulfil the requirement of 10-seater vehicles, as provided under the Motor Vehicles Act, 1988 (MVA) read with Maharashtra Motor Vehicles Rules, 1989 (MMVR) and as such attracted a higher rate of excise duty. The Company has challenged the CESTAT order in the Supreme Court.

In earlier collateral proceedings on this issue, the CESTAT had, by an order dated 19th July, 2005 settled the controversy in the Company's favour. The CESTAT had accepted the Company's submission that MVA and MMVR could not be referred to for determining the classification for the purpose of levy of excise duty and rejected the Department's appeal against the order of the Collector, Central Excise classifying the Commander range of vehicles as 10-seater. The Department had challenged the CESTAT order in the Supreme Court.

Without prejudice to the grounds raised in this appeal, the Company has paid an amount of Rs. 40.00 crores in January, 2010. The Supreme Court has admitted the Company's appeal and has stayed the recovery of the balance amount till further orders.

Both these orders of the Tribunals were heard and disposed off by the Honorable Supreme Court, in August 2014. Since contrary views were expressed by the Tribunals in two parallel proceedings, the Honorable Supreme Court directed that a larger bench of the Tribunal be constituted to hear the appeals without expressing any opinion on the issues.

The Larger Bench of the CESTAT heard the matter in February, 2015 and by an order dated 27th February, 2015, remanded the matter to the Commissioner of Central Excise for consideration of the case afresh keeping all issues open. The matter is presently pending before the Honorable Commissioner. The company strongly believes, based on legal advice it has received, that it has a good case on merits and would eventually succeed in the matter. As regards Commander case the matter is still pending adjudication before the Commissioner. However, pending the final outcome, basis the earlier adjudication order, the Company has reflected the above amount aggregating Rs. 304.10 crores (including penalty) and the interest of Rs. 390.72 crores accrued on the same upto 31st March, 2018, under Note (a)(i) above.

In another case relating to Armada range of vehicles manufactured during the years 1992 to 1996, by the Company at its Nashik facility, the Commissioner of Central Excise, Nashik passed an order dated 20th March, 2006 confirming a demand of Rs. 24.75 crores, on the same grounds as adopted for Commander range of vehicles. This matter was heard by the Honorable Tribunal at Mumbai, which was pleased to allow the Company's appeal.

- (d) In respect of (a) & (b) above, it is not practicable for the Company to estimate the closure of these issues and the consequential timings of cash flows, if any.

B. Commitments :

The estimated amount of contracts remaining to be executed on capital account and not provided for as at 31st March, 2018 is **Rs. 1,032.41 crores** (2017 : Rs.1,151.48 crores) and other commitment as at 31st March, 2018 is **Rs. 2,028.73 crores** (2017 : Rs. 714.88 crores)

41. Research and Development expenditure :

Research and Development expenditure debited to the Statement of Profit and Loss, including certain expenditure based on allocations made by the Group, aggregate **Rs. 1,426.20 crores** (2017 : Rs. 1,352.67 crores)

42. The Scheme of Arrangement ('The Scheme') for merger of Two Wheeler business of the Company's subsidiary, Mahindra Two Wheelers Limited (MTWL), with the Company has been approved by the Mumbai Bench of National Company Law Tribunal and on completion of the required formalities on 25th October, 2017, the Scheme has become effective from appointed date i.e., 1st October, 2016. As per the terms of the Scheme, 5,03,888 Ordinary (Equity) shares (pre-bonus) of Rs. 5 each of the Company have been issued and allotted to the minority shareholders of MTWL as fully paid up in the ratio of 1 (One) Ordinary (Equity) Share for every 461 (Four Hundred and Sixty One) fully paid-up Equity Shares held in MTWL.

43. Additional information as required by Schedule III to the Companies Act, 2013 :

Statement of Net Assets and profit and loss and other comprehensive income attributable to Owners and Non-controlling Interest

Name of the Enterprise	Rupees crores							
	Net assets, i.e., total assets minus total liabilities		Share of Profit or loss		Share of Comprehensive income		Share of Total Comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated profit or loss	Amount	As % of consolidated profit or loss	Amount
PARENT								
Mahindra and Mahindra Limited	82.38%	30,294.04	54.74%	4,356.01	-2.55%	(10.17)	52.01%	4,345.84
SUBSIDIARIES								
Indian								
Mahindra Vehicle Manufacturers Limited	11.60%	4,264.62	4.38%	348.73	0.31%	1.25	4.19%	349.98
Mahindra Heavy Engines Limited	0.93%	343.25	0.16%	13.02	0.02%	0.07	0.16%	13.09
Mahindra Electric Mobility Limited	0.64%	235.93	-1.62%	(129.01)	0.25%	1.00	-1.53%	(128.01)
Mahindra Trucks and Buses Limited	0.33%	121.93	0.26%	21.07	1.93%	7.68	0.34%	28.75

Name of the Enterprise	Rupees crores							
	Net assets, i.e., total assets minus total liabilities		Share of Profit or loss		Share of Comprehensive income		Share of Total Comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated profit or loss	Amount	As % of consolidated profit or loss	Amount
Mahindra Automobile Distributor Private Limited	0.06%	20.23	0.14%	11.20	0.00%	—	0.13%	11.20
NBS International Limited	0.00%	(0.10)	-0.09%	(7.54)	0.00%	(0.01)	-0.09%	(7.55)
Gromax Agri equipment Ltd	0.07%	24.61	-0.02%	(1.59)	0.00%	(0.00)	-0.02%	(1.59)
Auto Digitech Private Limited	0.00%	0.43	-0.07%	(5.52)	0.00%	0.02	-0.07%	(5.50)
Kota Farm Services Limited	0.00%	(0.30)	0.00%	—	0.00%	—	0.00%	—
Trringo.com Limited	0.01%	3.21	-0.14%	(11.15)	0.00%	—	-0.13%	(11.15)
Mahindra & Mahindra Financial Services Limited	26.23%	9,644.86	13.63%	1,085.02	-3.09%	(12.29)	12.84%	1,072.73
Mahindra Insurance Brokers Limited	0.86%	315.51	0.67%	53.59	-0.36%	(1.42)	0.62%	52.17
Mahindra Rural Housing Finance Limited	1.95%	717.70	1.71%	135.80	-0.02%	(0.08)	1.62%	135.72
Mahindra Asset Management Company Private Limited	0.16%	57.28	-0.47%	(37.43)	-0.02%	(0.08)	-0.45%	(37.51)
Mahindra Trustee Company Private Limited	0.00%	0.23	0.00%	0.01	0.00%	—	0.00%	0.01
MMFSL Securitisation Trust SPV	0.00%	—	0.00%	—	0.00%	—	0.00%	—
Mahindra Lifespace Developers Limited	4.91%	1,805.64	0.67%	53.12	-0.22%	(0.86)	0.63%	52.26
Mahindra Infrastructure Developers Limited	0.00%	1.82	0.00%	0.04	0.00%	—	0.00%	0.04
Mahindra World City (Maharashtra) Limited	-0.02%	(7.72)	-0.01%	(0.82)	0.00%	—	-0.01%	(0.82)
Mahindra Integrated Township Limited	0.25%	91.88	0.06%	4.86	0.00%	—	0.06%	4.86
Knowledge Township Limited	0.06%	23.49	0.00%	0.17	0.00%	—	0.00%	0.17
Mahindra Residential Developers Limited	0.25%	93.62	0.04%	3.52	0.00%	—	0.04%	3.52
Industrial Township (Maharashtra) Limited	0.01%	4.83	0.00%	(0.01)	0.00%	—	0.00%	(0.01)
Anthurium Developers Limited	0.00%	0.20	0.00%	0.05	0.00%	—	0.00%	0.05
Mahindra Water Utilities Limited	0.17%	61.68	0.10%	8.20	0.00%	—	0.10%	8.20
Rathna Bhoomi Enterprises Private Limited	0.00%	(0.03)	0.00%	—	0.00%	—	0.00%	—
Deepmangal Developers Private Limited	0.00%	(0.16)	0.00%	(0.04)	0.00%	—	0.00%	(0.04)
Moonshine Construction Private Limited	0.00%	(0.30)	0.00%	(0.00)	0.00%	—	0.00%	(0.00)
Mahindra Consulting Engineers Limited	0.04%	16.13	0.01%	0.59	0.00%	—	0.01%	0.59
Mahindra Holidays & Resorts India Limited	2.08%	764.45	1.69%	134.36	-0.18%	(0.72)	1.60%	133.64
Mahindra Hotels and Residences India Limited	0.00%	(0.11)	0.00%	(0.01)	0.00%	—	0.00%	(0.01)
Gables Promoters Private Limited	0.17%	61.45	-0.03%	(2.72)	0.00%	—	-0.03%	(2.72)
Mahindra Two Wheelers Limited	0.02%	6.91	0.03%	2.16	0.62%	2.48	0.06%	4.64
Mahindra Agri Solutions Limited	0.24%	89.71	-0.80%	(63.31)	-0.06%	(0.23)	-0.76%	(63.54)
EPC Industrie Limited	0.38%	139.92	0.06%	4.94	0.00%	—	0.06%	4.94
Mahindra HZPC Private Limited	0.01%	2.01	-0.23%	(18.60)	0.00%	0.01	-0.22%	(18.59)
Mahindra Greenyard Private Limited	0.01%	4.03	-0.07%	(5.74)	0.00%	0.02	-0.07%	(5.72)
Bristlecone India Limited	0.28%	103.83	0.36%	28.31	0.00%	—	0.34%	28.31
Mahindra Intertrade Limited	1.46%	535.24	0.78%	62.33	0.03%	0.10	0.75%	62.43
Mahindra Steel Service Centre Limited	0.29%	105.49	0.10%	8.14	0.00%	—	0.10%	8.14
Mahindra Electrical Steel Private Limited	0.00%	(1.57)	-0.01%	(0.86)	0.00%	—	-0.01%	(0.86)
Mahindra Auto Steel Private Limited	0.24%	89.86	0.16%	12.75	0.00%	—	0.15%	12.75
Mahindra Holdings Limited	3.24%	1,190.68	0.04%	3.18	0.00%	—	0.04%	3.18
Mahindra Susten Private Limited	1.63%	598.16	0.59%	46.97	0.00%	—	0.56%	46.97
Mahindra Renewables Private Limited	0.78%	285.34	-0.01%	(0.65)	0.00%	—	-0.01%	(0.65)
Cleansolar Renewable Energy Private Limited	0.17%	62.73	0.02%	1.44	0.00%	—	0.02%	1.44

Statement of net assets and profit and loss and other comprehensive income attributable to Owners and Non-controlling interest (contd.)

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MachinePulse Tech Private Limited	0.00%	0.01	0.00%	(0.02)	0.00%	–	0.00%	(0.02)
Divine Solren Private Limited	0.21%	77.52	0.05%	3.78	0.00%	–	0.05%	3.78
Neo Solren Private Limited	0.19%	69.50	0.07%	5.51	0.00%	–	0.07%	5.51
Marvel Solren Private Limited	0.00%	(0.05)	0.00%	(0.04)	0.00%	–	0.00%	(0.04)
Astra Solren Private Limited	0.17%	62.37	0.01%	0.56	0.00%	–	0.01%	0.56
Mega Suryaurja Private Limited	0.00%	0.02	0.00%	(0.02)	0.00%	–	0.00%	(0.02)
Mahindra Engineering and Chemical Products Limited	2.11%	774.83	0.04%	3.03	0.00%	–	0.04%	3.03
Retail Initiative Holdings Limited	-0.37%	(137.11)	0.00%	(0.06)	0.00%	–	0.00%	(0.06)
Mahindra Retail Private Limited	0.83%	303.97	-0.50%	(39.49)	0.05%	0.21	-0.47%	(39.28)
Mahindra Defence Naval Systems Private Limited	0.00%	1.05	-0.06%	(5.00)	0.03%	0.11	-0.06%	(4.89)
Mahindra Defence Systems Limited	0.62%	229.38	0.19%	15.04	0.09%	0.35	0.18%	15.39
Mahindra First Choice Wheels Limited	0.33%	121.66	-0.40%	(31.91)	-0.24%	(0.95)	-0.39%	(32.86)
Mahindra First Choice Services Limited	-0.14%	(52.36)	-0.51%	(40.39)	0.04%	0.15	-0.48%	(40.24)
Mahindra Namaste Limited	0.00%	0.19	0.00%	0.07	0.00%	–	0.00%	0.07
Mahindra Integrated Business Solutions Private Limited	0.02%	7.93	0.01%	0.91	-0.04%	(0.14)	0.01%	0.77
Mahindra 'Electoral Trust' Company	0.00%	0.04	0.00%	(0.00)	0.00%	–	0.00%	(0.00)
Mahindra eMarket Limited	0.00%	(0.09)	0.00%	(0.05)	0.00%	–	0.00%	(0.05)
Orizonte Business Solutions Limited	0.03%	10.20	-0.28%	(22.64)	0.00%	–	-0.27%	(22.64)
Mahindra Construction Company Limited	-0.06%	(22.43)	0.00%	(0.16)	0.00%	–	0.00%	(0.16)
Officemartindia.com Limited	0.00%	(0.24)	0.00%	–	0.00%	–	0.00%	–
Mahindra & Mahindra Contech Limited	0.03%	11.90	0.01%	0.95	0.01%	0.03	0.01%	0.98
Sunrise Initiatives Trust	0.33%	122.30	0.00%	(0.12)	0.00%	–	0.00%	(0.12)
Mumbai Mantra Media Limited	0.00%	0.37	-0.03%	(2.10)	0.00%	0.00	-0.03%	(2.10)
Mahindra Marine Private Limited	0.03%	10.06	-0.02%	(1.50)	0.01%	0.04	-0.02%	(1.46)
Mahindra MSTC Recycling Private Limited	0.05%	17.60	-0.03%	(2.61)	-0.01%	(0.04)	-0.03%	(2.65)
Mahindra Airways Limited	0.00%	0.76	0.00%	(0.07)	0.00%	–	0.00%	(0.07)
Mahindra & Mahindra Financial Services Limited ESOP Trust	0.09%	32.26	0.03%	2.16	0.00%	–	0.03%	2.16
Mahindra Holidays & Resorts India Limited ESOP Trust	0.02%	8.06	0.02%	1.57	0.00%	–	0.02%	1.57
M&M Benefit Trust	3.97%	1,459.78	0.78%	62.20	0.00%	–	0.74%	62.20
Mahindra & Mahindra ESOP Trust	1.30%	476.45	0.52%	41.39	0.05%	0.18	0.50%	41.57
Mahindra First Choice Wheels Ltd ESOP Trust	0.00%	(0.01)	0.00%	–	0.00%	–	0.00%	–
Mahindra Consulting Engineers Limited ESOP Trust	0.01%	3.26	0.00%	0.04	0.00%	–	0.00%	0.04
Mahindra Waste To Energy Solutions Limited	0.01%	2.38	0.00%	(0.13)	-0.12%	(0.47)	-0.01%	(0.60)
Mahindra Telecom Energy Management Services Limited	0.00%	–	0.00%	(0.01)	0.00%	–	0.00%	(0.01)
Mahindra Logistics Limited	1.14%	418.90	0.40%	32.19	-0.19%	(0.77)	0.38%	31.42
Lords Freight (India) Private Limited	0.02%	7.25	0.03%	2.37	0.01%	0.05	0.03%	2.42
2 x 2 Logistics Private Limited	0.02%	9.05	0.01%	0.73	0.00%	–	0.01%	0.73

Statement of net assets and profit and loss and other comprehensive income attributable to Owners and Non-controlling interest (contd.)

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	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated profit or loss	Amount	As % of consolidated profit or loss	Amount
Foreign								
Mahindra Automotive Australia Pty. Limited ^	0.02%	8.51	-0.09%	(7.37)	0.00%	-	-0.09%	(7.37)
Ssangyong Motor Company »	12.29%	4,521.36	-6.89%	(548.37)	73.31%	292.03	-3.07%	(256.35)
Ssangyong Motor (Shanghai) Company Limited >	0.01%	5.25	-0.10%	(7.78)	0.00%	-	-0.09%	(7.78)
Ssangyong European Parts Center B.V. €	-0.06%	(21.47)	0.01%	0.92	0.00%	-	0.01%	0.92
Mahindra Europe S.r.l. €	0.04%	13.57	-0.04%	(3.06)	0.00%	-	-0.04%	(3.06)
Mahindra and Mahindra South Africa (Proprietary) Limited Ž	0.25%	90.73	-0.02%	(1.68)	3.20%	12.76	0.13%	11.08
Mahindra Graphic Research Design S.r.l. €	0.01%	4.67	-0.01%	(1.14)	0.00%	-	-0.01%	(1.14)
Mahindra West Africa Limited ◊	0.00%	1.06	0.00%	(0.04)	0.00%	-	0.00%	(0.04)
Mahindra International UK Limited £	0.00%	0.22	-0.05%	(3.62)	0.00%	-	-0.04%	(3.62)
Mahindra USA Inc. \$	0.42%	155.45	0.28%	22.42	0.00%	-	0.27%	22.42
Mitsubishi Mahindra Agricultural Machinery Co., Ltd (Consolidated) ¥	1.92%	705.55	-0.65%	(51.74)	13.67%	54.44	0.03%	2.70
Mahindra Mexico S. de. R. L ©	0.00%	1.06	-0.05%	(4.13)	-0.47%	(1.89)	-0.07%	(6.02)
Mahindra do Brasil Industrial Ltda ß	0.06%	22.94	-0.16%	(12.84)	-0.57%	(2.26)	-0.18%	(15.10)
Hisarlar Makina Sanayi ve Ticaret Anonim Şirketi (Consolidated) ₺	0.05%	19.27	-1.56%	(124.21)	-0.15%	(0.60)	-1.49%	(124.81)
Heritage Bird (M) Sdn. Bhd. **	0.00%	(0.86)	0.01%	0.45	0.00%	-	0.01%	0.45
Infinity Hospitality Group Company Limited #	0.03%	9.34	0.02%	1.57	0.00%	-	0.02%	1.57
MH Boutique Hospitality Limited #	0.00%	(0.95)	-0.01%	(0.57)	0.00%	-	-0.01%	(0.57)
MHR Holdings (Mauritius) Limited €	-0.06%	(21.78)	-0.09%	(7.18)	0.00%	-	-0.09%	(7.18)
Convington S.a.r.l. €	0.50%	182.11	0.05%	4.08	0.00%	-	0.05%	4.08
HCR Management Oy €	0.05%	17.25	0.01%	0.40	0.00%	-	0.00%	0.40
Holiday Club Resort Oy €	1.25%	458.73	0.38%	30.04	0.00%	-	0.36%	30.04
Kiinteistö Oy Himos Gardens €	0.02%	8.67	0.00%	0.06	0.00%	-	0.00%	0.06
Suomen Vapaa-aikakinteistöt Oy LKV ≥	0.00%	0.15	0.00%	(0.01)	0.00%	-	0.00%	(0.01)
Kiinteistö Oy Himoksen Tähti 2 €	0.03%	10.97	0.07%	5.46	0.00%	-	0.07%	5.46
Kiinteistö Oy Vanha Ykköstii €	0.00%	0.44	0.00%	(0.01)	0.00%	-	0.00%	(0.01)
Kiinteistö Oy Katinnurkka €	0.01%	2.49	0.00%	(0.01)	0.00%	-	0.00%	(0.01)
Kiinteistö Oy Tenetinlahti €	0.00%	0.89	0.00%	(0.00)	0.00%	-	0.00%	(0.00)
Kiinteistö Oy Mällösniemi €	0.01%	2.42	0.00%	(0.01)	0.00%	-	0.00%	(0.01)
Kiinteistö Oy Rauhan Ranta 1 €	0.00%	1.02	0.00%	(0.02)	0.00%	-	0.00%	(0.02)
Kiinteistö Oy Rauhan Ranta 2 €	0.00%	1.67	0.00%	(0.02)	0.00%	-	0.00%	(0.02)
Kiinteistö Oy Tiurunniemi €	0.01%	2.92	0.00%	(0.02)	0.00%	-	0.00%	(0.02)
Kiinteistö Oy Rauhan Liikekiinteistöt 1 €	0.04%	13.95	0.00%	0.38	0.00%	-	0.00%	0.38
Supermarket Capri Oy €	0.00%	1.14	0.00%	0.20	0.00%	-	0.00%	0.20
Kiinteistö Oy Kylpyläntorni 1 €	0.01%	2.03	0.00%	(0.01)	0.00%	-	0.00%	(0.01)
Kiinteistö Oy Spa Lofts 2 €	0.00%	1.16	0.00%	(0.01)	0.00%	-	0.00%	(0.01)
Kiinteistö Oy Spa Lofts 3 €	0.00%	1.14	0.00%	(0.01)	0.00%	-	0.00%	(0.01)
Kiinteistö Oy Kuusamon Pulkkajärvi 1 €	0.01%	2.24	0.00%	0.02	0.00%	-	0.00%	0.02

Statement of net assets and profit and loss and other comprehensive income attributable to Owners and Non-controlling interest (contd.)

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	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated profit or loss	Amount	As % of consolidated profit or loss	Amount
Ownership Services Ab ≥	0.00%	1.59	0.00%	(0.02)	0.00%	–	0.00%	(0.02)
Are Villas 1 AB ≥	0.00%	0.04	0.00%	–	0.00%	–	0.00%	–
Are Villas 2 AB ≥	0.00%	0.04	0.00%	–	0.00%	–	0.00%	–
Holiday Club Sweden AB Åre ≥	0.00%	0.11	0.00%	(0.00)	0.00%	–	0.00%	(0.00)
Holiday Club Sport and Hotelspa AB ≥	0.01%	2.94	-0.03%	(2.59)	0.00%	–	-0.03%	(2.59)
Holiday Club Resorts Rus LLC R	0.00%	0.00	0.00%	0.01	0.00%	–	0.00%	0.01
Holiday Club Canarias Investments S.L.U. €	0.00%	0.02	0.00%	(0.02)	0.00%	–	0.00%	(0.02)
Holiday Club Canarias Sales & Marketing S.L.U. €	0.02%	6.34	-0.09%	(7.07)	0.00%	–	-0.08%	(7.07)
Holiday Club Canarias Resort Management S.L.U. €	0.07%	26.67	0.02%	1.88	0.00%	–	0.02%	1.88
Are Villas 3 AB ≥	0.03%	11.26	0.14%	11.22	0.00%	–	0.13%	11.22
Arabian Dreams Hotel Apartments LLC •	-0.01%	(3.96)	0.03%	2.71	0.00%	–	0.03%	2.71
Mahindra Two Wheelers Europe Holdings S.a.r.l. €	0.57%	210.09	0.00%	(0.28)	0.00%	–	0.00%	(0.28)
Peugeot Motocycles S.A.S. (Consolidated) €	-1.01%	(372.66)	-1.96%	(155.99)	-6.96%	(27.73)	-2.20%	(183.72)
Mahindra Tractor Assembly Inc. \$	0.03%	9.68	-1.69%	(134.45)	0.00%	–	-1.61%	(134.45)
OFD Holding B.V. (Consolidated) €	0.14%	51.81	0.13%	10.37	3.83%	15.26	0.31%	25.63
Bristlecone Consulting Limited @	0.01%	3.59	0.00%	0.01	0.00%	–	0.00%	0.01
Bristlecone Limited \$	0.30%	110.86	1.11%	88.59	0.00%	–	1.06%	88.59
Bristlecone (Malaysia) Sdn.Bhd **	0.01%	2.76	-0.02%	(1.62)	0.00%	–	-0.02%	(1.62)
Bristlecone International AG <	0.03%	11.92	0.01%	0.95	0.00%	–	0.01%	0.95
Bristlecone (UK) Limited £	0.01%	3.91	0.02%	1.70	0.00%	–	0.02%	1.70
Bristlecone Inc. \$	0.10%	37.47	0.06%	4.49	0.00%	–	0.05%	4.49
Bristlecone Middle East DMCC •	0.00%	0.11	-0.02%	(1.31)	0.00%	–	-0.02%	(1.31)
Bristlecone GmbH €	0.09%	33.56	0.04%	3.29	0.00%	–	0.04%	3.29
Bristlecone (Singapore) Pte. Limited ≤	0.00%	0.63	0.01%	0.49	0.00%	–	0.01%	0.49
Mahindra MiddleEast Electrical Steel Service Centre (FZC) •	0.08%	30.40	0.00%	0.02	0.00%	–	0.00%	0.02
Mahindra Overseas Investment Company (Mauritius) Limited. \$	3.74%	1,376.73	7.40%	589.21	0.00%	–	7.05%	589.21
Mahindra Racing S.p.A. €	0.04%	15.57	0.02%	1.66	0.00%	–	0.02%	1.66
Mahindra Racing UK Limited £	0.04%	16.49	0.21%	16.56	0.00%	–	0.20%	16.56
Mahindra Fresh Fruits Distribution Holding Company €	0.00%	0.08	0.00%	(0.08)	0.00%	–	0.00%	(0.08)
Mahindra Automotive North America Inc. (Consolidated) \$	0.15%	56.08	-1.44%	(114.65)	8.19%	32.64	-0.98%	(82.01)
Erkunt Traktor Sanayii A.S. ₺	0.34%	124.62	-0.17%	(13.51)	0.00%	–	-0.16%	(13.51)
Erkunt Sanayi A.S. ₺	1.12%	412.14	0.08%	6.76	0.00%	–	0.08%	6.76
Mahindra Emirates Vehicle Armouring FZ-LLC •	0.07%	23.95	0.08%	6.00	0.00%	–	0.07%	6.00
Associates (Investment as per the equity method)								
Indian								
Swaraj Engines Limited	0.21%	76.11	0.34%	26.68	-0.02%	(0.07)	0.32%	26.61
Tech Mahindra Limited	13.42%	4,934.30	12.50%	995.05	-16.30%	(64.93)	11.13%	930.12
Mahindra CIE Automotive Limited	1.74%	640.97	0.78%	61.83	-0.80%	(3.17)	0.70%	58.66

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PSL Media & Communications Limited	0.00%	0.88	0.00%	0.03	0.00%	–	0.00%	0.03
Merakisan Private Limited	0.00%	(0.34)	-0.01%	(0.66)	0.10%	0.42	0.00%	(0.24)
Brainbees Solutions Private Limited	0.60%	222.23	-0.19%	(15.05)	0.00%	–	-0.18%	(15.05)
Medwell Ventures Private Limited	0.00%	0.07	0.00%	(0.02)	0.00%	–	0.00%	(0.02)
Foreign								
Mahindra Finance USA LLC \$	0.89%	327.97	0.38%	30.27	0.13%	0.50	0.37%	30.77
CIE Automotive S.A. €	1.33%	488.44	1.62%	129.18	15.24%	60.70	2.27%	189.88
The East India Company Group Ltd £	0.00%	1.82	-0.10%	(8.11)	2.61%	10.39	0.03%	2.28
P.F. holding B.V. €	0.60%	220.52	-0.08%	(6.39)	7.53%	29.99	0.28%	23.60
Scoot Networks Inc. \$	0.09%	34.63	-0.36%	(28.80)	0.00%	–	-0.34%	(28.80)
Sampo Rosenlew Oy €	0.20%	73.45	-0.18%	(14.65)	3.32%	13.22	-0.02%	(1.43)
Koy Sallan Kylpylä €	0.02%	5.61	-0.01%	(0.41)	0.00%	–	0.00%	(0.41)
Kiinteistö Oy Seniori-Saimaa €	0.00%	1.83	0.00%	(0.12)	0.00%	–	0.00%	(0.12)
HDG-Asia Ltd >	0.00%	(0.55)	0.00%	(0.01)	0.00%	–	0.00%	–
Joint Ventures (Investment as per the equity method)								
Indian								
Mahindra World City (Jaipur) Limited	0.58%	211.91	0.34%	27.45	0.00%	–	0.33%	27.45
Mahindra Bebanco Developers Limited	0.00%	0.76	-0.13%	(9.97)	0.00%	–	-0.12%	(9.97)
Mahindra World City Developers Limited	0.33%	120.36	0.15%	11.55	0.00%	–	0.14%	11.55
Mahindra Homes Private Limited	0.05%	20.15	0.16%	13.05	0.00%	–	0.16%	13.05
Mahindra Inframan Water Utilities Limited	0.00%	0.01	0.00%	(0.01)	0.00%	–	0.00%	(0.01)
Mahindra Sanyo Special Steel Private Limited	0.21%	77.17	-0.18%	(14.25)	0.05%	0.21	-0.17%	(14.04)
Mahindra Aerospace Private Limited	0.44%	161.91	-1.91%	(151.78)	0.55%	2.21	-1.79%	(149.57)
Mahindra Solar One Private Limited	0.00%	–	0.00%	–	0.00%	–	0.00%	–
Mahindra Tsubaki Conveyor Systems Private Limited	0.08%	30.49	0.02%	1.51	0.00%	–	0.02%	1.51
Mahindra Telephonics Integrated Systems Limited	0.04%	14.01	-0.02%	(1.81)	0.02%	0.06	-0.02%	(1.75)
Mahindra Logistics Limited (Upto 9th Nov, 2017)	0.00%	–	0.25%	20.15	0.01%	0.03	0.24%	20.18
Brightsolar Renewable Energy Private Limited	0.04%	14.00	0.00%	(0.21)	0.00%	–	0.00%	(0.21)
Industrial Cluster Private Limited	0.00%	(0.02)	0.00%	(0.04)	0.00%	–	0.00%	(0.04)
Mahindra Happiest Developers Limited	0.00%	(1.24)	-0.02%	(1.29)	0.00%	–	-0.02%	(1.29)
Classic Legend Private Limited	0.16%	58.91	-0.01%	(0.79)	-0.01%	(0.06)	-0.01%	(0.85)
Foreign								
Mahindra Yueda (Yancheng) Tractor Company Limited >	0.00%	–	-0.14%	(10.86)	-0.46%	(1.83)	-0.15%	(12.69)
Jinan Qingqi Peugeot Motocycles Co Ltd. >	0.15%	54.18	0.07%	5.24	0.00%	–	0.06%	5.24
Mahindra-BT Investment Company (Mauritius) Limited \$	0.20%	73.40	0.01%	0.79	-0.02%	(0.06)	0.01%	0.73

Name of the Enterprise	Rupees crores							
	Net assets, i.e., total assets minus total liabilities		Share of Profit or loss		Share of Comprehensive income		Share of Total Comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated profit or loss	Amount	As % of consolidated profit or loss	Amount
SY Auto Capital Co., LTD »	0.24%	89.46	0.07%	5.19	1.19%	4.74	0.12%	9.93
Mahindra Emirates Vehicle Armouring FZ-LLC •	0.00%	–	-0.03%	(2.51)	-0.07%	(0.28)	-0.03%	(2.79)
Tropiikin Rantasauna Oy €	0.00%	0.46	0.00%	–	0.00%	–	0.00%	–
Non controlling Interest	-22.43%	(8,250.47)	-5.62%	(447.40)	-19.81%	(78.90)	-6.30%	(526.30)
Inter Company Adjustments	-74.94%	(27,557.72)	20.08%	1,597.72	18.32%	65.01	19.85%	1,662.74
Total	100.00%	36,775.19	100.00%	7,957.79	100.00%	398.35	100.00%	8,356.14

- Converted into Indian Rupees at the exchange rate, 1 AED = Rs. 17.68 as on 31st March, 2018
- ^ Converted into Indian Rupees at the exchange rate, 1 AUD = Rs. 50.07 as on 31st March, 2018
- ฿ Converted into Indian Rupees at the exchange rate, 1 BRL = Rs. 19.50 as on 31st March, 2018
- ₵ Converted into Indian Rupees at the exchange rate, 1 CAD = Rs. 50.47 as on 31st March, 2018
- < Converted into Indian Rupees at the exchange rate, 1 CHF = Rs. 68.61 as on 31st March, 2018
- > Converted into Indian Rupees at the exchange rate, 1 CNY = Rs. 10.34 as on 31st March, 2018
- € Converted into Indian Rupees at the exchange rate, 1 EUR = Rs. 80.66 as on 31st March, 2018
- £ Converted into Indian Rupees at the exchange rate, 1 GBP = Rs. 92.02 as on 31st March, 2018
- ¥ Converted into Indian Rupees at the exchange rate, 1 JPY = Rs. 0.6153 as on 31st March, 2018
- » Converted into Indian Rupees at the exchange rate, 1 KRW = Rs. 0.0608 as on 31st March, 2018
- © Converted into Indian Rupees at the exchange rate, 1 MXN = Rs. 3.53 as on 31st March, 2018
- ** Converted into Indian Rupees at the exchange rate, 1 MYR = Rs. 16.89 as on 31st March, 2018
- ◊ Converted into Indian Rupees at the exchange rate, 1 NGN = Rs. 0.1810 as on 31st March, 2018
- ₹ Converted into Indian Rupees at the exchange rate, 1 RUB = Rs. 1.15 as on 31st March, 2018
- ≥ Converted into Indian Rupees at the exchange rate, 1 SEK = Rs. 7.90 as on 31st March, 2018
- ≤ Converted into Indian Rupees at the exchange rate, 1 SGD = Rs. 49.66 as on 31st March, 2018
- # Converted into Indian Rupees at the exchange rate, 1 THB = Rs. 2.08 as on 31st March, 2018
- ₺ Converted into Indian Rupees at the exchange rate, 1 TRY = Rs. 16.26 as on 31st March, 2018
- \$ Converted into Indian Rupees at the exchange rate, 1 USD = Rs. 64.92 as on 31st March, 2018
- Ž Converted into Indian Rupees at the exchange rate, 1 ZAR = Rs. 5.58 as on 31st March, 2018

44. The Company has on 9th February, 2018, entered into an agreement, subject to requisite approvals, to sell 26,36,401 Equity shares of Rs. 10 each held in Mahindra Sanyo Special Steel Private Limited (MSSSPL) aggregating to 22% of the paid-up Equity Share Capital of MSSSPL, to Sanyo Special Steel Co. Ltd. for a consideration of Rs. 146.32 crores. Consequently carrying value of of Rs. 63.61 crores pertaining to 26,36,401 shares have been classified as Assets Held for Sale.
45. Previous year's figures have been regrouped / reclassified where necessary.

In terms of our report attached.

For B S R & Co. LLP
Chartered Accountants
Firm Registration No. 101248W/W-100022

Jamil Khatri
Partner
Membership No : 102527
Mumbai, 29th May, 2018

Nadir B. Godrej
M. M. Murugappan
R. K. Kulkarni
Anupam Puri
Vishakha N. Desai
Vikram Singh Mehta
T. N. Manoharan

Directors

Anand G. Mahindra
Dr. Pawan Goenka
V. S. Parthasarathy
Narayan Shankar

Executive Chairman
Managing Director
Group Chief Financial Officer & Group CIO
Company Secretary
Mumbai, 29th May, 2018

Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014

Salient features of the financial statements of subsidiaries/associate companies/joint ventures as included in the Consolidated Financial Statements

Part "A": Subsidiaries [as per section 2(87) of the Companies Act 2013]

Sl. No.	Name of Subsidiary	The date since when subsidiary was acquired (dd/mm/yyyy)		Reporting currency	Exchange rate	Share Capital	Reserves & Surplus	Total Assets	Total Liabilities	Investments (excluding investment in Subsidiaries)	Gross Turnover	Profit/ (Loss) before Tax	Provision for Tax	Profit/ (Loss) after Tax	Proposed Dividend and Tax thereon	Proportion of ownership interest @	Proportion of voting power where different
		The date since when subsidiary was acquired (dd/mm/yyyy)	Reporting currency														
1	Mahindra Vehicle Manufacturers Limited	25/05/2007	INR	1.00	4,057.72	206.90	8,027.82	3,763.20	1,649.17	10,031.15	594.39	245.66	348.73	108.30	100.00%	100.00%	
2	Mahindra Heavy Engines Limited	31/01/2008	INR	1.00	634.40	(291.15)	596.03	252.78	8.52	643.69	13.02	—	13.02	—	100.00%	100.00%	
3	Mahindra Electric Mobility Limited	26/05/2010	INR	1.00	269.80	(33.87)	337.52	101.59	2.93	129.41	(129.01)	—	(129.01)	—	99.13%	99.13%	
4	Mahindra Trucks and Buses Limited	01/10/2005	INR	1.00	93.35	28.58	163.06	41.13	46.28	148.65	28.24	7.18	21.07	9.53	100.00%	100.00%	
5	Mahindra Automobile Distributor Private Limited	05/08/2005	INR	1.00	1.00	19.23	30.49	10.26	16.72	54.28	16.79	5.59	11.20	11.19	100.00%	100.00%	
6	NBS International Limited	05/02/2001	INR	1.00	24.55	(24.65)	27.17	27.27	—	108.46	(7.54)	—	(7.54)	—	100.00%	100.00%	
7	Mahindra Automotive Australia Pty. Limited	23/09/2008	AUD	50.07	22.91	(14.40)	61.26	52.75	—	105.07	(7.37)	—	(7.37)	—	100.00%	100.00%	
8	Ssangyong Motor Company #	09/02/2011	KRW	0.06	4,190.21	331.15	13,368.13	8,846.77	3.40	21,320.19	(548.37)	—	(548.37)	—	72.46%	72.46%	
9	Ssangyong Motor (Shanghai) Company Limited #	09/02/2011	CNY	10.34	31.01	(25.76)	8.58	3.33	—	0.11	(7.78)	—	(7.78)	—	72.46%	72.46%	
10	Ssangyong European Parts Center B.V. #	09/02/2011	EUR	80.66	5.65	(27.12)	77.45	98.93	—	112.08	1.15	0.23	0.92	—	72.46%	72.46%	
11	SY Auto Capital Co., LTD #	28/10/2015	KRW	0.06	121.50	53.30	484.35	309.55	—	97.20	19.05	3.92	15.13	—	36.96%	51.00%	
12	Mahindra Europe S.r.l.	31/05/2005	EUR	80.66	11.49	2.08	84.89	71.32	—	102.28	(3.42)	(0.36)	(3.06)	—	100.00%	100.00%	
13	Mahindra and Mahindra South Africa (Proprietary) Limited	20/10/2004	ZAR	5.58	29.02	61.72	239.87	149.14	—	636.40	4.30	5.99	(1.68)	—	100.00%	100.00%	
14	Mahindra Graphic Research Design S.r.l.	20/02/2008	EUR	80.66	7.74	(3.07)	12.97	8.30	—	21.86	(1.49)	(0.34)	(1.14)	—	100.00%	100.00%	
15	Mahindra North American Technical Center, Inc.	18/12/2013	USD	64.92	157.59	(103.19)	213.44	159.03	—	45.40	(122.69)	(32.00)	(90.69)	—	100.00%	100.00%	
16	Mahindra Automotive North America Inc.	25/04/2017	USD	64.92	171.39	1.01	192.32	19.92	0.00	3.17	1.63	0.62	1.01	—	100.00%	100.00%	
17	Mahindra Vehicle Sales and Service Inc.	06/06/2017	USD	64.92	11.04	(25.76)	26.15	40.87	0.00	7.29	(36.47)	(10.71)	(25.76)	—	100.00%	100.00%	
18	Mahindra West Africa Limited	20/05/2016	NGN	0.18	1.06	—	2.69	1.63	—	3.56	(0.01)	—	(0.01)	—	100.00%	100.00%	
19	Mahindra International UK Limited	13/10/2015	GBP	92.02	24.32	(24.10)	0.27	0.05	—	2.80	(3.62)	—	(3.62)	—	100.00%	100.00%	
20	Gromax Agri Equipment Limited	18/12/1999	INR	1.00	54.30	(29.69)	86.65	62.04	—	100.31	(1.59)	—	(1.59)	—	60.00%	60.00%	
21	Auto Digitech Private Limited	09/10/2009	INR	1.00	0.01	0.42	4.26	3.83	—	0.12	(5.52)	—	(5.52)	—	100.00%	100.00%	
22	Trringo.com Limited	23/05/2016	INR	1.00	20.60	(17.39)	6.45	3.24	—	0.86	(11.15)	—	(11.15)	—	100.00%	100.00%	
23	Mahindra USA Inc.	08/06/1994	USD	64.92	90.88	64.56	1,662.85	1,507.40	—	3,737.55	39.12	16.70	22.42	5.45	100.00%	100.00%	
24	Mahindra Mexico S. de. R. L	08/08/2016	MXN	3.53	6.55	(5.49)	69.69	68.64	—	28.81	(4.48)	(0.35)	(4.13)	—	100.00%	100.00%	
25	Mahindra do Brasil Industrial Ltda.	14/10/2016	BRL	19.50	46.87	(23.93)	62.86	39.93	—	47.44	(12.84)	—	(12.84)	—	100.00%	100.00%	
26	Hisarlar Makina Sanayi ve Ticaret Anonim Şirketi # ^	30/03/2017	TRY	16.26	153.77	(51.42)	455.85	353.50	—	148.28	(161.58)	—	(161.58)	—	77.18%	77.18%	
27	Hisarlar İthalat İhracat Pazarlama Anonim Şirketi # ^	30/03/2017	TRY	16.26	2.44	(9.54)	4.65	11.75	—	32.28	(17.80)	—	(17.80)	—	100.00%	100.00%	

																Rupees crores
Sl. No.	Name of subsidiary	The date since when subsidiary was acquired (dd/mm/yyyy)	Reporting currency	Exchange rate	Share Capital	Reserves & Surplus	Total Assets	Total Liabilities	Investments (excluding investment in subsidiaries)	Gross Turnover	Profit/(Loss) before Tax	Provision for Tax	Proposed Dividend and Tax thereon	Proposed ownership interest @	Propotion of voting power where different	
28	Erkunt Traktor Sanayii A.S. #	01/12/2017	TRY	16.26	48.78	(3.67)	522.82	477.72	64.01	645.85	(75.98)	(2.75)	(73.22)	-	10.00%	
29	Erkunt Sanayi A.S. #	01/12/2017	TRY	16.26	13.10	169.78	326.06	143.18	7.66	431.04	6.79	1.69	5.09	-	98.69%	
30	Mahindra & Mahindra Financial Services Limited	30/09/1998	INR	1.00	122.90	9,180.19	54,367.81	45,064.72	1,174.78	7,206.12	1,372.75	480.86	891.88	293.78	51.46%	
31	Mahindra Insurance Brokers Limited	07/04/2004	INR	1.00	2.58	312.93	396.76	81.25	72.75	245.13	83.17	29.58	53.59	5.59	41.17%	
32	Mahindra Rural Housing Finance Limited	09/04/2007	INR	1.00	108.13	625.90	6,357.96	5,623.93	-	1,000.02	224.59	79.13	145.46	22.16	45.80%	
33	Mahindra Asset Management Company Private Limited	20/06/2013	INR	1.00	120.00	(63.99)	68.04	11.13	6.31	23.37	(38.10)	-	(38.10)	-	51.46%	
34	Mahindra Trustee Company Private Limited	25/04/2013	INR	1.00	0.50	(0.27)	0.24	0.01	0.14	0.25	*	-	*	-	51.46%	
35	Mahindra Lifespace Developers Limited	30/03/2007	INR	1.00	51.33	1,754.31	2,504.27	698.63	210.92	557.22	78.93	25.81	53.12	37.06	51.51%	
36	Mahindra Infrastructure Developers Limited	14/12/2001	INR	1.00	18.00	(16.18)	3.14	1.32	0.02	0.11	0.05	0.01	0.04	-	51.51%	
37	Mahindra World City (Maharashtra) Limited	21/09/2005	INR	1.00	1.17	(8.89)	12.11	19.83	0.12	-	(0.82)	-	(0.82)	-	51.51%	
38	Mahindra Integrated Township Limited	04/05/2006	INR	1.00	50.44	41.44	190.97	99.09	-	49.99	6.07	1.20	4.86	0.17	37.79%	
39	Knowledge Township Limited	16/08/2007	INR	1.00	21.00	2.49	62.83	39.34	6.13	0.28	0.25	0.08	0.17	-	51.51%	
40	Mahindra Residential Developers Limited	01/02/2008	INR	1.00	0.25	93.37	122.24	28.62	-	36.52	4.42	0.90	3.52	-	37.79%	
41	Industrial Township (Maharashtra) Limited	02/07/2008	INR	1.00	5.00	(0.17)	5.37	0.54	-	-	(0.01)	-	(0.01)	-	51.51%	
42	Anthurium Developers Limited	02/06/2010	INR	1.00	0.05	0.15	2.35	2.15	-	0.08	0.07	0.02	0.05	-	51.51%	
43	Industrial Cluster Private Limited	29/03/2013	INR	1.00	0.05	(0.07)	133.70	133.72	14.98	0.49	(0.04)	-	(0.04)	-	51.51%	
44	Mahindra Water Utilities Limited	27/07/2015	INR	1.00	0.10	61.58	65.36	3.68	0.03	23.72	11.36	3.15	8.20	-	51.00%	
45	Mahindra World City Developers Limited	22/09/2004	INR	1.00	20.00	115.24	538.14	402.90	-	113.13	12.05	(0.93)	12.98	-	45.85%	
46	Mahindra World City Jaipur Limited	26/08/2005	INR	1.00	150.00	136.36	670.55	384.19	5.01	129.33	42.63	5.54	37.09	27.12	38.12%	
47	Mahindra Bebano Developers Limited	03/06/2008	INR	1.00	0.05	1.00	132.27	131.22	-	3.28	(20.37)	(6.12)	(14.24)	-	36.06%	
48	Mahindra Industrial Park Chennai Limited	22/12/2014	INR	1.00	170.00	2.83	264.75	91.92	-	(4.60)	(1.86)	(2.74)	(2.74)	-	30.91%	
49	Mahindra Homes Private Limited	30/03/2007	INR	1.00	0.82	26.05	1,291.29	1,264.42	-	248.26	27.93	10.54	17.40	-	38.62%	
50	Mahindra Consulting Engineers Limited	22/08/1995	INR	1.00	1.95	14.18	21.94	5.81	-	17.20	0.93	0.33	0.59	-	84.78%	
51	Mahindra Happinest Developers Limited	06/09/2017	INR	1.00	0.10	(2.53)	71.70	74.13	0.00	0.00	(2.53)	0.00	(2.53)	-	26.27%	
52	Deep Mangal Developers Private Limited	28/12/2017	INR	1.00	0.01	(0.17)	2.16	2.32	-	(0.04)	-	(0.04)	-	-	51.51%	
53	Moonshine Construction Private Limited	28/12/2017	INR	1.00	0.00	(0.30)	0.02	0.32	-	-	-	-	-	-	51.51%	
54	Mahindra Construction Company Limited	28/12/2017	INR	1.00	2.40	(24.83)	0.60	23.03	-	0.01	(0.16)	-	(0.16)	-	65.40%	

Sl. No.	Name of Subsidiary	The date since when subsidiary was acquired (dd/mm/yyyy)			Reporting currency	Exchange rate	Share Capital	Reserves & Surplus	Total Assets	Total Liabilities	Investments (excluding investment in subsidiaries)	Gross Turnover	Profit/ (Loss) before Tax	Provision for Tax	Proposed Dividend and Tax thereon	Propotion of ownership interests @	Proportion of voting power where different	Rupees crores
		The date since when subsidiary was acquired (dd/mm/yyyy)	Reporting currency	Exchange rate														
55	Mahindra Holidays & Resorts India Limited	28/03/2000	INR	1.00	132.76	631.69	3,287.77	2,523.32	4,484.42	1,094.19	207.15	72.79	134.36	64.35	67.71%	67.71%	100.00%	
56	Mahindra Hotels and Residences India Limited	26/04/2007	INR	1.00	0.05	(0.16)	0.03	0.14	—	—	(0.01)	—	(0.01)	—	—	67.71%	67.71%	100.00%
57	Gables Promoters Private Limited	24/08/2012	INR	1.00	65.00	(3.55)	139.14	77.69	—	6.45	(2.72)	—	(2.72)	—	—	67.71%	67.71%	100.00%
58	Heritage Bird (M) Sdn. Bhd.	03/03/2008	MYR	16.89	0.51	(1.37)	7.35	8.21	—	1.50	0.36	(0.09)	0.45	—	—	67.71%	67.71%	100.00%
59	Infinity Hospitality Group Company Limited	05/11/2012	THB	2.08	31.22	(21.88)	42.09	32.76	—	9.38	1.57	—	1.57	—	—	50.09%	50.09%	100.00%
60	MH Boutique Hospitality Limited	02/11/2012	THB	2.08	2.08	(3.03)	7.92	8.87	—	—	(0.57)	—	(0.57)	—	—	33.18%	33.18%	49.00%
61	MHR Holdings (Mauritius) Limited	11/07/2014	EUR	80.66	1.17	(22.95)	428.91	450.69	—	7.16	(7.18)	—	(7.18)	—	—	67.71%	67.71%	100.00%
62	Covington S.a.r.l.	17/07/2014	EUR	80.66	0.10	182.01	504.87	322.77	—	10.28	4.08	—	4.08	—	—	67.71%	67.71%	100.00%
63	HCR Management Oy	02/09/2015	EUR	80.66	0.02	17.23	17.25	—	16.90	0.40	0.40	—	0.40	—	—	67.71%	67.71%	100.00%
64	Holiday Club Resort Oy	02/09/2015	EUR	80.66	96.46	362.27	981.34	522.61	38.79	1,089.09	37.72	(7.68)	30.04	15.91	—	64.43%	64.43%	95.16%
65	Kiinteistö Oy Himos Gardens	02/09/2015	EUR	80.66	0.02	8.65	8.68	—	—	0.09	0.07	(0.01)	0.06	—	—	64.43%	64.43%	100.00%
66	Suomen Vapaa-aikakuntateistö Oy LKV	02/09/2015	EUR	80.66	0.02	0.13	0.16	0.01	—	—	(0.01)	—	(0.01)	—	—	64.43%	64.43%	100.00%
67	Kiinteistö Oy Himoksen Tähti 2	02/09/2015	EUR	80.66	0.02	10.95	12.26	1.29	—	6.81	6.75	(1.29)	5.46	—	—	64.43%	64.43%	100.00%
68	Kiinteistö Oy Vanha Ykköstie	02/09/2015	EUR	80.66	0.02	0.42	0.44	—	—	—	(0.01)	—	(0.01)	—	—	64.43%	64.43%	100.00%
69	Kiinteistö Oy Katinmukka	02/09/2015	EUR	80.66	0.02	2.47	2.49	—	—	—	(0.01)	—	(0.01)	—	—	64.43%	64.43%	100.00%
70	Kiinteistö Oy Tenetinlahti	02/09/2015	EUR	80.66	0.02	0.87	0.89	—	—	—	—	—	—	—	—	64.43%	64.43%	100.00%
71	Kiinteistö Oy Mällösniemi	02/09/2015	EUR	80.66	0.07	2.35	2.45	0.03	—	0.15	(0.01)	—	(0.01)	—	—	64.43%	64.43%	100.00%
72	Kiinteistö Oy Rauhan Ranta 1	02/09/2015	EUR	80.66	0.02	1.00	1.02	—	—	—	(0.02)	—	(0.02)	—	—	64.43%	64.43%	100.00%
73	Kiinteistö Oy Rauhan Ranta 2	02/09/2015	EUR	80.66	0.02	1.65	1.67	—	—	—	(0.02)	—	(0.02)	—	—	64.43%	64.43%	100.00%
74	Kiinteistö Oy Tiurunniemi	02/09/2015	EUR	80.66	0.02	2.90	2.93	—	—	—	(0.02)	—	(0.02)	—	—	64.43%	64.43%	100.00%
75	Kiinteistö Oy Rauhan Liikekinttistöt 1	02/09/2015	EUR	80.66	0.02	13.93	79.51	65.56	—	7.68	0.38	—	0.38	—	—	64.43%	64.43%	100.00%
76	Supermarket Capri Oy	02/09/2015	EUR	80.66	0.81	0.33	1.76	0.62	0.01	3.97	0.20	—	0.20	—	—	64.43%	64.43%	100.00%
77	Kiinteistö Oy Kylpyläntorni 1	02/09/2015	EUR	80.66	0.02	2.01	2.04	—	—	—	(0.01)	—	(0.01)	—	—	64.43%	64.43%	100.00%
78	Kiinteistö Oy Spa Lofts 2	02/09/2015	EUR	80.66	0.02	1.14	1.16	—	—	—	(0.01)	—	(0.01)	—	—	64.43%	64.43%	100.00%
79	Kiinteistö Oy Spa Lofts 3	02/09/2015	EUR	80.66	0.02	1.12	1.14	—	—	—	(0.01)	—	(0.01)	—	—	64.43%	64.43%	100.00%
80	Kiinteistö Oy Kuusamon Pulkkajärvi 1	02/09/2015	SEK	7.90	0.08	1.51	8.84	7.25	—	0.09	0.03	(0.01)	0.02	—	—	64.43%	64.43%	100.00%
81	Ownership Services AB	02/09/2015	SEK	7.90	0.04	—	—	—	—	—	(0.02)	—	(0.02)	—	—	64.43%	64.43%	100.00%
82	Are Villas 1 AB	02/09/2015	SEK	7.90	0.04	—	—	—	—	—	—	—	—	—	—	64.43%	64.43%	100.00%
83	Are Villas 2 AB	02/09/2015	SEK	7.90	0.04	—	—	—	—	—	—	—	—	—	—	64.43%	64.43%	100.00%
84	Holiday Club Sweden AB Åre	01/12/2015	SEK	7.90	—	0.11	0.18	0.07	—	0.03	—	—	—	—	—	64.43%	64.43%	100.00%
85	Holiday Club Sport and Spahotels AB	02/09/2015	RUB	1.13	—	—	—	—	—	—	—	—	—	—	—	32.86%	32.86%	51.00%
86	Holiday Club Resort Rus LLC #	02/09/2015	EUR	80.66	0.03	—	—	—	—	—	—	—	—	—	—	64.43%	64.43%	100.00%
87	Holiday Club Canarias Investments S.L.	02/09/2015	EUR	80.66	0.03	6.32	133.31	126.97	—	63.05	(7.60)	0.53	(7.07)	—	—	64.43%	64.43%	100.00%
88	Holiday Club Canarias Sales & Marketing S.L.	02/09/2015	EUR	80.66	0.03	26.65	75.25	48.58	—	42.35	2.22	(0.35)	1.88	—	—	64.43%	64.43%	100.00%
89	Holiday Club Canarias Resort Management S.L.	02/09/2015	EUR	80.66	0.03	—	—	—	—	—	—	—	—	—	—	64.43%	64.43%	100.00%

																Rupees crores
Sl. No.	Name of subsidiary	The date since when subsidiary was acquired (dd/mm/yyyy)	Reporting currency	Exchange rate	Share Capital	Reserves & Surplus	Total Assets	Total Liabilities	Investments (excluding investment in Subsidiaries)	Gross Turnover	Profit/(Loss) before Tax	Provision for Tax	Proposed Dividend and Tax thereon	Proposed ownership interest @	Proportion of voting power where different	
90	Are Villa 3 AB	26/01/2018	SEK	7.90	0.04	11.22	11.30	0.04	-	11.22	-	11.22	-	64.43%	100.00%	
91	Mahindra Two Wheelers Limited	29/09/2008	INR	1.00	6.00	0.91	16.40	9.49	-	36.94	0.40	(1.76)	2.16	-	92.25%	
92	Mahindra Two Wheelers Europe Holdings S.r.l.^	02/12/2014	EUR	80.66	120.18	89.91	210.43	0.33	-	103.84	(180.54)	(8.21)	(0.28)	-	100.00%	
93	Peugeot Motorcycles S.A.S. #	19/01/2015	EUR	80.66	0.21	4.78	14.64	9.66	-	118.86	0.60	-	0.60	-	51.00%	
94	Peugeot Motorcycles Deutschland GmbH #	19/01/2015	EUR	80.66	2.13	0.18	3.89	1.58	-	55.33	0.84	0.65	0.19	-	51.00%	
95	Peugeot Motorcycles Italia S.p.A. #	19/01/2015	EUR	80.66	355.23	(384.99)	484.23	790.11	-	201.37	-	24.51	(134.45)	-	100.00%	
96	Mahindra Tractor Assembly Inc.	25/01/2013	USD	64.92	101.19	(2.68)	107.24	8.73	42.10	0.86	(1.20)	-	(1.20)	-	60.00%	
97	Classic Legends Private Limited	18/10/2016	INR	1.00	101.19	(1.00)	0.60	0.49	-	0.19	(0.25)	-	(0.25)	-	60.00%	
98	BSA Company Limited	21/10/2016	GBP	92.02	1.10	20.44	395.05	305.34	-	438.71	(65.43)	(2.12)	(63.31)	-	100.00%	
99	Mahindra Agri Solutions Limited	16/08/2000	INR	1.00	69.27	20.44	196.30	56.38	-	206.60	10.36	5.43	4.94	1.67	54.65%	
100	EPC Industrie Limited	08/09/2011	INR	1.00	27.71	112.21	42.28	40.27	-	11.93	(18.58)	0.02	(18.60)	-	58.99%	
101	Mahindra HZPC Private Limited	25/04/2013	INR	1.00	20.89	(18.38)	7.11	3.08	3.13	20.94	(5.74)	-	(5.74)	-	60.00%	
102	Mahindra Greenyard Private Limited	09/07/2014	INR	1.00	10.43	(6.40)	10.57	-	7.54	7.23	1.78	5.44	-	83.09%		
103	OFD Holding B.V. # ^	22/02/2017	EUR	80.66	0.25	(10.05)	0.77	5.34	-	42.01	1.56	0.11	1.45	-	83.09%	
104	Origin Direct Asia Ltd. #	22/02/2017	USD	64.92	0.01	0.24	37.50	104.40	66.79	-	383.92	9.83	2.38	7.45	-	100.00%
105	Origin Fruit Direct B.V. #	22/02/2017	EUR	80.66	0.11	-	0.25	0.65	0.40	-	1.81	(0.14)	-	(0.14)	-	100.00%
106	Origin Fruit Services South America SpA # ^	22/02/2017	CLP	0.11	0.01	-	0.25	0.40	-	-	-	-	-	-	83.09%	
107	Origin Direct Asia (Shanghai) Trading Company Limited #	22/02/2017	CNY	10.34	0.96	(2.14)	4.25	5.43	-	46.86	1.56	-	1.56	-	83.09%	
108	Merakisan Private Limited	25/05/2017	INR	1.00	1.51	(2.55)	1.06	2.10	0.00	2.81	(1.99)	0.00	(1.99)	-	19.27%	
109	Mahindra Fresh Fruits Distribution Holding Company**	17/11/2017	EUR	80.66	0.08	-	0.08	-	0.00	-	(0.08)	-	(0.08)	-	98.40%	
110	Bristlecone Limited	17/05/2004	USD	64.92	0.16	110.70	193.42	82.55	-	100.72	96.41	7.82	88.59	-	75.29%	
111	Bristlecone India Limited	25/09/1995	INR	1.00	19.05	84.78	153.89	50.06	-	317.61	42.82	14.50	28.31	-	75.29%	
112	Bristlecone Consulting Limited	01/06/2010	CAD	50.47	-	3.59	3.65	0.06	-	0.08	0.01	-	0.01	-	100.00%	
113	Bristlecone (Malaysia) Sdn.Bhd	30/05/2007	MYR	16.89	0.84	1.91	5.76	3.00	-	8.60	(1.27)	0.35	(1.62)	-	75.29%	
114	Bristlecone International AG	21/06/2011	CHF	68.61	0.69	11.23	14.82	2.91	-	25.91	1.10	0.14	0.95	-	75.29%	
115	Bristlecone (UK) Limited	31/05/1999	GBP	92.02	21.62	(17.72)	3.91	-	-	2.59	1.71	-	1.70	-	75.29%	
116	Bristlecone Inc.	17/05/2004	USD	64.92	44.47	(7.00)	171.64	134.17	-	338.44	21.38	16.89	4.49	-	75.29%	
117	Bristlecone Middle East DMCC	18/07/2016	AED	17.68	0.09	0.02	5.90	5.79	-	4.88	(1.31)	-	(1.31)	-	75.29%	
118	Bristlecone GmbH	09/12/2003	EUR	80.66	0.40	33.16	39.53	5.97	-	74.86	4.41	1.12	3.29	-	75.29%	
119	Bristlecone (Singapore) Pte. Limited	21/02/2003	SGD	49.66	8.29	(7.66)	6.42	5.78	-	6.78	0.49	-	0.49	-	75.29%	
120	Mahindra-BT Investment Company (Mauritius) Limited	24/12/2004	USD	64.92	77.12	51.67	128.83	0.05	0.58	1.71	1.39	-	1.39	-	57.00%	
121	Mahindra Holdings Limited	02/10/2007	INR	1.00	1,161.41	29.27	1,330.26	139.58	159.52	3.74	3.14	(0.04)	3.18	-	100.00%	
122	Mahindra Overseas Investment Company (Mauritius) Limited.	24/12/2004	USD	64.92	1,172.23	204.50	2,812.59	1,435.86	804.57	897.70	768.00	178.80	589.21	9.74	100.00%	
123	Mahindra Racing S.p.A.	23/01/2012	EUR	80.66	14.37	1.20	18.37	2.81	-	34.71	2.93	1.27	1.66	-	100.00%	

Part "A" : Subsidiaries [as per section 2(87) of the Companies Act, 2013] (contd.)

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Sl. No.	Name of subsidiary	The date since when subsidiary was acquired (dd/mm/yyyy)			Reporting currency	Exchange rate	Share Capital	Reserves & Surplus	Total Assets	Total Liabilities	Investments (excluding investment in subsidiaries)	Gross Turnover	Profit/ (Loss) before Tax	Provision for Tax	Proposed Dividend and Tax thereon	Propotion of ownership interests @	Propotion of voting power where different	Rupees crores
		The date since when subsidiary was acquired (dd/mm/yyyy)	Reporting currency	Exchange rate														
124	Mahindra Racing UK Limited	04/03/2011	GBP	92.02	0.18	16.31	38.55	22.05	138.54	20.93	4.37	16.56	—	—	100.00%	100.00%		
125	Mahindra Intertrade Limited	28/04/1983	INR	1.00	16.60	518.64	723.53	188.29	30.04	1,120.23	95.10	32.77	62.33	24.25	—	100.00%	100.00%	
126	Mahindra Steel Service Centre Limited	29/12/1993	INR	1.00	16.54	88.95	235.51	130.02	—	278.41	13.27	5.12	8.14	3.19	—	61.00%	61.00%	
127	Mahindra Electrical Steel Private Limited**	11/07/2009	INR	1.00	0.50	(2.07)	7.38	8.95	—	—	(1.17)	(0.31)	(0.86)	—	—	100.00%	100.00%	
128	Mahindra Auto Steel Private Limited	12/12/2013	INR	1.00	68.50	21.36	121.99	32.13	6.96	90.12	18.16	5.41	12.75	4.95	—	90.00%	90.00%	
129	Mahindra MiddleEast Electrical Steel Service Centre (FZC)	08/08/2004	AED	17.68	3.57	26.83	62.29	31.89	—	69.70	0.02	—	0.02	—	—	50.00%	50.00%	
130	Mahindra MSTC Recycling Private Limited	16/12/2016	INR	1.00	21.20	(3.60)	19.34	1.74	—	0.57	(2.49)	0.12	(2.61)	—	—	50.00%	50.00%	
131	Mahindra Logistics Limited	12/12/2007	INR	1.00	71.14	347.76	912.27	493.38	50.05	3,224.84	97.40	35.21	62.19	12.86	—	58.77%	58.77%	
132	2 x 2 Logistics Private Limited	22/10/2012	INR	1.00	9.01	0.04	48.27	39.23	—	52.69	1.07	0.34	0.73	—	—	32.33%	55.00%	
133	Lords Freight (India) Private Limited	07/08/2014	INR	1.00	2.36	4.89	38.34	31.09	—	177.78	3.65	1.28	2.37	—	—	35.26%	60.00%	
134	Mahindra Susten Private Limited	04/03/2011	INR	1.00	138.26	459.90	1,429.60	831.44	10.11	1,164.29	72.90	25.93	46.97	—	—	100.00%	100.00%	
135	Mahindra Renewables Private Limited	28/07/2013	INR	1.00	279.42	5.92	503.32	217.98	10.35	5.97	(0.99)	(0.35)	(0.65)	—	—	100.00%	100.00%	
136	Cleansolar Renewable Energy Private Limited	03/12/2013	INR	1.00	9.62	53.11	248.82	186.09	—	39.23	3.30	1.86	1.44	—	—	100.00%	100.00%	
137	MachinePulse Tech Private Limited	05/01/2016	INR	1.00	0.05	(0.04)	0.04	0.03	—	(0.02)	—	(0.02)	—	—	—	100.00%	100.00%	
138	Divine Solhen Private Limited	08/05/2015	INR	1.00	12.08	65.44	351.78	274.26	—	36.66	5.50	1.72	3.78	—	—	100.00%	100.00%	
139	Neo Solren Private Limited	01/07/2015	INR	1.00	9.32	60.18	300.09	230.59	—	20.49	7.49	1.98	5.51	—	—	100.00%	100.00%	
140	Marvel Solren Private Limited	10/10/2015	INR	1.00	0.01	(0.06)	71.53	71.58	—	0.03	(0.05)	(0.01)	(0.04)	—	—	100.00%	100.00%	
141	Astra Solren Private Limited	14/10/2015	INR	1.00	8.49	53.88	525.21	462.84	—	50.99	(0.15)	(0.71)	0.56	—	—	100.00%	100.00%	
142	Brightsoar Renewable Energy Private Limited	03/12/2013	INR	1.00	9.52	10.38	81.15	61.25	—	12.28	0.43	0.51	(0.08)	—	—	51.00%	51.00%	
143	Mega Suryaurya Private Limited	16/02/2017	INR	1.00	0.10	(0.08)	0.02	—	—	(0.02)	—	(0.02)	—	—	—	100.00%	100.00%	
144	Mahindra Engineering and Chemical Products Limited	30/04/1964	INR	1.00	100.88	673.95	776.09	1.26	118.30	5.01	4.29	1.25	3.03	—	—	100.00%	100.00%	
145	Retail Initiative Holdings Limited	01/07/2009	INR	1.00	20.55	(157.66)	357.39	494.50	—	(0.06)	—	(0.06)	(0.06)	—	—	100.00%	100.00%	
146	Mahindra Retail Private Limited	01/07/2009	INR	1.00	842.46	(538.49)	428.64	124.67	355.48	136.50	(40.49)	(1.00)	(39.49)	—	—	100.00%	100.00%	
147	Mahindra Defence Naval Systems Limited	18/05/2012	INR	1.00	15.03	(13.98)	26.16	25.11	—	11.34	(5.00)	—	(5.00)	—	—	100.00%	100.00%	
148	Mahindra Defence Systems Limited	30/07/2012	INR	1.00	15.91	213.47	407.02	177.64	—	245.23	15.04	—	15.04	—	—	100.00%	100.00%	
149	Mahindra Telephonics Integrated Systems Limited	22/04/2013	INR	1.00	50.78	(23.31)	45.54	18.07	—	27.74	(3.55)	—	(3.55)	—	—	51.00%	51.00%	
150	Mahindra Emirates Vehicle Armouring FZ LLC	05/08/2010	AED	17.68	17.68	6.27	37.93	13.98	—	33.67	1.07	—	1.07	—	—	88.00%	88.00%	
151	Mahindra First Choice Wheels Limited	24/03/2008	INR	1.00	78.88	42.78	205.77	84.12	2.13	142.57	(31.85)	0.05	(31.91)	—	—	51.06%	51.06%	
152	Mahindra First Choice Services Limited	15/11/1999	INR	1.00	264.00	(316.36)	24.39	76.75	—	92.55	(40.39)	—	(40.39)	—	—	100.00%	100.00%	

Sl. No.	Name of Subsidiary	The date since when subsidiary was acquired (dd/mm/yyyy)	Reporting currency	Exchange rate	Share Capital	Reserves & Surplus	Total Assets	Total Liabilities	Investments (excluding investment in subsidiaries)	Gross Turnover	Profit/ (Loss) before Tax	Provision for Tax	Proposed Dividend and Tax thereon	Propotion of ownership interests @	Rupees crores	
153	Mahindra Namaste Limited	02/01/2010	INR	1.00	9.01	(8.82)	0.34	0.15	-	0.85	0.07	-	0.07	-	84.78%	
154	Mahindra Integrated Business Solutions Private Limited	18/01/2011	INR	1.00	1.50	6.43	16.44	8.51	2.26	38.52	1.12	0.22	0.91	0.27	100.00%	
155	Mahindra 'Electoral Trust' Company	30/12/2013	INR	1.00	0.05	(0.01)	0.04	-	-	-	-	-	-	-	100.00%	
156	Mahindra eMarket Limited	11/08/2014	INR	1.00	0.80	(0.89)	0.82	0.91	-	0.65	(0.05)	-	(0.05)	-	83.47%	
157	Orizonte Business Solutions Limited	25/11/2015	INR	1.00	26.49	(16.29)	16.00	5.80	-	10.30	(22.64)	-	(22.64)	-	92.25%	
158	Mahindra Airways Limited	27/07/2016	INR	1.00	2.25	(1.49)	0.77	0.01	0.70	0.06	(0.07)	-	(0.07)	-	100.00%	
159	Mahindra Aerospace Private Limited	28/02/2008	INR	1.00	558.88	25.46	593.77	9.43	-	2.21	(133.10)	-	(133.10)	-	86.27%	
160	Mahindra Aerostructures Private Limited	27/01/2011	INR	1.00	322.36	(234.34)	195.23	107.21	-	48.93	(52.39)	-	(52.39)	-	86.27%	
161	Mahindra Aerospace Australia Pty Limited	13/04/2010	AUD	50.07	511.91	(216.13)	295.89	0.11	-	1.54	(83.70)	-	(83.70)	-	86.27%	
162	Aerostaff Australia Pty Limited ^	10/05/2010	AUD	50.07	30.04	(30.04)	-	-	-	2.99	(2.45)	-	(2.45)	-	86.27%	
163	Gipp Aero Investments Pty Limited ^	28/06/2010	AUD	50.07	473.40	(473.40)	-	-	-	(0.02)	-	(0.02)	-	-	86.27%	
164	Gippaero Pty Limited	28/06/2010	AUD	50.07	438.11	(338.55)	182.66	83.20	-	53.33	(100.80)	-	(100.80)	-	86.27%	
165	Airvan Flight Services Pty Limited ^	28/06/2010	AUD	50.07	0.00	(0.04)	0.00	0.04	-	-	-	-	-	-	86.27%	
166	GA8 Airvan Pty Limited ^	28/06/2010	AUD	50.07	-	(0.04)	-	0.04	-	-	-	-	-	-	86.27%	
167	GA200 Pty Limited ^	28/06/2010	AUD	50.07	-	(0.04)	-	0.04	-	-	-	-	-	-	86.27%	
168	Nomad TC Pty Limited ^	28/06/2010	AUD	50.07	0.06	(0.11)	-	0.04	-	-	-	-	-	-	86.27%	
169	Airvan 10 Pty Limited ^	10/12/2015	AUD	50.07	0.00	-	-	0.04	-	-	-	-	-	-	86.27%	
170	Mahindra Waste To Energy Solutions Limited**	25/06/2017	INR	1.00	2.51	(0.13)	2.39	0.01	-	(0.13)	-	(0.13)	-	(0.13)	-	100.00%
171	Mahindra Telecom Energy Management Services Limited**	25/06/2017	INR	1.00	0.01	(0.01)	0.01	0.01	-	(0.01)	-	(0.01)	-	(0.01)	-	100.00%
172	Mahindra Sanyo Special Steel Private Limited	11/11/2011	INR	1.00	11.98	139.34	766.75	615.44	-	1102.32	(27.95)	-	(27.95)	-	51.00%	

Notes:

* Denotes amounts less than Rs. 50,000.

** Denotes companies yet to commence operations

*** Incorporated in November, 2017 and will prepare its first statutory accounts for the period ending 31st October, 2018.

^ The entity is not required to get its financial statements audited under laws of the country in which it is incorporated. Hence, the management certified accounts have been considered for consolidation.

Denotes companies where reporting period is different from 1st April, 2017 to 31st March, 2018. The financial year for all other subsidiaries is 1st April, 2017 to 31st March, 2018

@ Excluding shares issued to ESOP Trusts of the respective entities/their holding companies but not allotted to employees

Names of subsidiaries which have ceased to exist during the year on account of Liquidation/Sale/Merger through scheme of arrangement are as under:

(i) Mahindra Yueda (Yancheng) Tractor Company Limited

(ii) Defence Land Systems India Limited

(iii) Raigad Industrial & Business Park Limited

(iv) Gateway Housing Company Limited

(v) Mahindra Telecommunications Investment Private Limited

Part "B" Details of Associates / Joint Ventures [as per Section 2(6) of the Companies Act, 2013]

Name of Associates / Joint Ventures	Audited Balance Sheet Date	Date of Acquisition	No. of Equity shares held ††	Proportion of ownership interest	Cost of Investments	Networth attributable to Shareholding as per latest audited Balance Sheet	Rupees crores	
							Considered in Consolidation	Not considered in consolidation
Swaraj Engines Limited	31/03/2018	11/08/2008	4,039,206	33.31%	1.60	76.11	26.68	53.42
Tech Mahindra Limited	31/03/2018	31/08/2012	256,450,608	26.19%	2,691.53	4,934.93	995.05	2,804.77
Mahindra & Mahindra Contech Limited	31/03/2018	01/04/2010	70,000	46.66%	1.73	5.55	0.44	0.51
Officemartindia.com Limited	31/03/2018	31/03/2002	749,997	50.00%	0.22	(0.12)	*	*
Kota Farm Services Limited	31/03/2018	15/04/2011	310,000	51.02%	0.27	(0.15)	*	*
P.F. holding BV	31/03/2018	27/05/2016	18,336,050	40.00%	137.82	220.52	(6.39)	(9.58)
Sampo Rosenlew Oy	30/09/2017	01/07/2016	1,050	35.00%	110.49	73.45	(14.65)	(27.22)
Carnot Technologies Private Limited	31/03/2018	9/03/2018	7,370	23.66%	6.07	1.14	—	—
Mitsubishi Mahindra Agricultural Machinery co., Ltd. §	31/03/2018	01/10/2015	4	33.33%	191.59	470.39	(34.50)	(17.24)
M.I.T.R.A Agro Equipments Private Limited	31/03/2018	15/02/2018	68,413	27.06%	8.90	3.04	—	—
Zoomcar Inc ♦		16/02/2018	—	—	—	—	—	—
Resfeber Labs Private Limited	31/03/2018	28/03/2018	246,280	23.47%	50.05	10.24	—	—

Notes :

No associates/ Joint ventures are yet to commence operations.

* denotes amount less than Rs. 50,000.

†† including participating preference shares.

§ In addition to JPY750 million Common Stock (which represents 33.33% of the Common stock),the Company owns the entire JPY 2,250 million "Class A" shares (shares with no voting rights); "Class A" shares have rights over dividend and liquidation on an equal basis with Common Stock.

♦ Significant influence is through right to participate in business decisions arising out of contractual agreement. Additionally, the Company holds 3,63,752 Compulsory Convertible Preference Shares of Zoomcar India Private Limited, a subsidiary of Zoomcar Inc., comprising of approx. 11.60% of the total equity share capital and compulsory convertible preference share capital.

Nadir B. Godrej M. M. Murugappan R. K. Kulkarni Anupam Puri Vishakha N. Desai Vikram Singh Mehta T. N. Manoharan	}	Anand G. Mahindra Dr. Pawan Goenka V. S. Parthasarathy Narayan Shankar	Executive Chairman Managing Director Group Chief Financial Officer & Group CIO Company Secretary
Directors			Mumbai, 29 th May, 2018

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Mahindra
Rise.

Registered Office: Mahindra & Mahindra Limited
Gateway Building, Apollo Bunder, Mumbai - 400 001.

www.mahindra.com

Mahindra & Mahindra Limited

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

CIN: L65990MH1945PLC004558

website: www.mahindra.com • email: investors@mahindra.com • Tel: +91 22 22895500 • Fax: +91 22 22875485

PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL. Joint Shareholders desiring to attend the Meeting may obtain additional Attendance Slips on request. Such request should reach the Company at its Registered Office or its Registrar & Transfer Agents, Karvy Computershare Private Limited at Karvy Selenium, Tower B, Plot No. 31 & 32, Gachibowli, Financial District, Nanakramguda, Hyderabad, Telangana – 500 032 on or before 24th July, 2018.

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I/We hereby record my/our presence at the **SEVENTY SECOND ANNUAL GENERAL MEETING** of the Company being held at **Birla Matushri Sabhagar, 19, Sir Vithaldas Thackersey Marg (New Marine Lines), Mumbai – 400 020** on **Tuesday, 7th August, 2018** at **3.00 pm**.

Name(s) of the Shareholder(s)/Proxy (IN BLOCK LETTERS)

Signature(s) of the Shareholder(s) or Proxy

Note: You are requested to bring your copy of the Annual Report to the Meeting.



(To be retained throughout the Meeting)

E-VOTING SLIP**Mahindra & Mahindra Limited**

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

CIN: L65990MH1945PLC004558

website: www.mahindra.com • email: investors@mahindra.com • Tel: +91 22 22895500 • Fax: +91 22 22875485**ELECTRONIC VOTING PARTICULARS**

EVEN (E-Voting Event Number)	USER ID	PASSWORD
3825		

- Note:**
1. The remote e-voting period will commence on Friday, 3rd August, 2018 (9:00 a.m. IST) and will end on Monday, 6th August, 2018 (5:00 p.m. IST).
 2. Please read instructions given overleaf before voting electronically.

Instructions for Remote e-voting:

Members are requested to follow the instructions given below before they cast their votes through remote e-voting:

1. New Users

- (i) User ID and password for e-voting is provided in the table overleaf. Please note that the password is an initial password.
- (ii) Launch internet browser by typing the URL: <https://www.evoting.karvy.com>
- (iii) Enter the login credentials (i.e. User ID and password). In case of physical folio, User ID will be E-Voting Event Number (EVEN) followed by folio number. In case of Demat account, User ID will be your DP ID and Client ID.
- (iv) You will now reach password change Menu wherein you are required to mandatorily change your password with a new password of your choice with minimum 8 characters. The system will prompt you to change your password and update your contact details like mobile number, email ID, etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.
- (v) You need to login again with the new credentials.
- (vi) On successful login, the system will prompt you to select the "EVENT" i.e. Mahindra & Mahindra Limited.
- (vii) Now you are ready for e-voting as voting page opens.
- (viii) You may then cast your vote by selecting an appropriate option and click on "Submit" and also click on "OK" to confirm else "CANCEL" to modify.
- (ix) Once you have voted on the resolution(s), you will not be allowed to modify your vote.
- (x) Corporate/Institutional Members (i.e. other than individuals, HUF, NRI, etc.) are required to send scanned certified true copy (PDF Format) of the Board Resolution/Authority letter etc. together with attested specimen signature(s) of the duly authorized representative(s), to the Scrutinizer at e-mail ID sbhagwatcs@yahoo.co.in with a copy marked to evoting@karvy.com. The scanned image of the above mentioned documents should be in the naming format "**Corporate Name_EVEN.**"

2. Existing Users

If you are already registered with Karvy Computershare Private Limited (Karvy) for e-voting then you can use your existing user ID and password for casting your vote. Please follow the steps from Sl. No. (vi) to (x).

Voting at the Annual General Meeting:

The facility for voting through e-voting system (Insta Poll) of Karvy shall also be made available at the Annual General Meeting (AGM) and Members attending the AGM who have not already cast their vote through 'remote e-voting' shall be able to exercise their right to vote at the AGM venue. Members who have cast their vote through 'remote e-voting' may also attend the Meeting but shall not be entitled to cast their vote again in the Meeting.

General Instructions:

- I. In case of any queries and/or grievances, in respect of voting by electronic means, Members may refer to the Help & Frequently Asked Questions (FAQs) and E-voting user manual available at the download section of <https://evoting.karvy.com> (Karvy Website) or contact at investors@mahindra.com or evoting@karvy.com or call on 040 – 6716 1500 or on Karvy's toll free No. 1800-3454-001 for any further clarifications.
- II. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently.
- III. The voting rights of Members shall be in proportion to their share in the paid up equity share capital of the Company as on the cut-off date i.e. Tuesday, 31st July, 2018.
- IV. Mr. Sachin Bhagwat, Practicing Company Secretary (Membership No. ACS10189) has been appointed as the Scrutiniser to scrutinise the e-voting process in a fair and transparent manner.

PROXY FORM

[Pursuant to section 105(6) of the
Companies Act, 2013 and Rule 19(3)
of the Companies (Management
and Administration) Rules, 2014]

Mahindra & Mahindra Limited

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

CIN: L65990MH1945PLC004558

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Name of the member(s)	:
Registered address	:
E-mail Id	:
Folio No./Client Id	:
DP ID	:

I/We, being the member(s) of _____ shares of the above named company, hereby appoint:

1. Name: _____ E-mail Id: _____
Address: _____

Signature: _____, or failing him
2. Name: _____ E-mail Id: _____
Address: _____

Signature: _____, or failing him
3. Name: _____ E-mail Id: _____
Address: _____

Signature: _____

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Seventy Second Annual General Meeting of the Company, to be held on Tuesday, the 7th day of August, 2018 at 3.00 p.m. at Birla Matushri Sabhagar, 19, Sir Vithaldas Thackersey Marg (New Marine Lines), Mumbai - 400 020 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Description	For	Against
1.	To receive, consider and adopt the Audited Financial Statement (including Audited Consolidated Financial Statement) of the Company for the Financial Year ended 31 st March, 2018 and the Reports of the Board of Directors and Auditors thereon.		
2.	Declaration of Dividend on Ordinary (Equity) Shares.		
3.	Re-appointment of Mr. Anand Mahindra (DIN:00004695) as a Director, who retires by rotation and, being eligible, offers himself for re-appointment.		
4.	Ratification of the Remuneration payable to Messrs D. C. Dave & Co., Cost Accountants (Firm Registration Number 000611), appointed as the Cost Auditors of the Company for the Financial Year ending 31 st March, 2019.		
5.	Re-appointment of Mr. M. M. Murugappan (DIN:00170478) as an Independent Director of the Company for a second term of two consecutive years commencing from 8 th August, 2018 to 7 th August, 2020.		

Resolution No.	Description	For	Against
6.	Re-appointment of Mr. Nadir B. Godrej (DIN: 00066195) as an Independent Director of the Company for a second term of two consecutive years commencing from 8 th August, 2018 to 7 th August, 2020.		
7.	Borrow by way of securities, including but not limited to, secured/unsecured redeemable Non-Convertible Debentures (NCDs) to be issued under Private Placement basis upto Rs. 5,000 crores.		

Signed this _____ day of _____ 2018.

Signature of Shareholder

Signature of Proxy holder(s)

Affix
Revenue
Stamp

Notes:

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, either in person or through post, not less than 48 hours before the commencement of the Meeting. Corporate members intending to send their authorized representative(s) to attend the Meeting are requested to send to the Company a certified true copy of the relevant Board Resolution together with the specimen signature(s) of the representative(s) authorised under the said Board Resolution to attend and vote on their behalf at the Meeting.
2. A person can act as a proxy on behalf of Members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. Further, a Member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other Member. Proxies submitted on behalf of limited companies, societies, etc., must be supported by an appropriate resolution/authority as applicable. The Proxy-holder shall prove his identity at the time of attending the Meeting.