

Press Release

For Immediate Dissemination

Mahindra Finance

Standalone Results

Mahindra Finance Customer Base crosses 4 million**F-2016 Q3 Disbursement up by 19%****F-2016 YTD Income up by 4 %**

Mumbai, January 21, 2016: The Board of Directors of Mahindra & Mahindra Financial Services Limited (Mahindra Finance), a leading provider of financial services in the rural and semi-urban markets announced today the unaudited financial results for quarter and nine months period ended 31st December, 2015.

F-2016 Q3 Consolidated Results

The **Total Income** increased by 5% at **Rs.1593 crores** during the quarter ended 31st December, 2015 as against Rs.1522 crores in the corresponding quarter last year. The **Profit After Tax (PAT)** declined by **37%** to **Rs.101 crores** during the quarter ended 31st December, 2015 as against Rs.160 crores during the corresponding quarter last year.

F-2016 Q3 Standalone Results

The **Total Income** increased by 1% at **Rs.1409 crores** during the quarter ended 31st December, 2015 as against Rs.1396 crores in the corresponding quarter last year. The **Profit After Tax (PAT)** declined by **51%** to **Rs.67 crores** during the quarter ended 31st December, 2015 as against Rs.136 crores during the corresponding quarter last year.

F-2016 YTD Consolidated Results

The **Total Income** increased by 7% at **Rs.4693 crores** during the nine months period ended 31st December, 2015 as against Rs.4381 crores in the corresponding period last year. The **Profit After Tax (PAT)** declined by **33%** to **Rs.370 crores** during the nine months period ended 31st December, 2015 as against Rs.553 crores during the corresponding period last year. The PAT is after considering an additional provision of **Rs.51 crores** (# Please refer the Note).

F-2016 YTD Standalone Results

The **Total Income** increased by 4% at **Rs.4215 crores** during the nine months period ended 31st December, 2015 as against Rs.4047 crores in the corresponding period last year. The **Profit After Tax (PAT)** declined by **39%** to **Rs.302 crores** during the nine months period ended 31st December, 2015 as against Rs.498 crores during the corresponding period last year. The PAT is after considering an additional provision of **Rs.51 crores** (# Please refer the Note).

The Company follows prudential norms for income recognition, asset classification and provisioning for Non-Performing Assets (NPAs) as prescribed by Reserve Bank of India (RBI) for NBFCs and has also been making additional provision on a prudential basis. The **Company has complied with the revised norms of recognizing NPAs at 5 months** applicable for the current financial year issued by the RBI vide its notification no. DNBR. 011/CGM (CDS)-2015 dt. March 27, 2015. The cumulative additional provision over the prevailing RBI norms is at Rs.855 crores.

Note: Effective from the quarter ended 30th September, 2015, the Company as a prudent practice has also decided to accelerate the recognition of NPAs in a phased manner so as to meet the revised NPA norms of **4 months** before 31st March, 2017. Accordingly, an **additional provision of Rs.51 crores** (including income de-recognition) has been made with a consequent impact on standalone and consolidated Profit before tax for the nine months period ended 31st December 2015. However, there is no significant impact of this change on the provision for the quarter ended 31st December 2015.

Operations

Mahindra Finance, during the nine months period ended 31st December 2015, has **disbursed Rs.19895.60 Crores** as against **Rs.18028.43 Crores** during the same period previous year, registering a growth of 10% over the same period previous year. For the quarter ended 31st December 2015, the Company has **disbursed Rs.7972.84 Crores** as against **Rs.6709.90 Crores** during the same period previous year, registering a growth of 19% over the same period previous year.

During the quarter, the Company's customer base has crossed 4 million customers. The Company currently has a network of **1179** offices and Total Assets Under Management (AUM) of **Rs. 40282 crores** as on 31st December, 2015 as against **Rs.36502 crores** as on 31st December, 2014, a growth of 10%.

The semi-urban and rural market continues to remain under pressure. Lower economic growth coupled with weak monsoon in some of the market, the customer cash flow continues to remain under pressure leading to increase in NPA.

SUBSIDIARIES

Mahindra Insurance Brokers Limited (MIBL)

During the **quarter ended 31st December, 2015**, MIBL registered income at **Rs.40.7 Crores** as against **Rs.34.4 Crores**, registering a growth of 18% over the same period previous year. The Profit After Tax (PAT) registered was **Rs.14.0 Crores** as against **Rs.12.6 Crores**, registering a growth of 11% over the same period previous year.

During the **nine months period ended 31st December, 2015**, MIBL registered Income at **Rs.103.3 Crores**, as against **Rs.90.6 Crores**, registering a growth of 14% over the same period previous year. The Profit After Tax (PAT) was **Rs.32.6 Crores** as against **Rs.30.1 Crores**, registering a growth of 8% over the same period previous year.

Mahindra Rural Housing Finance Limited (MRHFL)

During the quarter ended 31st December 2015, MRHFL **disbursed Rs.341.1 Crores** as against **Rs.216.0 Crores** during the same period previous year, registering a growth of 58% over the same period previous year. MRHFL registered **income at Rs.127.3 crores** as against **Rs. 82.6 crores**, registering a growth of **54%** over the same period previous year. The **Profit After Tax (PAT)** registered a growth of **112%** at **Rs.16.1 Crores** as against **Rs. 7.6 Crores** for the same period previous year.

During the **nine months period ended 31st December 2015**, MRHFL **disbursed Rs.1022.0 Crores** as against **Rs.643.2 Crores** during the same period previous year, registering a growth of 59% over the same period previous year. MRHFL registered **income at Rs. 340.4 crores** as against **Rs.226.8 crores**, a growth of **50%** over the same period previous year. The **Profit After Tax (PAT)** registered a growth of 45 % at **Rs. 32.8 Crores** as against **Rs.22.6 Crores** for the same period previous year.

About Mahindra & Mahindra Financial Services Limited

Mahindra & Mahindra Financial Services Limited (Mahindra Finance), part of the Mahindra Group, is one of India's leading non-banking finance companies. Focused on the rural and semi-urban sector, the Company has over 4 million customers and has an AUM of USD 6 billion. The Company is a leading vehicle and tractor financier and also offers fixed deposits and loans to SMEs. The Company has over 1,100 offices across the country and is the first finance Company from India to form a part of Dow Jones Sustainability Index.

The Company's Insurance Broking subsidiary, Mahindra Insurance Brokers Limited (MIBL), is a licensed Composite Broker providing Direct and Reinsurance broking services.

Mahindra Rural Housing Finance Limited (MRHFL) a subsidiary of MMFSL provides loans for purchase, renovation, construction of houses to individuals in the rural areas of the country.

The Company has a JV in US, Mahindra Finance USA, in partnership with De Lage Landen, a subsidiary of Rabo Bank, for financing Mahindra tractors in US.

About Mahindra

The Mahindra Group focuses on enabling people to rise through solutions that power mobility, drive rural prosperity, enhance urban lifestyles and increase business efficiency.

A USD 16.9 billion multinational group based in Mumbai, India, Mahindra provides employment opportunities to over 200,000 people in over 100 countries. Mahindra operates in the key industries that drive economic growth, enjoying a leadership position in tractors, utility vehicles, information technology, financial services and vacation ownership. In addition, Mahindra enjoys a strong presence in the agribusiness, aerospace, components, consulting services, defence, energy, industrial equipment, logistics, real estate, retail, steel, commercial vehicles and two wheeler industries.

In 2015, Mahindra & Mahindra was recognized as the Best Company for CSR in India in a study by the Economic Times. In 2014, Mahindra featured on the Forbes Global 2000, a comprehensive listing of the world's largest, most powerful public companies, as measured by revenue, profit, assets and market value. The Mahindra Group also received the Financial Times 'Boldness in Business' Award in the 'Emerging Markets' category in 2013.

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