

Mahindra & Mahindra Financial Services Limited

CIN : L65921MH1991PLC059642

Registered Office: Gateway Building, Apollo Bunder, Mumbai 400 001. Tel. No. +91 22 22895500 Fax: +91 22 22875485
Corporate Office: Mahindra Towers, 4th Floor, Dr. G.M. Bhosale Marg, Worli, Mumbai 400 018. Tel. No. +91 22 66526000 Fax: +91 22 24984170 / 71
Website : www.mahindrafinance.com ; Email : investorhelpline_mmfsl@mahindra.com

PART - I

STATEMENT OF STANDALONE UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED JUNE 30, 2017

Rs. in Lakhs

| | Particulars | Quarter ended | | | Year ended (Audited) |
|-----------|--|------------------|------------------|------------------|----------------------|
| | | June 30 2017 | March 31 2017 | June 30 2016 | March 31 2017 |
| 1 | Revenue from operations | 159237.16 | 182545.10 | 136642.70 | 617391.06 |
| 2 | Other income | 1070.79 | 1725.31 | 925.36 | 6362.76 |
| 3 | Total Revenue (1+2) | 160307.95 | 184270.41 | 137568.06 | 623753.82 |
| 4 | Expenses: | | | | |
| a) | Employee benefits expense | 19795.66 | 17967.27 | 16751.05 | 68089.71 |
| b) | Finance costs | 73267.70 | 71374.45 | 69098.21 | 285742.70 |
| c) | Depreciation and amortization expense | 1106.23 | 1353.98 | 1064.23 | 4602.14 |
| d) | Loan provisions and write off (refer note no.4) | 42582.35 | 36141.08 | 22453.43 | 130912.67 |
| e) | Other expenses | 17195.86 | 21051.19 | 14787.28 | 72399.77 |
| | Total expenses | 153947.80 | 147887.97 | 124154.20 | 561746.99 |
| 5 | Profit / (Loss) before exceptional and extraordinary items and tax (3-4) | 6360.15 | 36382.44 | 13413.86 | 62006.83 |
| 6 | Exceptional items | - | - | - | - |
| 7 | Profit / (Loss) before extraordinary items and tax (5-6) | 6360.15 | 36382.44 | 13413.86 | 62006.83 |
| 8 | Extraordinary items | - | - | - | - |
| 9 | Profit / (Loss) before tax (7-8) | 6360.15 | 36382.44 | 13413.86 | 62006.83 |
| 10 | Tax expense (refer note no.6) | | | | |
| | - Current tax | 3569.45 | 22510.00 | 7244.95 | 36350.00 |
| | - Deferred tax | (1947.88) | (9534.66) | (2529.05) | (14366.66) |
| | Tax expense | 1621.57 | 12975.34 | 4715.90 | 21983.34 |
| 11 | Profit / (Loss) for the period from continuing operations (9-10) | 4738.58 | 23407.10 | 8697.96 | 40023.49 |
| 12 | Profit / (Loss) from discontinuing operations | - | - | - | - |
| 13 | Tax expense of discontinuing operations | - | - | - | - |
| 14 | Profit / (Loss) from discontinuing operations (after tax) (12-13) | - | - | - | - |
| 15 | Profit / (Loss) for the period / year (11+14) | 4738.58 | 23407.10 | 8697.96 | 40023.49 |
| 16 | Paid-up equity share capital (face value of Rs.2/- each) | 11301.30 | 11300.83 | 11292.43 | 11300.83 |
| 17 | Reserves (excluding Revaluation Reserve as shown in the Balance Sheet of previous year) | | | | 636423.59 |
| 18 | i) Earnings per share (before extraordinary items) (face value of Rs.2/- each) # | | | | |
| | a) Basic (Rs.) | 0.84 | 4.14 | 1.54 | 7.09 |
| | b) Diluted (Rs.) | 0.83 | 4.12 | 1.53 | 7.04 |
| | ii) Earnings per share (after extraordinary items) (face value of Rs.2/- each) # | | | | |
| | a) Basic (Rs.) | 0.84 | 4.14 | 1.54 | 7.09 |
| | b) Diluted (Rs.) | 0.83 | 4.12 | 1.53 | 7.04 |

Earnings per share for the interim period is not annualised.

STATEMENT OF CONSOLIDATED UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED JUNE 30, 2017

Rs. in Lakhs

| Particulars | Quarter ended | | | Year ended (Audited) |
|---|------------------|------------------|------------------|-------------------------|
| | June 30 2017 | March 31 2017 | June 30 2016 | March 31 2017 |
| 1 Revenue from operations | 187451.87 | 212308.22 | 156791.88 | 714620.43 |
| 2 Other income | 1154.47 | 949.07 | 1063.29 | 5444.65 |
| 3 Total Revenue | 188606.34 | 213257.29 | 157855.17 | 720065.08 |
| 4 Expenses: | | | | |
| a) Employee benefits expense | 25860.88 | 24087.28 | 21039.47 | 88663.96 |
| b) Finance costs | 82810.49 | 80235.86 | 76387.74 | 318617.44 |
| c) Depreciation and amortization expense | 1337.92 | 1584.01 | 1216.26 | 5372.32 |
| d) Loan provisions and write off (refer note no.4) | 47274.54 | 37828.76 | 24753.28 | 138955.10 |
| e) Other expenses | 22227.47 | 24705.40 | 17322.70 | 84680.81 |
| Total expenses | 179511.30 | 168441.31 | 140719.45 | 636289.63 |
| 5 Profit / (Loss) before exceptional and extraordinary items and tax (3-4) | 9095.04 | 44815.98 | 17135.72 | 83775.45 |
| 6 Exceptional items | - | - | - | - |
| 7 Profit / (Loss) before extraordinary items and tax (5-6) | 9095.04 | 44815.98 | 17135.72 | 83775.45 |
| 8 Extraordinary items | - | - | - | - |
| 9 Profit / (Loss) before tax (7-8) | 9095.04 | 44815.98 | 17135.72 | 83775.45 |
| 10 Tax expense (refer note no.6) | | | | |
| - Current tax | 4886.81 | 26575.72 | 8737.06 | 46353.48 |
| - Deferred tax | (1867.72) | (10357.74) | (2615.48) | (15548.01) |
| Tax expense | 3019.09 | 16217.98 | 6121.58 | 30805.47 |
| 11 Profit / (Loss) for the period from continuing operations (9-10) | 6075.95 | 28598.00 | 11014.14 | 52969.98 |
| 12 Profit / (Loss) from discontinuing operations | - | - | - | - |
| 13 Tax expense of discontinuing operations | - | - | - | - |
| 14 Profit / (Loss) from discontinuing operations (after tax) (12-13) | - | - | - | - |
| 15 Profit / (Loss) for the period / year (11+14) | 6075.95 | 28598.00 | 11014.14 | 52969.98 |
| 16 Minority interest | 233.58 | 776.07 | 249.86 | 1,806.31 |
| 17 Net Profit / (Loss) after taxes and minority interest (15-16) | 5842.37 | 27821.93 | 10764.28 | 51163.67 |
| 18 Paid-up equity share capital (face value of Rs.2/- each) | 11301.30 | 11300.83 | 11292.43 | 11300.83 |
| 19 Reserves (excluding Revaluation Reserve as shown in the Balance Sheet of previous year) | | | | 684714.72 |
| 20 i) Earnings per share (before extraordinary items) (face value of Rs.2/- each) # | | | | |
| a) Basic (Rs.) | 1.03 | 4.93 | 1.91 | 9.06 |
| b) Diluted (Rs.) | 1.03 | 4.89 | 1.89 | 9.00 |
| ii) Earnings per share (after extraordinary items) (face value of Rs.2/- each) # | | | | |
| a) Basic (Rs.) | 1.03 | 4.93 | 1.91 | 9.06 |
| b) Diluted (Rs.) | 1.03 | 4.89 | 1.89 | 9.00 |

Earnings per share for the interim period is not annualised.

Notes:

- 1) The above financial results for the quarter ended June 30, 2017 have been reviewed by the Audit Committee and subsequently approved by the Board of Directors of the Company at its meeting held on July 24, 2017.
- 2) The Consolidated financial results include the unaudited results of the subsidiaries Mahindra Insurance Brokers Ltd. (85%), Mahindra Rural Housing Finance Ltd. (87.50%), Mahindra Asset Management Company Private Limited (100%), Mahindra Trustee Company Private Limited (100%) and unaudited financial results of a (49%) Joint Venture company, Mahindra Finance USA LLC, in the United States. The standalone financial results of Mahindra Finance USA LLC, which does not constitute material component of the consolidated financial results have neither been audited nor reviewed by the statutory auditors.
- 3) The Company is engaged primarily in the business of financing and accordingly there are no separate reportable segments as per Accounting Standard 17 dealing with "Segment Reporting" in respect of the Company. The Segment Reporting in respect of the Consolidated Results is given in Appendix 1.
- 4) a) The Company has complied with the prudential guidelines issued by the Reserve Bank of India (RBI) in respect of Income Recognition and Provision for Non-Performing Assets (NPAs) and has also been making accelerated provision on a prudential basis.
b) The Company, with effect from quarter ended June 30, 2016, had started considering the estimated realisable value of underlying security (which conforms to the RBI norms) for loan assets to determine 100% provisioning for assets which were 24 months overdue which had resulted in lower provision of Rs.19275.18 Lakhs for the quarter ended June 30, 2016 and Rs. 8336.91 lakhs for the year ended March 31, 2017 with a consequent impact on the profit before tax. In the quarter ended June 30, 2017, the Company has made additional provision of Rs. 8336.91 Lakhs against the above mentioned 100% provision cases.
c) Vide RBI notification no. DNBR. 011/CGM (CDS)-2015 dt. March 27, 2015, the Company will be required to move to the 90 days provisioning norm by March 31, 2018.
- 5) During the quarter ended June 30, 2017, the Company has made following investments :
 - i) Rs. 1259.15 Lakhs equivalent to US \$ 1.96 million in Mahindra Finance USA LLC, a Joint Venture company formed jointly with De Lage Landen Financial Services Inc. in the United States (quarter ended 30th June, 2016 : Rs.1157.52 lakhs equivalent to US \$ 1.74 million; year ended 31st March, 2017: Rs.3111.84 Lakhs equivalent to US \$ 4.64 million);
There is no consequent change in the Company's shareholding pattern.
 - ii) Rs.1000.00 Lakhs in Mahindra Asset Management Company Private Limited, its wholly owned subsidiary, by subscription to 1,00,00,000 Equity shares of Face Value of Rs.10/- each for cash at par fully paid up on a rights basis (year ended March 31, 2017: Rs.3045.00 Lakhs).
- 6) Tax expense for the current quarter is net of Rs.572.22 lakhs on account of adjustment towards excess provision for earlier year.
- 7) All secured Non-convertible debentures issued by the Company are secured by paripassu charges on Aurangabad office and exclusive charge on receivables under loan contracts, owned assets and book debts to the extent of 100% of outstanding secured Non-convertible debentures.
- 8) Previous period/year figures have been regrouped / reclassified, wherever found necessary, to conform to current period/year classification.

**For and on behalf of the Board of Directors
Mahindra & Mahindra Financial Services Ltd.**

**Date : July 24, 2017
Place : Mumbai**

**Ramesh Iyer
Vice Chairman & Managing Director**

Appendix 1**Mahindra & Mahindra Financial Services Limited****Segment-wise Revenue, Results, Assets and Liabilities for Consolidated unaudited results under Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements)
Rs. in Lakhs**

| Particulars | Consolidated | | | |
|---|---------------------------|-------------------|-------------------|----------------------|
| | Quarter ended (Unaudited) | | | Year ended (Audited) |
| | June 30 2017 | March 31 2017 | June 30 2016 | March 31 2017 |
| (a) Segment Revenue | | | | |
| - Financing Activities | 184368.04 | 209404.19 | 155339.03 | 708912.27 |
| - Others | 5417.97 | 5712.52 | 3760.53 | 18303.55 |
| Total | 189786.01 | 215116.71 | 159099.56 | 727215.82 |
| Less : Inter-segment revenue | 1179.67 | 1859.42 | 1244.39 | 7150.74 |
| Net Revenue | 188606.34 | 213257.29 | 157855.17 | 720065.08 |
| (b) Segment Results (Profit before tax) : | | | | |
| - Financing Activities | 8189.76 | 42681.65 | 15820.92 | 77670.60 |
| - Others | 905.28 | 2134.33 | 1314.80 | 6104.85 |
| Total | 9095.04 | 44815.98 | 17135.72 | 83775.45 |
| Add : Other unallocable income net of unallocable expenditure | - | - | - | - |
| Net Profit before tax | 9,095.04 | 44,815.98 | 17,135.72 | 83,775.45 |
| (c) Segment Assets : | | | | |
| - Financing Activities | 5388326.78 | 5242386.18 | 4567210.25 | 5242386.18 |
| - Others | 5298.12 | 5166.72 | 4956.03 | 5166.72 |
| - Other unallocable assets | 99879.34 | 93104.25 | 73569.92 | 93104.25 |
| Total | 5493504.24 | 5340657.15 | 4645736.20 | 5340657.15 |
| (d) Segment Liabilities : | | | | |
| - Financing Activities | 4777943.24 | 4631965.16 | 3980519.39 | 4631965.16 |
| - Others | 3318.44 | 2696.33 | 2119.73 | 2696.33 |
| - Other unallocable liabilities | - | - | - | - |
| Total | 4781261.68 | 4634661.49 | 3982639.12 | 4634661.49 |

Note :

The Management of the Company has identified the above reportable segments. Segment information for the previous periods/year have been restated, wherever found necessary, in order to conform to the current quarter presentation.

**For and on behalf of the Board of Directors
Mahindra & Mahindra Financial Services Ltd.**

**Date : July 24, 2017
Place : Mumbai**

**Ramesh Iyer
Vice Chairman & Managing Director**