

# Mahindra & Mahindra Financial Services Limited

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## STATEMENT OF AUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31 MARCH 2018

Rs. in Lakhs

	Particulars	Quarter ended			Year ended	
		31 March 2018	31 December 2017	31 March 2017	31 March 2018	31 March 2017
		(Audited) *	(Unaudited)	(Audited) *	(Audited)	(Audited)
1	Revenue from operations	2,05,998.69	1,83,395.34	1,82,545.10	7,14,710.23	6,17,391.06
2	Other income	1,381.53	1,240.85	1,725.31	5,902.00	6,362.76
<b>3</b>	<b>Total Revenue (1+2)</b>	<b>2,07,380.22</b>	<b>1,84,636.19</b>	<b>1,84,270.41</b>	<b>7,20,612.23</b>	<b>6,23,753.82</b>
<b>4</b>	<b>Expenses:</b>					
a)	Employee benefits expense	26,243.15	20,515.31	17,967.27	85,176.48	68,089.71
b)	Finance costs	75,500.49	76,289.27	71,374.45	3,00,039.88	2,85,742.70
c)	Depreciation and amortization expense	1,175.08	1,070.91	1,353.98	4,419.21	4,602.14
d)	Loan provisions and write off (refer note 7)	15,722.18	19,894.64	36,141.08	1,22,659.47	1,30,912.67
e)	Other expenses	21,856.25	21,235.36	21,051.19	77,539.54	72,399.77
	<b>Total expenses</b>	<b>1,40,497.15</b>	<b>1,39,005.49</b>	<b>1,47,887.97</b>	<b>5,89,834.58</b>	<b>5,61,746.99</b>
<b>5</b>	<b>Profit before exceptional and extraordinary items and tax (3-4)</b>	<b>66,883.07</b>	<b>45,630.70</b>	<b>36,382.44</b>	<b>1,30,777.65</b>	<b>62,006.83</b>
6	Exceptional items (refer note 12)	-	6,497.18	-	6,497.18	-
<b>7</b>	<b>Profit before extraordinary items and tax (5+6)</b>	<b>66,883.07</b>	<b>52,127.88</b>	<b>36,382.44</b>	<b>1,37,274.83</b>	<b>62,006.83</b>
8	Extraordinary items	-	-	-	-	-
<b>9</b>	<b>Profit before tax (7-8)</b>	<b>66,883.07</b>	<b>52,127.88</b>	<b>36,382.44</b>	<b>1,37,274.83</b>	<b>62,006.83</b>
<b>10</b>	<b>Tax expense</b>					
	- Current tax	18,494.42	26,031.07	22,510.00	54,312.94	36,350.00
	- Deferred tax	5,936.23	(8,101.46)	(9,534.66)	(6,226.54)	(14,366.66)
	<b>Tax expense</b>	<b>24,430.65</b>	<b>17,929.61</b>	<b>12,975.34</b>	<b>48,086.40</b>	<b>21,983.34</b>
<b>11</b>	<b>Profit for the period/year from continuing operations (9-10)</b>	<b>42,452.42</b>	<b>34,198.27</b>	<b>23,407.10</b>	<b>89,188.43</b>	<b>40,023.49</b>
<b>12</b>	<b>Profit from discontinuing operations</b>	-	-	-	-	-
13	Tax expense of discontinuing operations	-	-	-	-	-
<b>14</b>	<b>Profit from discontinuing operations (after tax) (12-13)</b>	-	-	-	-	-
<b>15</b>	<b>Profit for the period / year (11+14)</b>	<b>42,452.42</b>	<b>34,198.27</b>	<b>23,407.10</b>	<b>89,188.43</b>	<b>40,023.49</b>
<b>16</b>	<b>Earnings per share (face value of Rs.2/- each) #</b>					
	a) Basic ( Rs.)	7.15	5.98	4.14	15.35	7.09
	b) Diluted ( Rs.)	7.14	5.97	4.12	15.33	7.04

# Earnings per share for the interim period is not annualised.

## STATEMENT OF AUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31 MARCH 2018

Rs. in Lakhs

Particulars	Quarter ended			Year ended	
	31 March 2018	31 December 2017	31 March 2017	31 March 2018	31 March 2017
	(Audited) *	(Unaudited)	(Audited) *	(Audited)	(Audited)
1 Revenue from operations	2,49,701.35	2,18,245.46	2,12,308.22	8,53,314.64	7,14,620.43
2 Other income	955.97	1,281.52	949.07	4,035.03	5,444.65
<b>3 Total Revenue</b>	<b>2,50,657.32</b>	<b>2,19,526.98</b>	<b>2,13,257.29</b>	<b>8,57,349.67</b>	<b>7,20,065.08</b>
<b>4 Expenses:</b>					
a) Employee benefits expense	35,129.35	28,771.65	24,087.28	1,15,714.13	88,663.96
b) Finance costs	86,970.87	87,338.10	80,235.86	3,42,631.56	3,18,617.44
c) Depreciation and amortization expense	1,510.01	1,384.87	1,584.01	5,521.14	5,372.32
d) Loan provisions and write off (refer note 7)	16,168.63	22,293.94	37,828.76	1,32,735.09	1,38,955.10
e) Other expenses	29,575.71	26,547.27	24,705.40	99,647.82	84,680.81
<b>Total expenses</b>	<b>1,69,354.57</b>	<b>1,66,335.83</b>	<b>1,68,441.31</b>	<b>6,96,249.74</b>	<b>6,36,289.63</b>
<b>5 Profit before exceptional and extraordinary items and tax (3-4)</b>	<b>81,302.75</b>	<b>53,191.15</b>	<b>44,815.98</b>	<b>1,61,099.93</b>	<b>83,775.45</b>
6 Exceptional items (refer note 12)	-	5,073.72	-	5,073.72	-
<b>7 Profit before extraordinary items and tax (5+6)</b>	<b>81,302.75</b>	<b>58,264.87</b>	<b>44,815.98</b>	<b>1,66,173.65</b>	<b>83,775.45</b>
8 Extraordinary items	-	-	-	-	-
<b>9 Profit before tax (7-8)</b>	<b>81,302.75</b>	<b>58,264.87</b>	<b>44,815.98</b>	<b>1,66,173.65</b>	<b>83,775.45</b>
<b>10 Tax expense</b>					
- Current tax	24,139.04	29,414.21	26,575.72	67,631.96	46,353.48
- Deferred tax	5,852.27	(8,275.09)	(10,357.74)	(6,601.69)	(15,548.01)
<b>Tax expense</b>	<b>29,991.31</b>	<b>21,139.12</b>	<b>16,217.98</b>	<b>61,030.27</b>	<b>30,805.47</b>
<b>11 Profit for the period/year from continuing operations (9-10)</b>	<b>51,311.44</b>	<b>37,125.75</b>	<b>28,598.00</b>	<b>1,05,143.38</b>	<b>52,969.98</b>
<b>12 Profit from discontinuing operations</b>	-	-	-	-	-
13 Tax expense of discontinuing operations	-	-	-	-	-
<b>14 Profit from discontinuing operations (after tax) (12-13)</b>	-	-	-	-	-
<b>15 Profit for the period / year (11+14)</b>	<b>51,311.44</b>	<b>37,125.75</b>	<b>28,598.00</b>	<b>1,05,143.38</b>	<b>52,969.98</b>
16 Minority interest	1,321.58	634.96	776.07	2,752.25	1,806.31
<b>17 Profit after taxes and minority interest (15-16)</b>	<b>49,989.86</b>	<b>36,490.79</b>	<b>27,821.93</b>	<b>1,02,391.13</b>	<b>51,163.67</b>
<b>18 Earnings per share (face value of Rs.2/- each) #</b>					
a) Basic (Rs.)	8.43	6.37	4.93	17.62	9.06
b) Diluted (Rs.)	8.42	6.36	4.89	17.59	9.00

# Earnings per share for the interim period is not annualised.

Particulars	STANDALONE		CONSOLIDATED	
	As at 31 March 2018	As at 31 March 2017	As at 31 March 2018	As at 31 March 2017
<b>A EQUITY AND LIABILITIES</b>				
<b>1 Shareholders' funds</b>				
a) Share capital	12,289.54	11,300.83	12,289.54	11,300.83
b) Reserves and surplus	9,18,019.18	6,36,423.59	9,79,231.39	6,84,714.72
<b>Sub-total - Shareholders' funds</b>	<b>9,30,308.72</b>	<b>6,47,724.42</b>	<b>9,91,520.93</b>	<b>6,96,015.55</b>
<b>2 Minority interest</b>	-	-	<b>14,384.32</b>	<b>9,980.11</b>
<b>3 Non-current liabilities</b>				
a) Long-term borrowings	23,81,608.15	21,41,240.07	28,89,497.52	24,91,079.04
b) Other long-term liabilities	54,083.09	42,740.10	54,084.09	42,741.10
c) Long term provisions	73,043.41	54,890.35	83,378.75	62,168.69
<b>Sub-total - Non-current liabilities</b>	<b>25,08,734.65</b>	<b>22,38,870.52</b>	<b>30,26,960.36</b>	<b>25,95,988.83</b>
<b>4 Current liabilities</b>				
a) Short term borrowings	6,08,489.86	5,79,021.57	7,77,187.24	7,14,064.72
b) Trade payables :				
(i) Due to micro and Small Enterprises	-	-	-	-
(ii) Due to other than Micro and Small Enterprises	93,444.32	57,757.08	1,01,424.54	60,687.84
c) Other current liabilities	11,26,850.61	8,98,635.08	12,57,414.02	10,73,701.93
d) Short term provisions	1,68,952.39	1,61,674.92	1,84,955.39	1,71,853.34
<b>Sub-total - Current liabilities</b>	<b>19,97,737.18</b>	<b>16,97,088.65</b>	<b>23,20,981.19</b>	<b>20,20,307.83</b>
<b>TOTAL - EQUITY AND LIABILITIES</b>	<b>54,36,780.55</b>	<b>45,83,683.59</b>	<b>63,53,846.80</b>	<b>53,22,292.32</b>
<b>B ASSETS</b>				
<b>1 Non-current assets</b>				
a) Fixed assets				
i) Property, Plant and Equipments	11,242.43	10,843.54	13,739.60	12,931.37
ii) Intangible assets	723.97	307.93	925.94	403.76
iii) Capital work-in-progress	-	49.09	-	55.67
iv) Goodwill on consolidation	-	-	527.46	4.05
v) Intangible assets under development	-	-	45.60	58.21
b) Non-current investments	1,45,791.06	1,31,173.39	77,661.68	79,794.03
c) Deferred tax assets (Net)	79,393.23	73,166.69	82,318.42	75,717.77
d) Long-term loans and advances	27,64,930.51	22,23,650.53	34,88,224.42	28,12,902.15
e) Other non-current assets	5,686.25	11,978.80	5,882.63	12,124.28
<b>Sub-total - Non-current assets</b>	<b>30,07,767.45</b>	<b>24,51,169.97</b>	<b>36,69,325.75</b>	<b>29,93,991.29</b>
<b>2 Current assets</b>				
a) Current investments	41,525.68	56,133.37	41,161.05	57,598.21
b) Trade receivables	742.86	582.70	6,045.98	2,295.93
c) Cash and cash equivalents	41,112.09	57,806.50	48,537.79	60,387.54
d) Short-term loans and advances	23,35,501.51	20,11,982.46	25,77,808.78	22,01,635.67
e) Other current assets	10,130.96	6,008.59	10,967.45	6,383.68
<b>Sub-total - Current assets</b>	<b>24,29,013.10</b>	<b>21,32,513.62</b>	<b>26,84,521.05</b>	<b>23,28,301.03</b>
<b>TOTAL - ASSETS</b>	<b>54,36,780.55</b>	<b>45,83,683.59</b>	<b>63,53,846.80</b>	<b>53,22,292.32</b>

**Notes:**

- 1) The above financial results for the quarter and year ended 31 March 2018 have been reviewed by the Audit Committee and subsequently approved by the Board of Directors of the Company at its meeting held on 25 April 2018.
- 2) The Board of Directors have proposed a dividend of Rs.4.00 per share on equity share of Rs.2/- each (200%) subject to approval of the members of the Company at the forthcoming Annual General Meeting. If approved by the members of the Company, the dividend will absorb a sum of Rs.29,378.43 Lakhs (including dividend distribution tax).
- 3) The Consolidated financial results include the audited results of the subsidiaries Mahindra Insurance Brokers Ltd. (80%), Mahindra Rural Housing Finance Ltd. (89%), Mahindra Asset Management Company Private Limited (100%), Mahindra Trustee Company Private Limited (100%) and unaudited financial results of a Joint Venture company, Mahindra Finance USA LLC (49%), in the United States. The standalone financial results of Mahindra Finance USA LLC, which does not constitute a material component of the consolidated financial results have been certified by the management.
- 4) The financial results for the quarter and year ended 31 March 2018 have been audited by the Statutory Auditors of the Company. The financial results of the Company for the quarter and year ended 31 March 2017 were audited by another auditor who have expressed unmodified opinion on those results.
- 5) 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.
- 6)\* The figures for the last quarter of the current year and of the previous year are the balancing figures between audited figures in respect of the full financial year and the published year- to-date figures up to third quarter.
  - 7) 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 (NPA's) and has also been making accelerated provision on a prudential basis.
    - b) The Company, with effect from quarter ended 30 June 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.8,336.91 Lakhs for the year ended 31 March 2017 with a consequent impact on the profit before tax. In the quarter ended 30 June 2017 and year ended 31 March 2018, the Company has made additional provision of Rs. 8,336.91 Lakhs against the above mentioned 100% provision cases.
    - c) RBI vide its notification no. DNBR/011/CGM (CDS-2015) dated 27 March 2015, has revised the asset classification norms for NPA's applicable to Non-Banking Finance Companies (NBFC) in a phased manner commencing from financial year ended 31 March 2016. In line with the above notification, the Company has revised asset classification norms effective from 30 September 2017 for NPA's pursuant to which loans outstanding for a period of three months and above are classified as NPA's as compared to four months and above followed until 30 June 2017. This has resulted in an increase in total provision by Rs 9,374.95 lakhs (including income de-recognition) for the year ended 31 March 2018.
- 8) During the year ended 31 March 2018, the Company has raised an amount of Rs.115053.13 lakhs by way of Public Issuance of Unsecured Subordinated Redeemable Non-Convertible Debentures (NCD's) of the face value of Rs.1,000 each. The NCD's were allotted on 24 July 2017 and listed on BSE Limited on 26 July 2017. The entire amount of proceeds of the issue were used for the purposes as stated in its 'Placement Document' and there is no unutilised amount pertaining to this issuance. The NCD's issue expenses of Rs.1215.07 lakhs (net of taxes) has been adjusted against securities premium reserve as per the accounting policy.
- 9) During the year ended 31 March 2018, the Company has raised funds amounting to Rs. 211100.00 lakhs through allotment of fresh equity shares as per details provided below :
  - a) Preferential allotment of 2,50,00,000 equity shares of face value of Rs.2.00 each, at a price of Rs.422.00 each, for cash, including a premium of Rs.420.00 per equity share, aggregating to Rs.105500.00 lakhs, to Mahindra & Mahindra Limited, the Holding Company;
  - b) Qualified Institutional Placement (QIP) of 2,40,00,000 equity shares of face value of Rs.2.00 each, at a price of Rs.440.00 each, for cash, including a premium of Rs.438.00 per equity share, aggregating to Rs.1,05,600.00 lakhs, to Qualified Institutional Buyers (QIB's). The Company has utilized an amount of Rs.1,04,289.87 lakhs out of the proceeds from issue of equity shares through QIP for the purposes as stated in its 'Placement Document' and there is no unutilised amount out of proceeds received from this issuance. The share issue expenses of Rs.1,310.13 lakhs has been adjusted against securities premium reserve as per the accounting policy.

The fresh allotment of equity shares through preferential allotment and QIP as stated above have resulted in an increase of equity share capital by Rs. 980.00 lakhs and securities premium reserve by Rs. 2,10,120.00 lakhs.
- 10) All secured NCD's issued by the Company are secured by pariassu 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 NCD's.

11) During the year ended 31 March 2018, the Company has made following investments:

i) Rs.1,662.44 lakhs equivalent to US \$ 2.58 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 31 March 2018: nil; year ended 31 March 2017: Rs.3,111.84 Lakhs equivalent to US \$ 4.64 million);

There is no consequent change in the Company's shareholding pattern.

ii) Rs.2,900.00 Lakhs in Mahindra Asset Management Company Private Limited, its wholly owned subsidiary, by subscription to 2,90,00,000 Equity shares of Face Value of Rs.10/- each for cash at par fully paid up on a rights basis (quarter ended 31 March 2018: Rs.1,000.00 lakhs; year ended 31 March 2017: Rs.3,045.00 Lakhs);

iii) Rs.700.00 lakhs in Orizonte Business Solution Limited (formerly known as "Mega One Stop Farm Services Limited"), engaged in business of operating a Business to Business (B2B) platform "Smartshift", a online logistic marketplace which connects cargo owners and transporters in India, by subscribing to preferential issue of 35,00,000 equity shares of Rs.10/- each, for cash, at a premium of Rs.10/- per share (quarter ended 31 March 2018: nil; year ended 31 March 2017: nil); and

iv) Rs.13,000.00 Lakhs in Mahindra Rural Housing Finance Ltd., its subsidiary, by subscription to 1,30,00,000 Equity shares of Rs.10/- each for cash at Rs.100.00 pershare, including premium of Rs.90.00 per equity share on a rights basis, fully paid up (quarter ended 31 March 2018: Rs.13,000.00 Lakhs; year ended 31 March 2017: Rs.11,375.00 Lakhs). Consequent to this additional equity capital infusion, the shareholding percentage of the Company stands increased to 89% from 87.50%.

12) During the year ended 31 March 2018, the Company has sold 1,28,866 equity shares of face value of Rs.10/- each representing 5% of holding in subsidiary company, Mahindra Insurance Brokers Ltd., at Rs.5,044.00 per share for a consideration aggregating to Rs.6,500.00 lakhs. Consequent to the said sale transaction, the shareholding percentage of the Company stands reduced from 85% to 80%. This transaction has resulted in profit of Rs.6,497.18 lakhs on a standalone basis (Rs.5,073.72 lakhs on a consolidated basis).

13) Tax expense for the year ended 31 March 2018 is net of Rs.512.78 lakhs on account of adjustment towards excess provision for earlier years.

14) 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 Limited**

**Sd/-**

**Date : 25 April 2018  
Place : Mumbai**

**Ramesh Iyer  
Vice-Chairman & Managing Director**

## Segment-wise Revenue, Results, Assets and Liabilities for Consolidated results under Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Rs. in Lakhs

Particulars	Consolidated				
	Quarter ended			Year ended	
	31 March 2018	31 December 2017	31 March 2017	31 March 2018	31 March 2017
	(Audited)	(Unaudited)	(Audited)	(Audited)	(Audited)
<b>(a) Segment Revenue</b>					
- Financing activities	2,43,427.11	2,20,773.42	2,09,404.19	8,44,864.40	7,08,912.27
- Others	9,672.75	6,794.82	5,712.52	26,859.60	18,303.55
<b>Total</b>	<b>2,53,099.86</b>	<b>2,27,568.24</b>	<b>2,15,116.71</b>	<b>8,71,724.00</b>	<b>7,27,215.82</b>
Less : Inter-segment revenue	2,442.54	2,967.54	1,859.42	9,300.61	7,150.74
<b>Net revenue</b>	<b>2,50,657.32</b>	<b>2,24,600.70</b>	<b>2,13,257.29</b>	<b>8,62,423.39</b>	<b>7,20,065.08</b>
<b>(b) Segment Results (Profit before tax) :</b>					
- Financing activities	79,292.82	57,581.35	42,681.65	1,61,866.41	77,670.60
- Others	2,009.93	683.52	2,134.33	4,307.24	6,104.85
<b>Total</b>	<b>81,302.75</b>	<b>58,264.87</b>	<b>44,815.98</b>	<b>1,66,173.65</b>	<b>83,775.45</b>
Add : Other unallocable income net of unallocable expenditure	-	-	-	-	-
<b>Net Profit before tax</b>	<b>81,302.75</b>	<b>58,264.87</b>	<b>44,815.98</b>	<b>1,66,173.65</b>	<b>83,775.45</b>
<b>(c) Segment Assets :</b>					
- Financing activities	62,41,151.86	58,47,392.22	52,24,015.72	62,41,151.86	52,24,015.72
- Others	9,137.62	6,128.90	5,166.72	9,137.62	5,166.72
- Other unallocable assets	1,03,557.32	1,09,144.40	93,109.88	1,03,557.32	93,109.88
<b>Total</b>	<b>63,53,846.80</b>	<b>59,62,665.52</b>	<b>53,22,292.32</b>	<b>63,53,846.80</b>	<b>53,22,292.32</b>
<b>(d) Segment Liabilities :</b>					
- Financing activities	53,39,668.99	50,03,430.13	46,13,600.33	53,39,668.99	46,13,600.33
- Others	8,272.56	6,690.41	2,696.33	8,272.56	2,696.33
- Other unallocable liabilities	-	-	-	-	-
<b>Total</b>	<b>53,47,941.55</b>	<b>50,10,120.54</b>	<b>46,16,296.66</b>	<b>53,47,941.55</b>	<b>46,16,296.66</b>

**Note :**

The Management of the Company has identified the above reportable segments.

For and on behalf of the Board of Directors  
Mahindra & Mahindra Financial Services Limited

Sd/-

Ramesh Iyer  
Vice-Chairman & Managing DirectorDate : 25 April 2018  
Place : Mumbai