

**Mahindra & Mahindra Financial Services Limited**  
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**STATEMENT OF UNAUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED 31 DECEMBER 2019**

Rs. in Lakhs

	Particulars	Quarter ended			Nine months ended		Year ended
		31 December 2019	30 September 2019	31 December 2018	31 December 2019	31 December 2018	31 March 2019
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
	<b>Revenue from operations</b>						
i)	Interest income	293,212.37	280,710.02	259,193.88	846,798.63	721,399.32	996,952.90
ii)	Dividend income	11.38	1,726.56	359.15	2,696.71	405.32	1,524.27
iii)	Rental income	218.49	171.94	6.23	505.98	14.98	71.45
iv)	Fees and commission Income	3,055.04	2,694.29	2,860.21	7,559.80	8,163.76	11,638.82
v)	Net gain on fair value changes	856.30	446.77	-	1,362.55	-	761.75
vi)	Sale of services	7,256.79	5,647.73	6,742.15	19,271.74	19,183.92	26,220.90
<b>I</b>	<b>Total Revenue from operations</b>	<b>304,610.37</b>	<b>291,397.31</b>	<b>269,161.62</b>	<b>878,195.41</b>	<b>749,167.30</b>	<b>1,037,170.09</b>
II	Other income	3,520.03	2,251.35	1,383.78	7,426.12	3,682.87	5,915.38
<b>III</b>	<b>Total income (I+II)</b>	<b>308,130.40</b>	<b>293,648.66</b>	<b>270,545.40</b>	<b>885,621.53</b>	<b>752,850.17</b>	<b>1,043,085.47</b>
	<b>Expenses</b>						
i)	Finance costs	135,140.69	134,590.95	115,251.57	395,991.41	316,238.68	443,227.98
ii)	Fees and commission expense	3,442.25	2,677.38	3,750.23	9,674.82	9,954.87	12,968.10
iii)	Net loss on fair value changes	-	-	58.11	-	2.27	-
iv)	Impairment on financial instruments	42,020.55	39,995.48	24,499.46	149,707.34	83,260.42	71,710.83
v)	Employee benefits expenses	40,200.67	41,416.44	37,121.23	128,870.37	105,399.44	147,794.76
vi)	Depreciation, amortization and impairment	4,323.49	4,320.16	1,951.23	12,787.43	5,418.19	7,553.32
vii)	Others expenses	21,417.51	21,103.29	22,326.31	62,793.16	56,179.46	80,447.20
<b>IV</b>	<b>Total expenses</b>	<b>246,545.16</b>	<b>244,103.70</b>	<b>204,958.14</b>	<b>759,824.53</b>	<b>576,453.33</b>	<b>763,702.19</b>
<b>V</b>	<b>Profit before exceptional items and tax (III-IV)</b>	<b>61,585.24</b>	<b>49,544.96</b>	<b>65,587.26</b>	<b>125,797.00</b>	<b>176,396.84</b>	<b>279,383.28</b>
VI	Share of profit of associate	1,290.60	1,148.13	888.49	3,766.74	3,538.87	4,692.88
<b>VII</b>	<b>Profit before tax (V+VI)</b>	<b>62,875.84</b>	<b>50,693.09</b>	<b>66,475.75</b>	<b>129,563.74</b>	<b>179,935.71</b>	<b>284,076.16</b>
<b>VIII</b>	<b>Tax expense :</b>						
i)	Current tax	1,844.67	6,083.09	17,909.94	12,525.17	57,982.58	71,136.53
ii)	Deferred tax	13,545.63	18,249.86	7,620.93	32,346.66	5,282.32	26,211.44
		<b>15,390.30</b>	<b>24,332.95</b>	<b>25,530.87</b>	<b>44,871.83</b>	<b>63,264.90</b>	<b>97,347.97</b>
<b>IX</b>	<b>Profit for the period (VII-VIII)</b>	<b>47,485.54</b>	<b>26,360.14</b>	<b>40,944.88</b>	<b>84,691.91</b>	<b>116,670.81</b>	<b>186,728.19</b>
<b>X</b>	<b>Other Comprehensive Income (OCI)</b>						
A)	(i) Items that will not be reclassified to profit or loss						
	- Remeasurement loss on defined benefit plans	(66.94)	(69.17)	(448.80)	(2,116.39)	(1,411.83)	(1,481.98)
	- Net gain/(loss) on equity instruments through OCI	-	-	-	(47.95)	454.65	454.65
	(ii) Income tax relating to the above items	41.17	(362.47)	155.86	330.29	322.03	353.97
	Subtotal (A)	(25.77)	(431.64)	(292.94)	(1,834.05)	(635.15)	(673.36)
B)	(i) Items that will be reclassified to profit or loss						
	- Exchange differences in translating the financial statements of foreign operations	416.17	978.65	(1,544.83)	1,188.08	2,578.45	2,398.78
	- Net gain on debt instruments through OCI	-	-	-	-	-	788.52
	(ii) Income tax relating to the above items	-	-	-	-	-	(275.54)
	Subtotal (B)	416.17	978.65	(1,544.83)	1,188.08	2,578.45	2,911.76
	<b>Other Comprehensive Income (A + B)</b>	<b>390.40</b>	<b>547.01</b>	<b>(1,837.77)</b>	<b>(645.97)</b>	<b>1,943.30</b>	<b>2,238.40</b>
<b>XI</b>	<b>Total Comprehensive Income for the period (IX+X)</b>	<b>47,875.94</b>	<b>26,907.15</b>	<b>39,107.11</b>	<b>84,045.94</b>	<b>118,614.11</b>	<b>188,966.59</b>
	<b>Profit for the period attributable to:</b>						
	Owners of the Company	47,164.56	26,145.09	39,905.24	84,032.70	114,087.39	182,729.83
	Non-controlling interests	320.98	215.05	1,039.64	659.21	2,583.42	3,998.36
		<b>47,485.54</b>	<b>26,360.14</b>	<b>40,944.88</b>	<b>84,691.91</b>	<b>116,670.81</b>	<b>186,728.19</b>
	<b>Other Comprehensive Income for the period attributable to:</b>						
	Owners of the Company	382.81	558.93	(1,837.47)	(611.19)	1,959.84	2,252.51
	Non-controlling interests	7.59	(11.92)	(0.30)	(34.78)	(16.54)	(14.11)
		<b>390.40</b>	<b>547.01</b>	<b>(1,837.77)</b>	<b>(645.97)</b>	<b>1,943.30</b>	<b>2,238.40</b>
	<b>Total Comprehensive Income for the period attributable to:</b>						
	Owners of the Company	47,547.37	26,704.03	38,067.77	83,421.52	116,047.23	184,982.34
	Non-controlling interests	328.57	203.12	1,039.34	624.42	2,566.88	3,984.25
		<b>47,875.94</b>	<b>26,907.15</b>	<b>39,107.11</b>	<b>84,045.94</b>	<b>118,614.11</b>	<b>188,966.59</b>
<b>XII</b>	<b>Earnings per equity share (face value of Rs.2/- each) #</b>						
	Basic (Rupees)	7.67	4.25	6.49	13.66	18.56	29.73
	Diluted (Rupees)	7.66	4.24	6.47	13.64	18.52	29.67

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

## STATEMENT OF UNAUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED 31 DECEMBER 2019

Rs. in Lakhs

	Particulars	Quarter ended			Nine months ended		Year ended
		31 December 2019	30 September 2019	31 December 2018	31 December 2019	31 December 2018	31 March 2019
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
	<b>Revenue from operations</b>						
I	i) Interest income	254,169.02	244,073.85	220,528.99	734,888.88	620,330.43	861,455.78
	ii) Dividend income	6.05	1,506.03	272.83	2,420.17	319.00	1,388.00
	iii) Rental income	218.49	171.94	6.23	505.98	14.98	71.45
	iv) Fees and commission Income	2,864.57	2,455.42	2,229.94	7,025.88	6,173.67	8,691.76
	v) Net gain on fair value changes	801.64	429.46	-	1,256.32	-	683.87
	<b>Total Revenue from operations</b>	<b>258,059.77</b>	<b>248,636.70</b>	<b>223,037.99</b>	<b>746,097.23</b>	<b>626,838.08</b>	<b>872,290.86</b>
II	Other income	3,541.83	5,448.32	1,569.04	10,839.82	6,255.41	8,690.31
III	<b>Total income (I+II)</b>	<b>261,601.60</b>	<b>254,085.02</b>	<b>224,607.03</b>	<b>756,937.05</b>	<b>633,093.49</b>	<b>880,981.17</b>
	<b>Expenses</b>						
	i) Finance costs	120,886.28	120,219.82	102,049.02	353,926.64	280,022.71	394,456.16
	ii) Fees and commission expense	1,200.32	1,101.63	1,301.41	3,300.89	2,363.63	3,047.83
	iii) Net loss on fair value changes	-	-	91.73	-	65.82	-
	iv) Impairment on financial instruments	40,008.86	36,062.89	22,470.70	138,033.65	74,965.86	63,520.83
	v) Employee benefits expenses	28,889.57	29,402.67	27,159.05	93,501.20	77,601.70	109,011.91
	vi) Depreciation, amortization and impairment	3,621.21	3,591.24	1,517.39	10,645.43	4,292.29	6,022.52
	vii) Others expenses	18,176.53	17,868.31	18,047.77	52,401.62	45,011.51	66,677.73
IV	<b>Total expenses</b>	<b>212,782.77</b>	<b>208,246.56</b>	<b>172,637.07</b>	<b>651,809.43</b>	<b>484,323.52</b>	<b>642,736.98</b>
V	<b>Profit before tax (III-IV)</b>	<b>48,818.83</b>	<b>45,838.46</b>	<b>51,969.96</b>	<b>105,127.62</b>	<b>148,769.97</b>	<b>238,244.19</b>
VI	<b>Tax expense :</b>						
	i) Current tax	(323.00)	5,851.00	11,328.02	8,722.00	46,070.10	57,686.12
	ii) Deferred tax	12,613.63	14,810.23	8,776.49	27,856.96	5,790.06	24,851.72
		<b>12,290.63</b>	<b>20,661.23</b>	<b>20,104.51</b>	<b>36,578.96</b>	<b>51,860.16</b>	<b>82,537.84</b>
VII	<b>Profit for the period (V-VI)</b>	<b>36,528.20</b>	<b>25,177.23</b>	<b>31,865.45</b>	<b>68,548.66</b>	<b>96,909.81</b>	<b>155,706.35</b>
VIII	<b>Other Comprehensive Income (OCI)</b>						
A)	(i) Items that will not be reclassified to profit or loss						
	- Remeasurement gain/(loss) on defined benefit plans	(40.66)	57.38	(433.00)	(1,777.41)	(1,237.72)	(1,324.60)
	- Net gain/(loss) on equity instruments through OCI	-	-	-	(47.95)	454.65	454.65
	(ii) Income tax relating to the above items	14.92	(387.21)	151.31	271.41	273.64	304.00
	Subtotal (A)	(25.74)	(329.83)	(281.69)	(1,553.95)	(509.43)	(565.95)
B)	(i) Items that will be reclassified to profit or loss						
	- Net gain on debt instruments through OCI	-	-	-	-	-	788.52
	(ii) Income tax relating to the above items	-	-	-	-	-	(275.54)
	Subtotal (B)	-	-	-	-	-	512.98
	<b>Other Comprehensive Income (A + B)</b>	<b>(25.74)</b>	<b>(329.83)</b>	<b>(281.69)</b>	<b>(1,553.95)</b>	<b>(509.43)</b>	<b>(52.97)</b>
IX	<b>Total Comprehensive Income for the period (VII+VIII)</b>	<b>36,502.46</b>	<b>24,847.40</b>	<b>31,583.76</b>	<b>66,994.71</b>	<b>96,400.38</b>	<b>155,653.38</b>
X	<b>Earnings per equity share (face value of Rs.2/- each) #</b>						
	Basic (Rupees)	5.94	4.09	5.18	11.15	15.77	25.33
	Diluted (Rupees)	5.93	4.08	5.17	11.12	15.74	25.28

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

**Notes:**

- 1) The above financial results of the Company have been prepared in accordance with Indian Accounting Standards ('Ind AS') notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) Rules, 2016, prescribed under section 133 of the Companies Act 2013 ('the Act') read with relevant rules issued thereunder and the other accounting principles generally accepted in India. Any application guidance/ clarifications/ directions issued by the Reserve Bank of India or other regulators are implemented as and when they are issued/ applicable.
- 2) The above financial results have been reviewed by the Audit Committee and subsequently approved by the Board of Directors of the Company at its meeting held on 28 January 2020.
- 3) The Consolidated financial results include the unaudited financial results of the subsidiaries Mahindra Insurance Brokers Limited (80%), Mahindra Rural Housing Finance Limited (98.43%), Mahindra Asset Management Company Private Limited (100%), Mahindra Trustee Company Private Limited (100%), Mahindra & Mahindra Financial Services Limited Employees' Stock Option Trust (MMFSL ESOP Trust), Mahindra Rural Housing Finance Limited Employee Welfare Trust (MRHFL EWT), Mahindra Finance CSR Foundation and unaudited financial results of a Joint Venture company, Mahindra Finance USA LLC (49%), in the United States, which has been consolidated as an associate under equity method of accounting. The standalone financial results of Mahindra Finance USA LLC, MMFSL ESOP Trust, MRHFL EWT and Mahindra Finance CSR Foundation, which does not constitute a material component of the consolidated financial results have been certified by the management.
- 4) In compliance with Regulation 33 of the Securities Exchange Board of India ("SEBI") (Listing Obligations and Disclosure Requirements) Regulations, 2015, a limited review of financial results for the quarter and nine months ended 31 December 2019 has been carried out by the Statutory Auditors. The Consolidated figures for the corresponding quarter and nine months ended 31 December 2018 as reported in these financial results have been approved by the Company's Board of Directors, but have not been subjected to review.
- 5) There is no separate reportable segment as per Ind AS 108 on 'Operating Segments' in respect of the Company. The Segment Reporting in respect of the Unaudited Consolidated Financial Results is given in Appendix 1.
- 6) The Company has adopted Ind AS 116, Leases, effective 1 April 2019 using modified retrospective method of transition. Adoption of this standard did not have a material effect on unaudited financial results for the quarter and nine months ended 31 December 2019. As per the requirements of this standard, right-of-use assets amounting to Rs.23,368.24 lakhs (Standalone Balance sheet: Rs.17,343.62 lakhs) and lease liabilities amounting to Rs.24,336.04 lakhs (Standalone Balance sheet: Rs.18,063.58 lakhs) have been included within the line items "Property, plant and equipment" and "Other financial liabilities" respectively in the Consolidated Balance sheet.
- 7) During the quarter ended 30 June 2019, the Company along with Mahindra Asset Management Company Private Limited (MAMCPL) and Mahindra Trustee Company Private Limited (MTCPL), wholly-owned subsidiaries of the Company, has entered in to a share subscription agreement and shareholders agreement to form a 51:49 Joint Venture with Manulife Asset Management (Singapore) Pte. Ltd. (Manulife). Pursuant to these agreements, Manulife will make an equity investment aggregating to US \$ 35.00 million to acquire 49% of the share capital of MAMCPL & MTCPL. The Company is awaiting regulatory approval for this transaction.
- 8) Pursuant to the offer made by National Housing Bank (NHB), the Board of Directors of the Company, at its meeting held on 27 March 2019, had approved the acquisition of 1,18,91,511 equity shares of Rs.10/- each of Mahindra Rural Housing Finance Limited, a subsidiary of the Company, at a premium of Rs. 231.16, for cash, aggregating to Rs. 28,677.57 lakhs. During the quarter ended 30 June 2019, the Company had settled the entire amount of obligation as per the terms and conditions of the agreement.
- 9) During the quarter ended 30 June 2019, the Company has incorporated a wholly-owned subsidiary company, namely, Mahindra Finance CSR Foundation, under the provisions of section 8 of the Companies Act, 2013 for undertaking the CSR activities of the Company and its subsidiaries.
- 10) All secured Non-Convertible Debentures (NCDs) issued by the Company are secured by pari-passu 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 NCDs.
- 11) During the quarter ended 30 September 2019, the Company has entered in to a share subscription, share purchase and shareholders' agreement with Ideal Finance Limited ("Ideal Finance") and its existing Shareholders to form and operate a Joint Venture in the financial services sector in Sri Lanka. Pursuant to these agreements, the Company has agreed to subscribe / acquire up to 58.20% of the Equity share capital of Ideal Finance, in one or more tranches over a specified period of time, for an amount not exceeding Sri Lankan Rupees (LKR) 200.30 crores (equivalent to around Rs.80.12 crores at foreign exchange rate of INR 1 to LKR 2.5). Upon acquisition of above stake, Ideal Finance will become a subsidiary of the Company. On 21 January 2020, the Company has remitted an amount of Rs. 4,399.60 lakhs (equivalent to LKR 11,000.00 lakhs) to Ideal Finance towards acquisition of 38.20% of the Equity share capital under first and second tranches as prescribed in these agreements.
- 12) The Taxation Laws (Amendment) Ordinance, 2019 contain substantial amendments in the Income Tax Act 1961 and the Finance (No.2) Act, 2019 to provide an option to domestic companies to pay income tax at a concessional rate. The Company has elected to apply the concessional tax rate. Accordingly, the Company has recognised the provision for income tax and re-measured the net deferred tax assets at concessional rate for the half year ended 30 September 2019 and continued to apply the concessional tax rate for the nine months period ended 31 December 2019. Further, the opening net deferred tax asset has been re-measured at lower rate with a one-time impact of Rs.10,399.46 lakhs recognised in the Standalone statement of profit and loss and Rs.12,523.65 lakhs recognised in the Consolidated statement of profit and loss for the half year ended 30 September 2019.
- 13) During the quarter ended 31 December 2019, the Company has made an investment of Rs.1,500.00 lakhs (nine months ended 31 December 2019: Rs.3,500.00 lakhs) in Mahindra Asset Management Company Private Limited, its wholly owned subsidiary, by subscription to 1,50,00,000 equity shares of face value of Rs.10/- each, for cash, at par, fully paid up on a rights basis.
- 14) Pursuant to SEBI Circular no. SEBI/HO/DDHS/DDHS/CIR/P/2019/115 dated 22 October 2019, the Company has listed Commercial Papers on National Stock Exchange (NSE) on 1 January 2020.
- 15) 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**

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

**Date : 28 January 2020**

**Place : Mumbai**

**Appendix 1**

**Segment-wise Revenue, Results, Assets and Liabilities for Consolidated results as required under Regulation 33 of the SEBI (Listing Obligations and Disclosure)**  
Rs. in Lakhs

Particulars	Quarter ended			Nine months ended		Year ended
	31 December 2019	30 September 2019	31 December 2018	31 December 2019	31 December 2018	31 March 2019
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
<b>(a) Segment Revenue :</b>						
- Financing activities	300,959.96	291,126.99	263,911.64	869,642.73	736,054.35	1,019,375.88
- Others	9,677.12	8,543.25	8,684.92	26,672.13	25,046.96	35,541.97
<b>Total</b>	<b>310,637.08</b>	<b>299,670.24</b>	<b>272,596.56</b>	<b>896,314.86</b>	<b>761,101.31</b>	<b>1,054,917.85</b>
Less : Inter-segment revenue	2,506.68	6,021.58	2,051.16	10,693.33	8,251.14	11,832.38
<b>Net revenue</b>	<b>308,130.40</b>	<b>293,648.66</b>	<b>270,545.40</b>	<b>885,621.53</b>	<b>752,850.17</b>	<b>1,043,085.47</b>
<b>(b) Segment Results (Profit before tax) :</b>						
- Financing activities	60,337.38	48,908.13	64,323.06	123,821.82	172,970.28	272,837.53
- Share of profit of associate	1,290.60	1,148.13	888.49	3,766.74	3,538.87	4,692.88
- Others	1,247.86	636.83	1,264.20	1,975.18	3,426.56	6,545.75
<b>Total</b>	<b>62,875.84</b>	<b>50,693.09</b>	<b>66,475.75</b>	<b>129,563.74</b>	<b>179,935.71</b>	<b>284,076.16</b>
Add : Other unallocable income net of unallocable expenditure	-	-	-	-	-	-
<b>Net Profit before tax</b>	<b>62,875.84</b>	<b>50,693.09</b>	<b>66,475.75</b>	<b>129,563.74</b>	<b>179,935.71</b>	<b>284,076.16</b>
<b>(c) Segment Assets :</b>						
- Financing activities	7,999,865.45	7,711,804.37	6,911,319.51	7,999,865.45	6,911,319.51	7,344,525.53
- Others	42,728.72	42,027.61	38,853.28	42,728.72	38,853.28	38,280.91
- Other unallocable assets	74,438.32	84,272.52	86,673.67	74,438.32	86,673.67	74,790.47
<b>Total</b>	<b>8,117,032.49</b>	<b>7,838,104.50</b>	<b>7,036,846.46</b>	<b>8,117,032.49</b>	<b>7,036,846.46</b>	<b>7,457,596.91</b>
<b>(d) Segment Liabilities :</b>						
- Financing activities	6,929,227.03	6,698,905.03	5,935,870.49	6,929,227.03	5,935,870.49	6,313,165.42
- Others	14,793.38	14,719.21	10,911.06	14,793.38	10,911.06	9,678.78
- Other unallocable liabilities	-	-	-	-	-	-
<b>Total</b>	<b>6,944,020.41</b>	<b>6,713,624.24</b>	<b>5,946,781.55</b>	<b>6,944,020.41</b>	<b>5,946,781.55</b>	<b>6,322,844.20</b>

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

Ramesh Iyer  
Vice-Chairman & Managing Director

Date : 28 January 2020  
Place : Mumbai