

Mahindra FINANCE

Mahindra & Mahindra
Financial Services Ltd.
Mahindra Towers, 4th Floor,
Dr. G. M. Bhosale Marg, Worli,
Mumbai 400 018, India.

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22nd July, 2016

The General Manager-Department of
Corporate Services,
BSE Limited,
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai - 400 001.

The Manager-Listing Department,
National Stock Exchange of India Limited,
"Exchange Plaza", 5th Floor,
Plot No.C/1, G Block,
Bandra-Kurla Complex,
Bandra (East), Mumbai - 400 051.

Scrip Code : 532720

Scrip Code : M&MFIN

Dear Sir,

Sub : Unaudited Financial Results for the first quarter ended 30th June, 2016

The Board of Directors at its Meeting held today i.e. on 22nd July, 2016 has inter alia, approved the Unaudited Financial Results of the Company for the first quarter ended 30th June, 2016. The Meeting of the Board of Directors commenced at 1.00 p.m. and concluded at 2.45 p.m.

Pursuant to the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ["Listing Regulations"] we are enclosing the Unaudited Standalone Financial Results of the Company and the Unaudited Consolidated Financial Results for the first quarter ended 30th June, 2016, together with a copy of the Press Release.

We are also enclosing a Limited Review Report of the Statutory Auditors, M/s. B. K. Khare & Co., on the Standalone Financial Results of the Company and the Consolidated Financial Results for the first quarter ended 30th June, 2016, as required under Regulation 33 of the Listing Regulations.

The Results have been uploaded on the Stock Exchange websites at the link <http://www.nseindia.com/corporates> and <http://www.bseindia.com/corporates> and on the website of the Company at the URL <http://www.mahindrafinance.com/financial-results.aspx>.

Kindly take the same on record.

Thanking you,

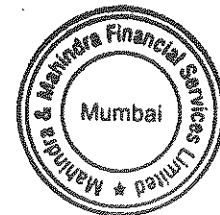
Yours Faithfully,

For Mahindra & Mahindra Financial Services Limited

Arnavaz

Arnavaz M. Pardiwalla
Company Secretary & Compliance Officer

Encl: a/a



Mahindra & Mahindra Financial Services Limited

CIN : L65921MH1991PLC059642

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Website : www.mahindrafinance.com ; Email : investorhelpline_mmfs@mahindra.com



PART - I	Particulars	STATEMENT OF STANDALONE UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED 30TH JUNE, 2016				Rs. in Lacs	
		Quarter ended			Year ended (Audited)	Year ended (Audited)	
		30th June 2016	31st March 2016	30th June 2015		31st March 2016	
1	Income from operations	136642.70	167209.89	136082.79	585316.11	585316.11	
	Total Income from operations	136642.70	167209.89	136082.79	585316.11	585316.11	
2	Expenses:						
	a) Employee benefits expense	16751.05	15557.40	12941.43	55880.74	55880.74	
	b) Depreciation and amortization expense	1064.23	1052.83	979.93	4088.81	4088.81	
	c) Loan provisions and write off (refer note no.6)	22453.43	10889.68	32283.94	104952.98	104952.98	
	d) Other expenses	14787.28	17302.23	12427.25	57840.20	57840.20	
	Total expenses	55055.99	44802.14	56632.55	222762.73	222762.73	
3	Profit / (Loss) from operations before other income and finance costs and exceptional items (1-2)	81586.71	122407.75	77450.24	362553.38	362553.38	
4	Other income	925.36	1759.24	758.48	5193.94	5193.94	
5	Profit / (Loss) from ordinary activities before finance costs and exceptional items (3+4)	82512.07	124166.99	78208.72	367747.32	367747.32	
6	Finance costs	69098.21	67105.53	64446.81	263929.19	263929.19	
7	Profit / (Loss) from ordinary activities after finance costs but before exceptional items (5-6)	13413.86	57061.46	13761.91	103818.13	103818.13	
8	Exceptional items	-	-	-	-	-	
9	Profit / (Loss) from ordinary activities before tax (7-8)	13413.86	57061.46	13761.91	103818.13	103818.13	
10	Tax expense	4715.90	20034.46	4863.51	36558.53	36558.53	
11	Net Profit / (Loss) from ordinary activities after tax (9-10)	8697.96	37027.00	8898.40	67259.60	67259.60	
12	Extraordinary items (net of tax expense)	-	-	-	-	-	
13	Net Profit / (Loss) for the period / year (11-12)	8697.96	37027.00	8898.40	67259.60	67259.60	
14	Paid-up equity share capital (face value of Rs.2/- each)				11292.03	11292.03	
15	Reserves (excluding Revaluation Reserve as shown in the Balance Sheet of previous year)				597518.70	597518.70	
16	i) Earnings per share (before extraordinary items) (face value of Rs.2/- each) #						
	a) Basic (Rs.)	1.54	6.56	1.58	11.92	11.92	
	b) Diluted (Rs.)	1.53	6.51	1.56	11.83	11.83	
	ii) Earnings per share (after extraordinary items) (face value of Rs.2/- each) #						
	a) Basic (Rs.)	1.54	6.56	1.58	11.92	11.92	
	b) Diluted (Rs.)	1.53	6.51	1.56	11.83	11.83	

Earnings per share for the interim period is not annualised.

STATEMENT OF CONSOLIDATED UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED 30TH JUNE, 2016

Particulars	Rs. in Lacs			
	Quarter ended			Year ended (Audited)
	30th June 2016	31st March 2016	30th June 2015	31st March 2016
1 Income from operations	156791.88	188662.24	150465.03	665386.74
Total Income from operations	156791.88	188662.24	150465.03	665386.74
2 Expenses:				
a) Employee benefits expense	21039.47	20191.37	15931.86	70409.22
b) Depreciation and amortization expense	1216.26	1206.04	1087.24	4569.78
c) Loan provisions and write off (refer note no.6)	24753.28	11664.09	33746.36	109819.07
d) Other expenses	17322.70	19384.76	14241.67	65706.97
Total expenses	64331.71	52446.26	65007.13	250505.04
3 Profit / (Loss) from operations before other income and finance costs and exceptional items (1-2)	92460.17	136215.98	85457.90	404881.70
4 Other income	1063.29	1825.31	800.17	4365.01
5 Profit / (Loss) from ordinary activities before finance costs and exceptional items (3+4)	93523.46	138041.29	86258.07	409246.71
6 Finance costs	76387.74	73594.39	69276.05	286834.73
7 Profit / (Loss) from ordinary activities after finance costs but before exceptional items (5-6)	17135.72	64446.90	16982.02	122411.98
8 Exceptional items	-	-	-	-
9 Profit / (Loss) from ordinary activities before tax (7-8)	17135.72	64446.90	16982.02	122411.98
10 Tax expense	6121.58	22702.38	6010.75	43671.83
11 Net Profit / (Loss) from ordinary activities after tax (9-10)	11014.14	41744.52	10971.27	78740.15
12 Extraordinary items (net of tax expense)	-	-	-	-
13 Net Profit / (Loss) for the period / year (11-12)	11014.14	41744.52	10971.27	78740.15
14 Minority interest	249.86	611.85	229.37	1,510.79
15 Net Profit / (Loss) after taxes and minority interest (13-14)	10764.28	41132.67	10741.90	77229.36
16 Paid-up equity share capital (face value of Rs.2/- each)				11292.03
17 Reserves (excluding Revaluation Reserve as shown in the Balance Sheet of previous year)				635647.75
18 i) Earnings per share (before extraordinary items) (face value of Rs.2/- each) #				
a) Basic (Rs.)	1.91	7.29	1.91	13.69
b) Diluted (Rs.)	1.89	7.23	1.89	13.58
ii) Earnings per share (after extraordinary items) (face value of Rs.2/- each) #				
a) Basic (Rs.)	1.91	7.29	1.91	13.69
b) Diluted (Rs.)	1.89	7.23	1.89	13.58

Earnings per share for the interim period is not annualised.



Notes:

- 1) The above financial results for the quarter ended 30th June, 2016 have been reviewed by the Audit Committee and subsequently approved by the Board of Directors of the Company at its meeting held on 22nd July, 2016.
- 2) The results for the quarter ended 30th June, 2016 have been subject to a "Limited Review" by the Statutory Auditors of the Company.
- 3) The Consolidated financial results include the 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 financial results of a (49%) Joint Venture company, Mahindra Finance USA LLC, in the United States.
- 4) 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.
- 5) The Company has complied with the prudential guidelines issued by the Reserve Bank of India in respect of Income Recognition and Provision for Non-Performing Assets (NPAs).
- 6) a) The RBI vide its notification no DNBR. 011/CGM (CDS)-2015 dt. March 27, 2015 has revised the asset classification norms for NPAs and substandard assets under its prudential norms applicable to NBFCs in a phased manner commencing from financial year ending 31st March, 2016, upto the financial year ending 31st March, 2018 which would result in an additional provision. The Company follows prudential norms for income recognition, asset classification and provisioning for NPAs as prescribed by RBI for NBFCs and has also been making additional provision on a prudential basis.
In terms of the said revised norms, the Company is required to recognise Non-performing Assets based on four months overdue by the end of current financial year, which the Company has been following w.e.f. financial year ended 31st March, 2016. This has resulted in additional provision of Rs. 9177.16 lacs (including income de-recognition) as compared to quarter ended 30th June, 2015 with a consequent impact on Profit before tax.
b) During the current quarter, the Company has reviewed the basis of estimating provision for non-performing assets and has considered estimated realisable value of underlying security (which conforms to the RBI norms) for loan assets to determine 100% provisioning for assets which are 24 months overdue. As a result, provision for the quarter ended 30th June 2016 is lower by Rs.19275.18 lacs with a consequent impact on the profit before tax of the same amount.
The cumulative provisions made by the Company continues to be higher than the existing RBI norms.
- 7) During the quarter ended 30th June, 2016, the Company has made an additional investment of Rs.1157.52 lacs equivalent to US \$ 1.74 million in Mahindra Finance USA LLC, a Joint Venture company formed jointly with De Lage Landin Financial Services Inc. in the United States (quarter ended 30th June, 2015 : Rs. 1043.83 lacs equivalent to US \$ 1.63 million; year ended 31st March, 2016 Rs. 4530.32 lacs equivalent to US \$ 6.96 million).
- 8) a) During the quarter ended 30th June, 2016, the Company has raised an amount of Rs.1,00,000 lacs by way of Public Issuance Unsecured Subordinated Redeemable Non-Convertible Debentures (NCDs) of the face value of Rs.1,000 each. The NCDs were allotted on 6th June, 2016 and listed on BSE Limited on 8th June, 2016. The proceeds of the issue are being used for the purposes as stated in its 'Placement Document'. Unutilised amount of Rs. 1740.00 lacs has been kept in a separate bank account. The NCDs issue expenses of Rs.1786.42 lacs has been adjusted against securities premium reserve as per the accounting policy.
b) All secured Non-convertible debentures issued by the Company are secured by pari-passu charge 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.
- 9) During the current quarter, the Company has changed its policy for accounting of derivative transactions to align to the Guidance Note on Accounting for Derivative Transactions issued by the Institute of Chartered Accountants of India which is mandatory with effect from the current financial year. Consequently, mark to market loss of Rs. 623.01 lacs is charged to Statement of Profit & Loss for the quarter ended 30th June, 2016 in respect of derivative transactions outstanding as at 30th June, 2016.
- 10) Previous period/year figures have been regrouped / reclassified, wherever found necessary, to conform to current period/year classification.

Date : 22nd July, 2016
Place : Mumbai



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

Ganesh Iyer
Vice-Chairman & Managing Director

**Auditor's Report on the Quarterly Financial Results of Mahindra & Mahindra Financial
Services Limited pursuant to the Regulation 33 of the SEBI (Listing Obligations and
Disclosure Requirements) Regulations, 2015**

To

Board of Directors of Mahindra & Mahindra Financial Services Limited

1. We have reviewed the standalone financial results of Mahindra & Mahindra Financial Services Limited ("the Company") for the quarter ended June 30, 2016, attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The financial results for the quarter ended June 30, 2016 have been prepared on the basis of the interim financial statements which are the responsibility of the Company's management. Our responsibility is to issue a report on these financial results based on our review of such interim financial statements.
2. We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410 "Review of Interim Financial Information performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
3. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement prepared in accordance with generally accepted accounting standards in India and other recognised accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including the manner in which it is to be disclosed, or that it contains any material misstatement.

For B. K. Khare & Co.

Chartered Accountants

Firm Registration No. 105102W

Naresh Kumar Kataria

Naresh Kumar Kataria

Partner

Membership No. 037825



Mumbai, July 22, 2016

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Auditor's Report on the Quarterly Consolidated Financial Results of Mahindra & Mahindra Financial Services Limited pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To

Board of Directors of Mahindra & Mahindra Financial Services Limited

1. We have reviewed the consolidated financial results of Mahindra & Mahindra Financial Services Limited ("the Company") for the quarter ended June 30, 2016, attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Consolidated Financial Results"). The Consolidated Financial Results include the results of the Company, its subsidiaries and a joint venture (hereinafter referred as "the Group") as listed out in the paragraph 2 below. The Statement is prepared by the Group's Management pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, which has been initialed by us for identification purposes. This Statement is the responsibility of the Group's Management and has been approved by the Board of Directors of Mahindra & Mahindra Financial Services Limited. Our responsibility is to issue a report on the Statement based on our review.

2. The Consolidated Financial Results includes the financial results of the following entities:

Name of the Company	Relationship
Mahindra & Mahindra Financial Services Limited	Holding Company
Mahindra Insurance Brokers Limited	Subsidiary
Mahindra Rural Housing Finance Limited	Subsidiary
Mahindra Asset Management Company Private Limited	Subsidiary
Mahindra Trustee Company Private Limited	Subsidiary
Mahindra Finance USA, LLC	Joint Venture

3. We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free from material misstatement. A review is limited primarily to inquiries of Group's personnel and analytical procedures applied to Group's financial data and thus provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

4. We did not review the financial results of the joint venture company, M/s Mahindra Finance USA, LLC included in the Statement which has total revenue of Rs. 3399.70 lacs and net profit after tax of Rs. 1170.83 lacs for the quarter ended June 30, 2016.

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5. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited financial results prepared in accordance with applicable accounting standards and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including the manner in which it is to be disclosed, or that it contains any material misstatement.

For B K Khare & Co

Chartered Accountants

Firm Registration No. 105102W

Naresh Kumar Kataria

Naresh Kumar Kataria

Partner

Membership No. 037825



Mumbai, July 22, 2016

PRESS RELEASE

Mahindra Finance

F-2017 Q1 Consolidated Results

AUM up by 11% crosses 41000 Crores

Income up by 4%

PAT up by 1%

Mumbai, July 22, 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 ended 30th June, 2016.

F-2017 Q1 Consolidated Results

The **Total Income** increased by **4%** at **Rs.1579 Crores** during the quarter ended 30th June, 2016 as against Rs.1513 Crores in the corresponding quarter last year. The **Profit After Tax (PAT)** and minority interest increased by **1%** to **Rs.108 Crores** during the quarter ended 30th June, 2016 as against **Rs.107 Crores** during the corresponding quarter last year.

F-2017 Q1 Standalone Results

The **Total Income** increased by **1%** at **Rs.1376 Crores** during the quarter ended 30th June, 2016 as against Rs.1368 Crores in the corresponding quarter last year. The **Profit After Tax** declined by **2%** to **Rs.87 Crores** during the quarter ended 30th June, 2016 as against Rs.89 Crores during the corresponding quarter last year.

Operations

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 over and above the prudential norms. The cumulative additional provision over the prescribed RBI norms is at Rs.691 Crores.

Mahindra Finance for the quarter ended 30th June 2016, has **disbursed** (value of assets financed) **Rs. 6564 Crores** as against Rs. 6057 Crores, registering a growth of **8%** over the same quarter previous year.

During this quarter, the Company's customer base has crossed 4.2 million customers. The Company currently has a network of 1172 offices and Total Assets Under Management (AUM) of **Rs. 41662 Crores** as on 30th June 2016 as against Rs.37554 Crores as on 30th June 2015, a growth of **11%**.

Mahindra FINANCE

SUBSIDIARIES

Mahindra Insurance Brokers Limited (MIBL)

During the quarter ended 30th June 2016, MIBL registered **income** at **Rs.36.5 Crores** as against Rs.31.7 Crores, registering a growth of 15% over the same period previous year. The **Profit Before Tax (PBT)** registered was **Rs.15.6 Crores** as against Rs.14.1 Crores, registering a growth of 11% over the same period previous year. The **Profit After Tax (PAT)** registered was **Rs.10.1 Crores** as against Rs.9.3 Crores, registering a growth of **9%** over the same period previous year.

Mahindra Rural Housing Finance Limited (MRHFL)

During the quarter ended 30th June 2016, MRHFL **disbursed Rs. 405 Crores** as against Rs. 339.2 Crores during the same period previous year, registering a growth of **19%** over the same period previous year. MRHFL registered **income** at **Rs.143.7 crores** as against Rs. 99.6 crores, a growth of **44%** over the same period previous year. The **Profit After Tax (PAT)** was **Rs. 8.1 Crores** as against Rs. 6.8 Crores, registering a growth of **19%** over 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 4.2 million customers and has an AUM of over 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 1,172 offices across the country and is the first Non Banking Finance Company from India to form a part of Dow Jones Sustainability Index. Mahindra Finance has been ranked 68th in the Top 100 "India's Best Companies to Work For 2016" by Great Place to Work® (GPTW) Institute in collaboration with The Economic Times.

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 Mahindra Finance provides loans for purchase, renovation, construction of houses to individuals in the rural areas of the country.

Mahindra Asset Management Company Private Limited (MAMCPL) a wholly owned subsidiary of Mahindra Finance has received the approval from the market regulator for establishing Mutual Fund business in India. It launched its first fund, the Mahindra Liquid Fund earlier in July 2016 and currently manages, on an average daily basis, Rs.800 crores in assets.

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.

Mahindra FINANCE

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 17.8 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.

Visit us at www.mahindra.com

Our Social Media Channels:

Twitter - <https://twitter.com/MahindraRise>

Facebook - <https://www.facebook.com/MahindraRise>

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