

PRESS RELEASE

Financial Results – FY21 Q4 & YTD, Standalone & Consolidated Results

F21-Q4 Standalone Income stood at Rs. 2,638 Crores

F21-Q4 Standalone PAT stood at Rs. 150 Crores

F21 Standalone Income stood at Rs. 10,517 Crores

F21 Standalone PAT stood at Rs. 335 Crores

Standalone AUM stood at Rs. 81,689 Crores

Mumbai, April 23, 2021: 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 audited financial results for the fourth quarter and financial year ended March 31, 2021.

F-2021 Q4 (Jan'21 – Mar'21) Standalone Results

The **Total Income declined** marginally by **1.4%** at **Rs. 2,638 Crores** during the quarter ended March 31, 2021, as against Rs. 2,676 Crores during the corresponding quarter last year. The **Profit Before Tax (PBT)** stood at **Rs.171 Crores** during the quarter ended March 31, 2021, as against Rs.292 Crores during the corresponding quarter last year, a decline of **41%** over the same period previous year. The Pre-Provision Operating Profits (PPOP) stood at Rs. 1,057 Crore, a growth of 9% over the same period last year. The **Profit After Tax (PAT)** stood at **Rs.150 Crores** during the quarter ended March 31, 2021, as against Rs.221 Crores during the corresponding quarter last year, a decline of **32%** over the same period previous year.

F-2021 (Apr'20 – Mar'21) Standalone Results

The **Total Income increased** marginally by **3%** at **Rs. 10,517 Crores** during the financial year ended March 31, 2021, as against Rs.10,245 Crores during the corresponding period last year. The **Profit Before Tax (PBT)** stood at **Rs.422 Crores** during the financial year ended March 31, 2021, as against Rs.1,344 Crores during the corresponding period last year, a decline of **69%** over the same period previous year. The **Profit After Tax (PAT)** stood at **Rs.335 Crores** during the financial year ended March 31, 2021, as against Rs.906 Crores during the corresponding period last year, a decline of **63%** over the same period previous year.

F-2021 Q4 (Jan'21 – Mar'21) Consolidated Results

The **Total Income declined marginally by 3%** at **Rs.3,038 Crores** during the quarter ended March 31, 2021, as against Rs.3,140 Crores during the corresponding quarter last year. The **Profit Before Tax (PBT)** stood at **Rs.256 Crores** during the quarter ended March 31, 2021, as against Rs.306 Crores during the corresponding quarter last year, a decline of **16%** over the same period previous year. The **Profit After Tax (PAT)** stood at **Rs.219 Crores** during the quarter ended March 31, 2021, as against Rs.239 Crores during the corresponding quarter last year, a decline of **8%** over the same period previous year.

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F-2020 (Apr'20 – Mar'21) Consolidated Results

The **Total Income increased** marginally **by 1%** at **Rs.12,171 Crores** during the financial year ended March 31, 2021, as against Rs.11,996 Crores during the corresponding period last year. The **Profit Before Tax (PBT)** stood at **Rs.934 Crores** during the financial year ended March 31, 2021, as against Rs.1,602 Crores during the corresponding period last year, a decline of **42%** over the same period previous year. The **Profit After Tax (PAT)** stood at **Rs.780 Crores** during the financial year ended March 31, 2021, as against Rs.1,086 Crores during the corresponding period last year, a decline of **28%** over the same period previous year.

Dividend

The Board of Directors has recommended a dividend of Rs.0.80 per share on equity share of Rs.2/- each, i.e. 40%, subject to the approval of the Members at the ensuing 31st Annual General Meeting of the Company.

Operations

The Company continues to be a leading financier for automotive and tractors, including the pre-owned vehicle segment, in rural & semi urban markets. During the financial year ended March 31, 2021, the total **disbursements (amount financed)** was at **Rs.19,001 Crores** as against Rs.32,381 Crores during the corresponding period last year, a decline of **41%** over the same period previous year. The loan assets stood at Rs. 64,608 Crore as on March 31, 2021, compared to Rs. 68,089 Crore as on March 31, 2020.

The **Gross Stage 3** levels stood at **9.0%** as on March 31, 2021, against 8.4% as on 31 March 2020.

The impact of COVID-19 on the global economy and how governments, businesses and consumers respond is uncertain. This uncertainty is reflected in the Company's assessment of impairment loss allowance on its loans (done as per Expected Credit Loss (ECL) method in Ind AS). This allowance is subject to a number of management judgements and estimates. In relation to COVID-19, judgements and assumptions include the extent and duration of the pandemic, the impact of actions of governments and other authorities, and the responses of businesses and consumers in different industries, along with the associated impact on the global economy.

The Company has, during the year, continued to undertake a risk assessment of its credit exposures and in addition to the model determined ECL provision, it has recorded a total additional ECL overlay of Rs 996.36 crores as on March 31, 2021 (as on 31 March 2020: Rs. 574.01 crores) in the Standalone Balance sheet and Rs. 1,093.81 crores (as on 31 March 2020: Rs.728.53 crores) in the Consolidated Balance sheet, to reflect deterioration in the macroeconomic outlook. In accordance with the regulatory expectation of the Reserve Bank of India to bring down the net NPA ratio below 4%, which the management has agreed with, the Company, has recorded an additional provision of Rs.1,320.00 crores during the quarter on Stage 3 loans. Resultantly, the net NPA ratio of the Company stands at 3.97 % as at 31 March 2021. The **Stage 3 provisioning coverage ratio** stood at **57.9%**.

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The final impact of this pandemic is very uncertain and the actual impact may be different than that estimated based on the conditions prevailing as at the date of approval of these financial results. The management will continue to closely monitor the material changes in the macro-economic factors impacting the operations of the Company.

The Company's capital and debt position is strong and the ALM position is well balanced. As on March 31, 2021, the total investment book stood at Rs. 11,607 Crore compared to Rs. 5,911 Crore as on March 31, 2020. The Company has been duly servicing its debt obligations, maintains a healthy capital adequacy ratio and has adequate capital and financial resources to run its business.

The **Standalone Assets Under Management (AUM)** comprising loan assets and investments stood at **Rs. 81,689 Crores** as on March 31, 2021, as against Rs.77,160 Crores as on the corresponding date last year, registering a **growth of 6%**.

SUBSIDIARIES

Mahindra Insurance Brokers Limited (MIBL)

During the quarter year ended March 31, 2021, MIBL registered income at Rs. 86.2 Crores as against Rs. 87.9 Crores during the corresponding quarter last year, a decline of 2% over the same period previous year. The Profit Before Tax (PBT) registered was Rs. 16.4 Crores during the quarter ended March 31, 2021, as against Rs. 28.3 Crores during the corresponding quarter last year, a decline of 42% over the same period previous year. The Profit After Tax (PAT) registered was Rs. 11.6 Crores during the quarter ended March 31, 2021, as against Rs. 20.4 Crores during the corresponding quarter last year, decline of 43% over the same period previous year.

During the financial year ended March 31, 2021, MIBL registered Income at Rs. 268.6 Crores as against Rs. 336.9 Crores during the corresponding period last year, registering a decline of 20% over the same period previous year. The Profit Before Tax (PBT) was Rs. 44 Crores during the financial year ended March 31, 2021 as compared to Rs. 73.9 Crores during the corresponding period last year, a decline of 40% over the same period previous year. The Profit After Tax (PAT) was Rs. 32 Crores during the financial year ended March 31, 2021 as against Rs. 53.4 Crores during the corresponding period last year, a decline of 40% over the same period previous year.

Mahindra Rural Housing Finance Limited (MRHFL)

During the quarter year ended March 31, 2021, MRHFL registered income at Rs. 337.8 Crores as against Rs. 400.5 Crores during the corresponding quarter last year, a decline of 16% over the same period previous year. The Profit Before Tax (PBT) registered was Rs. 44.9 Crores during the quarter ended March 31, 2021, as against loss of Rs. 11.7 Crores during the corresponding quarter last year, a growth of 484% over the same period previous year. The Profit After Tax (PAT) registered was Rs. 34.5 Crores during the quarter ended March 31, 2021, as against Rs. 0.5 Crores during the corresponding quarter last year, a growth of 6800% over the same period previous year.



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During the financial year ended March 31, 2021, MRHFL registered Income at Rs. 1454.7 Crores as against Rs. 1527.6 Crores during the corresponding period last year, registering a decline of 5% over the same period previous year. The Profit Before Tax (PBT) was Rs. 195.3 Crores during the financial year ended March 31, 2021 as compared to Rs. 205.6 Crores during the corresponding period last year, a decline of 5% over the same period previous year. The Profit After Tax (PAT) was Rs. 151.0 Crores during the financial year ended March 31, 2021 as against Rs. 148.6 Crores during the corresponding period last year, a growth of 2% over the same period previous year.

The Company has cumulative management overlay of Rs. 97.5 Crores as at March 31 2021 for covering the contingencies that may arise due to COVID – 19 pandemic.

Mahindra Manulife Investment Management Private Limited (MMIMPL)

During the quarter ended March 31, 2021, MMIMPL earned total income of Rs. 8.4 Crores as compared to Rs. 3.8 Crores in the same period previous year. The company incurred a loss of Rs. 9 Crores compared to a loss of Rs. 10.1 Crores during the same period previous year.

During the financial year ended March 31, 2021, MMIMPL earned total income of Rs. 30.5 Crores as compared to Rs. 17 Crores in the same period previous year. The company incurred a loss of Rs. 26.7 Crores compared to a loss of Rs. 37.9 Crores during the same period previous year. The Average Assets under Management (AUM) of MMIMPL for the quarter ended March 31, 2021 was Rs. 5,271 Crores across 16 schemes which showed a decline of 2.3% over the same period previous year. Of these assets, the Company managed Rs. 2,478 Crores of average equity assets in the quarter year ended March 31, 2021 compared to Rs. 1,781 Crores in the same period last year.

Mahindra Manulife Trustee Private Limited (MMTPL)

During the quarter ended March 31, 2021, MMTPL earned total income of Rs. 0.14 Crores compared to Rs. 0.06 Crores during the same period previous year. The company posted a profit of Rs. 0.04 Crores compared to a profit of Rs. 0.02 Crores during the same period previous year.

During the financial year ended March 31, 2021, MMTPL earned total income of Rs. 0.36 Crores compared to Rs. 0.22 Crores during the same period previous year. The company incurred a loss of Rs. 0.01 Crores compared to a loss of Rs. 0.02 Crores during the same period previous year.

Mahindra Finance USA, LLC (MFUSA)

During the quarter ended March 31, 2021, MFUSA registered income at USD 14.4 Million as against USD 16.6 Million during the corresponding quarter last year, registering a decline of 13% over the same period previous year. The Profit Before Tax (PBT) during the quarter ended March 31, 2021, registered was USD 6.7 Million as against Loss before tax of USD 0.9 Million during the corresponding quarter last year, registering a growth of 844% over the same period previous year. The Profit After Tax (PAT) during the quarter ended March 31, 2021, registered was USD 4.9 Million as against Loss after tax of USD 1.2 Million during the corresponding quarter last year, registering a growth of 508% over the same period previous year.



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During the financial year ended March 31, 2021, MFUSA registered income at USD 61.9 Million as against USD 68.8 Million, registering a decline of 10% over the same period previous year. The Profit Before Tax (PBT) during the financial year ended March 31, 2021, registered was USD 23.4 Million as against USD 13.2 Million during the corresponding period last year, registering a growth of 77% over the same period previous year. The Profit After Tax (PAT) during the financial year ended March 31, 2021, registered was USD 17.5 Million as against USD 9.6 Million, a growth of 82% over the same period previous year.

Ideal Finance Ltd (IFL)

During the quarter ended March 31, 2021, IFL registered income at LKR 277.0 Million as against LKR 233.0 Million during the corresponding quarter last year, registering a growth of 19% over the same period previous year. The Profit Before Tax (PBT) registered during the quarter ended March 31, 2021, was LKR 100.3 Million as against LKR 45.9 Million during the corresponding quarter last year, registering a growth of 118% over the same period previous year. The Profit After Tax (PAT) during the quarter ended March 31, 2021, was LKR 55.1 Million as against LKR 25.5 Million during the corresponding quarter last year, a growth of 116% over the same period previous year.

During the financial year ended March 31, 2021, IFL registered income at LKR 1,015.3 Million as against LKR 927.8 Million during the corresponding period last year, registering a growth of 9% over the same period previous year. The Profit Before Tax (PBT) registered during the financial year ended March 31, 2021, was LKR 288.4 Million as against LKR 164.0 Million during the corresponding period last year, registering a growth of 76% over the same period previous year. The Profit After Tax (PAT) during the financial year ended March 31, 2021, was LKR 183.8 Million as against LKR 105.4 Million during the corresponding period last year, a growth of 74% 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 7.3 Million customers and has an AUM of over USD 11 Billion. The Company is a leading vehicle and tractor financier, provides loans to SMEs and also offers fixed deposits. The Company has 1388 offices and reaches out to customers spread over 3,80,000 villages and 7000 towns across the country.

Mahindra Finance has been ranked 25th among India's Best Companies to Work 2020 and Ranked 6th on the list of Best Large Workplaces in Asia 2020 by Great Place to Work® Institute.

Mahindra Insurance Brokers Limited (MIBL), the Company's Insurance Broking subsidiary 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 and semi-urban areas of the country.

Mahindra Finance CSR Foundation is a wholly-owned subsidiary company, under the provisions of section 8 of the Companies Act, 2013 for undertaking the CSR activities of the Company and its subsidiaries.

Mahindra Manulife Investment Management Private Limited (formerly known as Mahindra Asset Management Company Private Limited) acts as the Investment Manager of Mahindra Manulife Mutual Fund (formerly known



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as Mahindra Mutual Fund). On 29th April 2020 Mahindra Finance divested 49% stake in its wholly-owned subsidiary, Mahindra Manulife Investment Management Private Limited to Manulife Investment Management (Singapore) Pte. Ltd. to form a 51:49 joint venture.

Mahindra Manulife Trustee Private Limited (MMTPL), (formerly known as Mahindra Trustee Company Private Limited) acts as a Trustee to Mahindra Manulife Mutual Fund (formerly known as Mahindra Mutual Fund). On 29th April 2020 Mahindra Finance divested 49% stake in its wholly-owned subsidiary, Mahindra Manulife Trustee Private Limited to Manulife Investment Management (Singapore) Pte. Ltd. to form a 51:49 joint venture.

The Company has a Joint Venture in the US, Mahindra Finance USA LLC, in partnership with De Lage Landen, a subsidiary of Rabo Bank, for financing Mahindra vehicles in the US.

The Company has recently formed a Joint Venture in Sri Lanka, by acquiring a 38.2% stake in Ideal Finance Ltd. This JV will focus on providing a diversified suite of financial services to the Sri Lankan market.

Learn more about Mahindra Finance on www.mahindrafinance.com / Twitter and Facebook: @MahindraFin

About Mahindra

The Mahindra Group is a USD 19.4 billion federation of companies that enables people to rise through innovative mobility solutions, driving rural prosperity, enhancing urban living, nurturing new businesses and fostering communities. It enjoys a leadership position in utility vehicles, information technology, financial services and vacation ownership in India and is the world's largest tractor company by volume. It also enjoys a strong presence in renewable energy, agribusiness, logistics and real estate development. Headquartered in India, Mahindra employs over 2,56,000 people across 100 countries.

Learn more about Mahindra on www.mahindra.com / Twitter and Facebook: @MahindraRise

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