

PRESS RELEASE

Mahindra Finance

F-2018 Q1 Standalone Results

Income up by 16%

Disbursement up by 16%

PAT declined by 46%

AUM up by 14%, crosses 47000 Crores

Mumbai, July 24, 2017: 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, 2017.

F-2018 Q1 Standalone Results

The **Total Income** increased by **16%** at **Rs.1603 Crores** during the quarter ended 30th June, 2017, as against Rs.1376 Crores in the corresponding period last year. The **Profit After Tax (PAT)** declined by **46%** to **Rs.47 Crores** during the quarter ended 30th June, 2017, as against Rs.87 Crores during the corresponding period last year. 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.193 Crores for the quarter ended June 30, 2016 and **Rs.83 Crores** 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.83 Crores** against the above mentioned 100% provision cases.

F-2018 Q1 Consolidated Results

The **Total Income** increased by **19%** at **Rs.1886 Crores** during the quarter ended 30th June, 2017, as against Rs.1579 Crores in the corresponding period last year. The **Profit After Tax (PAT)** and Minority interest declined by **46%** to **Rs.58 Crores** during the quarter ended 30th June, 2017, as against Rs.108 Crores during the corresponding period last year. 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.193 Crores for the quarter ended June 30, 2016 and **Rs.83 Crores** 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.83 Crores** against the above mentioned 100% provision cases.

Operations

During this quarter, the Company's customer base has crossed 4.8 million customers. The Company currently has a network of 1,183 offices and the Total Assets Under Management (AUM) of **Rs.47576 Crores** as on 30th June, 2017, as against Rs.41662 Crores as on 30th June, 2016, a growth of **14%**.

The Total value of assets financed for the quarter ended 30th June 2017 was **Rs.7640 Crores** as against Rs.6564 Crores during the same period previous year, registering a growth of **16%**.

In view of improved sentiments at the rural markets, the Company has had higher collection efficiency, lower repossessions and lower growth of Non-Performing Assets (NPAs) compared to same period previous year.

The Company has complied with the prudential guidelines issued by the Reserve Bank of India in respect of Income Recognition and Provision for NPAs and has also been making accelerated provision on a prudential basis. The cumulative provision over the prescribed RBI norms is at **Rs.828 Crores**.

SUBSIDIARIES

Mahindra Insurance Brokers Limited (MIBL)

During the quarter ended 30th June 2017, MIBL registered **income** at **Rs.50.5 Crores** as against Rs.36.5 crores, registering a growth of **38%** over the same period previous year. The **Profit After Tax (PAT)** registered was **Rs.13.2 Crores** as against Rs.10.0 Crores, registering a growth of **32%** over the same period previous year.

Mahindra Rural Housing Finance Limited (MRHFL)

During the quarter ended 30th June 2017, MRHFL **disbursed Rs.597.8 Crores** as against Rs. 405.0 Crores during the same period previous year, registering a growth of **48%** over the same period previous year. MRHFL registered **income at Rs. 198.5 Crores** as against Rs. 143.7 Crores, a growth of **38%** over the same period previous year. The **Profit After Tax (PAT)** was **Rs. 2.9 Crores** as against Rs. 8.1 Crores, registering a de-growth of **64%** over the same period previous year.

Mahindra Asset Management Company Private Limited (MAMCPL)

The average Assets under Management of MAMCPL for the month of June 2017 were Rs.2196 crores across five schemes. The equity assets of MAMCPL crossed Rs.500 Crores in this quarter. Further, the number of accounts with the MAMCPL crossed 50,000 too. During the quarter ended June 30, 2017, MAMCPL **earned fees of Rs.2.8 Crores** as compared to Rs.2.1 Crores in the previous quarter ended March 31, 2017. MAMCPL launched one new equity scheme during this quarter viz. Mahindra Mutual Fund Badhat Yojana. MAMCPL incurred a loss of Rs.11.26 Crores during the June 2017 quarter compared to a loss of Rs.8.28 Crores in the quarter ended March 2017.

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 4.8 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 1,183 offices across the country. Mahindra Finance is the only Non-Banking Financial Company from India to get selected on Dow Jones Sustainability Index in Emerging Market Category. Mahindra Finance has been ranked 49th in the Top 50 "India's Best Companies to Work for 2017" 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 and semi-urban areas of the country.

Mahindra Asset Management Company Private Limited (MAMCPL), a wholly-owned subsidiary of Mahindra Finance, is acting as the Investment Manager of Mahindra Mutual Fund.

The Company has a JV in US, Mahindra Finance USA LLC, in partnership with De Lage Landen, a subsidiary of Rabo Bank, for financing Mahindra tractors in US.

About Mahindra

The Mahindra Group is a USD 19 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 has 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 agribusiness, components, commercial vehicles, consulting services, energy, industrial equipment, logistics, real estate, steel, aerospace, defence and two wheelers. Headquartered in India, Mahindra employs over 200,000 people across 100 countries.

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

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