

PRESS RELEASE

Mahindra Finance

F-2018 Q2 Consolidated Results

Income up by 14%

PAT declined by 11%

AUM up by 14%, at 49918 Crores

Mumbai, October 25, 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 audited financial results for quarter and half year ended 30th September, 2017.

F-2018 Q2 Consolidated Results

The **Total Income** increased by **14%** at **Rs.1986 Crores** during the quarter year ended 30th September 2017 as against Rs.1741 Crores in the corresponding period last year. The **Profit After Tax (PAT)** after minority interest declined by **11%** to **Rs.101** Crores during the period last year 30th September, 2017 as against Rs.114 Crores during the corresponding period last year.

F-2018 Q2 Standalone Results

The **Total Income** increased by **11%** at **Rs.1683 Crores** during the quarter year ended 30th September 2017 as against Rs.1516 Crores in the corresponding period last year. The **Profit After Tax (PAT)** declined by **18%** to **Rs.78** Crores during the period last year 30th September, 2017 as against Rs.95 Crores during the corresponding period last year.

F-2018 H1 Consolidated Results

The **Total Income** increased by **17%** at **Rs.3872 Crores** during the half year ended 30th September 2017 as against Rs.3320 Crores in the corresponding period last year. The **Profit After Tax (PAT)** after minority interest declined by **28%** to **Rs.159** Crores during the period last year 30th September, 2017 as against **Rs.222** Crores during the corresponding period last year.

F-2018 H1 Standalone Results

The **Total Income** increased by **14%** at **Rs.3286 Crores** during the half year ended 30th September 2017 as against Rs.2891 Crores in the corresponding period last year. The **Profit After Tax (PAT)** declined by **31%** to **Rs.125** Crores during the period last year 30th September, 2017 as against Rs.182 Crores during the corresponding period last year.

Operations

During this quarter, the Company's customer base has crossed 4.9 million customers. The Company currently has a network of 1178 offices and the Total Assets Under Management (AUM) of **Rs.49918 Crores** as on 30th September, 2017, as against Rs.43855 Crores as on 30th September, 2016 a growth of **14%**.

The Total value of assets financed for the half year ended 30th September, 2017, was **Rs.15206 Crores** as against Rs.14107 Crores during the same period previous year, registering a growth of **8%**.

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) and has also been making accelerated provision.

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.169.34 crores for the half year ended September 30, 2016 with a consequent impact on the profit before tax. In the quarter ended June 30, 2017 and half year ended September 30, 2017, the Company has made additional provision of Rs.83.37 crores against the above mentioned 100% provision cases.

RBI wide its notification no. DNBR/011/CGM (CDS-2015) dated March 27, 2015, has revised the asset classification norms for Non-Performing assets (NPA's) applicable to NBFCs in a phased manner commencing from Financial Year ending 31 March 2016. In line with the above notification, the company has revised asset classification norms as at September 30, 2017 for NPAs pursuant to which loans outstanding for a period of three months and above are classified as NPAs as compared to four months and above followed until June 30, 2017. This has resulted in an increase in provision by Rs.246.97 crores as at September 30, 2017.

SUBSIDIARIES

Mahindra Insurance Brokers Limited (MIBL)

During the half year ended 30th September 2017, MIBL registered **income at Rs.95.0 crores** as against Rs.74.3 crores, registering a **growth of 28%** over the same period previous year. The **Profit After Tax (PAT)** registered was **Rs.21.9 crores** as against Rs.18.6 crores, registering a **growth of 18%** over the same period previous year.

During the quarter ended 30th September 2017, MIBL registered **income at Rs.44.5 crores** as against Rs.37.8 crores, registering a **growth of 18%** over the same period previous year. The **Profit After Tax (PAT)** registered was **Rs.8.7 crores** as against Rs.8.6 crores, registering a **growth of 1%** over the same period previous year.

Mahindra Rural Housing Finance Limited (MRHFL)

During the half year ended 30th September 2017, MRHFL **disbursed Rs. 1180.5 Crores** as against Rs. 858.5 Crores during the previous period, registering a growth of **38%** over the previous period. MRHFL registered **income at Rs. 435.0 crores** as against Rs. 311.7 crores, a growth of **40%** over the previous period. The **Profit After Tax (PAT)** was **Rs. 37.4 Crores** as against Rs. 28.0 Crores, registering a growth of **34%** over the previous period.

During the quarter ended 30th September 2017, MRHFL **disbursed Rs. 582.7 Crores** as against Rs. 453.5 Crores during the same period previous year, registering a growth of **28%** over the same period previous year. MRHFL registered **income at Rs. 236.5 crores** as against Rs. 168.0 crores, a growth of **41%** over the same period previous year. The **Profit After Tax (PAT)** was **Rs. 34.5 Crores** as against Rs. 20.0 Crores, registering a growth of **73%** over the same period previous year.

Mahindra Asset Management Company Private Limited (MAMCPL)

The average Assets under Management of MAMCPL for the month of September 2017 was Rs.2254 crores across five schemes. Of these assets, MAMCPL managed Rs.612 crores of equity assets which showed a growth of 25% over the previous quarter. The number of client accounts increased to 64,528 showing a growth of 23% over the previous quarter end figure. During the quarter ended September 30, 2017, MAMCPL earned **fees of Rs.3.73 crores** as compared to Rs.2.79 crores in the previous quarter.

The company incurred a loss of Rs.6.31 crores during the September 2017 quarter compared to a loss of Rs.11.26 crores in the quarter ended June 2017. The higher loss in the previous quarter was due to higher spend on advertising and marketing to support the launch of new funds.

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 4.9 million customers and has an AUM of over USD 7.64 billion. The Company is a leading vehicle and tractor financier and also offers fixed deposits and loans to SMEs. The Company has 1,178 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 Top50 "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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