

PRESS RELEASE

Mahindra Finance

F-2017 YTD Consolidated Results

AUM up by 14%, crosses 45000 Crores

Income up by 8%

PAT declined by 35%

Mumbai, January 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 and nine months period ended 31st December, 2016.

F-2017 YTD Consolidated Results

The **Total Income** increased by **8%** at **Rs.5068 Crores** during nine months period ended 31st December, 2016, as against Rs.4693 Crores in the corresponding period last year. The **Profit After Tax (PAT)** and Minority interest declined by **35%** to **Rs.233 Crores** during the nine months period ended 31st December, 2016, as against Rs.361 Crores during the corresponding period last year.

F-2017 YTD Standalone Results

The **Total Income** increased by 4% at **Rs.4395 Crores** during the nine months period ended 31st December, 2016, as against Rs.4215 Crores in the corresponding period last year. The **Profit After Tax (PAT)** declined by **45%** to **Rs.166 Crores** during the nine months period ended 31st December, 2016, as against Rs.302 Crores during the corresponding period last year.

F-2017 Q3 Consolidated Results

The **Total Income** increased by **10%** at **Rs.1748 Crores** during the quarter year ended 31st December, 2016, as against Rs.1593 Crores in the corresponding quarter last year. The **Profit After Tax (PAT)** and Minority interest declined by **88%** to **Rs.12 Crores** during the quarter ended 31st December, 2016, as against Rs.96 Crores during the corresponding quarter last year.

F-2017 Q3 Standalone Results

The **Total Income** increased by 7% at **Rs.1503 Crores** during the quarter year ended 31st December, 2016, as against Rs.1409 Crores in the corresponding quarter last year. During the quarter ended 31st December, 2016, the Company has reported **Net Loss** of **Rs.16 Crores** as against **Profit After Tax (PAT)** of Rs.67 Crores during the corresponding quarter last year.

Operations

During this quarter, the Company's customer base has crossed **4.5 million customers**. The Company currently has a network of 1181 offices and Total Assets Under Management (AUM) of **Rs.45711 Crores** as on 31st December, 2016, as against Rs.40282 Crores as on 31st December, 2015, a growth of **14%**.

Mahindra Finance for the nine months period ended 31st December, 2016, has disbursed (value of assets financed) **Rs.23283 Crores** as against Rs.19896 Crores, registering a growth of **17%** over the same period previous year.

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 provision on an accelerated basis. The cumulative provision over the prescribed RBI norms is at **Rs.809 Crores**.

Consequent upon withdrawal of the legal tender status of the existing Rs.500 and Rs.1000 denomination currency notes by the Government Of India, RBI has permitted to defer the downgrade of an account by 90 days which was standard as of 1st November, 2016, but would have become NPA for any reason during this period. Accordingly, the Company has deferred the classification of 32456 borrower accounts as sub-standard assets which were standard assets as on 1st November, 2016 involving a provision of Rs.153 Crores (including income de-recognition).

The rural and semi-urban economy is majorly cash driven. The liquidity crunch in F17 Q3 has impacted business and recoveries which has led to a temporary increase in over dues. But, with good crop yields and liquidity situation normalising, we expect the situation to improve and customers to regularise their account in the forthcoming quarters.

SUBSIDIARIES

Mahindra Insurance Brokers Limited (MIBL)

During the **quarter ended 31st December, 2016**, MIBL registered income at Rs.46.3 Crores as against Rs.40.7 Crores, registering a growth of 14% over the same period previous year. The Profit After Tax (PAT) registered was Rs.15.1 Crores as against Rs.14 Crores, registering a growth of 8% over the same period previous year.

During **the nine months period ended 31st December 2016**, MIBL registered Income at Rs.120.6 Crores, as against Rs.103.3 Crores, registering a growth of 17% over the same period previous year. The Profit After Tax (PAT) was Rs.33.7 Crores as against Rs.32.6 Crores, registering a growth of 3% over the same period previous year.

Mahindra Rural Housing Finance Limited (MRHFL)

During the **quarter ended 31st December, 2016**, MRHFL **disbursed Rs. 462.7 Crores** as against Rs. **341.1 Crores** during the same period previous year, registering a growth of 36 % over the same period previous year. The **Profit After Tax (PAT)** stood at **Rs. 16.1 Crores** as against Rs. **16.1 Crores** registered for the same period previous year.

During the **nine months period ended 31st December 2016**, MRHFL **disbursed Rs. 1321.2 Crores** as against Rs. **1022.0 Crores** during the same period previous year, registering a growth of 29 % over the same period previous year. The **Profit After Tax (PAT)** registered a growth of 34 % at **Rs. 44.1 Crores** as against Rs. **32.8 Crores** registered for the same period previous year.

Mahindra Asset Management Company Private Limited (MAMCPL)

During the quarter ended 31st December, 2016, MAMCPL **earned fees of Rs 1.05 Crores** as compared to Rs 0.35 Crores in the previous quarter ended 30th September 2016. These were the first two quarters where the company earned investment management fees. The company incurred a loss of Rs.5.52 Crores during the December 2016 quarter compared to a loss of Rs 4.44 crores in the quarter ended September 2016. The asset management business is a long gestation business and expenses are expected to be higher than income till the assets under management reach a sizeable amount. MAMCPL, as the Investment Manager of the schemes of Mahindra Mutual Fund, managed more than Rs.1500 crores of assets in the month of December 2016.

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 4.5 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 1,181 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 and semi-urban 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.

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.

About Mahindra

The Mahindra Group is a USD 17.8 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 aerospace, agribusiness, components, commercial vehicles, consulting services, defence, energy, industrial equipment, logistics, real estate, steel, 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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