

Press Release

For Immediate Dissemination

Mahindra Finance

F-2016 Q1 Consolidated results

Income up by 9%**PAT declined by 37%**

Mumbai, July 24, 2015: 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 the quarter ended 30th June, 2015.

F-2016 Q1 Consolidated Results

The **Total Income** increased by **9%** at **Rs.1513 crores** during the quarter ended 30th June, 2015 as against Rs.1384 crores in the corresponding quarter last year. The **Profit After Tax** and minority interest declined by **37%** to **Rs.107 crores** during the quarter ended 30th June, 2015 as against Rs.170 crores during the corresponding quarter last year.

F-2016 Q1 Standalone Results

The **Total Income** increased by **7%** at **Rs.1368 crores** during the quarter ended 30th June, 2015 as against Rs.1283 crores in the corresponding quarter last year. The **Profit After Tax** (PAT) declined by **43%** to **Rs.89 crores** during the quarter ended 30th June, 2015 as against Rs.155 crores during the corresponding quarter last year.

Operations

During the quarter, the Company's customer base has crossed 3.7 million customers in the month of June 2015. The Company currently has a network of 1124 offices and Total Assets Under Management of Rs. 37554 crores as on 30th June, 2015 as against Rs. 34271 crores as on 30th June, 2014, a growth of 10%.

The Company has been consciously moderating disbursement growth in view of cash flow pressures faced by customers in semi-urban and rural markets. The income growth has been impacted by lower disbursements. In view of unseasonal rains during the period and with low economic activities the customer cash flows have remained under pressure resulting in reduced collections. The profitability for the quarter has been impacted by both reduced income and increased credit cost due to lower collections.

The Company follows prudential norms for income recognition, asset classification and provisioning for Non-performing assets as prescribed by Reserve Bank of India (RBI) for NBFCs and has also been making additional provision on a prudential basis. The Company has complied with the revised norms applicable for the current financial year issued by the RBI vide its notification no DNBR. 011/CGM (CDS)-2015 dt. March 27, 2015.

India Ratings, Brickworks and CARE Rating have assigned "AAA" rating to Company's long term debt. The Company continued to broad base its consortium of lenders by bringing in new Banks, Mutual Funds, Insurance Companies, Pension, Provident Funds and Trusts.