

Mahindra & Mahindra Financial Services Limited
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STATEMENT OF UNAUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER ENDED 30 JUNE 2019

		Rs. in Lakhs			
	Particulars	Quarter ended			Year ended
		30 June 2019	31 March 2019	30 June 2018	31 March 2019
		(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
	Revenue from operations				
i)	Interest income	2,72,876.24	2,75,553.58	2,20,908.35	9,96,952.90
ii)	Dividend income	958.77	1,118.95	-	1,524.27
iii)	Rental income	115.55	56.47	2.22	71.45
iv)	Fees and commission Income	1,810.47	3,475.06	2,169.66	11,638.82
v)	Net gain on fair value changes	59.48	764.02	34.43	761.75
vi)	Sale of services	6,367.22	7,036.98	6,157.63	26,220.90
I	Total Revenue from operations	2,82,187.73	2,88,005.06	2,29,272.29	10,37,170.09
II	Other income	1,654.74	2,232.51	923.53	5,915.38
III	Total income (I+II)	2,83,842.47	2,90,237.57	2,30,195.82	10,43,085.47
	Expenses				
i)	Finance costs	1,26,259.77	1,26,989.30	95,675.01	4,43,227.98
ii)	Fees and commission expense	3,555.19	3,013.23	2,558.81	12,968.10
iii)	Impairment on financial instruments	67,691.31	(11,549.59)	34,541.05	71,710.83
iv)	Employee benefits expenses	47,253.26	42,395.32	34,478.25	1,47,794.76
v)	Depreciation, amortization and impairment	4,143.78	2,135.13	1,618.00	7,553.32
vi)	Others expenses	20,272.36	24,267.74	13,825.12	80,447.20
IV	Total expenses	2,69,175.67	1,87,251.13	1,82,696.24	7,63,702.19
V	Profit before exceptional items and tax (III-IV)	14,666.80	1,02,986.44	47,499.58	2,79,383.28
VI	Share of profit of associate	1,328.01	1,154.01	1,342.44	4,692.88
VII	Profit before tax (V+VI)	15,994.81	1,04,140.45	48,842.02	2,84,076.16
VIII	Tax expense :				
i)	Current tax	4,597.41	13,153.95	13,309.59	71,136.53
ii)	Deferred tax	551.17	20,929.12	3,304.95	26,211.44
		5,148.58	34,083.07	16,614.54	97,347.97
IX	Profit for the period (VII-VIII)	10,846.23	70,057.38	32,227.48	1,86,728.19
X	Other Comprehensive Income (OCI)				
A)	(i) Items that will not be reclassified to profit or loss				
	- Remeasurement loss on defined benefit plans	(1,980.28)	(70.15)	(474.53)	(1,481.98)
	- Net gain on equity instruments through OCI	(47.95)	-	-	454.65
	(ii) Income tax relating to the above items	651.59	31.94	172.67	353.97
	Subtotal (A)	(1,376.64)	(38.21)	(301.86)	(673.36)
B)	(i) Items that will be reclassified to profit or loss				
	- Exchange differences in translating the financial statements of foreign operations	(206.74)	(179.67)	1,878.44	2,398.78
	- Net gain on debt instruments through OCI	-	788.52	-	788.52
	(ii) Income tax relating to the above items	-	(275.54)	-	(275.54)
	Subtotal (B)	(206.74)	333.31	1,878.44	2,911.76
	Other Comprehensive Income (A + B)	(1,583.38)	295.10	1,576.58	2,238.40
XI	Total Comprehensive Income for the period (IX+X)	9,262.85	70,352.48	33,804.06	1,88,966.59
	Profit for the period attributable to:				
	Owners of the Company	10,723.05	68,717.38	31,591.48	1,82,729.83
	Non-controlling interests	123.18	1,340.00	636.00	3,998.36
		10,846.23	70,057.38	32,227.48	1,86,728.19
	Other Comprehensive Income for the period attributable to:				
	Owners of the Company	(1,552.93)	301.85	1,573.15	2,252.51
	Non-controlling interests	(30.45)	(6.75)	3.43	(14.11)
		(1,583.38)	295.10	1,576.58	2,238.40
	Total Comprehensive Income for the period attributable to:				
	Owners of the Company	9,170.12	69,019.24	33,164.62	1,84,982.34
	Non-controlling interests	92.73	1,333.24	639.44	3,984.25
		9,262.85	70,352.48	33,804.06	1,88,966.59
XII	Earnings per equity share (face value of Rs.2/- each) #				
	Basic (Rupees)	1.74	11.18	5.14	29.73
	Diluted (Rupees)	1.74	11.15	5.13	29.67

Earnings per share for the interim period is not annualised.

STATEMENT OF UNAUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER ENDED 30 JUNE 2019

Rs. in Lakhs

	Particulars	Quarter ended			Year ended	
		30 June	31 March	30 June	31 March	
		2019	2019	2018	2019	
		(Unaudited)	(Audited)	(Unaudited)	(Audited)	
	Revenue from operations					
I	i) Interest income	2,36,646.01	2,41,125.35	1,91,162.28	8,61,455.78	
	ii) Dividend income	908.09	1,069.00	-	1,388.00	
	iii) Rental income	115.55	56.47	2.22	71.45	
	iv) Fees and commission Income	1,705.89	2,518.09	1,672.39	8,691.76	
	v) Net gain on fair value changes	25.22	749.69	17.64	683.87	
	Total Revenue from operations	2,39,400.76	2,45,518.60	1,92,854.53	8,72,290.86	
II	Other income	1,849.67	2,434.90	1,112.81	8,690.31	
III	Total income (I+II)	2,41,250.43	2,47,953.50	1,93,967.34	8,80,981.17	
	Expenses					
	i) Finance costs	1,12,820.54	1,14,433.45	84,875.79	3,94,456.16	
	ii) Fees and commission expense	998.94	684.20	239.30	3,047.83	
	iii) Impairment on financial instruments	61,961.90	(11,445.03)	29,383.62	63,520.83	
	iv) Employee benefits expenses	35,208.96	31,410.21	26,344.45	1,09,011.91	
	v) Depreciation, amortization and impairment	3,432.98	1,730.23	1,326.73	6,022.52	
	vi) Others expenses	16,356.78	21,666.22	10,577.28	66,677.73	
IV	Total expenses	2,30,780.10	1,58,479.28	1,52,747.17	6,42,736.98	
V	Profit before tax (III-IV)	10,470.33	89,474.22	41,220.17	2,38,244.19	
VI	Tax expense :					
	i) Current tax	3,194.00	11,616.02	12,292.87	57,686.12	
	ii) Deferred tax	433.10	19,061.66	2,022.21	24,851.72	
		3,627.10	30,677.68	14,315.08	82,537.84	
VII	Profit for the period (V-VI)	6,843.23	58,796.54	26,905.09	1,55,706.35	
VIII	Other Comprehensive Income (OCI)					
	A) (i) Items that will not be reclassified to profit or loss					
	- Remeasurement loss on defined benefit plans	(1,794.13)	(86.88)	(488.06)	(1,324.60)	
	- Net gain on equity instruments through OCI	(47.95)	-	-	454.65	
	(ii) Income tax relating to the above items	643.70	30.36	170.55	304.00	
	Subtotal (A)	(1,198.38)	(56.52)	(317.51)	(565.95)	
	B) (i) Items that will be reclassified to profit or loss					
	- Net gain on debt instruments through OCI	-	788.52	-	788.52	
	(ii) Income tax relating to the above items	-	(275.54)	-	(275.54)	
	Subtotal (B)	-	512.98	-	512.98	
	Other Comprehensive Income (A + B)	(1,198.38)	456.46	(317.51)	(52.97)	
IX	Total Comprehensive Income for the period (VII+VIII)	5,644.85	59,253.00	26,587.58	1,55,653.38	
X	Earnings per equity share (face value of Rs.2/- each) #					
	Basic (Rupees)	1.11	9.56	4.38	25.33	
	Diluted (Rupees)	1.11	9.54	4.37	25.28	

Earnings per share for the interim period is not annualised.

Notes:

- 1) The above financial results of the Company have been prepared in accordance with Indian Accounting Standards ('Ind AS') notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) Rules, 2016, prescribed under section 133 of the Companies Act 2013 ('the Act') read with relevant rules issued thereunder and the other accounting principles generally accepted in India. Any application guidance/ clarifications/ directions issued by the Reserve Bank of India or other regulators are implemented as and when they are issued/ applicable.
- 2) The above financial results have been reviewed by the Audit Committee and subsequently approved by the Board of Directors of the Company at its meeting held on 23 July 2019.
- 3) The Consolidated financial results include the unaudited financial results of the subsidiaries Mahindra Insurance Brokers Limited (80%), Mahindra Rural Housing Finance Limited (98.43%), Mahindra Asset Management Company Private Limited (100%), Mahindra Trustee Company Private Limited (100%), Mahindra and Mahindra Financial Services Limited Employees' Stock Option Trust (MMFSL ESOP Trust), Mahindra Rural Housing Finance Limited Employee Welfare Trust (MRHFL EWT), Mahindra Finance CSR Foundation and unaudited financial results of a Joint Venture company, Mahindra Finance USA LLC (49%), in the United States, which has been consolidated as an associate under equity method of accounting. The standalone financial results of Mahindra Finance USA LLC, MMFSL ESOP Trust, MRHFL EWT and Mahindra Finance CSR Foundation which does not constitute a material component of the consolidated financial results have been certified by the management.
- 4) In compliance with Regulation 33 of the Securities Exchange Board of India ("SEBI") (Listing Obligations and Disclosure Requirements) Regulations, 2015, a limited review of financial results for the quarter ended 30 June 2019 has been carried out by the Statutory Auditors. The Consolidated figures for the corresponding quarter ended 30 June 2018 and for the quarter ended 31 March 2019 as reported in these financial results have been approved by the Company's Board of Directors, but have not been subjected to review.
- 5) The Standalone figures for the last quarter of the previous year are the balancing figures between audited figures in respect of the full financial year and the published year-to-date figures up to third quarter. The Consolidated figures for the last quarter of the previous year are the balancing figures between audited figures in respect of the full financial year and the year-to-date figures up to third quarter approved by the Company's Board of Directors.
- 6) There is no separate reportable segment as per Ind AS 108 on 'Operating Segments' in respect of the Company. The Segment Reporting in respect of the Unaudited Consolidated Financial Results is given in Appendix 1.
- 7) The Company has adopted Ind AS 116, Leases, effective 1 April 2019 using modified retrospective method of transition. Adoption of this standard did not have a material effect on unaudited financial results for the quarter ended 30 June 2019.
- 8) During the quarter ended 30 June 2019, the Company along with Mahindra Asset Management Company Private Limited (MAMCPL) and Mahindra Trustee Company Private Limited (MTCPL), wholly-owned subsidiaries of the Company, has entered into a share subscription agreement and shareholders agreement to form a 51:49 Joint Venture with Manulife Asset Management (Singapore) Pte. Ltd. (Manulife). Pursuant to these agreements, the Manulife will make an equity investment aggregating to US \$ 35.00 million to acquire 49% of the share capital of MAMCPL & MTCPL. The Company is awaiting regulatory approval for this transaction.
- 9) Pursuant to the offer made by National Housing Bank (NHB), the Board of Directors of the Company, at its meeting held on 27 March 2019, had approved the acquisition of 1,18,91,511 equity shares of Rs.10/- each of Mahindra Rural Housing Finance Limited, a subsidiary of the Company, at a premium of Rs. 231.16, for cash, aggregating to Rs. 28,677.57 lakhs. During the current quarter ended 30 June 2019, the Company had settled the entire amount of obligation as per the terms and conditions of the agreement.
- 10) During the quarter ended 30 June 2019, the Company has incorporated a Wholly-owned subsidiary company, namely, Mahindra Finance CSR Foundation, under the provisions of section 8 of the Companies Act, 2013 for undertaking the CSR activities of the Company and its subsidiaries.
- 11) All secured NCD's issued by the Company are secured by pari-passu charges on Aurangabad office and exclusive charge on receivables under loan contracts, owned assets and book debts to the extent of 100% of outstanding secured NCD's.
- 12) During the quarter ended 30 June 2019, the Company has made an investment of Rs.1,000.00 lakhs in Mahindra Asset Management Company Private Limited, its wholly owned subsidiary, by subscription to 1,00,00,000 equity shares of face value of Rs.10/- each, for cash, at par, fully paid up on a rights basis.
- 13) Previous period / year figures have been regrouped / reclassified, wherever found necessary, to conform to current period / year classification.

For and on behalf of the Board of Directors
Mahindra & Mahindra Financial Services Limited

Date : 23 July 2019
Place : Mumbai

Ramesh Iyer
Vice-Chairman & Managing Director

Appendix 1**Mahindra & Mahindra Financial Services Limited****Segment-wise Revenue and Results for Consolidated results as required under Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

Rs. in Lakhs

Particulars	Quarter ended			Year ended
	30 June 2019	31 March 2019	30 June 2018	31 March 2019
	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
(a) Segment Revenue				
- Financing activities	2,77,555.78	2,83,323.80	2,24,165.79	10,19,375.88
- Others	8,451.76	10,495.01	7,671.41	35,541.97
Total	2,86,007.54	2,93,818.81	2,31,837.20	10,54,917.85
Less : Inter-segment revenue	2,165.07	3,581.24	1,641.38	11,832.38
Net revenue	2,83,842.47	2,90,237.57	2,30,195.82	10,43,085.47
(b) Segment Results (Profit before tax) :				
- Financing activities	14,576.31	99,867.25	45,944.55	2,72,837.53
- Share of profit of associate	1,328.01	1,154.01	1,342.44	4,692.88
- Others	90.49	3,119.19	1,555.03	6,545.75
Total	15,994.81	1,04,140.45	48,842.02	2,84,076.16
Add : Other unallocable income net of unallocable expenditure	-	-	-	-
Net Profit before tax	15,994.81	1,04,140.45	48,842.02	2,84,076.16

For and on behalf of the Board of Directors
Mahindra & Mahindra Financial Services Limited

Date : 23 July 2019

Place : Mumbai

Ramesh Iyer
Vice-Chairman & Managing Director