

# Mahindra & Mahindra Financial Services Limited

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## STATEMENT OF UNAUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED 30 SEPTEMBER 2018

Rs. in Lakhs

	Particulars	Quarter ended			Half year ended	
		30 September 2018	30 June 2018	30 September 2017	30 September 2018	30 September 2017
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
1	Revenue from Operations	2,10,326.97	1,92,583.62	1,51,738.32	4,02,910.59	3,01,540.53
2	Other Income	4,509.96	1,383.72	2,212.76	5,893.68	3,280.69
<b>3</b>	<b>Total Income (1+2)</b>	<b>2,14,836.93</b>	<b>1,93,967.34</b>	<b>1,53,951.08</b>	<b>4,08,804.27</b>	<b>3,04,821.22</b>
<b>4</b>	<b>Expenses:</b>					
	a) Employee benefits expense	24,098.20	26,344.45	18,678.54	50,442.65	38,267.41
	b) Finance costs	93,665.94	84,875.79	73,441.24	1,78,541.73	1,48,971.01
	c) Depreciation and amortization expense	1,448.16	1,326.74	1,066.99	2,774.90	2,173.22
	d) Loan loss provisions and write off	23,111.54	29,383.63	22,365.38	52,495.16	35,054.82
	e) Other expenses	16,933.25	10,816.57	13,340.09	27,749.82	25,388.87
	<b>Total expenses</b>	<b>1,59,257.09</b>	<b>1,52,747.18</b>	<b>1,28,892.24</b>	<b>3,12,004.26</b>	<b>2,49,855.33</b>
<b>5</b>	<b>Profit before exceptional items and tax (3-4)</b>	<b>55,579.84</b>	<b>41,220.17</b>	<b>25,058.84</b>	<b>96,800.01</b>	<b>54,965.89</b>
6	Exceptional items	-	-	-	-	-
<b>7</b>	<b>Profit before tax (5+6)</b>	<b>55,579.84</b>	<b>41,220.17</b>	<b>25,058.84</b>	<b>96,800.01</b>	<b>54,965.89</b>
<b>8</b>	<b>Tax expense</b>					
	- Current tax	22,449.21	12,292.87	6,218.00	34,742.08	9,787.45
	- Deferred tax	(5,008.64)	2,022.21	2,439.29	(2,986.43)	8,640.52
		<b>17,440.57</b>	<b>14,315.08</b>	<b>8,657.29</b>	<b>31,755.65</b>	<b>18,427.97</b>
<b>9</b>	<b>Profit for the period from continuing operations (7-8)</b>	<b>38,139.27</b>	<b>26,905.09</b>	<b>16,401.54</b>	<b>65,044.36</b>	<b>36,537.92</b>
<b>10</b>	<b>Profit from discontinued operations</b>	-	-	-	-	-
11	Tax expense of discontinued operations	-	-	-	-	-
<b>12</b>	<b>Profit from discontinued operations (after tax) (10-11)</b>	-	-	-	-	-
<b>13</b>	<b>Profit for the period (9+12)</b>	<b>38,139.27</b>	<b>26,905.09</b>	<b>16,401.54</b>	<b>65,044.36</b>	<b>36,537.92</b>
<b>14</b>	<b>Other Comprehensive Income</b>					
	A) (i) Items that will not be reclassified to profit or loss	137.99	(488.06)	68.00	(350.07)	(126.63)
	(ii) Income tax relating to items that will not be reclassified to profit or loss	(48.22)	170.55	(23.54)	122.33	43.82
	B) (i) Items that will be reclassified to profit or loss	-	-	-	-	-
	(ii) Income tax relating to items that will be reclassified to profit or loss	-	-	-	-	-
	<b>Other Comprehensive Income / (loss) (net of tax)</b>	<b>89.77</b>	<b>(317.51)</b>	<b>44.46</b>	<b>(227.74)</b>	<b>(82.81)</b>
<b>15</b>	<b>Total Comprehensive Income (after tax) (13+14)</b>	<b>38,229.04</b>	<b>26,587.58</b>	<b>16,446.00</b>	<b>64,816.62</b>	<b>36,455.11</b>
<b>16</b>	<b>Earnings per equity share (face value of Rs.2/- each) #</b>					
	a) Basic (Rs.)	6.21	4.38	2.90	10.58	6.47
	b) Diluted (Rs.)	6.20	4.37	2.90	10.57	6.45

# Earnings per share for the interim period is not annualised.

	Particulars	As at 30 September 2018
<b>A</b>	<b>ASSETS</b>	
<b>1</b>	<b>NON-CURRENT ASSETS</b>	
	a) Property, Plant and Equipment	11,565.54
	b) Capital work-in-progress	-
	c) Other Intangible assets	2,706.68
	d) Financial assets	
	(i) Investments	1,53,522.77
	(ii) Loans	29,28,171.76
	(iii) Other financial assets	4,244.90
	e) Deferred tax assets (net)	65,853.57
	f) Income tax assets (net)	14,686.36
	g) Other non-current assets	4,140.83
		<b>31,84,892.41</b>
<b>2</b>	<b>CURRENT ASSETS</b>	
	a) Financial assets	
	(i) Investments	94,977.34
	(ii) Trade receivables	310.01
	(iii) Cash and cash equivalents	22,425.12
	(iv) Bank balances other than Cash and cash equivalents	12,713.40
	(v) Loans	26,19,986.51
	(vi) Other financial assets	5,470.52
	b) Other current assets	6,521.35
		<b>27,62,404.25</b>
	<b>TOTAL ASSETS</b>	<b>59,47,296.66</b>
<b>B</b>	<b>EQUITY AND LIABILITIES</b>	
<b>1</b>	<b>EQUITY</b>	
	a) Equity Share capital	12,291.44
	b) Other equity	9,85,687.12
		<b>9,97,978.56</b>
<b>2</b>	<b>LIABILITIES</b>	
	<b>NON-CURRENT LIABILITIES</b>	
	a) Financial liabilities	
	(i) Borrowings	27,07,306.28
	(ii) Other financial liabilities	40,633.34
	b) Provisions	6,466.77
	c) Other non-current liabilities	1,374.71
		<b>27,55,781.10</b>
	<b>CURRENT LIABILITIES</b>	
	a) Financial liabilities	
	(i) Borrowings	9,04,365.76
	(ii) Trade payables	90,192.78
	(iii) Other financial liabilities	11,76,869.25
	b) Other current liabilities	10,480.15
	c) Provisions	7,793.97
	d) Current tax liabilities (net)	3,835.09
		<b>21,93,537.00</b>
	<b>TOTAL EQUITY AND LIABILITIES</b>	<b>59,47,296.66</b>

**Notes:**

- 1) The 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. The Company has adopted Ind AS from 1 April 2018 with effective transition date of 1 April 2017 and accordingly, these financial results together with the results for the comparative reporting period have been prepared in accordance with the recognition and measurement principles as laid down in Ind AS 34 - Interim Financial Reporting, 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.

This transition to Ind AS has been carried out from the erstwhile Accounting Standards notified under the Act, read with rule 7 of Companies (Accounts) Rules 2014 (as amended), guidelines issued by the Reserve Bank of India ('the RBI') and other generally accepted accounting principles in India (collectively referred to as 'the Previous GAAP'). Accordingly, the impact of transition has been recorded in the opening reserves as at 1 April 2017 and the corresponding adjustments pertaining to comparative previous period / quarter as presented in these financial results have been restated / reclassified in order to conform to current period presentation.

These financial results have been drawn up on the basis of Ind AS that are applicable to the Company effective from April 2018 based on the Press Release issued by the Ministry of Corporate Affairs ("MCA") on 18 January 2016. Any application guidance/ clarifications/ directions issued by RBI or other regulators are implemented as and when they are issued/ applicable.

- 2) 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 and half year ended 30 September 2018 has been carried out by the Statutory Auditors.

As permitted under circular no. CIR/CFD/FAC/62/2016 dated 5 July 2016 issued by SEBI, the Company has opted to avail exemption for submission of Ind AS compliant financial results and Balance sheet for the previous year ended 31 March 2018 and Balance sheet for the corresponding half year ended 30 September 2017. Further, the financial results for the quarter and half year ended 30 September 2017 have not been subjected to limited review or audit. However, the management has exercised necessary due diligence to ensure that the financial results for the quarter and half year ended 30 September 2017 provide a true and fair view of the Company's affairs.

- 3) As required by paragraph 32 of Ind AS 101, the profit reconciliation between the figures previously reported under Previous GAAP and restated as per Ind AS is as under:

	Rs. in Lakhs	
	Quarter ended 30 September 2017	Half year ended 30 September 2017
<b>Profit after tax as reported under Previous GAAP</b>	<b>7,799.16</b>	<b>12,537.74</b>
<b>Adjustments resulting in increase/(decrease) in profit after tax as reported under Previous GAAP :</b>		
i) Impact on recognition of financial assets and financial liabilities at amortised cost by application of Effective Interest Rate method	(4,939.00)	(12,196.72)
ii) Impact on application of Expected Credit Loss method for loan loss provisions	19,410.17	48,983.68
iii) Impact on recognition of securitised loan portfolio (de-recognised in Previous GAAP)	(1,191.77)	(210.53)
iv) Reclassification of actuarial loss to Other Comprehensive Income	(68.00)	126.63
v) Others	(56.28)	(1.05)
vi) Tax impact on above adjustments	(4,552.74)	(12,701.83)
<b>Profit after tax as reported under Ind AS</b>	<b>16,401.54</b>	<b>36,537.92</b>
Other Comprehensive Income / (loss) (net of tax)	44.46	(82.81)
<b>Total Comprehensive Income (after tax) as reported under Ind AS</b>	<b>16,446.00</b>	<b>36,455.11</b>

- 4) The Company has opted to publish only Standalone financial results, pursuant to option made available as per Regulation 33 (3) (b) (i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- 5) The above financial results for the quarter and half year ended 30 September 2018 along with restated comparative period have been reviewed by the Audit Committee and subsequently approved by the Board of Directors of the Company at its meeting held on 24 October 2018.
- 6) There is no separate reportable segment as per Ind AS 108 on 'Operating Segments' in respect of the Company.
- 7) 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.
- 8) During the quarter ended 30 June 2018 and half year ended 30 September 2018, the Company has made following investments:

- i) Rs.963.21 lakhs equivalent to US \$ 1.44 million (quarter ended 30 June 2017 and half year ended 30 September 2017: Rs.1,259.15 Lakhs equivalent to US \$ 1.96 million) in Mahindra Finance USA LLC, a Joint Venture company formed jointly with De Lage Landen Financial Services Inc. in the United States.

There is no consequent change in the Company's shareholding pattern.

- ii) Rs.2,000.00 lakhs (quarter ended 30 June 2017 and half year ended 30 September 2017: Rs.1,000.00 lakhs) in Mahindra Asset Management Company Private Limited, its wholly owned subsidiary, by subscription to 200,00,000 Equity shares of Face Value of Rs.10/- each for cash at par fully paid up on a rights basis.

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

Sd/-

Date : 24 October 2018

Place : Mumbai

Ramesh Iyer  
Vice-Chairman & Managing Director