

STATEMENT OF AUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31 MARCH 2019

Rs. in Lakhs

	Particulars	Quarter ended			Year ended	
		31 March 2019	31 December 2018	31 March 2018	31 March 2019	31 March 2018
		(Audited)	(Unaudited)	(Audited)	(Audited)	(Audited)
	Revenue from operations					
i)	Interest income	2,41,125.35	2,20,528.99	1,77,812.86	8,61,455.78	6,58,415.42
ii)	Dividend income	1,069.00	272.83	4.10	1,388.00	170.58
iii)	Rental income	56.47	6.23	1.70	71.45	2.69
iv)	Fees and commission Income	2,518.09	2,229.94	1,856.25	8,691.76	4,739.86
v)	Net gain on fair value changes	749.69	-	7.59	683.87	18.02
I	Total Revenue from operations	2,45,518.60	2,23,037.99	1,79,682.50	8,72,290.86	6,63,346.57
II	Other income	2,434.90	1,569.04	1,085.33	8,690.31	5,173.53
III	Total income (I+II)	2,47,953.50	2,24,607.03	1,80,767.83	8,80,981.17	6,68,520.10
	Expenses					
i)	Finance costs	1,14,433.45	1,02,049.01	77,793.05	3,94,456.16	3,08,161.56
ii)	Fees and commission expense	684.20	1,301.41	395.48	3,047.83	1,327.88
iii)	Net loss on fair value changes	-	91.73	-	-	-
iv)	Impairment on financial instruments	(11,445.03)	22,470.70	9,479.09	63,520.83	56,814.10
v)	Employee benefits expenses	31,410.21	27,159.05	24,536.41	1,09,011.91	83,246.59
vi)	Depreciation, amortization and impairment	1,730.23	1,517.39	1,175.08	6,022.52	4,419.21
vii)	Others expenses	21,666.22	18,047.78	16,109.90	66,677.73	54,365.59
IV	Total expenses	1,58,479.28	1,72,637.07	1,29,489.01	6,42,736.98	5,08,334.93
V	Profit before exceptional items and tax (III-IV)	89,474.22	51,969.96	51,278.82	2,38,244.19	1,60,185.17
VI	Exceptional items (refer note 14)	-	-	-	-	6,497.18
VII	Profit before tax (V +VI)	89,474.22	51,969.96	51,278.82	2,38,244.19	1,66,682.35
VIII	Tax expense :					
i)	Current tax	11,616.02	11,328.02	19,137.48	57,686.12	54,956.00
ii)	Deferred tax	19,061.66	8,776.49	702.36	24,851.72	4,117.26
		30,677.68	20,104.51	19,839.84	82,537.84	59,073.26
IX	Profit for the period (VII-VIII)	58,796.54	31,865.45	31,438.98	1,55,706.35	1,07,609.09
X	Other Comprehensive Income (OCI)					
A)	(i) Items that will not be reclassified to profit or loss					
	- Remeasurement loss on defined benefit plans	(86.88)	(433.00)	(1,699.22)	(1,324.60)	(1,889.58)
	- Net gain on equity instruments through OCI	-	-	-	454.65	-
	(ii) Income tax impact thereon	30.36	151.31	594.41	304.00	660.29
	Subtotal (A)	(56.52)	(281.69)	(1,104.81)	(565.95)	(1,229.29)
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 impact thereon	(275.54)	-	-	(275.54)	-
	Subtotal (B)	512.98	-	-	512.98	-
	Other Comprehensive Income (A + B)	456.46	(281.69)	(1,104.81)	(52.97)	(1,229.29)
XI	Total Comprehensive Income for the period (IX+X)	59,253.00	31,583.76	30,334.17	1,55,653.38	1,06,379.80
XII	Earnings per equity share (face value of Rs.2/- each) #					
	Basic (Rupees)	9.56	5.18	5.16	25.33	18.52
	Diluted (Rupees)	9.54	5.17	5.15	25.28	18.49

Earnings per share for the interim period is not annualised.

Rs. in Lakhs

	Particulars	Year ended	
		31 March	31 March
		2019	2018
		(Audited)	(Audited)
	Revenue from operations		
i)	Interest income	9,96,952.90	7,60,541.44
ii)	Dividend income	1,524.27	170.67
iii)	Rental income	71.45	2.69
iv)	Fees and commission Income	11,638.82	6,232.97
v)	Net gain on fair value changes	761.75	36.51
vi)	Sale of services	26,220.90	21,400.81
I	Total Revenue from operations	10,37,170.09	7,88,385.09
II	Other income	5,915.38	2,832.41
III	Total income (I+II)	10,43,085.47	7,91,217.50
	Expenses		
i)	Finance costs	4,43,227.98	3,43,619.15
ii)	Fees and commission expense	12,968.10	6,791.82
iii)	Impairment on financial instruments	71,710.83	67,685.93
iv)	Employee benefits expenses	1,47,794.76	1,13,661.49
v)	Depreciation, amortization and impairment	7,553.32	5,521.15
vi)	Others expenses	80,447.20	66,526.75
IV	Total expenses	7,63,702.19	6,03,806.29
V	Profit before exceptional items and tax (III-IV)	2,79,383.28	1,87,411.21
VI	Share of profit of associate	4,692.88	3,068.63
VII	Profit before tax (V+VI)	2,84,076.16	1,90,479.84
VIII	Tax expense :		
i)	Current tax	71,136.53	66,520.75
ii)	Deferred tax	26,211.44	2,330.37
		97,347.97	68,851.12
IX	Profit for the year (VII-VIII)	1,86,728.19	1,21,628.72
X	Other Comprehensive Income (OCI)		
A)	(i) Items that will not be reclassified to profit or loss		
	- Remeasurement loss on defined benefit plans	(1,481.98)	(2,110.08)
	- Net gain on equity instruments through OCI	454.65	-
	(ii) Income tax impact thereon	353.97	722.98
	Subtotal (A)	(673.36)	(1,387.10)
B)	(i) Items that will be reclassified to profit or loss		
	- Net gain on debt instruments through OCI	788.52	-
	(ii) Income tax impact thereon	(275.54)	-
	Subtotal (B)	512.98	-
	Other Comprehensive Income (A + B)	(160.38)	(1,387.10)
XI	Total Comprehensive Income for the year (IX+X)	1,86,567.81	1,20,241.62
	Profit for the year attributable to:		
	Owners of the Company	1,82,729.83	1,18,518.52
	Non-controlling interests	3,998.36	3,110.20
		1,86,728.19	1,21,628.72
	Other Comprehensive Income for the year attributable to:		
	Owners of the Company	(146.27)	(1,358.09)
	Non-controlling interests	(14.11)	(29.01)
		(160.38)	(1,387.10)
	Total Comprehensive Income for the year attributable to:		
	Owners of the Company	1,82,583.56	1,17,160.43
	Non-controlling interests	3,984.25	3,081.19
		1,86,567.81	1,20,241.62
XII	Earnings per equity share (face value of Rs.2/- each) #		
	Basic (Rupees)	29.73	20.40
	Diluted (Rupees)	29.67	20.37

Earnings per share for the interim period is not annualised.

AUDITED BALANCE SHEET

Rs. in Lakhs

Particulars	Standalone		Consolidated	
	As at	As at	As at	As at
	31 March 2019	31 March 2018	31 March 2019	31 March 2018
ASSETS				
1) Financial Assets				
a) Cash and cash equivalents	50,167.74	27,190.38	53,722.32	33,868.66
b) Bank balance other than (a) above	45,681.43	13,921.71	45,681.43	13,921.71
c) Derivative financial instruments	1,006.39	36.69	1,006.39	36.69
d) Receivables				
- Trade receivables	519.19	369.47	5,360.31	5,644.11
e) Loans	61,24,962.80	48,54,701.16	68,93,899.97	54,54,973.09
f) Investments	3,79,170.37	2,73,411.42	3,32,735.30	2,37,793.57
g) Other financial assets	16,895.13	9,453.44	21,207.08	13,277.10
	66,18,403.05	51,79,084.27	73,53,612.80	57,59,514.93
2) Non-financial Assets				
a) Current tax assets (Net)	30,210.00	21,680.73	31,212.81	21,385.49
b) Deferred tax Assets (Net)	37,172.53	62,744.82	44,969.75	71,851.76
c) Property, plant and equipment	13,250.02	11,242.43	16,818.54	13,739.60
d) Intangible assets under development	-	-	79.41	45.60
e) Other Intangible assets	3,056.15	723.97	3,326.44	925.93
f) Other non-financial assets	5,706.83	3,798.15	7,577.16	5,550.27
	89,395.53	1,00,190.10	1,03,984.11	1,13,498.65
Total Assets	67,07,798.58	52,79,274.37	74,57,596.91	58,73,013.58
LIABILITIES AND EQUITY				
LIABILITIES				
1) Financial Liabilities				
a) Derivative financial instruments	7,702.53	2,611.60	7,702.53	2,611.60
b) Payables				
I) Trade Payables				
i) total outstanding dues of micro enterprises and small enterprises	-	-	23.72	27.42
ii) total outstanding dues of creditors other than micro enterprises and small enterprises	97,947.17	1,05,538.96	1,11,406.58	1,13,109.19
II) Other Payables				
i) total outstanding dues of micro enterprises and small enterprises	253.29	-	253.29	-
ii) total outstanding dues of creditors other than micro enterprises and small enterprises	3,164.54	-	3,164.54	683.31
c) Debt Securities	22,31,937.92	20,34,509.13	24,71,588.50	21,94,435.96
d) Borrowings (Other than Debt Securities)	21,30,153.03	13,38,913.59	24,63,272.12	16,52,724.46
e) Deposits	5,66,718.41	3,12,480.07	5,63,093.41	3,05,205.07
f) Subordinated Liabilities	3,55,883.82	3,23,413.03	3,82,208.09	3,46,249.80
g) Other financial liabilities	1,92,662.95	1,75,932.50	2,84,074.55	2,26,665.40
	55,86,423.66	42,93,398.88	62,86,787.33	48,41,712.22
2) Non-Financial Liabilities				
a) Current tax liabilities (Net)	1,392.09	3,566.72	1,392.09	3,566.72
b) Provisions	20,652.70	13,588.92	25,493.93	19,543.07
c) Other non-financial liabilities	8,527.84	6,528.49	9,170.85	8,181.35
	30,572.63	23,684.13	36,056.87	31,291.14
3) EQUITY				
a) Equity Share capital	12,297.54	12,289.54	12,297.54	12,289.54
b) Other Equity	10,78,504.75	9,49,901.82	11,14,604.29	9,73,210.90
Equity attributable to owners of the Company	10,90,802.29	9,62,191.36	11,26,901.83	9,85,500.44
Non-controlling interests	-	-	7,850.88	14,509.78
	10,90,802.29	9,62,191.36	11,34,752.71	10,00,010.22
Total Liabilities and Equity	67,07,798.58	52,79,274.37	74,57,596.91	58,73,013.58

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 stated therein, 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 year / quarter as presented in these financial results have been restated / reclassified in order to conform to current year / period presentation.

- 2) The above financial results for the quarter and year ended 31 March 2019 along with restated comparative quarter / year have been reviewed by the Audit Committee and subsequently approved by the Board of Directors of the Company at its meeting held on 24 April 2019.
- 3) The Board of Directors have proposed a dividend of Rs.6.50 per share on equity share of Rs.2/- each, i.e. 325% (including 125% of special dividend) subject to approval of the members of the Company at the forthcoming Annual General Meeting. If approved by the members of the Company, the estimated payout (including dividend distribution tax amounting to Rs. 7,631.31 lakhs) will be Rs. 47,786.03 lakhs.
- 4) The consolidated financial results include the audited financial results of the subsidiaries Mahindra Insurance Brokers Limited (80%), Mahindra Rural Housing Finance Limited (100%), Mahindra Asset Management Company Private Limited (100%), Mahindra Trustee Company Private Limited (100%), Mahindra and Mahindra Financial Services Limited Employees' Stock Option Trust, Mahindra Rural Housing Finance Limited Employee Welfare Trust 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, which does not constitute a material component of the consolidated financial results have been certified by the management.
- 5) The financial results for the quarter and year ended 31 March 2019 have been audited by the statutory auditors of the Company.
- 6) The profit reconciliation between the figures previously reported under previous GAAP and restated as per Ind AS is as under:

Particulars	Rs. in Lakhs		
	Standalone financial results		
	Profit Reconciliation		Equity Reconciliation
	Quarter ended 31 March 2018	Year ended 31 March 2018	As at 31 March 2018
Profit after tax / Equity as reported under previous GAAP	42,452.42	89,188.43	9,30,308.72
Adjustments :			
a) Impact on recognition of financial assets and financial liabilities at amortised cost by application of EIR			
- Financial assets	1,221.59	5,290.14	24,127.14
- Financial liabilities	(316.69)	(3,064.53)	2,740.36
- Income accrued on Stage III assets	(22,338.75)	(34,965.00)	88,361.00
b) Impact on application of Expected Credit Loss method for loan loss	6,243.09	65,845.37	(69,900.10)
c) Impact on recognition of securitised loan portfolio	(1,484.48)	(5,019.75)	3,900.34
d) Reclassification of actuarial loss to Other Comprehensive Income	1,699.22	1,889.58	1,889.58
e) Others	(628.23)	(568.29)	(697.69)
f) Tax impact on above adjustments	4,590.81	(10,986.86)	(17,308.70)
Profit after tax	31,438.98	1,07,609.09	
Other Comprehensive Income / (loss) (net of tax)	(1,104.81)	(1,229.29)	(1,229.29)
Total Comprehensive Income / Equity as per Ind AS	30,334.17	1,06,379.80	9,62,191.36

Particulars	Rs. in Lakhs	
	Consolidated financial results	
	Profit Reconciliation	Equity Reconciliation
	Year ended 31 March 2018	As at 31 March 2018
Profit after tax / Equity as reported under previous GAAP	1,05,143.38	9,91,520.93
Adjustments :		
a) Impact on recognition of financial assets and financial liabilities at amortised cost by application of EIR		
- Financial assets	1,242.37	9,139.45
- Financial liabilities	(2,931.91)	2,936.62
- Income accrued on Stage III assets	(27,417.96)	1,09,472.00
b) Impact on application of expected credit loss method for loan loss provisions	63,981.16	(81,960.78)
c) Impact on recognition of securitised loan portfolio	(5,019.75)	3,900.34
d) Reclassification of actuarial loss to Other Comprehensive Income	2,051.67	2,101.95
e) Gross obligation value of written put options	-	(41,653.83)
f) Consolidation of ESOP Trusts	86.37	2,681.34
g) Profit on sale of equity shares of subsidiary	(5,073.72)	-
i) Others	(625.15)	(806.84)
j) Tax impact on above adjustments	(11,568.22)	(15,305.08)
h) Derecognition of deferred tax liability on special reserve	1,760.48	4,890.67
Profit after tax	1,21,628.72	
Other Comprehensive Income (net of tax)	(1,387.10)	(1,416.33)
Total Comprehensive Income / Equity attributable to owners of the Company as per Ind AS	1,20,241.62	9,85,500.44
Non controlling interest considered as part of Equity under Ind AS		14,509.78
Total Equity as per Ind AS		10,00,010.22

- 7) Pursuant to option made available as per Regulation 33 (3) (b) (i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has opted to publish only Standalone financial results during the interim periods of the current financial year ended 31 March 2019. Accordingly, the consolidated financial results have been presented only for the year ended 31 March 2019 and 31 March 2018.
- 8) The figures for the last quarter of the current year and 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.
- 9) 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 Consolidated Results is given in Appendix 1.
- 10) During the quarter and year ended 31 March 2019, the Company has raised an amount of Rs.2,14,699.47 lakhs by way of public issuance of Unsecured Subordinated Redeemable Non-Convertible Debentures (NCD's) (Rs.1,81,012.24 lakhs) of the face value of Rs.1,000 each and Secured NCDs (Rs.33,687.23 lakhs) of the face value of Rs.1,000 each. The NCD's were allotted on 18 January 2019 and listed on BSE Limited on 21 January 2019. The entire amount of proceeds of the issues were used for the purposes as stated in its 'Placement Document' and there is no unutilised amount pertaining to this issuance.
- 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) The Company has made following investments:
- i) Rs.963.21 Lakhs equivalent to US \$ 1.44 million during the year ended 31 March 2019 (quarter ended 31 March 2019: Nil) 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.4,000.00 lakhs during the year ended 31 March 2019 (quarter ended 31 March 2019: Rs.1,000.00 lakhs) in Mahindra Asset Management Company Private Limited, its wholly owned subsidiary, by subscription to 4,00,00,000 equity shares of face value of Rs.10/- each for cash at par fully paid up on a rights basis.
- iii) Rs.15,000.00 lakhs during the year ended 31 March 2019 (quarter ended 31 March 2019: Nil) in Mahindra Rural Housing Finance Limited, its subsidiary, by subscription to 1,28,20,512 Equity shares of Rs.10/- each for cash at Rs.117.00 per share, including premium of Rs.107.00 per equity share on a rights basis, fully paid up.
- 13) Pursuant to the offer made by National Housing Bank (NHB), the Board of Directors, at its meeting held on 27 March 2019, has 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. Accordingly, the non-controlling interest has been de-recognised in the consolidated financial statements.
- 14) The exceptional item as shown in the standalone financial statements for the year ended 31 March 2018 (pertaining to quarter ended 31 December 2017) represents profit of Rs.6,497.18 lakhs on sale of 1,28,866 equity shares of face value of Rs.10/- each representing 5% of holding in subsidiary company, Mahindra Insurance Brokers Limited, at Rs.5,044.00 per share for a consideration aggregating to Rs.6,500.00 lakhs. In the consolidated financial statements for the corresponding periods, Rs.5,073.72 lakhs has been accounted in reserves. There is no exceptional item during the current financial year.

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

Sd/-

Ramesh Iyer

Vice-Chairman & Managing Director

Date : 24 April 2019

Place : Mumbai

Appendix 1**Segment-wise Revenue, Results, Assets and Liabilities for Consolidated results under Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

Particulars		Rs. in Lakhs	
		Consolidated	
		Year ended 31 March 2019	Year ended 31 March 2018
		(Audited)	(Audited)
(a) Segment Revenue			
- Financing activities	10,19,375.88	7,72,002.74	
- Others	35,541.97	27,180.70	
Total	10,54,917.85	7,99,183.44	
Less : Inter-segment revenue	11,832.38	7,965.94	
Net revenue	10,43,085.47	7,91,217.50	
(b) Segment Results (Profit before tax) :			
- Financing activities	2,72,837.53	1,82,575.83	
- Share of profit of associate	4,692.88	3,068.63	
- Others	6,545.75	4,835.38	
Total	2,84,076.16	1,90,479.84	
Add : Other unallocable income net of unallocable expenditure	-	-	
Net Profit before tax	2,84,076.16	1,90,479.84	
(c) Segment Assets :			
- Financing activities	73,44,525.53	57,46,682.82	
- Others	38,280.91	36,662.63	
- Other unallocable assets	74,790.47	89,668.13	
Total	74,57,596.91	58,73,013.58	
(d) Segment Liabilities :			
- Financing activities	63,13,165.42	48,64,758.59	
- Others	9,678.78	8,244.77	
- Other unallocable liabilities	-	-	
Total	63,22,844.20	48,73,003.36	

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

Sd/-

Ramesh Iyer
Vice-Chairman & Managing Director

Date : 24 April 2019
Place : Mumbai