

# Mahindra & Mahindra Financial Services Limited

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## STATEMENT OF AUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31 MARCH 2020

Rs. in Lakhs

	Particulars	Quarter ended			Year ended	
		31 March 2020	31 December 2019	31 March 2019	31 March 2020	31 March 2019
		(Audited)	(Unaudited)	(Audited)	(Audited)	(Audited)
	<b>Revenue from operations</b>					
i)	Interest income	298,962.65	293,212.37	275,553.58	1,145,761.28	996,952.90
ii)	Dividend income	18.50	11.38	1,118.95	2,715.21	1,524.27
iii)	Rental income	368.95	218.49	56.47	874.93	71.45
iv)	Fees and commission Income	2,853.56	3,055.04	3,475.06	10,413.36	11,638.82
v)	Net gain on fair value changes	1,199.01	856.30	764.02	2,561.56	761.75
vi)	Sale of services	6,697.07	7,256.79	7,036.98	25,968.81	26,220.90
<b>I</b>	<b>Total Revenue from operations</b>	<b>310,099.74</b>	<b>304,610.37</b>	<b>288,005.06</b>	<b>1,188,295.15</b>	<b>1,037,170.09</b>
II	Other income	3,924.34	3,520.03	2,232.51	11,350.46	5,915.38
<b>III</b>	<b>Total income (I+II)</b>	<b>314,024.08</b>	<b>308,130.40</b>	<b>290,237.57</b>	<b>1,199,645.61</b>	<b>1,043,085.47</b>
	<b>Expenses</b>					
i)	Finance costs	143,064.96	135,140.69	126,989.30	539,056.37	443,227.98
ii)	Fees and commission expense	2,815.04	3,442.25	3,013.23	12,489.86	12,968.10
iii)	Impairment on financial instruments (refer note 11)	82,190.49	42,020.55	(11,549.59)	231,897.83	71,710.83
iv)	Employee benefits expenses	32,111.65	40,200.67	42,395.32	160,982.02	147,794.76
v)	Depreciation, amortization and impairment	1,899.95	4,323.49	2,135.13	14,687.38	7,553.32
vi)	Other expenses	22,125.75	21,417.51	24,267.74	84,918.91	80,447.20
<b>IV</b>	<b>Total expenses</b>	<b>284,207.84</b>	<b>246,545.16</b>	<b>187,251.13</b>	<b>1,044,032.37</b>	<b>763,702.19</b>
<b>V</b>	<b>Profit before exceptional items and tax (III-IV)</b>	<b>29,816.24</b>	<b>61,585.24</b>	<b>102,986.44</b>	<b>155,613.24</b>	<b>279,383.28</b>
VI	Share of profit of associates	822.99	1,290.60	1,154.01	4,589.73	4,692.88
<b>VII</b>	<b>Profit before tax (V+VI)</b>	<b>30,639.23</b>	<b>62,875.84</b>	<b>104,140.45</b>	<b>160,202.97</b>	<b>284,076.16</b>
<b>VIII</b>	<b>Tax expense :</b>					
i)	Current tax	52,085.08	1,964.47	13,153.95	64,730.05	70,650.27
ii)	Deferred tax	(45,335.71)	13,545.63	20,929.12	(12,989.05)	26,211.44
iii)	(Excess) / Short provision for Income Tax - earlier years	-	(119.80)	-	(119.80)	486.26
		<b>6,749.37</b>	<b>15,390.30</b>	<b>34,083.07</b>	<b>51,621.20</b>	<b>97,347.97</b>
<b>IX</b>	<b>Profit for the period / year (VII-VIII)</b>	<b>23,889.86</b>	<b>47,485.54</b>	<b>70,057.38</b>	<b>108,581.77</b>	<b>186,728.19</b>
<b>X</b>	<b>Other Comprehensive Income (OCI)</b>					
A)	(i) Items that will not be reclassified to profit or loss					
	- Remeasurement loss on defined benefit plans	535.01	(66.94)	(70.15)	(1,581.38)	(1,481.98)
	- Net gain/(loss) on equity instruments through OCI	316.60	-	-	268.65	454.65
	(ii) Income tax relating to the above items	(289.70)	41.17	31.94	40.59	353.97
	Subtotal (A)	561.91	(25.77)	(38.21)	(1,272.14)	(673.36)
B)	(i) Items that will be reclassified to profit or loss					
	- Exchange differences in translating the financial statements of foreign operations	2,712.17	416.17	(179.67)	3,900.25	2,398.78
	- Net gain on debt instruments through OCI	767.09	-	788.52	767.09	788.52
	(ii) Income tax relating to the above items	(115.97)	-	(275.54)	(115.97)	(275.54)
	Subtotal (B)	3,363.29	416.17	333.31	4,551.37	2,911.76
	<b>Other Comprehensive Income (A + B)</b>	<b>3,925.20</b>	<b>390.40</b>	<b>295.10</b>	<b>3,279.23</b>	<b>2,238.40</b>
<b>XI</b>	<b>Total Comprehensive Income for the period / year (IX+X)</b>	<b>27,815.06</b>	<b>47,875.94</b>	<b>70,352.48</b>	<b>111,861.00</b>	<b>188,966.59</b>
	<b>Profit for the period attributable to:</b>					
	Owners of the Company	23,481.83	47,164.56	68,642.44	107,514.53	182,729.83
	Non-controlling interests	408.03	320.98	1,414.94	1,067.24	3,998.36
		<b>23,889.86</b>	<b>47,485.54</b>	<b>70,057.38</b>	<b>108,581.77</b>	<b>186,728.19</b>
	<b>Other Comprehensive Income for the period attributable to:</b>					
	Owners of the Company	3,934.86	382.81	292.67	3,323.67	2,252.51
	Non-controlling interests	(9.66)	7.59	2.43	(44.44)	(14.11)
		<b>3,925.20</b>	<b>390.40</b>	<b>295.10</b>	<b>3,279.23</b>	<b>2,238.40</b>
	<b>Total Comprehensive Income for the period attributable to:</b>					
	Owners of the Company	27,416.69	47,547.37	68,935.11	110,838.20	184,982.34
	Non-controlling interests	398.37	328.57	1,417.37	1,022.80	3,984.25
		<b>27,815.06</b>	<b>47,875.94</b>	<b>70,352.48</b>	<b>111,861.00</b>	<b>188,966.59</b>
<b>XII</b>	<b>Earnings per equity share (face value of Rs.2/- each) #</b>					
	Basic (Rupees)	3.82	7.67	11.17	17.48	29.73
	Diluted (Rupees)	3.81	7.66	11.14	17.44	29.67

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

## STATEMENT OF AUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31 MARCH 2020

Rs. in Lakhs

	Particulars	Quarter ended			Year ended	
		31 March 2020	31 December 2019	31 March 2019	31 March 2020	31 March 2019
		(Audited)	(Unaudited)	(Audited)	(Audited)	(Audited)
	<b>Revenue from operations</b>					
i)	Interest income	259,282.31	254,169.02	241,125.35	994,171.19	861,455.78
ii)	Dividend income	4.92	6.05	1,069.00	2,425.09	1,388.00
iii)	Rental income	368.95	218.49	56.47	874.93	71.45
iv)	Fees and commission Income	2,672.97	2,864.57	2,518.09	9,698.85	8,691.76
v)	Net gain on fair value changes	1,358.78	801.64	749.69	2,615.10	683.87
<b>I</b>	<b>Total Revenue from operations</b>	<b>263,687.93</b>	<b>258,059.77</b>	<b>245,518.60</b>	<b>1,009,785.16</b>	<b>872,290.86</b>
II	Other income	3,888.81	3,541.83	2,434.90	14,728.63	8,690.31
<b>III</b>	<b>Total income (I+II)</b>	<b>267,576.74</b>	<b>261,601.60</b>	<b>247,953.50</b>	<b>1,024,513.79</b>	<b>880,981.17</b>
	<b>Expenses</b>					
i)	Finance costs	128,948.25	120,886.28	114,433.45	482,874.89	394,456.16
ii)	Fees and commission expense	793.32	1,200.32	684.20	4,094.21	3,047.83
iii)	Impairment on financial instruments (refer note 11)	67,413.42	40,008.86	(11,445.03)	205,447.07	63,520.83
iv)	Employee benefits expenses	21,343.31	28,889.57	31,410.21	114,844.51	109,011.91
v)	Depreciation, amortization and impairment	1,183.93	3,621.21	1,730.23	11,829.36	6,022.52
vi)	Other expenses	18,645.89	18,176.53	21,666.22	71,047.51	66,677.73
<b>IV</b>	<b>Total expenses</b>	<b>238,328.12</b>	<b>212,782.77</b>	<b>158,479.28</b>	<b>890,137.55</b>	<b>642,736.98</b>
<b>V</b>	<b>Profit before tax (III-IV)</b>	<b>29,248.62</b>	<b>48,818.83</b>	<b>89,474.22</b>	<b>134,376.24</b>	<b>238,244.19</b>
<b>VI</b>	<b>Tax expense :</b>					
i)	Current tax	46,971.89	(323.00)	11,616.02	55,693.89	57,411.73
ii)	Deferred tax	(39,815.00)	12,613.63	19,061.66	(11,958.04)	24,851.72
iii)	(Excess) / Short provision for Income Tax - earlier years	-	-	-	-	274.39
		<b>7,156.89</b>	<b>12,290.63</b>	<b>30,677.68</b>	<b>43,735.85</b>	<b>82,537.84</b>
<b>VII</b>	<b>Profit for the period / year (V-VI)</b>	<b>22,091.73</b>	<b>36,528.20</b>	<b>58,796.54</b>	<b>90,640.39</b>	<b>155,706.35</b>
<b>VIII</b>	<b>Other Comprehensive Income (OCI)</b>					
A)	(i) Items that will not be reclassified to profit or loss					
	- Remeasurement gain/(loss) on defined benefit plans	643.23	(40.66)	(86.88)	(1,134.18)	(1,324.60)
	- Net gain/(loss) on equity instruments through OCI	316.60	-	-	268.65	454.65
	(ii) Income tax relating to the above items	(323.35)	14.92	30.36	(51.94)	304.00
	Subtotal (A)	636.48	(25.74)	(56.52)	(917.47)	(565.95)
B)	(i) Items that will be reclassified to profit or loss					
	- Net gain on debt instruments through OCI	767.09	-	788.52	767.09	788.52
	(ii) Income tax relating to the above items	(115.97)	-	(275.54)	(115.97)	(275.54)
	Subtotal (B)	651.12	-	512.98	651.12	512.98
	<b>Other Comprehensive Income (A + B)</b>	<b>1,287.60</b>	<b>(25.74)</b>	<b>456.46</b>	<b>(266.35)</b>	<b>(52.97)</b>
<b>IX</b>	<b>Total Comprehensive Income for the period / year (VII+VIII)</b>	<b>23,379.33</b>	<b>36,502.46</b>	<b>59,253.00</b>	<b>90,374.04</b>	<b>155,653.38</b>
<b>X</b>	<b>Earnings per equity share (face value of Rs.2/- each) #</b>					
	Basic (Rupees)	3.59	5.94	9.56	14.74	25.33
	Diluted (Rupees)	3.58	5.93	9.54	14.71	25.28

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

## BALANCE SHEET

Rs. in Lakhs

	Particulars	CONSOLIDATED		STANDALONE	
		As at 31 March 2020	As at 31 March 2019	As at 31 March 2020	As at 31 March 2019
		(Audited)	(Audited)	(Audited)	(Audited)
	<b>ASSETS</b>				
1)	<b>Financial Assets</b>				
	a) Cash and cash equivalents	78,260.23	53,722.32	67,679.04	50,167.74
	b) Bank balance other than (a) above	74,899.44	45,681.43	74,899.44	45,681.43
	c) Derivative financial instruments	9,292.76	1,006.39	9,292.76	1,006.39
	d) Receivables				
	- Trade receivables	5,291.06	5,360.31	858.71	519.19
	e) Loans	7,286,378.45	6,893,899.97	6,499,347.04	6,124,962.80
	f) Investments	534,035.78	332,735.30	591,096.62	379,170.37
	g) Other financial assets	51,978.71	21,207.08	47,665.27	16,895.13
		<b>8,040,136.43</b>	<b>7,353,612.80</b>	<b>7,290,838.88</b>	<b>6,618,403.05</b>
2)	<b>Non-financial Assets</b>				
	a) Current tax assets (Net)	25,783.00	31,212.81	23,995.98	30,210.00
	b) Deferred tax Assets (Net)	57,883.42	44,969.75	48,962.66	37,172.53
	c) Property, plant and equipment (refer note no. 7)	42,775.57	16,818.54	33,794.74	13,250.02
	d) Intangible assets under development	55.68	79.41	-	-
	e) Other Intangible assets	2,760.26	3,326.44	2,555.33	3,056.15
	f) Other non-financial assets	9,863.45	7,577.16	6,973.68	5,706.83
		<b>139,121.38</b>	<b>103,984.11</b>	<b>116,282.39</b>	<b>89,395.53</b>
	<b>Total Assets</b>	<b>8,179,257.81</b>	<b>7,457,596.91</b>	<b>7,407,121.27</b>	<b>6,707,798.58</b>
	<b>LIABILITIES AND EQUITY</b>				
	<b>LIABILITIES</b>				
1)	<b>Financial Liabilities</b>				
	a) Derivative financial instruments	4,016.06	7,702.53	4,016.06	7,702.53
	b) Payables				
	I) Trade Payables				
	i) total outstanding dues of micro enterprises and small enterprises	25.61	23.72	-	-
	ii) total outstanding dues of creditors other than micro enterprises and small enterprises	69,297.22	111,406.58	60,633.42	97,947.17
	II) Other Payables				
	i) total outstanding dues of micro enterprises and small enterprises	17.40	253.29	17.40	253.29
	ii) total outstanding dues of creditors other than micro enterprises and small enterprises	2,944.47	3,164.54	2,923.97	3,164.54
	c) Debt Securities	1,974,461.07	2,471,588.50	1,774,487.73	2,231,937.92
	d) Borrowings (Other than Debt Securities)	3,332,713.60	2,463,272.12	2,948,734.27	2,130,153.03
	e) Deposits	878,138.98	563,093.41	881,213.98	566,718.41
	f) Subordinated Liabilities	378,110.37	382,208.09	341,794.57	355,883.82
	g) Other financial liabilities (refer note no. 7)	299,417.34	284,074.55	231,396.03	192,662.95
		<b>6,939,142.12</b>	<b>6,286,787.33</b>	<b>6,245,217.43</b>	<b>5,586,423.66</b>
2)	<b>Non-Financial Liabilities</b>				
	a) Current tax liabilities (Net)	1,737.93	1,392.09	1,392.09	1,392.09
	b) Provisions	21,138.99	25,493.93	14,322.83	20,652.70
	c) Other non-financial liabilities	11,370.10	9,170.85	9,803.43	8,527.84
		<b>34,247.02</b>	<b>36,056.87</b>	<b>25,518.35</b>	<b>30,572.63</b>
3)	<b>EQUITY</b>				
	a) Equity Share capital	12,306.95	12,297.54	12,306.95	12,297.54
	b) Other Equity	1,184,593.52	1,114,604.29	1,124,078.54	1,078,504.75
	<b>Equity attributable to owners of the Company</b>	<b>1,196,900.47</b>	<b>1,126,901.83</b>	<b>1,136,385.49</b>	<b>1,090,802.29</b>
	Non-controlling interests	8,968.20	7,850.88	-	-
		<b>1,205,868.67</b>	<b>1,134,752.71</b>	<b>1,136,385.49</b>	<b>1,090,802.29</b>
	<b>Total Liabilities and Equity</b>	<b>8,179,257.81</b>	<b>7,457,596.91</b>	<b>7,407,121.27</b>	<b>6,707,798.58</b>

## STATEMENT OF CASH FLOWS

Rs. in Lakhs

Particulars	CONSOLIDATED		STANDALONE	
	Year ended 31 March 2020	Year ended 31 March 2019	Year ended 31 March 2020	Year ended 31 March 2019
	(Audited)	(Audited)	(Audited)	(Audited)
<b>A) CASH FLOW FROM OPERATING ACTIVITIES</b>				
<b>Profit before exceptional items and taxes</b>	<b>155,613.24</b>	<b>279,383.28</b>	<b>134,376.24</b>	<b>238,244.19</b>
<b>Adjustments to reconcile profit before tax to net cash flows:</b>				
<b>Add: Non-cash expenses</b>				
Depreciation, amortization and impairment	14,687.38	7,553.34	11,829.36	6,022.52
Impairment on financial instruments	148,475.29	(104,665.86)	121,710.59	(112,855.87)
Bad debts and write offs	83,736.68	176,376.70	83,736.48	176,376.70
Net (Gain) / loss on fair value of derivative financial instruments	(11,972.85)	2,693.63	(11,972.85)	2,693.63
Unrealized foreign exchange gain/loss	19,173.16	826.29	19,173.16	826.29
Remeasurement gain/(loss) on defined benefit plans	(17.57)	(4.03)	-	-
Share based payments to employees	3,175.41	2,430.56	2,941.80	2,255.02
	<b>257,257.50</b>	<b>85,210.63</b>	<b>227,418.54</b>	<b>75,318.29</b>
<b>Less: Income considered separately</b>				
Net gain on fair value changes	(2,561.05)	(710.34)	(2,615.10)	(683.87)
Interest income on investments	(13,854.42)	(19,226.46)	(9,952.86)	(16,020.84)
Dividend income	(2,636.52)	(1,511.34)	(5,462.70)	(3,395.23)
Net gain on derecognition of property, plant and equipment	(45.20)	(67.82)	(70.09)	(80.41)
Net (gain) / loss on sale of investments	(5,093.66)	56.72	(4,574.05)	119.90
	<b>(24,190.85)</b>	<b>(21,459.24)</b>	<b>(22,674.80)</b>	<b>(20,060.45)</b>
<b>Operating profit before working capital changes</b>	<b>388,679.89</b>	<b>343,134.67</b>	<b>339,119.98</b>	<b>293,502.03</b>
<b>Changes in -</b>				
Loans	(619,739.85)	(1,503,646.33)	(580,090.49)	(1,335,626.42)
Trade receivables	203.21	(4,024.30)	(391.74)	(149.72)
Interest accrued on other deposits	(3,667.81)	311.77	(3,666.73)	304.50
Other financial assets	2,423.07	(3,649.28)	2,465.60	(1,890.66)
Other financial liabilities	20,673.70	33,244.22	20,727.73	15,440.38
Other non-financial assets	(946.56)	(2,451.62)	(27.20)	(1,566.77)
Trade Payables	(35,972.66)	215.15	(37,790.21)	(4,173.96)
Other non-financial liabilities	1,115.29	2,253.25	1,314.21	1,999.35
Derivative financial instruments	-	1,427.65	-	1,427.60
Provisions	(5,456.68)	7,780.20	(7,298.97)	6,566.45
	<b>(641,368.29)</b>	<b>(1,468,539.29)</b>	<b>(604,757.80)</b>	<b>(1,317,669.25)</b>
<b>Income taxes paid (net of refunds)</b>	<b>(58,834.60)</b>	<b>(82,389.37)</b>	<b>(49,479.87)</b>	<b>(67,640.99)</b>
<b>NET CASH USED IN OPERATING ACTIVITIES (A)</b>	<b>(311,523.00)</b>	<b>(1,207,793.99)</b>	<b>(315,117.69)</b>	<b>(1,091,808.21)</b>
<b>B) CASH FLOW FROM INVESTING ACTIVITIES</b>				
Purchase of Property, plant and equipment and intangible assets	(11,826.83)	(13,550.99)	(10,535.45)	(10,957.65)
Proceeds from sale of Property, plant and equipment	216.97	213.35	185.26	190.11
Purchase of investments at amortized cost	(592,357.86)	(44,869.94)	(27,127.15)	(21,994.94)
Proceeds from sale of investments at amortized cost	588,377.31	124,063.95	39,219.30	106,385.59
Purchase of investments at FVOCI	(24,389.29)	(300.00)	(24,389.29)	(300.00)
Purchase of investments at FVTPL	(7,304,128.98)	(3,476,945.36)	(7,284,711.98)	(3,466,857.18)
Proceeds from sale of investments at FVTPL	7,147,407.36	3,306,075.83	7,131,531.36	3,299,938.37
Purchase of investments at cost	(33,077.17)	(963.21)	(38,077.27)	(19,963.21)
Proceeds from / (Investments in) term deposits with banks (net)	(58,312.37)	(37,802.46)	(58,042.63)	(37,463.96)
Dividend income received	6,379.28	3,648.21	5,462.70	3,395.23
Interest income received on investments	9,825.09	19,138.27	9,192.71	15,955.03
Change in Earmarked balances with banks	2,976.27	(12.54)	21.12	(12.54)
	<b>(268,910.22)</b>	<b>(121,304.89)</b>	<b>(257,271.32)</b>	<b>(131,685.15)</b>

Particulars	CONSOLIDATED		STANDALONE	
	Year ended 31 March 2020	Year ended 31 March 2019	Year ended 31 March 2020	Year ended 31 March 2019
	(Audited)	(Audited)	(Audited)	(Audited)
<b>C) CASH FLOW FROM FINANCING ACTIVITIES</b>				
Proceeds from issue of Equity shares (net of issue expenses)	-	(10.93)	-	-
Expenses incurred on issuance of Non-convertible debentures	-	(2,143.51)	-	(2,143.51)
Proceeds from borrowings through Debt Securities	1,417,780.00	3,480,912.24	1,280,780.00	3,155,102.24
Repayment of borrowings through Debt Securities	(1,915,431.40)	(3,201,672.60)	(1,736,931.40)	(2,954,672.60)
Proceeds from Borrowings (Other than Debt Securities)	3,067,768.81	3,152,262.34	2,766,793.81	2,897,062.34
Repayment of Borrowings (Other than Debt Securities)	(2,196,458.97)	(2,341,343.42)	(1,946,390.36)	(2,106,151.64)
Proceeds from borrowings through Subordinated Liabilities	10,000.00	37,187.23	-	33,687.23
Repayment of borrowings through Subordinated Liabilities	(13,976.88)	(1,680.00)	(13,976.88)	(980.00)
(Decrease) / Increase in loans repayable on demand and cash credit/overdraft facilities with banks (net)	(22,600.50)	(2,205.46)	(22,600.50)	(2,205.46)
Increase / (decrease) in Fixed deposits (net)	314,373.92	259,800.55	313,823.92	256,150.55
Payments for principal portion of lease liability	(4,802.62)	-	(3,812.25)	-
Dividend paid (including tax on dividend)	(51,681.23)	(32,153.90)	(47,786.03)	(29,378.43)
<b>NET CASH GENERATED FROM FINANCING ACTIVITIES (C)</b>	<b>604,971.13</b>	<b>1,348,952.54</b>	<b>589,900.31</b>	<b>1,246,470.72</b>
<b>NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)</b>	<b>24,537.91</b>	<b>19,853.66</b>	<b>17,511.30</b>	<b>22,977.36</b>
<b>Cash and Cash Equivalents at the beginning of the year</b>	<b>53,722.32</b>	<b>33,868.66</b>	<b>50,167.74</b>	<b>27,190.38</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>	<b>78,260.23</b>	<b>53,722.32</b>	<b>67,679.04</b>	<b>50,167.74</b>

## Components of Cash and Cash Equivalents

Rs. in Lakhs

Particulars	CONSOLIDATED		STANDALONE	
	Year ended 31 March 2020	Year ended 31 March 2019	Year ended 31 March 2020	Year ended 31 March 2019
	(Audited)	(Audited)	(Audited)	(Audited)
<b>Components of Cash and Cash Equivalents:</b>				
Cash and cash equivalents at the end of the year				
- Cash on hand	1,519.28	4,366.26	1,430.30	2,717.34
- Cheques and drafts on hand	409.04	1,601.77	300.91	1,601.77
- Balances with banks in current accounts	56,331.91	47,754.29	45,947.83	45,848.63
-Term deposits with original maturity up to 3 months	20,000.00	-	20,000.00	-
<b>Total</b>	<b>78,260.23</b>	<b>53,722.32</b>	<b>67,679.04</b>	<b>50,167.74</b>

## Note :

The above Statement of Cash Flow has been prepared under the 'Indirect method' as set out in Ind AS 7 on 'Statement of Cash Flows'.

**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 15 May 2020.
- 3) The Consolidated financial results include the audited financial results of the subsidiaries Mahindra Insurance Brokers Limited (80%), Mahindra Rural Housing Finance Limited (99.60%), Mahindra Asset Management Company Private Limited (100%), Mahindra Trustee Company Private Limited (100%), Mahindra & 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 Mahindra Finance USA LLC (49%), in the United States and Ideal Finance Limited (38.20%), in Sri Lanka.

The standalone financial results of Mahindra Finance USA LLC and Ideal Finance Limited, which does not constitute a material component of the consolidated financial results have been certified by their respective management and these have been consolidated as associate and joint venture respectively, under equity method of accounting.

- 4) The financial results for the quarter and year ended 31 March 2020 have been audited by the statutory auditors of the Company.
- 5) 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. As permitted under Regulation 33 (3) (b) (i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company had opted to publish only Standalone financial results during the interim periods for the previous financial year ended 31 March 2019. Accordingly, the consolidated financial results have been presented only for the year ended 31 March 2019 and hence, the figures for the corresponding quarter ended 31 March 2019 are the balancing figures between audited figures in respect of the full financial year and the Board approved year-to-date figures up to third quarter.
- 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 audited 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 audited financial results for the quarter and year ended 31 March 2020. As per the requirements of this standard, right-of-use assets amounting to Rs.23,701.72 lakhs (Standalone Balance sheet: Rs.17,988.25 lakhs) and lease liabilities amounting to Rs.24,914.27 lakhs (Standalone Balance sheet: Rs.18,880.38 lakhs) have been included within the line items "Property, plant and equipment" and "Other financial liabilities" respectively in the Consolidated Balance sheet.

During the quarter ended 31 March 2020, the Company has changed its accounting policy to avail short term lease exemption under Ind AS 116, Leases. This change in accounting policy did not have material impact on the financial results.

- 8) The Company, on 21 June 2019, along with Mahindra Asset Management Company Private Limited (MAMCPL) and Mahindra Trustee Company Private Limited (MTCPL), wholly-owned subsidiaries of the Company, had entered in to 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, Manulife was required to make an equity investment aggregating to US \$ 35.00 million to acquire 49% of the share capital of MAMCPL & MTCPL.

The transaction was settled on 29 April 2020 in accordance with share subscription and shareholders' agreements to acquire a 49% stake in MAMCPL and MTCPL by Manulife. The said agreements have also provided for sale of certain number of equity shares of MAMCPL by MMFSL at an agreed valuation within the overall stake divestment of 49% to Manulife. Accordingly, under the sale transaction, 1,47,00,000 equity shares of MAMCPL, equivalent to 7% of the fully paid up equity share capital of MAMCPL, for a consideration of Rs. 2080.10 lakhs (equivalent to USD 2.73 million), have been transferred in dematerialized form to Manulife.

Consequent to the above, the shareholding of the Company in MAMCPL and MTCPL has come down from 100% to 51% of the share capital respectively, and accordingly, MAMCPL and MTCPL will cease to be wholly-owned subsidiaries of the Company but, continue to remain the Company's subsidiaries w.e.f. 29 April 2020. In the Consolidated financial statements for the year ended 31 March 2020, MAMCPL and MTCPL have been treated as 100% subsidiaries of the Company.

- 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 year ended 31 March 2020, the Company had settled the entire amount of obligation as per the terms and conditions of the agreement.
- 10) During the year ended 31 March 2020, the Company had 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) In accordance with the board approved moratorium policy read with the Reserve Bank of India (RBI) guidelines dated March 27, 2020 and April 17, 2020 relating to 'COVID-19 - Regulatory Package', the Company has granted moratorium upto three months on the payment of installments falling due between March 1, 2020 and May 31, 2020 to all eligible borrowers. In respect of accounts overdue but standard at 29 February 2020 where moratorium benefit has been granted, the staging of those accounts at 31 March 2020 is based on the days past due status as on 29 February 2020. Based on an assessment by the Company, this relaxation has not been deemed to be automatically triggering significant increase in credit risk. The Company continues to recognize interest income during the moratorium period and in the absence of other credit risk indicators, the granting of a moratorium period does not result in accounts becoming past due and automatically triggering Stage 2 or Stage 3 classification criteria.

The impact of COVID-19 on the global economy and how governments, businesses and consumers respond is uncertain. This uncertainty is reflected in the Company's assessment of impairment loss allowance on its loans which are subject to a number of management judgements and estimates. In relation to COVID-19, judgements and assumptions include the extent and duration of the pandemic, the impacts of actions of governments and other authorities, and the responses of businesses and consumers in different industries, along with the associated impact on the global economy. While the methodologies and assumptions applied in the impairment loss allowance calculations remained unchanged from those applied while preparing the financial results for the period ended December 2019, the Company has separately incorporated estimates, assumptions and judgements specific to the impact of the COVID-19 pandemic and the associated support packages in the measurement of impairment loss allowance and the total provision recognized in the last quarter is Rs. 56,259.65 lakhs in the Standalone statement of profit and loss and Rs. 68,115.72 lakhs in the Consolidated statement of profit and loss. The Company's impairment loss allowance estimates are inherently uncertain and, as a result, actual results may differ from these estimates.

- 12) In terms of the requirement as per RBI notification no. RBI/2019-20/170 DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 dated 13 March 2020 on Implementation of Indian Accounting Standards, Non-Banking Financial Companies (NBFCs) are required to create an impairment reserve for any shortfall in impairment allowances under Ind AS 109 and Income Recognition, Asset Classification and Provisioning (IRACP) norms (including provision on standard assets). The impairment allowances under Ind AS 109 made by the company exceeds the total provision required under IRACP (including standard asset provisioning), as at 31 March 2020 and accordingly, no amount is required to be transferred to impairment reserve.
- 13) All secured Non-Convertible Debentures (NCDs) 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 NCDs.
- 14) During the quarter ended 30 September 2019, the Company had entered in to a share subscription, share purchase and shareholders' agreement with Ideal Finance Limited ("Ideal Finance") and its existing Shareholders to form and operate a Joint Venture in the financial services sector in Sri Lanka. Pursuant to these agreements, the Company had agreed to subscribe / acquire up to 58.20% of the Equity share capital of Ideal Finance, in one or more tranches over a specified period of time, for an amount not exceeding Sri Lankan Rupees (LKR) 200.30 crores (equivalent to around Rs.80.12 crores at foreign exchange rate of INR 1 to LKR 2.5). Upon acquisition of above stake, Ideal Finance will become a subsidiary of the Company. During the current quarter ended 31 March 2020, the Company had remitted an amount of Rs. 4,399.60 lakhs (equivalent to LKR 11,000.00 lakhs) to Ideal Finance towards acquisition of 38.20% of the Equity share capital under first and second tranches as prescribed in these agreements.
- 15) The Taxation Laws (Amendment) Ordinance, 2019 contain substantial amendments in the Income Tax Act 1961 and the Finance (No.2) Act, 2019 to provide an option to domestic companies to pay income tax at a concessional rate. The Company has elected to apply the concessional tax rate. Accordingly, the Company has recognized the provision for income tax and re-measured the net deferred tax assets at concessional rate for the half year ended 30 September 2019 and continued to apply the concessional tax rate for the year ended 31 March 2020. Further, the opening net deferred tax asset has been re-measured at lower rate with a one-time impact of Rs.10,399.46 lakhs recognized in the Standalone statement of profit and loss and Rs.12,523.65 lakhs recognized in the Consolidated statement of profit and loss for the half year ended 30 September 2019 and carried forward the same for the year ended 31 March 2020.

- 16) During the quarter ended 31 March 2020, the Company has made an additional investment of Rs.1,500.00 lakhs (year ended 31 March 2020: Rs.5,000.00 lakhs) in Mahindra Asset Management Company Private Limited, its wholly owned subsidiary, by subscription to 1,50,00,000 equity shares (year ended 31 March 2020: 5,00,00,000 equity shares) of face value of Rs.10/- each, for cash, at par, fully paid up on a rights basis.
- 17) During the quarter and year ended 31 March 2020, the Company had raised funds in the overseas market amounting to Rs. 35,000.00 lakhs (equivalent to USD 50 million) through issue of Rupee denominated USD settled, Secured Notes ("Masala Bonds") under External Commercial Borrowings (ECB) accessed through automatic route after receiving the Loan Registration Number from RBI as per ECB Master directions. These are unlisted instruments, issued on 13 February 2020 for total duration of 4 years. The net proceeds from the issue of these Masala Bonds were applied for the purpose of on-lending, in accordance with the directions issued by the RBI.
- 18) Pursuant to SEBI Circular no. SEBI/HO/DDHS/DDHS/CIR/P/2019/115 dated 22 October 2019, the Company has listed Commercial Papers on National Stock Exchange (NSE) on 1 January 2020. The outstanding Commercial Paper borrowings as at 31 March 2020 is nil.
- 19) **Disclosures pertaining to Fund raising by issuance of Debt Securities by Large Corporate:**

The Company, as per the SEBI circular SEBI/HO/DDHS/CIR/P/2018/144, and the definitions therein, is a Large Corporate and hence is required to disclose the following information about its borrowings.

i) Initial Disclosure as per Annexure - 'A' filed for the FY: 2019-20

Sr. No.	Particulars	Details
(1)	Name of the company	Mahindra & Mahindra Financial Services Limited
(2)	CIN	L65921MH1991PLC059642
(3)	Outstanding borrowing of the Company as on 31 March 2019	Rs. 42,38,289 lakhs
(4)	Highest Credit Rating During the previous FY along with name of the Credit Rating Agency	<ul style="list-style-type: none"> <li>• IND AAA / Stable by India Ratings &amp; Research Private Limited</li> <li>• CARE AAA / Stable by CARE Ratings Limited</li> <li>• BWR AAA / Stable by Brickwork Ratings India Private Limited</li> </ul>
(5)	Name of Stock Exchange in which the fine shall be paid, in case of shortfall in the required borrowing under the framework	BSE Limited

ii) Initial Disclosure as per Annexure - 'A' for the FY: 2020-21

Sr. No.	Particulars	Details
(1)	Name of the company	Mahindra & Mahindra Financial Services Limited
(2)	CIN	L65921MH1991PLC059642
(3)	Outstanding borrowing of the Company as on 31 March 2020	Rs.45,12,666 lakhs
(4)	Highest Credit Rating During the previous FY along with name of the Credit Rating Agency	<ul style="list-style-type: none"> <li>• IND AAA / Stable by India Ratings &amp; Research Private Limited</li> <li>• CARE AAA / Stable by CARE Ratings Limited</li> <li>• BWR AAA / Stable by Brickwork Ratings India Private Limited</li> </ul>
(5)	Name of Stock Exchange in which the fine shall be paid, in case of shortfall in the required borrowing under the framework	BSE Limited

iii) Annual disclosure as per Annexure - B1 for the year ended 31 March 2020

		Rs. in lakhs
Sr. No.	Particulars	Details
(1)	Incremental borrowing done (a)	1,616,957.28
(2)	Mandatory borrowing to be done through issuance of debt securities (b) = (25% of a)	404,239.32
(3)	Actual borrowings done through debt securities (c)	495,780.00
(4)	Shortfall in the mandatory borrowing through debt securities, if any (d) = (b)-(c)	NIL
(5)	Reasons for short fall, if any, in mandatory borrowings through debt securities	NA

- Notes:
- (i) Figures pertain to long-term borrowing basis original maturity of more than one year (excludes External Commercial Borrowings, intercorporate borrowings between parent & subsidiaries and securitization portfolio outstanding)
- (ii) Figures are taken on the basis of cash flows / principal maturity value, excluding accrued interest, if any.

- 20) 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**

**Ramesh Iyer**  
**Vice-Chairman & Managing Director**

**Date : 15 May 2020**

**Place : Mumbai**

**Appendix 1****Mahindra & Mahindra Financial Services Limited****Segment-wise Revenue, Results, Assets and Liabilities 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	
	31 March 2020	31 December 2019	31 March 2019	31 March 2020	31 March 2019
	(Audited)	(Unaudited)	(Audited)	(Audited)	(Audited)
<b>(a) Segment Revenue</b>					
- Financing activities	307,631.58	300,959.96	283,323.80	1,177,274.31	1,019,375.88
- Others	9,201.91	9,677.12	10,495.01	35,874.04	35,541.97
<b>Total</b>	<b>316,833.49</b>	<b>310,637.08</b>	<b>293,818.81</b>	<b>1,213,148.35</b>	<b>1,054,917.85</b>
Less : Inter-segment revenue	2,809.41	2,506.68	3,581.24	13,502.74	11,832.38
<b>Net revenue</b>	<b>314,024.08</b>	<b>308,130.40</b>	<b>290,237.57</b>	<b>1,199,645.61</b>	<b>1,043,085.47</b>
<b>(b) Segment Results (Profit before tax) :</b>					
- Financing activities	27,944.04	60,337.38	99,867.25	151,765.86	272,837.53
- Share of profit of associate	822.99	1,290.60	1,154.01	4,589.73	4,692.88
- Others	1,872.20	1,247.86	3,119.19	3,847.38	6,545.75
<b>Total</b>	<b>30,639.23</b>	<b>62,875.84</b>	<b>104,140.45</b>	<b>160,202.97</b>	<b>284,076.16</b>
Add : Other unallocable income net of unallocable expenditure	-	-	-	-	-
<b>Net Profit before tax</b>	<b>30,639.23</b>	<b>62,875.84</b>	<b>104,140.45</b>	<b>160,202.97</b>	<b>284,076.16</b>
<b>(c) Segment Assets :</b>					
- Financing activities	8,054,496.33	7,999,865.45	7,344,525.53	8,054,496.33	7,344,525.53
- Others	42,832.99	42,728.72	38,280.91	42,832.99	38,280.91
- Other unallocable assets	81,928.49	74,438.32	74,790.47	81,928.49	74,790.47
<b>Total</b>	<b>8,179,257.81</b>	<b>8,117,032.49</b>	<b>7,457,596.91</b>	<b>8,179,257.81</b>	<b>7,457,596.91</b>
<b>(d) Segment Liabilities :</b>					
- Financing activities	6,959,253.63	6,929,227.03	6,313,165.42	6,959,253.63	6,313,165.42
- Others	14,135.51	14,793.38	9,678.78	14,135.51	9,678.78
- Other unallocable liabilities	-	-	-	-	-
<b>Total</b>	<b>6,973,389.14</b>	<b>6,944,020.41</b>	<b>6,322,844.20</b>	<b>6,973,389.14</b>	<b>6,322,844.20</b>

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

Date : 15 May 2020  
Place : Mumbai

Ramesh Iyer  
Vice-Chairman & Managing Director