

# Mahindra FINANCE

## PRESS RELEASE

### Financial Results – FY21 Q3 & YTD, Standalone & Consolidated Results

#### Customer base crosses 7 million

#### Standalone AUM stood at Rs. 81,809 Crores, up 8%

#### F21-Q3 Standalone Income stood at Rs. 2575 Crores, down 2%

#### F21-Q3 Net Loss stood at Rs. 274 Crores

**Mumbai, January 28, 2021:** 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 and nine-month period ended December 31, 2020.

#### F-2021 Q3 (Oct '20 – Dec '20) Standalone Results

The **Total Income declined by 2%** to **Rs. 2,575 Crores** during the quarter ended December 31, 2020, as against Rs.2,616 Crores during the corresponding quarter last year. The **Net Loss** stood at **Rs.274 Crores** during the quarter ended December 31, 2020, as against Profit After Tax (PAT) of Rs.365 Crores during the corresponding quarter last year.

#### F-2021 YTD (Apr '20 – Dec '20) Standalone Results

The **Total Income increased by 4%** at **Rs.7,879 Crores** during the nine-month period ended December 31, 2020, as against Rs.7,569 Crores during the corresponding period last year. The **Profit Before Tax (PBT)** stood at **Rs.251 Crores** during the nine-month period ended December 31, 2020, as against Rs.1,051 Crores during the corresponding period last year, a decline of **76%** over the same period previous year. The **Profit After Tax (PAT)** stood at **Rs.185 Crores** during the nine-month period ended December 31, 2020, as against Rs.685 Crores during the corresponding period last year, a decline of **73%** over the same period previous year.

#### F-2021 Q3 (Oct '20 – Dec '20) Consolidated Results

The **Total Income declined by 3%** to **Rs.2,993 Crores** during the quarter ended December 31, 2020, as against Rs.3,081 Crores during the corresponding quarter last year. The **Net Loss** stood at **Rs.223 Crores** during the quarter ended December 31, 2020, as against Profit After Tax (PAT) of Rs.475 Crores during the corresponding quarter last year.

#### F-2021 YTD (Apr '20-Dec '20) Consolidated Results

The **Total Income increased by 3%** at **Rs.9,132 Crores** during the nine-month period ended December 31, 2020, as against Rs.8,856 Crores during the corresponding period last year. The **Profit Before Tax (PBT)** stood at **Rs.678 Crores** during the nine-month period ended December 31, 2020, as against Rs.1,296 Crores during the corresponding period last year, a decline of **48%** over the same period previous year. The **Profit After Tax**

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(PAT) stood at **Rs.561 Crores** during the nine-month period ended December 31, 2020, as against Rs.847 Crores during the corresponding period last year, a decline of 34% over the same period previous year.

PBT for the nine-month period ended December 31, 2020, includes an exceptional item in the nature of capital gain of Rs.229 Crores recognized in the statement of profit and loss on the basis of fair valuation of retained interest of 51% post stake dilution of 49% in its subsidiaries, Mahindra Manulife Investment Management Private Limited (formerly known as Mahindra Asset Management Company Private Limited) and Mahindra Manulife Trustee Private Limited (formerly known as Mahindra Trustee Company Private Limited), vide Joint Venture agreement with Manulife Asset Management (Singapore) Pte. Ltd. (Manulife).

### Operations

During the period ended December 31, 2020, the Company's customer base has crossed **7.1 Million**.

The **Total value of disbursement** for the nine-month period ended December 31, 2020, was **Rs.13,031 Crores**.

Impairment provisioning is done as per Expected Credit Loss (ECL) method in Ind AS, which requires provisioning in three stages. The **Gross Stage 3** levels stood at **9.99%** as at December 31, 2020, against 8.49% as at corresponding reporting date last year. The **Net Stage 3** levels stood at **6.57%** as at December 31, 2020, against 6.67% as at corresponding reporting date last year. The Stage 3 provisioning **coverage ratio** stood at **36.6%** as at December 31, 2020, against 22.9% as at corresponding reporting date last year.

As at December 31, 2020, the cumulative amount of management overlay provisions stood at Rs. 1,064 Crores to reflect the macroeconomic outlook.

The Company has initiated various cost rationalization measures and expects a benefit from the same to continue in the future.

The standalone **Assets Under Management (AUM)** stood at **Rs. 81,809 Crores** as on December 31, 2020, as against Rs. 75,884 Crores as on the corresponding reporting date last year, registering a **growth of 7.8%**.

The Company maintains a very healthy capital adequacy of 26.4% and has adequate Capital and Financial Resources to run its business.

The Company's capital and debt position is strong and the ALM position is well balanced. With surplus liquidity over INR 90 billion as at the end of the quarter i.e 15% of the overall borrowings, the Company is in a very comfortable position to meet its future repayment and growth requirements.

During the quarter there were certain segments of customers who did not participate in asset acquisition and there was also non-availability of certain models leading to drop in business. While the overall cash flows of the customer showed improvement, the earnings have not yet returned to pre-COVID situation. The Farm output has been very encouraging and the farm cash flow has started to come in from December. While the restructuring opportunity was offered to customers, considering the expected cash flow in the fourth quarter, the customers have not opted for the same.

The Rural sentiments remain positive and we expect to benefit from the same during the fourth quarter.

## SUBSIDIARIES

### Mahindra Insurance Brokers Limited (MIBL)

**During the quarter ended December 31, 2020**, MIBL registered income at Rs.81.1 Crores as against Rs.91.2 Crores during the corresponding quarter last year, a decline of 11% over the same period previous year. The Profit Before Tax (PBT) registered was Rs.19.9 Crores during the quarter ended December 31, 2020, as against Rs.22.2 Crores during the corresponding quarter last year, a decline of 10% over the same period previous year. The Profit After Tax (PAT) registered was Rs.14.8 Crores during the quarter ended December 31, 2020, as against Rs.16.0 Crores during the corresponding quarter last year, a decline of 8% over the same period previous year.

**During the nine-month period ended December 31, 2020**, MIBL registered income at Rs.182.4 Crores as against Rs.249.0 Crores during the corresponding period last year, a decline of 27% over the same period previous year. The Profit Before Tax (PBT) registered was Rs.27.6 Crores during the nine-month period ended December 31, 2020, as against Rs.45.7 Crores during the corresponding period last year, a decline of 40% over the same period previous year. The Profit After Tax (PAT) registered was Rs.20.5 Crores, as against Rs.33.0 Crores during the corresponding period last year, a decline of 38% over the same period previous year.

### Mahindra Rural Housing Finance Limited (MRHFL)

**During the quarter ended December 31, 2020**, MRHFL registered income at Rs.354.5 Crores as against Rs.393.6 Crores during the corresponding quarter last year, a decline of 10% over the same period previous year. The Profit Before Tax (PBT) registered was Rs.11.0 Crores during the quarter ended December 31, 2020, as against Rs.115.2 Crores during the corresponding quarter last year, a decline of 90% over the same period previous year. The Profit After Tax (PAT) registered was Rs.11.4 Crores during the quarter ended December 31, 2020, as against Rs.90.6 Crores during the corresponding quarter last year, a decline of 87% over the same period previous year.

**During the nine month ended December 31, 2020**, MRHFL registered income at Rs.1116.9 Crores as against Rs.1127.1 Crores during the corresponding period last year, a decline of 1% over the same period previous year. The Profit Before Tax (PBT) registered was Rs.150.4 Crores during the nine months ended December 31, 2020, as against Rs.217.3 Crores during the corresponding period last year, a decline of 31% over the same period previous year. The Profit After Tax (PAT) registered was Rs.116.5 Crores during the nine month ended December 31, 2020, as against Rs.148.1 Crores during the corresponding period last year, a decline of 21% over the same period previous year.

The Company has cumulative management overlay of Rs. 116.8 Crores as at 31 December 2020 for covering the contingencies that may arise due to COVID – 19 pandemic.



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### **Mahindra Manulife Investment Management Private Limited (MMIMPL)**

**During the quarter ended December 31, 2020**, MMIMPL earned total income of Rs. 8.4 Crores as compared to Rs. 4.7 Crores in the same period previous year. The company incurred a loss of Rs. 8 Crores compared to a loss of Rs. 10.4 Crores during the same period previous year.

**During the nine-month period ended December 31, 2020**, MMIMPL earned total income of Rs. 22.1 Crores as compared to Rs. 13.2 Crores in the same period previous year. The company incurred a loss of Rs. 17.7 Crores compared to a loss of Rs. 27.8 Crores during the same period previous year. The Average Assets under Management (AUM) of MMIMPL for the quarter ended December 31, 2020 was Rs. 5,058 Crores across 15 schemes which showed a decline of 5% over the same period previous year. Of these assets, the Company managed Rs. 2,097 Crores of average equity assets in the quarter year ended December 31, 2020 compared to Rs. 1,644 Crores in the same period last year.

### **Mahindra Manulife Trustee Private Limited (MMTPL)**

**During the quarter ended December 31, 2020**, MMTPL earned total income of Rs. 0.11 Crores compared to Rs. 0.05 Crores during the same period previous year. The company posted a profit of Rs. 0.01 Crores compared to a loss of Rs. 0.01 Crores during the same period previous year.

**During the nine-month period ended December 31, 2020**, MMTPL earned total income of Rs. 0.22 Crores compared to Rs. 0.16 Crores during the same period previous year. The company incurred a loss of Rs. 0.05 Crores compared to a loss of Rs. 0.04 Crores during the same period previous year.

### **Mahindra Finance USA, LLC (MFUSA)**

**During the quarter ended December 31, 2020**, MFUSA registered income at USD 15.15 Million as against USD 17.18 Million during the corresponding quarter last year, registering a decline of 12% over the same period previous year. The Profit Before Tax (PBT) during the quarter ended December 31, 2020, registered was USD 10.08 Million as against USD 4.74 Million during the corresponding quarter last year, registering a growth of 113% over the same period previous year. The Profit After Tax (PAT) during the quarter ended December 31, 2020, registered was USD 7.59 Million as against USD 3.71 Million during the corresponding quarter last year, registering a growth of 105% over the same period previous year.

**During the nine-month period ended December 31, 2020**, MFUSA registered income at USD 47.51 Million as against USD 52.2 Million, registering a decline of 9% over the same period previous year. The Profit Before Tax (PBT) during the nine-month period ended December 31, 2020, registered was USD 16.75 Million as against USD 14.09 Million during the corresponding period last year, registering a growth of 19% over the same period previous year. The Profit After Tax (PAT) during the nine-month period ended December 31, 2020, registered was USD 12.56 Million as against USD 10.77 Million, a growth of 17% over the same period previous year.

### **Ideal Finance Ltd (IFL)**

**During the quarter ended December 31, 2020**, IFL registered income at LKR 257 Million as against LKR 241 Million during the corresponding quarter last year, registering a growth of 7% over the same period previous year.



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The Profit Before Tax (PBT) registered during the quarter ended December 31, 2020, was LKR 78 Million as against LKR 41 Million during the corresponding quarter last year, registering a growth of 90% over the same period previous year. The Profit After Tax (PAT) during the quarter ended December 31, 2020, was LKR 54 Million as against LKR 35 Million during the corresponding quarter last year, a growth of 54% over the same period previous year.

**During the nine-month period ended December 31, 2020**, IFL registered income at LKR 738 Million as against LKR 695 Million during the corresponding period last year, registering a growth of 6% over the same period previous year. The Profit Before Tax (PBT) registered during the nine-month period ended December 31, 2020, was LKR 188 Million as against LKR 118 Million during the corresponding period last year, registering a growth of 59% over the same period previous year. The Profit After Tax (PAT) during the nine-month period ended December 31, 2020, was LKR 129 Million as against LKR 80 Million during the corresponding period last year, a growth of 61% over the same period previous year.

### **About Mahindra & Mahindra Financial Services Limited**

Mahindra & Mahindra Financial Services Limited (Mahindra Finance), part of the Mahindra Group, is one of India's leading non-banking finance companies. Focused on the rural and semi-urban sector, the Company has over 7.1 Million customers and has an AUM of over USD 11 Billion. The Company is a leading vehicle and tractor financier, provides loans to SMEs and also offers fixed deposits. The Company has 1246 offices and reaches out to customers spread over 3,80,000 villages and 7000 towns across the country.

Mahindra Finance has been ranked 25th among India's Best Companies to Work 2020 and Ranked 6<sup>th</sup> on the list of Best Large Workplaces in Asia 2020 by Great Place to Work® Institute.

Mahindra Insurance Brokers Limited (MIBL), the Company's Insurance Broking subsidiary is a licensed Composite Broker providing Direct and Reinsurance broking services.

Mahindra Rural Housing Finance Limited (MRHFL) a subsidiary of Mahindra Finance provides loans for purchase, renovation, construction of houses to individuals in the rural and semi-urban areas of the country.

Mahindra Finance CSR Foundation is a wholly-owned subsidiary company, under the provisions of section 8 of the Companies Act, 2013 for undertaking the CSR activities of the Company and its subsidiaries.

Mahindra Manulife Investment Management Private Limited (formerly known as Mahindra Asset Management Company Private Limited) acts as the Investment Manager of Mahindra Manulife Mutual Fund (formerly known as Mahindra Mutual Fund). On 29<sup>th</sup> April 2020 Mahindra Finance divested 49% stake in its wholly-owned subsidiary, Mahindra Manulife Investment Management Private Limited to Manulife Investment Management (Singapore) Pte. Ltd. to form a 51:49 joint venture.

Mahindra Manulife Trustee Private Limited (MMTPL), (formerly known as Mahindra Trustee Company Private Limited) acts as a Trustee to Mahindra Manulife Mutual Fund (formerly known as Mahindra Mutual Fund). On 29<sup>th</sup> April 2020 Mahindra Finance divested 49% stake in its wholly-owned subsidiary, Mahindra Manulife Trustee Private Limited to Manulife Investment Management (Singapore) Pte. Ltd. to form a 51:49 joint venture.

The Company has a Joint Venture in the US, Mahindra Finance USA LLC, in partnership with De Lage Landen, a subsidiary of Rabo Bank, for financing Mahindra vehicles in the US.



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The Company has recently formed a Joint Venture in Sri Lanka, by acquiring a 38.2% stake in Ideal Finance Ltd. This JV will focus on providing a diversified suite of financial services to the Sri Lankan market.

Learn more about Mahindra Finance on [www.mahindrafinance.com](http://www.mahindrafinance.com) / Twitter and Facebook: @MahindraFin

### **About Mahindra**

The Mahindra Group is a USD 19.4 billion federation of companies that enables people to rise through innovative mobility solutions, driving rural prosperity, enhancing urban living, nurturing new businesses and fostering communities. It enjoys a leadership position in utility vehicles, information technology, financial services and vacation ownership in India and is the world's largest tractor company by volume. It also enjoys a strong presence in renewable energy, agribusiness, logistics and real estate development. Headquartered in India, Mahindra employs over 2,56,000 people across 100 countries.

Learn more about Mahindra on [www.mahindra.com](http://www.mahindra.com) / Twitter and Facebook: @MahindraRise

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