

27th July, 2018

The General Manager-Department of
Corporate Services,
BSE Limited,
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai - 400 001.

Scrip Code : 532720

Dear Sir,

The Manager-Listing Department,
National Stock Exchange of India Limited,
"Exchange Plaza", 5th Floor,
Plot No.C/1, G Block,
Bandra-Kurla Complex,
Bandra (East), Mumbai - 400 051.

Scrip Code : M&MFIN

Sub : Unaudited Standalone Financial Results for the first quarter ended 30th June, 2018

The Board of Directors at its Meeting held today i.e. on 27th July, 2018 has inter alia, approved the Unaudited Standalone Financial Results of the Company for the first quarter ended 30th June, 2018. The Meeting of the Board of Directors commenced at 1.15 p.m. and concluded at 2.45 p.m.

Pursuant to the provisions of Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ["Listing Regulations"] we are enclosing the Unaudited Standalone Financial Results of the Company for the first quarter ended 30th June, 2018, together with a copy of the Press Release.

We are also enclosing a Limited Review Report of the Statutory Auditors, M/s. B S R & Co. LLP, on the Unaudited Standalone Financial Results of the Company for the first quarter ended 30th June, 2018, as required under Regulation 33 of the Listing Regulations.

As required under the Listing Regulations, all the above mentioned documents are being uploaded on the Stock Exchange websites at <http://www.nseindia.com> and <http://www.bseindia.com> and are also being simultaneously posted on the website of the Company at <http://www.mahindrafinance.com>.

Kindly take the same on record.

Thanking you,

Yours Faithfully,
For Mahindra & Mahindra Financial Services Limited

Arnavaz

Arnavaz M. Pardiwalla
Company Secretary & Compliance Officer

Encl: a/a



Mahindra & Mahindra Financial Services Limited

CIN : L65921MH1991PLC059642

Registered Office: Gateway Building, Apollo Bunder, Mumbai 400 001. Tel. No. +91 22 22895500 Fax: +91 22 22875485
Corporate Office: Mahindra Towers, 4th Floor, Dr. G.M. Bhosale Marg, Worli, Mumbai 400 018. Tel. No. +91 22 66526000 Fax: +91 22 24984170 / 71
Website : www.mahindrafinance.com ; Email : investorhelpline mmfsl@mahindra.com

STATEMENT OF UNAUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER ENDED 30 JUNE 2018

		Rs. in Lakhs	
	Particulars	Quarter ended	
		30 June 2018	30 June 2017
		(Unaudited)	(Unaudited)
1	Revenue from Operations	1,92,583.62	1,49,802.21
2	Other Income	1,383.72	1,067.93
3	Total Income (1+2)	1,93,967.34	1,50,870.14
4	Expenses:		
a)	Employee benefits expense	26,344.45	19,588.88
b)	Finance costs	84,875.79	75,529.77
c)	Depreciation and amortization expense	1,326.74	1,106.23
d)	Loan loss provisions and write off	29,383.63	12,689.44
e)	Other expenses	10,816.57	12,048.77
	Total expenses	1,52,747.18	1,20,963.09
5	Profit before exceptional items and tax (3-4)	41,220.17	29,907.05
6	Exceptional items	-	-
7	Profit before tax (5+6)	41,220.17	29,907.05
8	Tax expense		
-	Current tax	12,292.87	3,569.45
-	Deferred tax	2,022.21	6,201.23
		14,315.08	9,770.68
9	Profit for the period from continuing operations (7-8)	26,905.09	20,136.37
10	Profit from discontinued operations	-	-
11	Tax expense of discontinued operations	-	-
12	Profit from discontinued operations (after tax) (10-11)	-	-
13	Profit for the period (9+12)	26,905.09	20,136.37
14	Other Comprehensive Income		
A) (i)	Items that will not be reclassified to profit or loss	(488.06)	(194.63)
(ii)	Income tax relating to items that will not be reclassified to profit or loss	170.55	67.36
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	-	-
	Other Comprehensive Income / (loss) (net of tax)	(317.51)	(127.27)
15	Total Comprehensive Income (after tax) (13+14)	26,587.58	20,009.10
16	Earnings per equity share (face value of Rs.2/- each) #		
a)	Basic (Rs.)	4.38	3.56
b)	Diluted (Rs.)	4.37	3.56

Earnings per share for the interim period is not annualised.



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 as at 30 June 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 ended 30 June 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 for the quarter ended 31 March 2018 and previous year ended 31 March 2018. Further, the financial results for the quarter ended 30 June 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 ended 30 June 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 June 2017
Profit after tax as reported under Previous GAAP	4,738.58
<u>Adjustments resulting in increase/(decrease) in profit after tax as reported under Previous GAAP :</u>	
i) Impact on recognition of financial assets and financial liabilities at amortised cost by application of Effective Interest Rate method	(7,257.72)
ii) Impact on application of Expected Credit Loss method for loan loss provisions	29,573.51
iii) Impact on recognition of securitised loan portfolio (de-recognised in Previous GAAP)	981.24
iv) Reclassification of actuarial loss to Other Comprehensive Income	194.63
v) Others	55.24
vi) Tax impact on above adjustments	(8,149.11)
Profit after tax as reported under Ind AS	20,136.37
Other Comprehensive Income / (loss) (net of tax)	(127.27)
Total Comprehensive Income (after tax) as reported under Ind AS	20,009.10

- 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 ended 30 June 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 27 July 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, the Company has made following investments:

i) Rs.963.21 lakhs equivalent to US \$ 1.44 million (quarter ended 30 June 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.

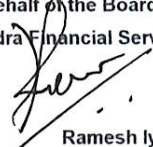
ii) Rs.2,000.00 Lakhs (quarter ended 30 June 2017: Rs.1,000.00 lakhs) in Mahindra Asset Management Company Private Limited, its wholly owned subsidiary, by subscription to 200,00,000 Equity shares of Face Value of Rs.10/- each for cash at par fully paid up on a rights basis.

Date : 27 July 2018

Place : Mumbai



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


Ramesh Iyer

Vice-Chairman & Managing Director



B S R & Co. LLP

Chartered Accountants

5th Floor, Lodha Excelus,
Apollo Mills Compound
N. M. Joshi Marg, Mahalaxmi
Mumbai - 400 011
India

Telephone +91 (22) 4345 5300
Fax +91 (22) 4345 5399

Review report

To the Board of Directors of Mahindra & Mahindra Financial Services Limited

We have reviewed the accompanying statement of unaudited standalone financial results of Mahindra & Mahindra Financial Services Limited (the 'Company') for the quarter ended 30 June 2018 (the 'Statement'), being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'). Attention is drawn to the fact that the figures for the corresponding quarter ended 30 June 2017 including the reconciliation of profit under Ind AS of the corresponding quarter with profit reported under previous GAAP, as reported in these financial results have been approved by Company's Board of Directors but have not been subjected to review.

This Statement is the responsibility of the Company's management and has been approved by the Board of Directors. Our responsibility is to issue a report on the Statement based on our review.

We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' specified under section 143(10) of the Companies Act, 2013. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement of unaudited standalone financial results prepared in accordance with applicable accounting standards i.e. Ind AS prescribed under Section 133 of the Companies Act, 2013 and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the Listing Regulations and SEBI Circular dated 5 July 2016 including the manner in which it is to be disclosed, or that it contains any material misstatement.

For **B S R & Co. LLP**
Chartered Accountants

Firm's Registration No: 101248W/W-100022



Venkataramanan Vishwanath
Partner

Membership No: 113156

Mumbai
27 July 2018

PRESS RELEASE

Mahindra Finance

F-2019-Q1 Standalone Results

PAT up by 34% YoY, at Rs.269 Crores

Income up by 29% YoY, at Rs.1940 Crores

Disbursement up 35% YoY, crossed Rs.10000 Crores

AUM up by 21% YoY, crosses Rs.58000 Crores

Mumbai, July 27, 2018: 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 ended June 30, 2018.

In line with direction from Ministry of Corporate Affairs, **the Company has adopted Indian Accounting Standards (Ind AS) with effect from 1st April 2018.** Results for the quarter (FY19-Q1) are prepared and reported in compliance with Ind AS requirements. The figures for the same quarter previous year (FY18 Q1) have also been restated as per Ind AS.

F-2019 Q1 Standalone Results

The **Total Income increased by 29%** at **Rs.1940 Crores** during the quarter ended June 30, 2018, as against Rs.1509 Crores in the corresponding period last year. The **Profit After Tax (PAT)** stood at **Rs.269 Crores** during the quarter ended June 30, 2018, as against Rs.201 Crores during the corresponding quarter last year, registering a **growth of 34%** over the same period previous year.

Operations

During the quarter ended June 30, 2018, the Company's customer base has crossed **5.5 Million**.

The Total **Assets Under Management (AUM)** stood at **Rs.58711 Crores** as on June 30, 2018, as against Rs.48468 Crores as on June 30, 2017, registering a growth of **21%**.

The **Total value of assets financed** for the quarter ended June 30, 2018, was **Rs.10338.68 Crores** as against Rs.7639.90 Crores during the same period previous year, registering a growth of **35%**.

The Company continues to be leading financier for automotive and tractors, including pre-owned vehicles. During the quarter, growth has been higher in the pre-owned and commercial vehicle segment and also have gained market share in its lead products. Collection efficiency in the first quarter has been maintained at levels higher than previous year.

Impairment provisioning is done as per **Expected Credit Loss (ECL) method** prescribed in **Ind AS, as of 30 June 2018 which requires provisioning in three stages**. The company has considered all loan accounts with an ageing of above 90 days under Stage 3 (Impaired assets). The **Gross Stage 3** levels have gone down to **9.4%** for the quarter ended June 30, 2018, from 14.5% during the corresponding quarter last year. The **Net Stage 3** levels have gone down to **6.1%** for the quarter ended June 30, 2018, from 8.8% during the corresponding quarter last year. The **Stage 3 provisioning coverage ratio** stood at **35.1%**. **Standard asset (Stage 1 and Stage 2) provisioning has increased to 258 bps** as a result of ECL provisioning under Ind AS versus 40 bps as per RBI norms.

SUBSIDIARIES

Mahindra Insurance Brokers Limited (MIBL)

During the **quarter ended June 30, 2018**, MIBL registered **Income** at **Rs.67 Crores** as against Rs.50 Crores, registering a **growth of 34%** over the same period previous year. The **Profit After Tax (PAT)** registered was **Rs.14.8 Crores** as against Rs.13.4 Crores, registering a growth of 11% over the same period previous year.

Mahindra Rural Housing Finance Limited (MRHFL)

During the **quarter ended June 30, 2018**, MRHFL registered **Income** at **Rs.301.98 crores** as against Rs.219.49 Crores, registering a **growth of 38%** over the same period previous year. The **Profit After Tax (PAT)** registered was Rs.30.88 Crores as against Rs.31.28 Crores, registering a de-growth of 1% over the same period previous year.

The Total **Assets Under Management (AUM)** stood at **Rs.7168.15 Crores** as against Rs.5357.66 Crores, registering a growth of **34%** over the same period previous year.

Mahindra Asset Management Company Private Limited (MAMCPL)

During the **quarter ended June 30, 2018**, MAMCPL registered **Income** at **Rs.9.41 Crores** as against Rs.4.10 Crores, registering a growth of 130% over the same period previous year. The company incurred a loss of Rs.6.23 Crores as against loss of Rs.11.18 Crores in the corresponding period year.

The **Average Assets Under Management (AUM)** for June 2018 was Rs.3980 Crores, across six schemes as against Rs.2196 Crores for June 2017, registering a growth of 81% over the same period previous year.

Mahindra Finance USA, LLC (MFUSA)

During the quarter ended June 30, 2018, MFUSA registered **Income** at USD 16.4 Million as against USD 13.3 Million, registering a **growth of 23%** over the same period previous year. **Profit After Tax (PAT)** registered was USD 4.1 Million as against USD 2.7 Million, registering a **growth of 52%** 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 5.5 Million customers and has an AUM of over USD 8.5 Billion. The Company is a leading vehicle and tractor financier and also offers fixed deposits and loans to SMEs. The Company has 1,291 offices and reaches out to customers spread over 3,50,000 villages & 7,000 towns across the country.

Mahindra Finance is the only Non-Banking Finance Company from India to be listed on the Dow Jones Sustainability Index in the Emerging Market Category. Mahindra Finance has been ranked 14th on the list of India's Best Companies to work for 2018, by Great Place to Work® Institute. We have also been recognized as an Aon Best Employer 2017 and among the Best BFSI Brands 2018 by The Economic Times.

The Company's Insurance Broking subsidiary, Mahindra Insurance Brokers Limited (MIBL), 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 Asset Management Company Private Limited (MAMCPL), a wholly-owned subsidiary of Mahindra Finance, is acting as the Investment Manager of Mahindra Mutual Fund.

The Company has a JV in US, Mahindra Finance USA LLC, in partnership with De Lage Landen, a subsidiary of Rabo Bank, for financing Mahindra tractors in US.

About Mahindra

The Mahindra Group is a USD 20.7 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 has 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 agribusiness, components, commercial vehicles, speedboats, consulting services, energy, industrial equipment, logistics, real estate, steel, aerospace, defence and two wheelers. Headquartered in India, Mahindra employs over 240,000 people across 100 countries.

Learn more about Mahindra on www.mahindra.com / Twitter and Facebook: @MahindraRise

Media Contact information:

Metabelle Lobos

General Manager, Group Communications

Mahindra & Mahindra Limited

Tel: +91 22 24975178

Mobile: [+91 9769212078](tel:+919769212078)

E-mail: lobo.metabelle@mahindra.com