Mahindra FINANCE

Mahindra & Mahindra Financial Services Ltd.
Mahindra Towers, 4th Floor,
Dr. G. M. Bhosale Marg, Worli,
Mumbai 400 018 India
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26th October, 2020

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

Scrip Code : 532720

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

Dear Sirs,

Sub: Regulation 33 and 52 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 – Unaudited Financial Results of the Company for the Second Quarter and Half Year ended 30th September, 2020

Pursuant to the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ["Listing Regulations"], we wish to inform you that the Board of Directors at its Meeting held today i.e. 26th October, 2020 has *inter alia,* approved the Unaudited Standalone and Consolidated Financial Results of the Company for the second quarter and half year ended 30th September, 2020.

Accordingly, we are enclosing:

i. The Unaudited Standalone Financial Results of the Company for the second quarter and half year ended 30th September, 2020.

ii. The Unaudited Consolidated Financial Results of the Company for the second quarter and half year ended 30th September, 2020.

iii. Limited Review Reports of the Statutory Auditors on the Standalone and Consolidated Financial Results of the Company for the second quarter and half year ended 30th September, 2020, issued by the Statutory Auditors, Messrs. B S R & Co. LLP as required under Regulation 33 of the Listing Regulations.

iv. A copy of the Press Release.

v. Disclosures in accordance with Regulation 52(4) of the Listing Regulations.

Certificate of Debenture Trustee:

A copy of the Certificate of the Debenture Trustee, Messrs. Axis Trustee Services Limited, as required under Regulation 52(5) of the Listing Regulations is being sent shortly.

The Results have been uploaded on the Stock Exchange websites at www.bseindia.com and www.nseindia.com and are also being simultaneously posted on the website of the Company at https://www.mahindrafinance.com.

The Meeting of the Board of Directors commenced at 2.00 p.m. and concluded at 5.00 p.m.

Kindly take the same on record.

Thanking you,

Yours Faithfully,
For Mahindra & Mahindra Financial Services Limited

ARNAVAZ MANECK PARDIWALLA
Digitally signed by ARNAVAZ MANECK PARDIWALLA
Date: 2020.10.26 17:01:01 +05'30'

Arnavaz M. Pardiwalla
Company Secretary & Compliance Officer

Encl: a/a

Mahindra & Mahindra Financial Services Limited

CIN : L65921MH1991PLC059642

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STATEMENT OF UNAUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED 30 SEPTEMBER 2020

Rs. in Lakhs

		Particulars	Quarter ended			Half year ended		Year ended
			30 September 2020	30 June 2020	30 September 2019	30 September 2020	30 September 2019	31 March 2020
			(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
		Revenue from operations						
	i)	Interest income	295,348.22	299,238.59	280,710.02	594,586.81	553,586.26	1,145,761.28
	ii)	Dividend income	-	11.68	1,726.56	11.68	2,685.33	2,715.21
	iii)	Rental income	483.36	335.89	171.94	819.25	287.49	874.93
	iv)	Fees and commission Income	1,675.24	999.97	2,694.29	2,675.21	4,504.76	10,413.36
	v)	Net gain on fair value changes	1,520.91	2,067.28	446.77	3,588.19	506.25	2,561.56
	vi)	Sale of services	4,483.31	3,008.84	5,647.73	7,492.15	12,014.95	25,968.81
I		**Total Revenue from operations**	**303,511.04**	**305,662.25**	**291,397.31**	**609,173.29**	**573,585.04**	**1,188,295.15**
II		Other income	3,539.37	1,206.15	2,251.35	4,745.52	3,906.09	11,350.46
III		**Total income (I+II)**	**307,050.41**	**306,868.40**	**293,648.66**	**613,918.81**	**577,491.13**	**1,199,645.61**
		Expenses						
	i)	Finance costs	136,854.36	140,115.15	134,590.95	276,969.51	260,850.72	539,056.37
	ii)	Fees and commission expense	2,991.10	899.27	2,677.38	3,890.37	6,232.57	12,489.86
	iii)	Impairment on financial instruments (refer note 9)	66,582.32	94,884.74	39,995.48	161,467.06	107,686.79	231,897.83
	iv)	Employee benefits expenses	35,108.31	29,911.03	41,416.44	65,019.34	88,669.70	160,982.02
	v)	Depreciation, amortization and impairment	3,957.54	3,786.59	4,320.16	7,744.13	8,463.94	14,687.38
	vi)	Other expenses	11,560.61	11,089.78	21,103.29	22,650.39	41,375.65	84,918.91
IV		**Total expenses**	**257,054.24**	**280,686.56**	**244,103.70**	**537,740.80**	**513,279.37**	**1,044,032.37**
V		**Profit before exceptional items and tax (III-IV)**	**49,996.17**	**26,181.84**	**49,544.96**	**76,178.01**	**64,211.76**	**155,613.24**
VI		Exceptional item (refer note 6)	-	22,854.07	-	22,854.07	-	-
VII		Share of profit of associate & joint ventures	(1,239.65)	1,342.13	1,148.13	102.48	2,476.14	4,589.73
VIII		**Profit before tax (V+VI+VII)**	**48,756.52**	**50,378.04**	**50,693.09**	**99,134.56**	**66,687.90**	**160,202.97**
IX		**Tax expense :**						
	i)	Current tax	20,894.94	111.35	6,083.09	21,006.29	10,680.50	64,730.05
	ii)	Deferred tax	(7,388.60)	7,054.75	18,249.86	(333.85)	18,801.03	(12,989.05)
	iii)	(Excess) / Short provision for Income Tax - earlier years	-	-	-	-	-	(119.80)
			13,506.34	**7,166.10**	**24,332.95**	**20,672.44**	**29,481.53**	**51,621.20**
X		**Profit for the period / year (VIII-IX)**	**35,250.18**	**43,211.94**	**26,360.14**	**78,462.12**	**37,206.37**	**108,581.77**
XI		**Other Comprehensive Income (OCI)**						
	A)	(i) Items that will not be reclassified to profit or loss						
		- Remeasurement loss on defined benefit plans	(455.66)	373.65	(69.17)	(82.01)	(2,049.45)	(1,581.38)
		- Net gain/(loss) on equity instruments through OCI	-	798.07	-	798.07	(47.95)	268.65
		(ii) Income tax relating to the above items	122.87	(284.31)	(362.47)	(161.44)	289.12	40.59
		Subtotal (A)	(332.79)	887.41	(431.64)	554.62	(1,808.28)	(1,272.14)
	B)	(i) Items that will be reclassified to profit or loss						
		- Exchange differences in translating the financial statements of foreign operations	(1,352.50)	157.39	978.65	(1,195.11)	771.91	3,900.25
		- Net gain on debt instruments through OCI	(769.88)	(256.03)	-	(1,025.91)	-	767.09
		(ii) Income tax relating to the above items	193.76	64.43	-	258.19	-	(115.97)
		Subtotal (B)	(1,928.62)	(34.21)	978.65	(1,962.83)	771.91	4,551.37
		Other Comprehensive Income (A + B)	**(2,261.41)**	**853.20**	**547.01**	**(1,408.21)**	**(1,036.37)**	**3,279.23**
XII		**Total Comprehensive Income for the period / year (X+XI)**	**32,988.77**	**44,065.14**	**26,907.15**	**77,053.91**	**36,170.00**	**111,861.00**
		Profit for the period attributable to:						
		Owners of the Company	35,134.85	43,172.39	26,145.09	78,307.25	36,868.14	107,514.53
		Non-controlling interests	115.33	39.55	215.05	154.87	338.23	1,067.24
			35,250.18	**43,211.94**	**26,360.14**	**78,462.12**	**37,206.37**	**108,581.77**
		Other Comprehensive Income for the period attributable to:						
		Owners of the Company	(2,266.87)	845.05	558.93	(1,421.82)	(994.00)	3,323.67
		Non-controlling interests	5.46	8.15	(11.92)	13.61	(42.37)	(44.44)
			(2,261.41)	**853.20**	**547.01**	**(1,408.21)**	**(1,036.37)**	**3,279.23**
		Total Comprehensive Income for the period attributable to:						
		Owners of the Company	32,867.99	44,017.44	26,704.03	76,885.43	35,874.15	110,838.20
		Non-controlling interests	120.78	47.70	203.12	168.48	295.85	1,022.80
			32,988.77	**44,065.14**	**26,907.15**	**77,053.91**	**36,170.00**	**111,861.00**
XIII		**Earnings per equity share (face value of Rs.2/- each) #**						
		Basic (Rupees)	4.58	7.01	4.25	10.21	6.00	17.48
		Diluted (Rupees)	4.57	7.00	4.24	10.18	5.98	17.44

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

STATEMENT OF UNAUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED 30 SEPTEMBER 2020

Rs. in Lakhs

		Particulars	Quarter ended			Half year ended		Year ended
			30 September 2020	30 June 2020	30 September 2019	30 September 2020	30 September 2019	31 March 2020
			(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
		Revenue from operations						
	i)	Interest income	258,217.38	260,912.13	244,073.85	519,129.51	480,719.86	994,171.19
	ii)	Dividend income	-	1.65	1,506.03	1.65	2,414.12	2,425.09
	iii)	Rental income	483.36	335.89	171.94	819.25	287.49	874.93
	iv)	Fees and commission Income	1,410.67	833.57	2,455.42	2,244.24	4,161.31	9,698.85
	v)	Net gain on fair value changes	1,176.90	1,966.70	429.46	3,143.60	454.68	2,615.10
I		**Total Revenue from operations**	**261,288.31**	**264,049.94**	**248,636.70**	**525,338.25**	**488,037.46**	**1,009,785.16**
II		Other income	3,662.26	1,444.16	5,448.32	5,106.42	7,297.99	14,728.63
III		**Total income (I+II)**	**264,950.57**	**265,494.10**	**254,085.02**	**530,444.67**	**495,335.45**	**1,024,513.79**
		Expenses						
	i)	Finance costs	122,157.81	126,460.14	120,219.82	248,617.95	233,040.36	482,874.89
	ii)	Fees and commission expense	1,117.57	231.68	1,101.63	1,349.25	2,100.57	4,094.21
	iii)	Impairment on financial instruments (refer note 9)	61,939.07	84,270.05	36,062.89	146,209.12	98,024.79	205,447.07
	iv)	Employee benefits expenses	26,142.69	22,453.80	29,402.67	48,596.49	64,611.63	114,844.51
	v)	Depreciation, amortization and impairment	3,329.59	3,153.60	3,591.24	6,483.19	7,024.22	11,829.36
	vi)	Other expenses	9,092.46	8,726.04	17,868.31	17,818.50	34,225.09	71,047.51
IV		**Total expenses**	**223,779.19**	**245,295.31**	**208,246.56**	**469,074.50**	**439,026.66**	**890,137.55**
V		**Profit before exceptional items and tax (III-IV)**	**41,171.38**	**20,198.79**	**45,838.46**	**61,370.17**	**56,308.79**	**134,376.24**
VI		Exceptional item (refer note 6)	-	610.10	-	610.10	-	-
VII		**Profit before tax (V+VI)**	**41,171.38**	**20,808.89**	**45,838.46**	**61,980.27**	**56,308.79**	**134,376.24**
VIII		**Tax expense :**						
	i)	Current tax	20,292.00	-	5,851.00	20,292.00	9,045.00	55,693.89
	ii)	Deferred tax	(9,473.93)	5,229.68	14,810.23	(4,244.25)	15,243.33	(11,958.04)
			10,818.07	**5,229.68**	**20,661.23**	**16,047.75**	**24,288.33**	**43,735.85**
IX		**Profit for the period / year (VII-VIII)**	**30,353.31**	**15,579.21**	**25,177.23**	**45,932.52**	**32,020.46**	**90,640.39**
X		**Other Comprehensive Income (OCI)**						
	A)	(i) Items that will not be reclassified to profit or loss						
		- Remeasurement gain/(loss) on defined benefit plans	(458.94)	342.33	57.38	(116.61)	(1,736.75)	(1,134.18)
		- Net gain/(loss) on equity instruments through OCI	-	798.07	-	798.07	(47.95)	268.65
		(ii) Income tax relating to the above items	115.51	(287.01)	(387.21)	(171.50)	256.49	(51.94)
		Subtotal (A)	(343.43)	853.39	(329.83)	509.96	(1,528.21)	(917.47)
	B)	(i) Items that will be reclassified to profit or loss						
		- Net gain on debt instruments through OCI	(769.88)	(256.03)	-	(1,025.91)	-	767.09
		(ii) Income tax relating to the above items	193.76	64.43	-	258.19	-	(115.97)
		Subtotal (B)	(576.12)	(191.60)	-	(767.72)	-	651.12
		Other Comprehensive Income (A + B)	**(919.55)**	**661.79**	**(329.83)**	**(257.76)**	**(1,528.21)**	**(266.35)**
XI		**Total Comprehensive Income for the period / year (IX+X)**	**29,433.76**	**16,241.00**	**24,847.40**	**45,674.76**	**30,492.25**	**90,374.04**
XII		**Earnings per equity share (face value of Rs.2/- each) #**						
		Basic (Rupees)	3.96	2.53	4.09	5.99	5.21	14.74
		Diluted (Rupees)	3.95	2.53	4.08	5.97	5.19	14.71

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

BALANCE SHEET

Rs. in Lakhs

	Particulars	CONSOLIDATED		STANDALONE	
		As at 30 September 2020	As at 31 March 2020	As at 30 September 2020	As at 31 March 2020
		(Unaudited)	(Audited)	(Unaudited)	(Audited)
	ASSETS				
1)	**Financial Assets**				
	a) Cash and cash equivalents	260,692.94	78,260.23	106,735.77	67,679.04
	b) Bank balance other than (a) above	256,259.96	74,899.44	234,150.11	74,899.44
	c) Derivative financial instruments	2,133.81	9,292.76	2,133.81	9,292.76
	d) Receivables				
	- Trade receivables	3,884.89	5,291.06	760.53	858.71
	e) Loans	7,187,416.72	7,286,378.45	6,438,900.01	6,499,347.04
	f) Investments	883,336.56	534,035.78	877,698.26	591,096.62
	g) Other financial assets	48,886.26	51,978.71	45,296.92	47,665.27
		8,642,611.14	**8,040,136.43**	**7,705,675.41**	**7,290,838.88**
2)	**Non-financial Assets**				
	a) Current tax assets (Net)	38,319.55	25,783.00	33,160.17	23,995.98
	b) Deferred tax Assets (Net)	58,314.02	57,883.42	53,293.60	48,962.66
	c) Property, plant and equipment	39,891.77	42,775.57	32,656.15	33,794.74
	d) Intangible assets under development	131.21	55.68	-	-
	e) Other Intangible assets	2,275.50	2,760.26	2,108.73	2,555.33
	f) Other non-financial assets	5,873.56	9,863.45	3,568.38	6,973.68
		144,805.61	**139,121.38**	**124,787.03**	**116,282.39**
	Total Assets	**8,787,416.75**	**8,179,257.81**	**7,830,462.44**	**7,407,121.27**
	LIABILITIES AND EQUITY				
	LIABILITIES				
1)	**Financial Liabilities**				
	a) Derivative financial instruments	9,853.57	4,016.06	9,853.57	4,016.06
	b) Payables				
	I) Trade Payables				
	i) total outstanding dues of micro enterprises and small enterprises	1.43	25.61	-	-
	ii) total outstanding dues of creditors other than micro enterprises and small enterprises	67,438.95	69,297.22	52,641.70	60,633.42
	II) Other Payables				
	i) total outstanding dues of micro enterprises and small enterprises	60.18	17.40	60.18	17.40
	ii) total outstanding dues of creditors other than micro enterprises and small enterprises	2,156.80	2,944.47	2,156.55	2,923.97
	c) Debt Securities	2,195,546.37	1,974,461.07	1,895,462.91	1,774,487.73
	d) Borrowings (Other than Debt Securities)	3,296,568.68	3,332,713.60	2,862,153.35	2,948,734.27
	e) Deposits	939,939.83	878,138.98	944,914.83	881,213.98
	f) Subordinated Liabilities	375,642.21	378,110.37	334,620.83	341,794.57
	g) Other financial liabilities	279,405.50	299,417.34	215,189.12	231,396.03
		7,166,613.52	**6,939,142.12**	**6,317,053.04**	**6,245,217.43**
2)	**Non-Financial Liabilities**				
	a) Current tax liabilities (Net)	1,737.93	1,737.93	1,392.09	1,392.09
	b) Provisions	20,213.19	21,138.99	15,185.50	14,322.83
	c) Other non-financial liabilities	7,743.05	11,370.10	6,758.38	9,803.43
		29,694.17	**34,247.02**	**23,335.97**	**25,518.35**
3)	**EQUITY**				
	a) Equity Share capital	24,628.78	12,306.95	24,628.78	12,306.95
	b) Other Equity	1,557,357.79	1,184,593.52	1,465,444.65	1,124,078.54
	Equity attributable to owners of the Company	**1,581,986.57**	**1,196,900.47**	**1,490,073.43**	**1,136,385.49**
	Non-controlling interests	9,122.49	8,968.20	-	-
		1,591,109.06	**1,205,868.67**	**1,490,073.43**	**1,136,385.49**
	Total Liabilities and Equity	**8,787,416.75**	**8,179,257.81**	**7,830,462.44**	**7,407,121.27**

STATEMENT OF CASH FLOWS

Rs. in Lakhs

	Particulars	CONSOLIDATED		STANDALONE	
		Half year ended 30 September 2020	Half year ended 30 September 2019	Half year ended 30 September 2020	Half year ended 30 September 2019
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
A)	**CASH FLOW FROM OPERATING ACTIVITIES**				
	Profit before exceptional items and taxes	**76,178.01**	**64,211.76**	**61,370.17**	**56,308.79**
	Adjustments to reconcile profit before tax to net cash flows:				
	Add: Non-cash expenses				
	Depreciation, amortization and impairment	7,744.12	8,463.93	6,483.19	7,024.22
	Impairment on financial instruments	44,315.86	49,452.87	28,865.46	39,559.38
	Bad debts and write offs	117,343.66	58,465.61	117,343.66	58,465.41
	Net (Gain) / loss on fair value of derivative financial instruments	13,093.46	(2,576.42)	13,093.46	(2,576.42)
	Unrealized foreign exchange gain/loss	(6,226.12)	2,940.94	(6,226.12)	2,940.94
	Share based payments to employees	1,179.76	1,951.59	1,006.47	1,903.54
		177,450.74	**118,698.52**	**160,566.12**	**107,317.07**
	Less: Income considered separately				
	Net gain on fair value changes	(3,588.70)	(481.21)	(3,143.60)	(454.68)
	Interest income on investments	(9,466.33)	(7,159.10)	(7,194.21)	(5,227.40)
	Dividend income	(11.68)	(2,657.28)	(1.65)	(5,451.73)
	Net gain on derecognition of property, plant and equipment	(27.59)	(6.68)	(34.73)	(28.85)
	Net (gain) / loss on sale of investments	(3,454.19)	(1,023.54)	(3,389.07)	(948.91)
		(16,548.49)	**(11,327.81)**	**(13,763.26)**	**(12,111.57)**
	Operating profit before working capital changes	**237,080.26**	**171,582.47**	**208,173.03**	**151,514.29**
	Changes in -				
	Loans	(62,487.27)	(390,709.14)	(85,712.29)	(352,665.86)
	Trade receivables	3,260.60	(894.40)	(48.64)	(280.40)
	Interest accrued on other deposits	(1,645.93)	-	(1,645.93)	-
	Other financial assets	(4,559.82)	(2,309.65)	(4,259.13)	(364.83)
	Other financial liabilities	(17,662.16)	(6,153.88)	(16,278.26)	(3,959.52)
	Other non-financial assets	2,297.66	(272.92)	1,962.21	(457.89)
	Trade Payables	(5,515.19)	(18,773.80)	(8,716.36)	(21,027.94)
	Other non-financial liabilities	(3,316.06)	(2,050.46)	(3,019.28)	(1,415.90)
	Derivative financial instruments	(97.00)	-	(97.00)	-
	Provisions	(363.54)	116.68	829.65	(1,134.08)
	Cash used in operations	**(90,088.71)**	**(421,047.57)**	**(116,985.03)**	**(381,306.42)**
	Income taxes paid (net of refunds)	**(33,946.30)**	**(38,674.47)**	**(29,456.19)**	**(32,941.92)**
	NET CASH GENERATED FROM / (USED IN) OPERATING ACTIVITIES (A)	**113,045.25**	**(288,139.56)**	**61,731.81**	**(262,734.05)**
B)	**CASH FLOW FROM INVESTING ACTIVITIES**				
	Purchase of Property, plant and equipment and intangible assets	(1,791.59)	(4,620.30)	(1,603.58)	(3,954.64)
	Proceeds from sale of Property, plant and equipment	120.83	74.85	101.85	64.93
	Purchase of investments at amortized cost	(238,432.52)	(38,779.79)	(71,752.54)	(19,937.69)
	Proceeds from sale of investments at amortized cost	135,926.97	57,726.14	3,866.43	43,254.74
	Purchase of investments at FVOCI	(87,963.18)	(100.00)	(87,963.18)	(100.00)
	Purchase of investments at FVTPL	(2,618,716.67)	(5,171,544.98)	(2,613,886.67)	(4,824,301.59)
	Proceeds from sale of investments at FVTPL	2,490,732.77	5,121,671.87	2,487,982.56	4,805,189.48
	Purchase of investments at cost	1,901.10	(28,927.56)	-	(30,927.66)
	Proceeds from sale of investments measured at cost (in equity shares of Mahindra Asset Management Company Private Limited)	-	-	2,080.10	-
	Proceeds from / (Investments in) term deposits with banks (net)	(170,988.85)	(35,714.54)	(150,034.00)	(36,389.30)
	Dividend income received	92.54	5,954.33	1.65	5,451.73
	Interest income received on investments	8,519.44	6,924.75	6,233.70	5,206.41
	Change in Earmarked balances with banks	8.33	28.26	8.33	28.26
	NET CASH GENERATED FROM / (USED IN) INVESTING ACTIVITIES (B)	**(480,590.83)**	**(87,306.97)**	**(424,965.35)**	**(56,415.33)**

STATEMENT OF CASH FLOWS (Continued …)

Rs. in Lakhs

	Particulars	CONSOLIDATED		STANDALONE	
		Half year ended 30 September 2020	Half year ended 30 September 2019	Half year ended 30 September 2020	Half year ended 30 September 2019
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
C)	**CASH FLOW FROM FINANCING ACTIVITIES**				
	Proceeds from issue of Equity shares (net of issue expenses)	306,976.32	-	308,008.15	-
	Proceeds from borrowings through Debt Securities	642,590.00	832,030.00	494,090.00	725,030.00
	Repayment of borrowings through Debt Securities	(421,030.17)	(964,442.65)	(373,180.17)	(842,442.65)
	Proceeds from Borrowings (Other than Debt Securities)	784,337.78	1,450,087.40	634,417.78	1,273,912.40
	Repayment of Borrowings (Other than Debt Securities)	(814,235.55)	(1,082,073.28)	(714,741.24)	(979,963.76)
	Repayment of borrowings through Subordinated Liabilities	(7,197.10)	-	(7,197.10)	-
	(Decrease) / Increase in loans repayable on demand and cash credit/overdraft facilities with banks (net)	-	(12,988.94)	-	(12,988.95)
	Increase / (decrease) in Fixed deposits (net)	61,200.95	198,820.02	63,100.95	197,770.02
	Payments for principal portion of lease liability	(2,656.90)	(3,558.91)	(2,208.10)	(3,074.24)
	Dividend paid (including tax on dividend)	-	(51,681.23)	-	(47,786.03)
	NET CASH GENERATED FROM FINANCING ACTIVITIES (C)	**549,985.33**	**366,192.40**	**402,290.27**	**310,456.79**
	NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	**182,439.75**	**(9,254.13)**	**39,056.73**	**(8,692.59)**
	Cash and Cash Equivalents at the beginning of the period / year	**78,253.19**	**53,722.32**	**67,679.04**	**50,167.74**
	CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD / YEAR	**260,692.94**	**44,468.19**	**106,735.77**	**41,475.15**

Components of Cash and Cash Equivalents

Rs. in Lakhs

	Particulars	CONSOLIDATED		STANDALONE	
		Half year ended 30 September 2020	Half year ended 30 September 2019	Half year ended 30 September 2020	Half year ended 30 September 2019
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	Components of Cash and Cash Equivalents:				
	Cash and cash equivalents at the end of the period / year				
	- Cash on hand	4,460.61	2,702.07	3,624.35	1,653.42
	- Cheques and drafts on hand	1,942.54	1,105.10	1,942.54	1,105.10
	- Balances with banks in current accounts	52,106.05	40,661.02	49,808.88	38,716.63
	-Term deposits with original maturity up to 3 months	202,183.74	-	51,360.00	-
	Total	**260,692.94**	**44,468.19**	**106,735.77**	**41,475.15**

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 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 laid down in Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the the Companies Act, 2013 ("the Act"), and other recognized accounting practices generally accepted in India and in compliance with Regulation 33 and Regulation 52 read with Regulation 63 (2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations"). 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 26 October 2020.

3) The Consolidated financial results for the quarter and half year ended 30 September 2020 include the following entities of the group -

i) The unaudited financial results of the subsidiaries, Mahindra Insurance Brokers Limited (80%) and Mahindra Rural Housing Finance Limited (99.60%), and joint ventures, Mahindra Manulife Investment Management Private Limited (MMIMPL: 51%) (Formerly known as "Mahindra Asset Management Company Private Limited") and Mahindra Manulife Trustee Private Limited (MMTPL: 51%) (Formerly known as "Mahindra Trustee Company Private Limited"). The joint ventures, MMIMPL and MMTPL have been consolidated under equity method of accounting;

ii) The Management certified financial results of subsidiaries, Mahindra & Mahindra Financial Services Limited Employees' Stock Option Trust (MMFSL ESOP Trust), Mahindra Rural Housing Finance Limited Employee Welfare Trust (MRHFL EWT) and Mahindra Finance CSR Foundation. The standalone financial results of these entities does not constitute a material component of the consolidated financial results; and

iii) The Management certified financial results of associate, Mahindra Finance USA LLC (49%), in the United States and joint venture, Ideal Finance Limited (38.20%), in Sri Lanka. The standalone financial results of Mahindra Finance USA LLC and Ideal Finance Limited does not constitute a material component of the consolidated financial results and these have been consolidated as associate and joint venture respectively, under equity method of accounting.

4) In compliance with Regulation 33 of the Securities Exchange Board of India ("SEBI") (Listing Obligations and Disclosure Requirements) Regulations, 2015, a limited review of financial results for the quarter and half year ended 30 September 2020 has been carried out by the Statutory Auditors.

5) 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.

6) The Company, on 21 June 2019, along with Mahindra Asset Management Company Private Limited (MAMCPL) and Mahindra Trustee Company Private Limited (MTCPL), then 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 has made 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. 2,080.10 lakhs (equivalent to USD 2.73 million), have been transferred in dematerialized form to Manulife. On this sale transaction, the Company has recognized a pre-tax profit of Rs.610.00 lakhs on a standalone basis, which is included under exceptional item in the statement of profit and loss for the quarter ended 30 June 2020 and the same is included in results for the half year ended 30 September 2020.

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. The erstwhile names of MAMCPL and MTCPL have been changed to Mahindra Manulife Investment Management Private Limited (MMIMPL) and Mahindra Manulife Trustee Private Limited (MMTPL), respectively. In the Consolidated financial statements, effective from the quarter ended 30 June 2020, MMIMPL and MMTPL have been consolidated as joint ventures under equity method of accounting. As a result of this, the Company has recognized a pre-tax profit of Rs. 22,854.07 lakhs, as an exceptional item in the consolidated statement of profit and loss for the quarter ended 30 June 2020 and the same is included in results for the half year ended 30 September 2020.

7) Pursuant to authorization of further infusion of capital through Rights issue by the Board of Directors of the Company at its meeting held on 1 June 2020, other resolutions passed on 18 July 2020 approving the issue size, rights entitlement ratio, fixing the issue price, fixing the record date and in accordance with the provisions of the Companies Act, 2013 and the applicable Rules prescribed thereunder, the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended, the Company had issued 61,77,64,960 fully paid-up Equity Shares of face value of Rs. 2 each for cash at a price of Rs. 50 per Equity Share (including a premium of Rs. 48 per Equity Share) aggregating to Rs. 3,08,882.48 lakhs on a rights basis to eligible equity shareholders in the ratio of one Equity Share for every one fully paid-up Equity Share held on the record date, that is July 23, 2020. These equity shares were allotted on 17 August 2020.

The fresh allotment of equity shares through Rights Issue as stated above has resulted in an increase of equity share capital by Rs.12,355.30 lakhs and securities premium reserve by Rs. 2,96,527.18 lakhs.

The share issue expenses of Rs.874.33 lakhs has been adjusted against securities premium reserve as per the accounting policy.

8) The Earnings per share (Basic and Diluted) as reported in the standalone and consolidated statement of profit and loss for the quarter ad half year ended 30 September 2020 have been adjusted appropriately to reflect the effect of increase in issued capital on account of rights issue as mentioned in point no.7 above.

9) In accordance with the board approved moratorium policy read with the Reserve Bank of India (RBI) guidelines dated 27 March 2020, 17 April 2020 and 23 May 2020 relating to 'COVID-19 - Regulatory Package', the Company had granted moratorium up to six months on the payment of installments which became due between 01 March 2020 and 31 August 2020 to all eligible borrowers. This relaxation did not automatically trigger a significant increase in credit risk. The Company continued to recognize interest income during the moratorium period and in the absence of other credit risk indicators, the granting of a moratorium period did 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 year ended 31 March 2020, 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. The Company has been duly servicing its debt obligations, maintains a healthy capital adequacy ratio and has adequate capital and financial resources to run its business. During the quarter and half year ended 30 September 2020, the Company has considered an additional charge of Rs.43,346.66 lakhs and Rs.91,022.66 lakhs respectively in the Standalone statement of profit and loss and Rs. 28,164.12 lakhs and Rs.946,09.97 lakhs respectively in the Consolidated statement of profit and loss, due to a management overlay, to reflect deterioration in the macroeconomic outlook. As at 30 September 2020, the cumulative amount of management overlay provisions stood at Rs. 148,423.66 lakhs in the Standalone statements and Rs.167,462.95 lakhs in the Consolidated financial statements. The final impact of this pandemic is very uncertain and the actual impact may be different than that estimated based on the conditions prevailing as at the date of approval of these financial results. The management will continue to closely monitor the material changes in the macro-economic factors impacting the operations of the Company.

Further, no additional borrower accounts under the moratorium granted category have been classified as impaired (non-performing assets) which were not declared non-performing till 31 August 2020, in view of the Supreme Court order dated 3 September 2020 (Public Interest Litigation (PIL) by Gajendra Sharma Vs Union of India & ANR). The Company has made a provision of Rs.11,364.37 Lakhs as management overlays on such accounts in the Standalone statement of profit and loss and Rs.11,688.98 lakhs in the Consolidated statement of profit and loss for the quarter ended 30 September 2020.

10) 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 30 September 2020 and accordingly, no amount is required to be transferred to impairment reserve.

11) Disclosure as required under RBI notification no. RBI/2019-20/220 DOR.No.BP.BC.63/21.04.048/2019-20 dated 17 April 2020 on COVID-19 Regulatory Package - Asset Classification and Provisioning.

Rs. in lakhs

Particulars	30 September 2020
i) Respective amounts in SMA/overdue categories, where the moratorium/deferment was extended *	910,351.85
ii) Respective amount where asset classification benefits is extended **	402,655.55
iii) Provision made on the cases where asset classification benefit is extended ***	Nil
In respect of accounts in default but standard where moratorium is granted, and asset classification benefit is extended, the Company has made general provisions of not less than 10 per cent of the total outstanding of such accounts as applicable as at 30 September 2020.	
iv) Provisions adjusted during the respective accounting periods against slippages and the residual provisions	Nil

* Outstanding as on 30 September 2020 on account of all cases where moratorium benefit is extended by the Company up to 31 August 2020.
** Outstanding on account of cases where the asset classification benefit is extended as on 30 September 2020 for cases which were entitled to a moratorium until 31 August 2020.
*** The Company has made adequate provision for impairment loss allowance (as per ECL model) for the period ended 30 September 2020. In addition to this, for regulatory submission purpose, the Company has made an additional general provision of Rs.37,748.37 lakhs at 10% of the total outstanding as per IRACP norms.

12) The Government of India, Ministry of Finance, vide its notification dated 23 October 2020, had announced COVID-19 Relief Scheme for grant of *ex-gratia* payment of difference between compound interest and simple interest for six months to borrowers in specified loan accounts ("the Scheme"), as per the eligibility criteria and other aspects specified therein and irrespective of whether RBI moratorium was availed or not. The Company has commenced working on the operational aspects of the Scheme. On the basis of the initial assessment made by the Company, the implementation of the Scheme does not have a material impact on the income statement of the Company.

13) All secured NCDs issued by the Company are secured by pari-passu charge on Aurangabad office (wherever applicable) and / or exclusive charge on receivables under loan contracts, owned assets and book debts to the minimum extent of 100% or such higher security as per the respective term-sheets of outstanding secured NCDs.

14) 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 and has recognized the provision for income tax and re-measured the net deferred tax assets at concessional rate since 30 September 2019.

15) 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).

For and on behalf of the Board of Directors

Mahindra & Mahindra Financial Services Limited

RAMESH GANESH IYER

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Date: 2020.10.26 16:52:10 +05'30'

Ramesh Iyer

Vice-Chairman & Managing Director

Date : 26 October 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			Half year ended		Year ended
		30 September 2020	30 June 2020	30 September 2019	30 September 2020	30 September 2019	31 March 2020
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
(a)	**Segment Revenue**						
	- Financing activities	302,670.13	304,015.11	291,126.99	606,685.24	568,682.77	1,177,274.31
	- Others	6,062.23	4,166.55	8,543.25	10,228.78	16,995.01	35,874.04
	Total	**308,732.36**	**308,181.66**	**299,670.24**	**616,914.02**	**585,677.78**	**1,213,148.35**
	Less : Inter-segment revenue	1,681.95	1,313.26	6,021.58	2,995.21	8,186.65	13,502.74
	Net revenue	**307,050.41**	**306,868.40**	**293,648.66**	**613,918.81**	**577,491.13**	**1,199,645.61**
(b)	**Segment Results (Profit before tax) :**						
	- Financing activities	49,445.91	48,720.30	48,908.13	98,166.21	63,484.44	151,765.86
	- Share of profit of associate	(1,239.65)	1,342.13	1,148.13	102.48	2,476.14	4,589.73
	- Others	550.26	315.61	636.83	865.87	727.32	3,847.38
	Total	**48,756.52**	**50,378.04**	**50,693.09**	**99,134.56**	**66,687.90**	**160,202.97**
	Add : Other unallocable income net of unallocable expenditure	-	-	-	-	-	-
	Net Profit before tax	**48,756.52**	**50,378.04**	**50,693.09**	**99,134.56**	**66,687.90**	**160,202.97**
(c)	**Segment Assets :**						
	- Financing activities	8,634,635.94	8,452,003.21	7,711,804.37	8,634,635.94	7,711,804.37	8,054,496.33
	- Others	57,885.17	54,552.19	42,027.61	57,885.17	42,027.61	42,832.99
	- Other unallocable assets	94,895.64	80,027.44	84,272.52	94,895.64	84,272.52	81,928.49
	Total	**8,787,416.75**	**8,586,582.84**	**7,838,104.50**	**8,787,416.75**	**7,838,104.50**	**8,179,257.81**
(d)	**Segment Liabilities :**						
	- Financing activities	7,185,290.83	7,324,375.45	6,698,905.03	7,185,290.83	6,698,905.03	6,959,253.63
	- Others	11,016.86	11,638.86	14,719.21	11,016.86	14,719.21	14,135.51
	- Other unallocable liabilities	-	-	-	-	-	-
	Total	**7,196,307.69**	**7,336,014.31**	**6,713,624.24**	**7,196,307.69**	**6,713,624.24**	**6,973,389.14**

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

RAMESH GANESH IYER

Digitally signed by RAMESH GANESH IYER
Date: 2020.10.26 16:53:21 +05'30'

Ramesh Iyer
Vice-Chairman & Managing Director

Date : 26 October 2020
Place : Mumbai

B S R & Co. LLP
Chartered Accountants

14th Floor, Central Wing, Tower 4,
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Goregaon (East), Mumbai - 400 063, India

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Limited Review Report on unaudited quarterly consolidated financial results and consolidated year-to-date results of Mahindra & Mahindra Financial Services Limited under Regulation 33 and Regulation 52 read with Regulation 63(2) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

The Board of Directors of
Mahindra & Mahindra Financial Services Limited

1. We have reviewed the accompanying Statement of unaudited consolidated financial results of Mahindra & Mahindra Financial Services Limited ("the Parent") and its subsidiaries (the Parent and its subsidiaries together referred to as "the Group"), and its share of the net profit after tax and total comprehensive income of its associate and joint ventures for the quarter ended 30 September 2020 and year to date results for the period from 1 April 2020 to 30 September 2020 ("the Statement"), being submitted by the Parent pursuant to the requirements of Regulation 33 and Regulation 52 read with Regulation 63(2) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations").

2. This Statement, which is the responsibility of the Parent's management and approved by the Parent's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India and in compliance with Regulation 33 and Regulation 52 read with Regulation 63(2) of the Listing Regulations. Our responsibility is to express a conclusion on the Statement based on our review.

3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 *"Review of Interim Financial Information Performed by the Independent Auditor of the Entity"*, issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

   We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33 (8) of the Listing Regulations, to the extent applicable.

SBi

Limited Review Report on unaudited quarterly consolidated financial results and consolidated year-to-date results of Mahindra & Mahindra Financial Services Limited under Regulation 33 and Regulation 52 read with Regulation 63(2) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 *(Continued)*

Mahindra & Mahindra Financial Services Limited

4. The Statement includes the results of the following entities:

Name of the entity	Relationship
Mahindra & Mahindra Financial Service Limited	Parent Company
Mahindra Insurance Brokers Limited	Subsidiary
Mahindra Rural Housing Finance Limited	Subsidiary
Mahindra & Mahindra Financial Services Limited Employees Stock Option Trust	Subsidiary
Mahindra Rural Housing Finance Limited Employee Welfare Trust	Subsidiary
Mahindra Finance CSR Foundation	Subsidiary
Ideal Finance Limited	Joint Venture
Mahindra Manulife Investment Management Private Limited (erstwhile Mahindra Asset Management Company Private Limited) (subsidiary upto 28 April 2020 and joint venture w.e.f. 29 April 2020)	Joint Venture
Mahindra Manulife Trustee Private Limited (erstwhile Mahindra Trustee Company Private Limited) (subsidiary upto 28 April 2020 and joint venture w.e.f. 29 April 2020)	Joint Venture
Mahindra Finance USA, LLC	Associate

5. Based on our review conducted and procedures performed as stated in paragraph 3 above and based on the consideration of the review reports of other auditors referred to in paragraph 7 below, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 and Regulation 52 read with Regulation 63(2) of the Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.

6. As described in Note 9 to the Statement, in respect of accounts where moratorium benefit was granted, the staging of those accounts at 30 September 2020 is based on the days past due status considering the benefit of moratorium period in accordance with the COVID-19 Regulatory Package announced by the Reserve Bank of India vide notifications dated 27 March 2020, 17 April 2020 and 23 May 2020. Further, no additional borrower accounts under the moratorium granted category, have been classified as impaired (non-performing assets) which were not declared non-performing till 31August 2020, in view of the Supreme Court order dated 3 September 2020. The Group has made a provision of Rs. 11,689 lakhs as management overlays on such accounts for the quarter ended 30 September 2020. Further, the extent to which the COVID-19 pandemic will impact the Group's financial performance is dependent on future developments, which are highly uncertain. Our conclusion on the Statement is not modified in respect of these matters.

Limited Review Report on unaudited quarterly consolidated financial results and consolidated year-to-date results of Mahindra & Mahindra Financial Services Limited under Regulation 33 and Regulation 52 read with Regulation 63(2) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ***(Continued)***

Mahindra & Mahindra Financial Services Limited

7. We did not review the interim financial information of one subsidiary included in the Statement, whose interim financial information reflect total assets (before consolidation adjustments) of Rs. 53,951 lakhs as at 30 September 2020 and total revenues (before consolidation adjustments) of Rs. 6,013 lakhs and Rs. 10,130 lakhs, total net profit after tax (before consolidation adjustments) of Rs. 366 lakhs and Rs. 564 lakhs and total comprehensive income (before consolidation adjustments) of Rs. 394 lakhs and Rs. 633 lakhs, for the quarter ended 30 September 2020 and for the period from 1 April 2020 to 30 September 2020, respectively, and cash outflows (net) (before consolidation adjustments) of Rs 629 lakhs for the period from 1 April 2020 to 30 September 2020, as considered in the consolidated unaudited financial results.

8. The consolidated unaudited financial results also include the Group's share of loss after tax (before consolidation adjustments) of Rs. 220 lakhs and Rs. 500 lakhs and total comprehensive loss (before consolidation adjustments) of Rs. 694 lakhs and Rs. 976 lakhs for the quarter ended 30 September 2020 and for the period from 1 April 2020 to 30 September 2020, respectively, as considered in the Statement, in respect of two joint ventures, whose interim financial information have not been reviewed by us. These interim financial information have been reviewed by other auditors whose reports have been furnished to us by the management and our conclusion on the Statement, in so far as it relates to the amounts and disclosures included in respect of the subsidiary and joint ventures, is based solely on the reports of the other auditors and the procedures performed by us as stated in paragraph 3 above. Our conclusion on the Statement is not modified in respect of this matter.

9. The Statement includes the interim financial information of three subsidiaries which have not been reviewed/audited, whose interim financial information reflect total assets (before consolidation adjustments) of Rs. 5,517 lakhs as at 30 September 2020 and total revenue (before consolidation adjustments) of Rs. 79 lakhs and Rs. 128 lakhs, total net profit after tax (before consolidation adjustments) of Rs. 29 lakhs and Rs. 39 lakhs and total comprehensive income (before consolidation adjustments) of Rs. 29 lakhs and Rs. 39 lakhs for the quarter ended 30 September 2020 and for the period from 1 April 2020 to 30 September 2020, respectively, and cash inflows (net) (before consolidation adjustments) of Rs. 2 lakhs for the period from 1 April 2020 to 30 September 2020, as considered in the Statement. The Statement also includes the Group's share of net loss after tax (before consolidation adjustments) of Rs. 1,020 lakhs and Rs. 602 lakhs and total comprehensive loss (before consolidation adjustments) of Rs. 1,020 lakhs and Rs. 602 lakhs for the quarter ended 30 September 2020 and for the period from 1 April 2020 to 30 September 2020, respectively, as considered in the consolidated unaudited financial results, in respect of one associate and one joint venture, based on their interim financial information which have not been reviewed/audited. According to the information and explanations given to us by the management, this interim financial information is not material to the Group. Our conclusion on the Statement is not modified in respect of this matter.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Sagar Lakhani
Partner
Membership No: 111855
UDIN No: 20111855AAAAHS8085

Mumbai
26 October 2020

B S R & Co. LLP
Chartered Accountants

14th Floor, Central Wing, Tower 4,
Nesco Center, Western Express Highway,
Goregaon (East), Mumbai - 400 063, India

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Limited Review Report on unaudited quarterly standalone financial results and year-to-date standalone financial results of Mahindra & Mahindra Financial Services Limited under Regulation 33 and Regulation 52 read with Regulation 63(2) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

The Board of Directors of
Mahindra & Mahindra Financial Services Limited

1. We have reviewed the accompanying Statement of unaudited standalone financial results of Mahindra & Mahindra Financial Services Limited ("the Company") for the quarter ended and year to date results for the period from 1 April 2020 to 30 September 2020 ("the Statement").

2. This Statement, which is the responsibility of the Company's management and approved by the Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India and in compliance with Regulation 33 and Regulation 52 read with Regulation 63(2) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations"). Our responsibility is to issue a report on the Statement based on our review.

3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. 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.

4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with applicable accounting standards and other recognised accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 and Regulation 52 read with Regulation 63(2) of the Listing Regulations including the manner in which it is to be disclosed, or that it contains any material misstatement.

Sbr

Limited Review Report on unaudited quarterly standalone financial results and year-to-date standalone financial results of Mahindra & Mahindra Financial Services Limited under Regulation 33 and Regulation 52 read with Regulation 63(2) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ***(Continued)***

Mahindra & Mahindra Financial Services Limited

5. As described in Note 9 to the Statement, in respect of accounts where moratorium benefit was granted, the staging of those accounts at 30 September 2020 is based on the days past due status considering the benefit of moratorium period in accordance with the COVID-19 Regulatory Package announced by the Reserve Bank of India vide notifications dated 27 March 2020, 17 April 2020 and 23 May 2020. Further, no additional borrower accounts under the moratorium granted category, have been classified as impaired (non-performing assets) which were not declared non-performing till 31August 2020, in view of the Supreme Court order dated 3 September 2020. The Company has made a provision of Rs. 11,364 lakhs as management overlays on such accounts for the quarter ended 30 September 2020. Further, the extent to which the COVID-19 pandemic will impact the Company's financial performance is dependent on future developments, which are highly uncertain.

Our conclusion on the Statement is not modified in respect of these matters.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Sagar Lakhani
Partner
Membership No: 111855
UDIN No: 20111855AAAAHR1283

Mumbai
26 October 2020

Mahindra FINANCE

Mahindra & Mahindra Financial Services Ltd.
Mahindra Towers, 4th Floor,
Dr. G. M. Bhosale Marg, Worli,
Mumbai 400 018 India
Tel: +91 22 66526000
Fax: +91 22 24984170
+91 22 24984171

26th October, 2020

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

Scrip Code : 532720

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 : Half Yearly Compliance as per the Uniform Listing Agreement for Debt Securities and Regulation 52(4) and 52(5) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Dear Sir / Madam,

With reference to the above subject, we are furnishing herewith the following details:

a. **Credit rating and change in credit rating (if any):** There has been no change in the credit rating.

Programme	Rating Agency	Credit Rating
Long Term / Subordinate Debt	INDIA Ratings & Research Private Limited	IND AAA/Stable & IND PP-MLD AAA emr/Stable
Commercial Paper	INDIA Ratings & Research Private Limited	IND A1+
Long Term / Subordinate Debt	CARE Ratings Limited	CARE AAA;Stable
Subordinate Debt	Brickwork Ratings India Private Limited	BWR AAA/Stable
Fixed Deposit	CRISIL Limited	FAAA/Stable
Long Term / Subordinate Debt	CRISIL Limited	CRISIL AA+/Stable
Commercial Paper	CRISIL Limited	CRISIL A1+

b. **Asset cover available, in case of non-convertible debt securities:** Not Applicable

c. All secured NCDs issued by the Company are secured by pari-passu charge on Aurangabad office (wherever applicable) and/or exclusive charge on receivables under loan contracts, owned assets, and book debts to the extent of 100% or such higher security as per the respective term-sheets of outstanding secured NCDs.

Mahindra & Mahindra Financial Services Limited Mumbai

d. **Debt Equity Ratio:** Debt Equity Ratio of the Company as of 30th September 2020 is **4.05:1** as per the unaudited Accounts.

e. **Previous due date for the payment of interest/ repayment of principal of non-convertible debt securities / repayment of commercial paper for the period April 2020 to September 2020:**
All the amounts due were duly paid as per attached **Annexure I**

f. **Next due date for the payment of interest/ repayment of principal of non-convertible debt securities / repayment of commercial paper for the period October 2020 to March 2021:**
As per attached **Annexure II**

g. **Debt service coverage ratio:** Not Applicable

h. **Interest service coverage ratio:** Not Applicable

i. **Outstanding redeemable preference shares:** Nil

j. **Debenture Redemption Reserve:** Pursuant to Rule 18(7)(b)(iii) of the Companies (Share Capital and Debentures) Rules, 2014, as amended vide the Companies (Share Capital and Debentures) Amendment Rules, 2019, the Company, being an NBFC registered with the Reserve Bank of India under Section 45 IA of the RBI Act, 1934, is not required to create a Debenture Redemption Reserve, in respect of public issue of debentures and debentures issued by it on a private placed basis.

k. **Net Worth:** Rs. 1,490,073.43 Lakhs (as on 30th September, 2020)

l. **Net Profit after Tax:** Rs. 45,932.52 Lakhs (for the half year ended 30th September, 2020)

m. **Earnings per share (Basic):** Rs. 5.99 (for the half year ended 30th September, 2020)

Thanking you,

Yours faithfully,
For Mahindra & Mahindra Financial Services Limited

Mahindra & Mahindra Financial Services Limited Mumbai

Ramesh Iyer
Vice-Chairman & Managing Director

Encl: a/a

Annexure I

Nature Of Instrument	Series Id	Issue Size (Rs in Crs)	Allotment Date	Maturity Date	Due Date	ISIN No	Due Category
SUBDEBT-Public Issue	IA	50	24-Jul-17	24-Jul-24	01-Apr-20	INE774D08MH1	Annual Interest
SUBDEBT-Public Issue	IB	9.32	24-Jul-17	24-Jul-24	01-Apr-20	INE774D08MI9	Annual Interest
SUBDEBT-Public Issue	IIA	0.22	24-Jul-17	24-Jul-27	01-Apr-20	INE774D08MJ7	Annual Interest
SUBDEBT-Public Issue	IIB	447.02	24-Jul-17	24-Jul-27	01-Apr-20	INE774D08MK5	Annual Interest
SUBDEBT-Public Issue	IIIA	1.12	24-Jul-17	24-Jul-32	01-Apr-20	INE774D08ML3	Annual Interest
SUBDEBT-Public Issue	IIIB	642.85	24-Jul-17	24-Jul-32	01-Apr-20	INE774D08MM1	Annual Interest
NCD – Public Issue	I – Cat I & II	79	18-Jan-19	18-Apr-22	01-Apr-20	INE774D07SR9	Annual Interest
NCD – Public Issue	I – Cat II & III	326.41	18-Jan-19	18-Apr-22	01-Apr-20	INE774D07SS7	Annual Interest
NCD – Public Issue	II – Cat I & II	93.3	18-Jan-19	18-Jan-24	01-Apr-20	INE774D07ST5	Annual Interest
NCD – Public Issue	II – Cat II & III	442.26	18-Jan-19	18-Jan-24	01-Apr-20	INE774D07SU3	Annual Interest
NCD – Public Issue	III – Cat I & II	17.55	18-Jan-19	18-Jan-27	01-Apr-20	INE774D07SV1	Annual Interest
NCD – Public Issue	III – Cat II & III	851.61	18-Jan-19	18-Jan-27	01-Apr-20	INE774D07SW9	Annual Interest
SUBDEBT-Public Issue	IV – Cat I & II	0.5	18-Jan-19	18-Jan-29	01-Apr-20	INE774D08MO7	Annual Interest
SUBDEBT-Public Issue	IV – Cat II & III	336.37	18-Jan-19	18-Jan-29	01-Apr-20	INE774D08MP4	Annual Interest
NCD	AE2018	400	19-Apr-18	17-Apr-20	17-Apr-20	INE774D07SA5	Principal + Interest
NCD	AF2018	200	19-Apr-18	19-Apr-21	20-Apr-20	INE774D07SB3	Interest
NCD	AG2018	200	19-Apr-18	19-Apr-22	20-Apr-20	INE774D07SC1	Interest
NCD	AC2018	1000	19-Apr-18	19-Apr-33	20-Apr-20	INE774D08MR0	Interest
NCD	AT2015	500	22-Apr-15	22-Apr-25	22-Apr-20	INE774D07LO1	Interest
SUBDEBT	AAA2013	20	23-Apr-13	23-Apr-20	23-Apr-20	INE774D08LE0	Principal + Interest
SUBDEBT	BBB2013	80	23-Apr-13	24-Apr-23	23-Apr-20	INE774D08LD2	Interest
NCD	AM2018	65	24-Oct-18	06-May-20	06-May-20	INE774D07SI8	Principal + Interest
NCD	AJ2019	500	15-Nov-19	18-Nov-20	15-May-20	INE774D07TI6	Interest
NCD	AI2018	643	03-Jul-18	29-Jun-23	18-May-20	INE774D07SE7	Interest
SUBDEBT	CCC2013	52.2	24-May-13	26-May-20	26-May-20	INE774D08LG5	Principal + Interest
SUBDEBT	DDD2013	47.8	24-May-13	24-May-23	26-May-20	INE774D08LF7	Interest
NCD	AG2019	500	30-May-19	28-May-21	30-May-20	INE774D07TF2	Interest
NCD	AW2017	300	06-Apr-17	05-Jun-20	05-Jun-20	INE774D07RE9	Principal + Interest
SUBDEBT-Public Issue	1A	1.95	06-Jun-16	06-Dec-21	06-Jun-20	INE774D08LP6	Quarterly Interest
SUBDEBT-Public Issue	1B	7.09	06-Jun-16	06-Dec-21	06-Jun-20	INE774D08LQ4	Quarterly Interest
SUBDEBT-Public Issue	2A	5.24	06-Jun-16	06-Jun-23	06-Jun-20	INE774D08LR2	Quarterly Interest
SUBDEBT-Public Issue	2B	1.3	06-Jun-16	06-Jun-23	06-Jun-20	INE774D08LS0	Quarterly Interest
SUBDEBT-Public Issue	3A	0.9	06-Jun-16	06-Jun-26	06-Jun-20	INE774D08LT8	Quarterly Interest
SUBDEBT-Public Issue	3B	24.73	06-Jun-16	06-Jun-26	06-Jun-20	INE774D08LU6	Quarterly Interest
SUBDEBT-PUBLIC	4A	28.55	06-Jun-16	06-Dec-21	06-Jun-20	INE774D08LV4	Annual Interest
SUBDEBT-Public Issue	4B	13.39	06-Jun-16	06-Dec-21	06-Jun-20	INE774D08LW2	Annual Interest
SUBDEBT-Public Issue	5A	0.8	06-Jun-16	06-Jun-23	06-Jun-20	INE774D08LX0	Annual Interest
SUBDEBT-Public Issue	5B	3.64	06-Jun-16	06-Jun-23	06-Jun-20	INE774D08LY8	Annual Interest

Mahindra & Mahindra Financial Services Limited ★ Mumbai

Nature Of Instrument	Series Id	Issue Size (Rs in Crs)	Allotment Date	Maturity Date	Due Date	ISIN No	Due Category
SUBDEBT-Public Issue	6A	27.83	06-Jun-16	06-Jun-26	06-Jun-20	INE774D08LZ5	Annual Interest
SUBDEBT-Public Issue	6B	852.33	06-Jun-16	06-Jun-26	06-Jun-20	INE774D08MA6	Annual Interest
NCD	BA2017	250	12-Jun-17	12-Jun-20	12-Jun-20	INE774D07RI0	Principal + Interest
SUBDEBT	VVV	20	19-Jun-12	20-Jun-22	19-Jun-20	INE774D08KY0	Interest
NCD	BC2017	500	22-Jun-17	22-Jun-20	22-Jun-20	INE774D07RK6	Principal + Interest
NCD	BP2015	500	24-Jun-15	24-Jun-25	24-Jun-20	INE774D07MK7	Interest
SUBDEBT	BBB2015	25	25-Jun-15	25-Jun-25	25-Jun-20	INE774D08LL5	Interest
NCD	BE2016	70	28-Jul-16	26-Jun-20	26-Jun-20	INE774D07PC7	Principal + Interest
SUBDEBT	WWW	5	26-Jun-12	27-Jun-22	26-Jun-20	INE774D08KZ7	Interest
NCD	BQ2015	97	29-Jun-15	29-Jun-22	29-Jun-20	INE774D07ML5	Interest
NCD	BR2015	15	29-Jun-15	27-Jun-25	29-Jun-20	INE774D07MM3	Interest
NCD	AY2017	70	05-Jun-17	03-Jul-20	03-Jul-20	INE774D07RG4	Principal + Interest
NCD	AT2017	37	21-Mar-17	08-Jul-20	08-Jul-20	INE774D07RB5	Principal + Interest
NCD	AJ2018	400	12-Jul-18	13-Jul-20	13-Jul-20	INE774D07SF4	Principal + Interest
NCD	AK2018	285	20-Jul-18	20-Jul-20	20-Jul-20	INE774D07SG2	Principal + Interest
NCD	BE2017	100	31-Jul-17	31-Jul-20	31-Jul-20	INE774D07RM2	Principal + Interest
NCD	CM2015	125	06-Aug-15	06-Aug-20	06-Aug-20	INE774D07NH1	Principal + Interest
NCD	AH2019	2000	08-Aug-19	08-Aug-29	10-Aug-20	INE774D07TG0	Interest
NCD	AJ2017	25	31-Jan-17	14-Aug-20	14-Aug-20	INE774D07QR3	Principal + Interest
SUBDEBT	CCC2015	25	14-Aug-15	14-Aug-25	14-Aug-20	INE774D08LM3	Interest
NCD	AQ2017	14.8	22-Feb-17	19-Aug-20	19-Aug-20	INE774D07QY9	Principal + Interest
Commercial Paper	770A	500	22-May-20	20-Aug-20	20-Aug-20	INE774D14QR9	Principal + Interest
NCD	AR2017	15	23-Feb-17	21-Aug-20	21-Aug-20	INE774D07QZ6	Principal + Interest
SUBDEBT	DDD2015	25	21-Aug-15	21-Aug-25	21-Aug-20	INE774D08LN1	Interest
SUBDEBT	AAA2014	10	28-Aug-14	28-Aug-24	28-Aug-20	INE774D08LH3	Interest
SUBDEBT	BBB2014	5	03-Sep-14	03-Sep-24	03-Sep-20	INE774D08LI1	Interest
Commercial Paper	772A	300	29-Jun-20	04-Sep-20	04-Sep-20	INE774D14QT5	Principal + Interest
NCD	BI2017	350	05-Sep-17	04-Sep-20	04-Sep-20	INE774D07RQ3	Principal + Interest
SUBDEBT-Public Issue	1A	1.95	06-Jun-16	06-Dec-21	06-Sep-20	INE774D08LP6	Quarterly Interest
SUBDEBT-Public Issue	1B	7.09	06-Jun-16	06-Dec-21	06-Sep-20	INE774D08LQ4	Quarterly Interest
SUBDEBT-Public Issue	2A	5.24	06-Jun-16	06-Jun-23	06-Sep-20	INE774D08LR2	Quarterly Interest
SUBDEBT-Public Issue	2B	1.3	06-Jun-16	06-Jun-23	06-Sep-20	INE774D08LS0	Quarterly Interest
SUBDEBT-Public Issue	3A	0.9	06-Jun-16	06-Jun-26	06-Sep-20	INE774D08LT8	Quarterly Interest
SUBDEBT-Public Issue	3B	24.73	06-Jun-16	06-Jun-26	06-Sep-20	INE774D08LU6	Quarterly Interest
NCD	AS2018	107.3	22-Nov-18	14-Sep-20	14-Sep-20	INE774D07SO6	Principal + Interest
NCD	AK2020	450	29-Jun-20	29-Sep-22	29-Sep-20	INE774D07TU1	Interest

Mahindra & Mahindra Financial Services Limited ★ Mumbai

Annexure II

Nature Of Instrument	Series Id	Issue Size (Rs in Crs)	Allotment Date	Maturity Date	Due Date	ISIN No	Due Category
NCD	CS2015	250	09-Oct-15	09-Oct-25	09-Oct-20	INE774D07NN9	Interest
NCD	BL2017	250	18-Oct-17	16-Oct-20	16-Oct-20	INE774D07RT7	Principal + Interest
SUBDEBT	XXX	5	19-Oct-12	19-Oct-22	19-Oct-20	INE774D08LA8	Interest
SUBDEBT	EEE2015	100	27-Oct-15	27-Oct-25	27-Oct-20	INE774D08LO9	Interest
NCD	CY2015	250	30-Oct-15	29-Oct-20	29-Oct-20	INE774D07NT6	Principal + Interest
NCD	AM2020	250	30-Sep-20	29-Oct-21	31-Oct-20	INE774D07TW7	Interest
NCD	AN2020	250	30-Sep-20	28-Oct-22	31-Oct-20	INE774D07TX5	Interest
NCD	BN2017	450	01-Nov-17	29-Jan-21	02-Nov-20	INE774D07RV3	Interest
NCD	AI2019	225	08-Nov-19	07-Nov-22	09-Nov-20	INE774D07TH8	Interest
SUBDEBT	CCC2014	100	17-Nov-14	15-Nov-24	17-Nov-20	INE774D08LJ9	Interest
NCD	AJ2019	500	15-Nov-19	18-Nov-20	18-Nov-20	INE774D07TI6	Principal + Interest
NCD	AI2018	643	03-Jul-18	29-Jun-23	18-Nov-20	INE774D07SE7	Interest
NCD	AQ2018	120	19-Nov-18	22-Feb-22	19-Nov-20	INE774D07SM0	Interest
SUBDEBT	SSS	200	26-Nov-10	25-Jan-21	26-Nov-20	INE774D08KV6	Interest
NCD	CH2016	20	29-Nov-16	29-Nov-21	01-Dec-20	INE774D07QF8	Interest
NCD	CI2016	75	30-Nov-16	30-Nov-21	01-Dec-20	INE774D07QG6	Interest
NCD	AE2019	226	27-May-19	02-Dec-20	02-Dec-20	INE774D07TD7	Principal + Interest
SUBDEBT-Public Issue	1A	1.95	06-Jun-16	06-Dec-21	06-Dec-20	INE774D08LP6	Quarterly Interest
SUBDEBT-Public Issue	1B	7.09	06-Jun-16	06-Dec-21	06-Dec-20	INE774D08LQ4	Quarterly Interest
SUBDEBT-Public Issue	2A	5.24	06-Jun-16	06-Jun-23	06-Dec-20	INE774D08LR2	Quarterly Interest
SUBDEBT-Public Issue	2B	1.3	06-Jun-16	06-Jun-23	06-Dec-20	INE774D08LS0	Quarterly Interest
SUBDEBT-Public Issue	3A	0.9	06-Jun-16	06-Jun-26	06-Dec-20	INE774D08LT8	Quarterly Interest
SUBDEBT-Public Issue	3B	24.73	06-Jun-16	06-Jun-26	06-Dec-20	INE774D08LU6	Quarterly Interest
SUBDEBT	TTT	0.5	07-Dec-11	07-Dec-21	07-Dec-20	INE774D08KW4	Interest
NCD	AC2020	400	05-Mar-20	11-Dec-24	11-Dec-20	NE774D07TL0	Interest
SUBDEBT	UUU	100	12-Dec-11	13-Dec-21	14-Dec-20	INE774D08KX2	Interest
NCD	BB2014	175	15-Dec-14	13-Dec-24	15-Dec-20	INE774D07KT2	Interest
NCD	AL2017	400	03-Feb-17	21-Dec-20	21-Dec-20	INE774D07QT9	Principal + Interest
NCD	BG2017	175	14-Aug-17	22-Dec-20	22-Dec-20	INE774D07RO8	Principal + Interest
NCD	BM2017	200	30-Oct-17	30-Dec-20	30-Dec-20	INE774D07RU5	Principal + Interest
SUBDEBT	ZZZ	40	17-Jan-13	17-Jan-23	18-Jan-21	INE774D08LC4	Interest
NCD	AB2015	250	23-Jan-15	23-Jan-25	25-Jan-21	INE774D07KW6	Interest
SUBDEBT	SSS	200	26-Nov-10	25-Jan-21	25-Jan-21	INE774D08KV6	Principal + Interest
NCD	BN2017	450	01-Nov-17	29-Jan-21	29-Jan-21	INE774D07RV3	Principal + Interest
SUBDEBT	AAA2015	100	02-Feb-15	31-Jan-25	02-Feb-21	INE774D08LK7	Interest
NCD	AA2020	310	03-Feb-20	03-Feb-23	03-Feb-21	INE774D07TJ4	Interest
NCD	AC2019	50	25-Feb-19	25-Jan-22	25-Feb-21	INE774D07TB1	Interest
NCD	AD2020	77.5	05-Mar-20	05-Mar-30	05-Mar-21	INE774D07TM8	Interest

Mahindra & Mahindra Financial Services Limited Mumbai

Nature Of Instrument	Series Id	Issue Size (Rs in Crs)	Allotment Date	Maturity Date	Due Date	ISIN No	Due Category
SUBDEBT-Public Issue	1A	1.95	06-Jun-16	06-Dec-21	06-Mar-21	INE774D08LP6	Quarterly Interest
SUBDEBT-Public Issue	1B	7.09	06-Jun-16	06-Dec-21	06-Mar-21	INE774D08LQ4	Quarterly Interest
SUBDEBT-Public Issue	2A	5.24	06-Jun-16	06-Jun-23	06-Mar-21	INE774D08LR2	Quarterly Interest
SUBDEBT-Public Issue	2B	1.3	06-Jun-16	06-Jun-23	06-Mar-21	INE774D08LS0	Quarterly Interest
SUBDEBT-Public Issue	3A	0.9	06-Jun-16	06-Jun-26	06-Mar-21	INE774D08LT8	Quarterly Interest
SUBDEBT-Public Issue	3B	24.73	06-Jun-16	06-Jun-26	06-Mar-21	INE774D08LU6	Quarterly Interest
NCD	AG2015	55	10-Mar-15	10-Mar-25	10-Mar-21	INE774D07LB8	Interest
NCD	AA2019	100.9	29-Jan-19	10-Mar-21	10-Mar-21	INE774D07SZ2	Principal + Interest
NCD	AD2019	500	20-Mar-19	19-Mar-21	19-Mar-21	INE774D07TC9	Principal + Interest
NCD	AP2018	253	14-Nov-18	22-Mar-22	22-Mar-21	INE774D07SL2	Interest
NCD	AJ2015	50	24-Mar-15	24-Mar-25	24-Mar-21	INE774D07LE2	Interest
NCD	AO2016	271	29-Mar-16	29-Mar-21	29-Mar-21	INE774D07OM9	Principal + Interest
NCD	AV2017	25	27-Mar-17	25-Mar-22	29-Mar-21	INE774D07RD1	Interest

Mahindra & Mahindra Financial Services Limited
Mumbai

Mahindra FINANCE

PRESS RELEASE

Financial Results – FY21 Q2 & H1, Standalone & Consolidated Results

Standalone:

AUM crosses Rs. 81,500 Crores, up 12%

F21-H1 Income stood at Rs. 5,304 Crores, up 7%

F21-H1 PBT stood at Rs. 620 Crores, up 10%

F21-H1 PAT stood at Rs. 459 Crores, up 43%

Mumbai, October 26, 2020: 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 half year ended September 30, 2020.

F-2021 Q2 Standalone Results

The **Total Income increased by 4%** at **Rs.2,650 Crores** during the quarter ended September 30, 2020, as against Rs.2,541 Crores during the corresponding quarter last year. The **Profit Before Tax** (PBT) stood at **Rs.412 Crores** during the quarter ended September 30, 2020, as against Rs.458 Crores during the corresponding quarter last year, a decline of **10%** over the same period previous year. The **Profit After Tax** (PAT) stood at **Rs.304 Crores** during the quarter ended September 30, 2020, as against Rs.252 Crores during the corresponding quarter last year, a growth of **21%** over the same period previous year. The decline in PBT during Q2 of the current year is primarily attributable to higher level of impairment provisions/losses of Rs.433 Crores during this quarter through management overlay to reflect deterioration in the macroeconomic outlook arising out of COVID-19 pandemic related disruptions.

F-2021 H1 Standalone Results

The **Total Income increased by 7%** at **Rs.5,304 Crores** during the half year ended September 30, 2020, as against Rs.4953 Crores during the corresponding period last year. The **Profit Before Tax** (PBT) stood at **Rs.620 Crores** during the half year ended September 30, 2020, as against Rs.563 Crores during the corresponding period last year, a growth of **10%** over the same period previous year. The **Profit After Tax** (PAT) stood at **Rs.459 Crores** during the half year ended September 30, 2020, as against Rs.320 Crores during the corresponding period last year, a growth of **43%** over the same period previous year, even after providing Rs.910 Crores, through management overlay to reflect deterioration in the macroeconomic outlook arising out of COVID-19 pandemic related disruptions, during the first half.

Mahindra FINANCE

F-2021 Q2 Consolidated Results

The **Total Income increased by 5%** at **Rs.3,071 Crores** during the quarter ended September 30, 2020, as against Rs.2,936 Crores during the corresponding quarter last year. The **Profit Before Tax** (PBT) stood at **Rs.488 Crores** during the quarter ended September 30, 2020, as against Rs.507 Crores during the corresponding quarter last year, a decline of **4%** over the same period previous year. The **Profit After Tax** (PAT) stood at **Rs.353 Crores** during the quarter ended September 30, 2020, as against Rs.264 Crores during the corresponding quarter last year, a growth of **34%** over the same period previous year. The decline in PBT during Q2 of current year is primarily attributable to higher level of impairment provisions/losses of Rs.282 Crores during this quarter through management overlay to reflect deterioration in the macroeconomic outlook arising out of COVID-19 pandemic related disruptions.

F-2021 H1 Consolidated Results

The **Total Income increased by 6%** at **Rs.6,139 Crores** during the half year ended September 30, 2020, as against Rs.5,775 Crores during the corresponding period last year. The **Profit Before Tax** (PBT) stood at **Rs.991 Crores** during the half year ended September 30, 2020, as against Rs.667 Crores during the corresponding period last year, a growth of 49**%** over the same period previous year. The **Profit After Tax** (PAT) stood at **Rs.785 Crores** during the half year ended September 30, 2020, as against Rs.372 Crores during the corresponding period last year, a growth of 111**%** over the same period previous year, even after providing Rs.946 Crores, through management overlay to reflect deterioration in the macroeconomic outlook arising out of COVID-19 pandemic related disruptions, during the first half.

PBT for H1 F2021 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 September 30, 2020, the Company's customer base has crossed **6.9 Million**.

The **Total value of assets financed** for the half year ended September 30, 2020, was **Rs.8,888 Crores.**

The rural market has remained sufficiently insulated from the COVID-19 pandemic and is recovering from its impact. Almost all the Company's branches are up and running, except in the major metros. After a few months of disruption due to COVID-19 pandemic and subsequent lockdown, we see that markets are now beginning to look up and the sentiments are turning positive. Businesses are returning back to normal and customer footfalls at the dealerships and our branches have substantially improved. Agri demand continues to be strong on the back of a good monsoon and harvest. We expect demand to further pick-up in the upcoming festival season. The Government focus on infrastructure and mining sectors is likely to further shore up demand, going forward.

Tractors, passenger cars and Light Commercial Vehicles (LCVs) are seeing healthy demand. Pre-owned vehicles will continue to be a growth driver. The Company also expects to see an increase in digitally enabled lending and collections in rural and semi-urban markets. The Company had already embarked on a digital strategy and is equipped to facilitate financing as well as repayment of installments, via the digital route.

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 **7.0%** as at September 30, 2020, against 7.9% as at corresponding reporting date last year. The **Net Stage 3** levels stood at **4.7%** as at September 30, 2020, against 6.4% as at corresponding reporting date last year. The Stage 3 provisioning **coverage ratio** stood at **35.1%** as at September 30, 2020, against 19.5% as at corresponding reporting date last year. The Company has complied with the prudential guidelines issued by the Reserve Bank of India and has been making accelerated provision.

During the quarter ended September 30, 2020, the Company has considered an additional charge of Rs.433 Crores (half year ended September 30, 2020: Rs.910 Crores) due to a management overlay, to reflect deterioration in the macroeconomic outlook. As at September 30,2020, the cumulative amount of management overlay provisions stood at Rs. 1,484 Crores.

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

The standalone **Assets Under Management (AUM)** stood at **Rs.81,682 Crores** as on September 30, 2020, as against Rs.72,732 Crores as on the corresponding reporting date last year, registering a **growth of 12%.**

The Company maintains a very healthy capital adequacy of 25.1% 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.

SUBSIDIARIES

Mahindra Insurance Brokers Limited (MIBL)

During the quarter ended September 30, 2020, MIBL registered income at Rs.60.1 Crores as against Rs.78.2 Crores during the corresponding quarter last year, a decline of 23% over the same period previous year. The Profit Before Tax (PBT) registered was Rs.5.0 Crores during the quarter ended September 30, 2020, as against Rs.14.7 Crores during the corresponding quarter last year, a decline of 66% over the same period previous year. The Profit After Tax (PAT) registered was Rs.3.7 Crores during the quarter ended September 30, 2020, as against Rs.10.8 Crores during the corresponding quarter last year, a decline of 66% over the same period previous year.

During the half year ended September 30, 2020, MIBL registered income at Rs.101.3 Crores as against Rs.157.8 Crores during the corresponding period last year, a decline of 36% over the same period previous year. The Profit Before Tax (PBT) registered was Rs.7.7 Crores during the half year ended September 30, 2020, as against Rs.23.5 Crores during the corresponding period last year, a decline of 67% over the same period previous year. The Profit After Tax (PAT) registered was Rs.5.6 Crores during the half year ended September 30, 2020, as against Rs.16.9 Crores during the corresponding period last year, a decline of 67% over the same period previous year.

Mahindra Rural Housing Finance Limited (MRHFL)

During the quarter ended September 30, 2020, MRHFL registered income at Rs.377.20 Crores as against Rs.370.42 Crores during the corresponding quarter last year, a growth of 2% over the same period previous year. The Profit Before Tax (PBT) registered was Rs.82.75 Crores during the quarter ended September 30, 2020, as against Rs.61.07 Crores during the corresponding quarter last year, a growth of 36% over the same period

previous year. The Profit After Tax (PAT) registered was Rs.57.41 Crores during the quarter ended September 30, 2020, as against Rs.28.77 Crores during the corresponding quarter last year, a growth of 100% over the same period previous year.

During the half year ended September 30, 2020, MRHFL registered income at Rs.762.41 Crores as against Rs.733.47 Crores during the corresponding period last year, a growth of 4%over the same period previous year. The Profit Before Tax (PBT) registered was Rs.139.42 Crores during the half year ended September 30, 2020, as against Rs.102.13 Crores during the corresponding period last year, a growth of 37% over the same period previous year. The Profit After Tax (PAT) registered was Rs.105.10 Crores during the half year ended September 30, 2020, as against Rs.57.52 Crores during the corresponding period last year, a growth of 83% over the same period previous year. The Company has a cumulative management overlay of Rs. 190.39 Crores as at September 30, 2020 for covering the contingencies that may arise due to the COVID – 19 pandemic.

Mahindra Manulife Investment Management Private Limited (MMIMPL)

During the quarter ended September 30, 2020, MMIMPL earned total income of Rs.7.36 Crores as compared to Rs.4.31 Crores in the same period previous year. The company incurred a loss of Rs.4.31 Crores compared to a loss of Rs.8.84 Crores during the same period previous year.

During the half year ended September 30, 2020, MMIMPL earned total income of Rs.13.71 Crores as compared to Rs 8.44 Crores in the same period previous year. The company incurred a loss of Rs.9.73 Crores compared to a loss of Rs.17.40 Crores during the same period previous year. The Average Assets under Management (AUM) of MMIMPL for the quarter ended September 30, 2020 was Rs.5,036 Crores across 14 schemes which showed a decline of 3.5% over the same period previous year. Of these assets, the Company managed Rs. 1,888 Crores of average equity assets in the quarter year ended September 30, 2020 compared to Rs. 1,521 Crores in the same period last year.

Mahindra Manulife Trustee Private Limited (MMTPL)

During the quarter ended September 30, 2020, MMTPL earned total income of Rs.0.06 Crores compared to Rs 0.05 Crores during the same period previous year. The company incurred a loss of Rs 0.01 Crores equivalent to the loss of the same period previous year.

During the half year ended September 30, 2020, MMTPL earned total income of Rs.0.11 Crores maintaining same level as in the corresponding previous year to Rs.0.11 Crores. The company incurred a loss of Rs. 0.07 Crores compared to a loss of Rs. 0.03 Crores during the same period previous year.

Mahindra Finance USA, LLC (MFUSA)

During the quarter ended September 30, 2020, MFUSA registered income at USD 15.93 Million as against USD 17.50 Million during the corresponding quarter last year, registering a decline of 9% over the same period previous year. The Profit Before Tax (PBT) during the quarter ended September 30, 2020, registered was USD 0.95 Million as against USD 4.41 Million during the corresponding quarter last year, registering a decline of 78% over the same period previous year. The Profit After Tax (PAT) during the quarter ended September 30, 2020, registered was USD 0.68 Million as against USD 3.33 Million during the corresponding quarter last year, registering a decline of 80% over the same period previous year.

During the half year ended September 30, 2020, MFUSA registered income at USD 32.35 Million as against USD 35.02 Million, registering a decline of 8% over the same period previous year. The Profit Before Tax (PBT)

during the half year ended September 30, 2020, registered was USD 6.68 Million as against USD 9.34 Million during the corresponding period last year, registering a decline of 28% over the same period previous year. The Profit After Tax (PAT) during the half year ended September 30, 2020, registered was USD 4.96 Million as against USD 7.06 Million, a decline of 30% over the same period previous year.

Ideal Finance Ltd (IFL)

During the quarter ended September 30, 2020, IFL registered income at LKR 265 Million as against LKR 234 Million during the corresponding quarter last year, registering a growth of 13% over the same period previous year. The Profit Before Tax (PBT) registered during the quarter ended September 30, 2020, was LKR 73 Million as against LKR 42 Million during the corresponding quarter last year, registering a growth of 74% over the same period previous year. The Profit After Tax (PAT) during the quarter ended September 30, 2020, was LKR 50 Million as against LKR 26 Million during the corresponding quarter last year, a growth of 92% over the same period previous year.

During the half year ended September 30, 2020, IFL registered income at LKR 481 Million as against LKR 454 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 half year ended September 30, 2020, was LKR 110 Million as against LKR 77 Million during the corresponding period last year, registering a growth of 43% over the same period previous year. The Profit After Tax (PAT) during the half year ended September 30, 2020, was LKR 75 Million as against LKR 45 Million during the corresponding period last year, a growth of 67% 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 6.9 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 over 1,250 offices and reaches out to customers spread over 3,80,000 villages and 7,000 towns across the country.

Mahindra Finance is the only Financial Institution from India to be listed on the Dow Jones Sustainability Index in the Emerging Market Category 2019. Mahindra Finance has been ranked 25th among India's Best Companies to Work 2020 and Ranked 6th 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 29th 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 FINANCE

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 29th 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.

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 / 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 / Twitter and Facebook: @MahindraRise

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