

Press Release

For Immediate Dissemination

Mahindra Finance

F-2016 Q2 Consolidated results

Income up by 8%

PAT declined by 28%

Mumbai, October 21, 2015: 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 audited financial results for quarter and half year ended 30th September, 2015.

F-2016 Q2 Consolidated Results

The **Total Income** increased by 8% at **Rs.1587 crores** during the quarter ended 30th September, 2015 as against Rs.1475 crores in the corresponding quarter last year. The **Profit After Tax (PAT)** and minority interest declined by **28%** to **Rs.157 crores** during the quarter ended 30th September, 2015 as against Rs.219 crores during the corresponding quarter last year. The PAT is after considering an additional provision of **Rs.61 crores** (# Please refer the Note).

F-2016 Q2 Standalone Results

The **Total Income** increased by 5% at **Rs.1438 crores** during the quarter ended 30th September, 2015 as against Rs.1369 crores in the corresponding quarter last year. The **Profit After Tax** declined by **29%** to **Rs.146 crores** during the quarter ended 30th September, 2015 as against Rs.207 crores during the corresponding quarter last year. The PAT is after considering an additional provision of **Rs.61 crores**.

F-2016 H1 Consolidated Results

The **Total Income** increased by 8% at **Rs.3100 crores** during the half year ended 30th September, 2015 as against Rs.2859 crores in the corresponding period last year. The **Profit After Tax** and minority interest declined by **32%** to **Rs.265 crores** during the half year ended 30th September, 2015 as against Rs.389 crores during the corresponding period last year. The PAT is after considering an additional provision of **Rs.61 crores**.

F-2016 H1 Standalone Results

The **Total Income** increased by 6% at **Rs.2807 crores** during the half year ended 30th September, 2015 as against Rs.2652 crores in the corresponding period last year. The **Profit After Tax** declined by **35%** to **Rs.235 crores** during the half year ended 30th September, 2015 as against Rs.362 crores during the corresponding period last year. The PAT is after considering an additional provision of **Rs.61 crores**.

The Company follows prudential norms for income recognition, asset classification and provisioning for Non-Performing Asset (NPA) as prescribed by Reserve Bank of India (RBI) for NBFCs and has also been making additional provision on a prudential basis. The **Company has complied with the revised norms of recognizing NPAs at 5 months** applicable for the current financial year issued by the RBI vide its notification no. DNBR. 011/CGM (CDS)-2015 dt. March 27, 2015. The cumulative additional provision over the prevailing RBI norms is at Rs.705 crores.

The Company has complied with the revised regulatory norms of recognizing NPAs at 5 months applicable for the current financial year.

Note: Effective from the current quarter ended 30th September, 2015, the Company as a prudent practice has also decided to accelerate the recognition of NPAs in a phased manner so as to meet the revised NPA norms of **4 months** before 31st March, 2017. Accordingly, an **additional provision of Rs.61 crores** (including income de-recognition) has been made with a consequent impact on standalone and consolidated Profit before tax for the quarter and half year ended 30th September, 2015.

Operations

During the quarter, the Company's customer base has crossed 3.8 million customers in the month of September 2015. The Company currently has a network of **1158** offices and Total Assets Under Management of **Rs. 38428 crores** as on 30th September, 2015 as against Rs. 35694 crores as on 30th June, 2015, a growth of 8%.

The Company has been consciously moderating disbursement growth in view of cash flow pressures faced by customers in semi urban and rural markets. The income growth has been impacted by lower disbursements. In view of below average monsoon during the period and low economic activities the customer cash flows have remained under pressure resulting in reduced collections.

SUBSIDIARIES

Mahindra Insurance Brokers Limited (MIBL)

During the half year ended 30th September 2015, MIBL registered **income at Rs.62.6 crores** as against Rs.56.1 crores, registering a growth of 12% over the same period previous year. The **Profit After Tax (PAT)** registered was **Rs.18.6 crores** as against Rs.17.5 crores, registering a growth of 6% over the same period previous year.

Mahindra Rural Housing Finance Limited (MRHFL)

During the half year ended 30th September 2015, MRHFL **disbursed Rs. 680.9 crores** as against Rs. 427.1 crores during the same period previous year, registering a growth of 59 % over the same period previous year. MRHFL registered **income at Rs. 213.1 crores** as against Rs. 144.2 crores, a growth of 48 % over the same period previous year. The **Profit After Tax (PAT)** registered was **Rs. 16.7 crores** as against Rs. 15.0 crores , registering a growth of 11% 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 3.8 million customers and has an AUM of USD 5.8 billion. The Company is a leading vehicle and tractor financier and also offers fixed deposits and loans to SMEs. The Company has over 1,100 offices across the country and is the first finance Company from India to form a part of Dow Jones Sustainability Index.

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 MMFSL provides loans for purchase, renovation, construction of houses to individuals in the rural areas of the country.

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

About Mahindra

The Mahindra Group focuses on enabling people to rise through solutions that power mobility, drive rural prosperity, enhance urban lifestyles and increase business efficiency.

A USD 16.9 billion multinational group based in Mumbai, India, Mahindra provides employment opportunities to over 200,000 people in over 100 countries. Mahindra operates in the key industries that drive economic growth, enjoying a leadership position in tractors, utility vehicles, information technology, financial services and vacation ownership. In addition, Mahindra enjoys a strong presence in the agribusiness, aerospace, components, consulting services, defence, energy, industrial equipment, logistics, real estate, retail, steel, commercial vehicles and two wheeler industries.

In 2015, Mahindra & Mahindra was recognized as the Best Company for CSR in India in a study by the Economic Times. In 2014, Mahindra featured on the Forbes Global 2000, a comprehensive listing of the world's largest, most powerful public companies, as measured by revenue, profit, assets and market value. The Mahindra Group also received the Financial Times 'Boldness in Business' Award in the 'Emerging Markets' category in 2013.

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