

Mahindra & Mahindra Financial Services Limited

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PART - I

STATEMENT OF STANDALONE AUDITED FINANCIAL RESULTS FOR THE QUARTER / YEAR ENDED MARCH 31, 2017

Rs. in Lakhs

	Particulars	Quarter ended			Year ended (Audited)	
		March 31 2017	Dec 31 2016	March 31 2016	March 31 2017	March 31 2016
		(Audited) *	(Unaudited)	(Audited) *		
1	Income from operations	182545.10	149042.25	167209.89	617391.06	585316.11
	Total Income from operations	182545.10	149042.25	167209.89	617391.06	585316.11
2	Expenses:					
	a) Employee benefits expense	17967.27	16267.15	15557.40	68089.71	55880.74
	b) Depreciation and amortization expense	1353.98	1110.62	1052.83	4602.14	4088.81
	c) Loan provisions and write off (refer note no.5)	36141.08	41897.90	10889.68	130912.67	104952.98
	d) Other expenses	21051.19	19070.15	17302.23	72399.77	57840.20
	Total expenses	76513.52	78345.82	44802.14	276004.29	222762.73
3	Profit / (Loss) from operations before other income and finance costs and exceptional items (1-2)	106031.58	70696.43	122407.75	341386.77	362553.38
4	Other income	1725.31	1304.66	1759.24	6362.76	5193.94
5	Profit / (Loss) from ordinary activities before finance costs and exceptional items (3+4)	107756.89	72001.09	124166.99	347749.53	367747.32
6	Finance costs	71374.45	74413.83	67105.53	285742.70	263929.19
7	Profit / (Loss) from ordinary activities after finance costs but before exceptional items (5-6)	36382.44	(2412.74)	57061.46	62006.83	103818.13
8	Exceptional items	-	-	-	-	-
9	Profit / (Loss) from ordinary activities before tax (7-8)	36382.44	(2412.74)	57061.46	62006.83	103818.13
10	Tax expense	12975.34	(849.00)	20034.46	21983.34	36558.53
11	Net Profit / (Loss) from ordinary activities after tax (9-10)	23407.10	(1563.74)	37027.00	40023.49	67259.60
12	Extraordinary items (net of tax expense)	-	-	-	-	-
13	Net Profit / (Loss) for the period / year (11-12)	23407.10	(1563.74)	37027.00	40023.49	67259.60
14	Paid-up equity share capital (face value of Rs.2/- each)				11300.83	11292.03
15	Reserves (excluding Revaluation Reserve as shown in the Balance Sheet of previous year)				636423.59	597518.70
16	i) Earnings per share (before extraordinary items) (face value of Rs.2/- each) #					
	a) Basic (Rs.)	4.14	(0.28)	6.56	7.09	11.92
	b) Diluted (Rs.)	4.12	(0.27)	6.51	7.04	11.83
	ii) Earnings per share (after extraordinary items) (face value of Rs.2/- each) #					
	a) Basic (Rs.)	4.14	(0.28)	6.56	7.09	11.92
	b) Diluted (Rs.)	4.12	(0.27)	6.51	7.04	11.83

Earnings per share for the interim period is not annualised.

STATEMENT OF CONSOLIDATED AUDITED FINANCIAL RESULTS FOR THE QUARTER / YEAR ENDED MARCH 31, 2017

Rs. in Lakhs

Particulars	Quarter ended			Year ended (Audited)	
	March 31 2017	Dec 31 2016	March 31 2016	March 31 2017	March 31 2016
	(Audited) *	(Unaudited)	(Audited) *		
1 Income from operations	212308.22	173456.48	188662.24	714620.43	655386.74
Total Income from operations	212308.22	173456.48	188662.24	714620.43	655386.74
2 Expenses:					
a) Employee benefits expense	24087.28	21301.92	20191.37	88663.96	70409.22
b) Depreciation and amortization expense	1584.01	1321.38	1206.04	5372.32	4569.78
c) Loan provisions and write off (refer note no.5)	37828.76	44213.08	11664.09	138955.10	109819.07
d) Other expenses	24705.40	22186.25	19384.76	84680.81	65700.21
Total expenses	88205.45	89022.63	52446.26	317672.19	250498.28
3 Profit / (Loss) from operations before other income and finance costs and exceptional items (1-2)	124102.77	84433.85	136215.98	396948.24	404888.46
4 Other income	949.07	1370.03	1825.31	5444.65	4358.25
5 Profit / (Loss) from ordinary activities before finance costs and exceptional items (3+4)	125051.84	85803.88	138041.29	402392.89	409246.71
6 Finance costs	80235.86	83049.40	73594.39	318617.44	286834.73
7 Profit / (Loss) from ordinary activities after finance costs but before exceptional items (5-6)	44815.98	2754.48	64446.90	83775.45	122411.98
8 Exceptional items	-	-	-	-	-
9 Profit / (Loss) from ordinary activities before tax (7-8)	44815.98	2754.48	64446.90	83775.45	122411.98
10 Tax expense	16217.98	1153.23	22702.38	30805.47	43671.83
11 Net Profit / (Loss) from ordinary activities after tax (9-10)	28598.00	1601.25	41744.52	52969.98	78740.15
12 Extraordinary items (net of tax expense)	-	-	-	-	-
13 Net Profit / (Loss) for the period / year (11-12)	28598.00	1601.25	41744.52	52969.98	78740.15
14 Minority interest	776.07	428.68	611.85	1,806.31	1510.79
15 Net Profit / (Loss) after taxes and minority interest (13-14)	27821.93	1172.57	41132.67	51163.67	77229.36
16 Paid-up equity share capital (face value of Rs.2/- each)				11300.83	11292.03
17 Reserves (excluding Revaluation Reserve as shown in the Balance Sheet of previous year)				684714.72	635647.75
18 i) Earnings per share (before extraordinary items) (face value of Rs.2/- each) #					
a) Basic (Rs.)	4.93	0.21	7.29	9.06	13.69
b) Diluted (Rs.)	4.89	0.21	7.23	9.00	13.58
ii) Earnings per share (after extraordinary items) (face value of Rs.2/- each) #					
a) Basic (Rs.)	4.93	0.21	7.29	9.06	13.69
b) Diluted (Rs.)	4.89	0.21	7.23	9.00	13.58

Earnings per share for the interim period is not annualised.

AUDITED STATEMENT OF ASSETS AND LIABILITIES

Rs. in Lakhs

	Particulars	STANDALONE		CONSOLIDATED	
		As at March 31 2017	As at March 31 2016	As at March 31 2017	As at March 31 2016
A	EQUITY AND LIABILITIES				
	1 Shareholders' funds				
	a) Share capital	11300.83	11292.03	11300.83	11292.03
	b) Reserves and surplus	636423.59	597518.70	684714.72	635647.75
	Sub-total - Shareholders' funds	647724.42	608810.73	696015.55	646939.78
	2 Minority interest			9,980.11	6752.75
	3 Non-current liabilities				
	a) Long-term borrowings	2145371.00	1733167.65	2498492.31	2034120.59
	b) Other long-term liabilities	42740.10	43262.99	42741.10	43263.99
	c) Long term provisions	54890.35	44820.99	62168.69	49171.91
	Sub-total - Non-current liabilities	2243001.45	1821251.63	2603402.10	2126556.49
	4 Current liabilities				
	a) Short term borrowings	586476.76	434689.28	721762.80	521753.28
	b) Trade payables	66296.01	47883.60	69442.05	49638.93
	c) Other current liabilities	893355.26	894622.42	1068206.83	992112.79
	d) Short term provisions	161669.29	150690.26	171847.71	156930.35
	Sub-total - Current liabilities	1707797.32	1527885.56	2031259.39	1720435.35
	TOTAL - EQUITY AND LIABILITIES	4598523.19	3957947.92	5340657.15	4500684.37
B	ASSETS				
	1 Non-current assets				
	a) Fixed assets	11200.56	11349.06	13449.01	12903.09
	b) Goodwill on consolidation	-	-	4.05	4.05
	c) Non-current investments	131173.39	99233.39	79794.03	65220.87
	d) Deferred tax assets (Net)	73166.69	58527.64	75717.77	59923.93
	e) Long-term loans and advances	2225984.99	1852646.57	2817526.07	2294643.63
	f) Other non-current assets	11223.88	5176.44	11283.88	5236.44
	Sub-total - Non-current assets	2452749.51	2026933.10	2997774.81	2437932.01
	2 Current assets				
	a) Current investments	57775.01	49100.67	59239.85	54670.33
	b) Trade receivables	582.70	511.24	2295.93	2000.45
	c) Cash and bank balances	57806.50	58521.46	60387.54	60593.65
	d) Short-term loans and advances	2026351.66	1813510.00	2217662.88	1936636.73
	e) Other current assets	3257.81	9371.45	3296.14	8851.20
	Sub-total - Current assets	2145773.68	1931014.82	2342882.34	2062752.36
	TOTAL - ASSETS	4598523.19	3957947.92	5340657.15	4500684.37

Notes:

- 1) 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 April 25, 2017.
- 2) The Board of Directors have proposed a dividend of Rs.2.40 per share on equity share of Rs.2/- each (120%) subject to approval of the members of the Company at the forthcoming Annual General Meeting. In terms of the revised Accounting Standard (AS) - 4 'Contingencies and Events occurring after Balance Sheet date' as notified by the Ministry of Corporate Affairs through amendments to Companies (Accounting Standards) Amendment Rules, 2016, dated March 30, 2016, the Company has not accounted for proposed dividend as liability as at March 31, 2017. However, the proposed dividend was accounted for as liability as at March 31, 2016 in accordance with the then existing Accounting Standard. If approved by the members of the Company, the dividend will absorb a sum of Rs.16097.30 Lakhs (including dividend distribution tax).
- 3) The Consolidated financial results include the audited results of the subsidiaries Mahindra Insurance Brokers Ltd. (85%), Mahindra Rural Housing Finance Ltd. (87.50%), Mahindra Asset Management Company Private Limited (100%), Mahindra Trustee Company Private Limited (100%) and unaudited financial results of a (49%) Joint Venture company, Mahindra Finance USA LLC, in the United States. The standalone financial results of Mahindra Finance USA LLC, which does not constitute material component of the consolidated financial results have neither been audited nor reviewed by the statutory auditors.
- 4) The Company is engaged primarily in the business of financing and accordingly there are no separate reportable segments as per Accounting Standard 17 dealing with Segment Reporting.
- 5) a) The Company has complied with the prudential guidelines issued by the Reserve Bank of India in respect of Income Recognition and Provision for Non-Performing Assets (NPAs) and has also been making accelerated provision on a prudential basis.
b) The Company, with effect from quarter ended 30th June 2016, has started considering the estimated realisable value of underlying security (which conforms to the RBI norms) for loan assets to determine 100% provisioning for assets which were 24 months overdue which has resulted in lower provision of Rs.8336.91 Lakhs for the year ended March 31, 2017 as against Rs.17958.45 Lakhs for the nine months period ended December 31, 2016 with a consequent impact on the profit before tax. In the quarter ended March 31, 2017, the Company has made additional provision of Rs. 10691.98 Lakhs against the above mentioned 100% provision cases.
- 6)* The figures for the last quarter of the current year and of the previous year are the balancing figures between audited figures in respect of the full financial year and the published year- to-date figures up to third quarter.
- 7) During the quarter ended March 31, 2017, the Company has made following investments :
 - i) Rs. 515.66 Lakhs equivalent to US \$ 0.76 million in Mahindra Finance USA LLC, a Joint Venture company formed jointly with De Lage Landen Financial Services Inc. in the United States (year ended March 31, 2017 Rs.3111.84 Lakhs equivalent to US \$ 4.64 million);
 - ii) Rs.11375.00 Lakhs in Mahindra Rural Housing Finance Ltd., its subsidiary, by subscription to 169,77,612 Equity shares of Rs.10/- each for cash at a premium of Rs.57/- per Equity share on a rights basis on which Rs.67/- per Equity share (including premium of Rs.57/- per Equity share) has been paid up (year ended March 31, 2017 : Rs. 11375.00 Lakhs);
 - iii) Rs.1500.00 Lakhs in Mahindra Asset Management Company Private Limited, its wholly owned subsidiary, by subscription to 150,00,000 Equity shares of Face Value of Rs.10/- each for cash at par fully paid up on a rights basis (year ended March 31, 2017: Rs.3045.00 Lakhs).There is no consequent change in the Company's shareholding pattern.
- 8) All secured Non-convertible debentures issued by the Company are secured by paripassu charges on Aurangabad office and exclusive charge on receivables under loan contracts, owned assets and book debts to the extent of 100% of outstanding secured Non-convertible debentures.
- 9) Previous period/year figures have been regrouped / reclassified, wherever found necessary, to conform to current period/year classification.

**For and on behalf of the Board of Directors
Mahindra & Mahindra Financial Services Ltd.**

Sd/-

**Ramesh Iyer
Vice Chairman & Managing Director**

Date : April 25, 2017
Place : Mumbai