

Mahindra & Mahindra Financial Services Limited

CIN : L65921MH1991PLC059642

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

PART - I

STATEMENT OF STANDALONE AUDITED FINANCIAL RESULTS FOR THE QUARTER / YEAR ENDED 31ST MARCH, 2016

Rs. in Lacs

	Particulars	Quarter ended			Year ended (Audited)	
		31st March 2016	31st Dec 2015	31st March 2015	31st March 2016	31st March 2015
		(Audited) *	(Unaudited)	(Audited) *		
1	Income from operations	167209.89	140022.98	152070.41	585316.11	553605.61
	Total Income from operations	167209.89	140022.98	152070.41	585316.11	553605.61
2	Expenses:					
	a) Employee benefits expense	15557.40	13543.68	11490.16	55880.74	45908.20
	b) Depreciation and amortization expense	1052.83	1041.12	1025.31	4088.81	4151.63
	c) Loan provisions and write off (refer note no.8)	10889.68	34059.47	14929.99	104952.98	82748.89
	d) Other expenses	17302.23	14879.23	13199.28	57840.20	50624.35
	Total expenses	44802.14	63523.50	40644.74	222762.73	183433.07
3	Profit / (Loss) from operations before other income and finance costs and exceptional items (1-2)	122407.75	76499.48	111425.67	362553.38	370172.54
4	Other income	1759.24	845.34	1661.93	5193.94	4864.99
5	Profit / (Loss) from ordinary activities before finance costs and exceptional items (3+4)	124166.99	77344.82	113087.60	367747.32	375037.53
6	Finance costs	67105.53	66956.73	63726.15	263929.19	249673.13
7	Profit / (Loss) from ordinary activities after finance costs but before exceptional items (5-6)	57061.46	10388.09	49361.45	103818.13	125364.40
8	Exceptional items	-	-	-	-	-
9	Profit / (Loss) from ordinary activities before tax (7-8)	57061.46	10388.09	49361.45	103818.13	125364.40
10	Tax expense	20034.46	3671.44	16021.92	36558.53	42186.81
11	Net Profit / (Loss) from ordinary activities after tax (9-10)	37027.00	6716.65	33339.53	67259.60	83177.59
12	Extraordinary items (net of tax expense)	-	-	-	-	-
13	Net Profit / (Loss) for the period / year (11-12)	37027.00	6716.65	33339.53	67259.60	83177.59
14	Paid-up equity share capital (face value of Rs.2/- each)				11292.03	11282.81
15	Reserves (excluding Revaluation Reserve as shown in the Balance Sheet of previous year)				597518.70	555658.09
16	i) Earnings per share (before extraordinary items) (face value of Rs.2/- each) #					
	a) Basic (Rs.)	6.56	1.19	5.91	11.92	14.75
	b) Diluted (Rs.)	6.51	1.18	5.86	11.83	14.62
	ii) Earnings per share (after extraordinary items) (face value of Rs.2/- each) #					
	a) Basic (Rs.)	6.56	1.19	5.91	11.92	14.75
	b) Diluted (Rs.)	6.51	1.18	5.86	11.83	14.62

Earnings per share for the interim period is not annualised.

STATEMENT OF CONSOLIDATED AUDITED FINANCIAL RESULTS FOR THE QUARTER / YEAR ENDED 31ST MARCH, 2016

Rs. in Lacs

Particulars	Quarter ended			Year ended (Audited)	
	31st March 2016	31st Dec 2015	31st March 2015	31st March 2016	31st March 2015
	(Audited) *	(Unaudited)	(Audited) *		
1 Income from operations	188662.24	158369.11	166491.25	655386.74	602114.28
Total Income from operations	188662.24	158369.11	166491.25	655386.74	602114.28
2 Expenses:					
a) Employee benefits expense	20191.37	17289.70	14437.34	70409.22	56710.19
b) Depreciation and amortization expense	1206.04	1167.07	1120.69	4569.78	4550.76
c) Loan provisions and write off (refer note no.8)	11664.09	35213.57	15046.36	109819.07	84912.26
d) Other expenses	19384.76	16890.16	14491.49	65706.97	55630.68
Total expenses	52446.26	70560.50	45095.88	250505.04	201803.89
3 Profit / (Loss) from operations before other income and finance costs and exceptional items (1-2)	136215.98	87808.61	121395.37	404881.70	400310.39
4 Other income	1825.31	895.40	1518.92	4365.01	3976.28
5 Profit / (Loss) from ordinary activities before finance costs and exceptional items (3+4)	138041.29	88704.01	122914.29	409246.71	404286.67
6 Finance costs	73594.39	73006.12	67794.18	286834.73	264299.81
7 Profit / (Loss) from ordinary activities after finance costs but before exceptional items (5-6)	64446.90	15697.89	55120.11	122411.98	139986.86
8 Exceptional items	-	-	-	-	-
9 Profit / (Loss) from ordinary activities before tax (7-8)	64446.90	15697.89	55120.11	122411.98	139986.86
10 Tax expense	22702.38	5642.55	17932.56	43671.83	47500.11
11 Net Profit / (Loss) from ordinary activities after tax (9-10)	41744.52	10055.34	37187.55	78740.15	92486.75
12 Extraordinary items (net of tax expense)	-	-	-	-	-
13 Net Profit / (Loss) for the period / year (11-12)	41744.52	10055.34	37187.55	78740.15	92486.75
14 Minority interest	611.85	411.92	462.04	1,510.79	1,196.21
15 Net Profit / (Loss) after taxes and minority interest (13-14)	41132.67	9643.42	36725.51	77229.36	91290.54
16 Paid-up equity share capital (face value of Rs.2/- each)				11292.03	11282.81
17 Reserves (excluding Revaluation Reserve as shown in the Balance Sheet of previous year)				635647.75	582988.88
18 i) Earnings per share (before extraordinary items) (face value of Rs.2/- each) #					
a) Basic (Rs.)	7.29	1.71	6.51	13.69	16.19
b) Diluted (Rs.)	7.23	1.70	6.46	13.58	16.05
ii) Earnings per share (after extraordinary items) (face value of Rs.2/- each) #					
a) Basic (Rs.)	7.29	1.71	6.51	13.69	16.19
b) Diluted (Rs.)	7.23	1.70	6.46	13.58	16.05

Earnings per share for the interim period is not annualised.

AUDITED STATEMENT OF ASSETS AND LIABILITIES

Rs. in Lacs

	Particulars	STANDALONE		CONSOLIDATED	
		As at 31st March 2016	As at 31st March 2015	As at 31st March 2016	As at 31st March 2015
A	EQUITY AND LIABILITIES				
	1 Shareholders' funds				
	a) Share capital	11292.03	11282.81	11292.03	11282.81
	b) Reserves and surplus	597518.70	555658.09	635647.75	582988.88
	Sub-total - Shareholders' funds	608810.73	566940.90	646939.78	594271.69
	2 Minority interest	-	-	6,752.75	4,929.60
	3 Non-current liabilities				
	a) Long-term borrowings	1733167.65	1478714.78	2034120.59	1686524.66
	b) Other long-term liabilities	43262.99	30247.97	43263.99	30247.97
	c) Long term provisions	44820.99	32796.05	49184.40	35266.53
	Sub-total - Non-current liabilities	1821251.63	1541758.80	2126568.98	1752039.16
	4 Current liabilities				
	a) Short term borrowings	434689.28	487098.39	521753.18	525861.91
	b) Trade payables	47883.60	47790.43	50725.49	49545.23
	c) Other current liabilities	894622.42	748764.20	991031.27	818226.02
	d) Short term provisions	150690.26	115061.82	156912.91	118440.41
	Sub-total - Current liabilities	1527885.56	1398714.84	1720422.85	1512073.57
	TOTAL - EQUITY AND LIABILITIES	3957947.92	3507414.54	4500684.36	3863314.02
B	ASSETS				
	1 Non-current assets				
	a) Fixed assets	11349.06	11005.32	12903.09	11913.52
	b) Goodwill on consolidation	-	-	4.05	4.05
	c) Non-current investments	99233.39	75992.00	65220.87	55967.01
	d) Deferred tax assets (Net)	58527.64	41526.17	59923.93	42125.77
	e) Long-term loans and advances	1841719.19	1700368.74	2284205.04	1988826.44
	f) Other non-current assets	5176.44	23203.46	5236.44	23263.46
	Sub-total - Non-current assets	2016005.72	1852095.69	2427493.42	2122100.25
	2 Current assets				
	a) Current investments	49100.67	9375.00	54670.33	9449.80
	b) Trade receivables	511.24	567.25	2000.45	1454.15
	c) Cash and bank balances	58903.17	47937.84	60975.36	49364.02
	d) Short-term loans and advances	1824055.67	1592606.84	1946693.60	1676198.37
	e) Other current assets	9371.45	4831.92	8851.20	4747.43
	Sub-total - Current assets	1941942.20	1655318.85	2073190.94	1741213.77
	TOTAL - ASSETS	3957947.92	3507414.54	4500684.36	3863314.02

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 23rd April, 2016.
- 2) The Board of Directors have recommended a dividend of Rs. 4/- per share on equity share of Rs.2/- each (200%) subject to approval of the members of the Company at the forthcoming Annual General Meeting. The dividend will absorb a sum of Rs.27126.87 lacs (including dividend distribution tax).
- 3) The Central Government in consultation with National Advisory Committee on Accounting Standards has amended Companies (Accounting Standards) Rules, 2006 ('principal rules'), vide notification issued by Ministry of Corporate Affairs dated March 30, 2016. The Companies (Accounting Standards) Rules, 2016 is effective March 30, 2016. According to the amended rules, the proposed dividend mentioned above in note no.2 need not be recorded as a liability as at March 31, 2016. (Refer Para 8.5 of AS-4 - Contingencies and Events occurring after Balance Sheet date). The Company believes, based on a legal opinion, that the Rule 3(2) of the principal rules has not been withdrawn or replaced and accordingly, the Companies (Accounting Standards) Rule, 2016 will apply for the accounting periods commencing on or after March 30, 2016. Therefore, the Company has recorded Rs. 27126.87 lacs as liability for proposed dividends (including dividend distribution tax) as at March 31, 2016.
- 4) The Consolidated financial results include the 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 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.
- 5) 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.
- 6) 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).
- 7)* 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.
- 8) The RBI vide it's notification no DNBR. 011/CGM (CDS)-2015 dt. March 27, 2015 has revised the asset classification norms for NPAs and substandard assets under its prudential norms applicable to NBFCs in a phased manner commencing from financial year ending 31st March, 2016, upto the financial year ending 31st March, 2018 which would result in an additional provision. The Company follows prudential norms for income recognition, asset classification and provisioning for NPAs as prescribed by RBI for NBFCs and has also been making additional provision on a prudential basis.
The Company has recognised NPAs based on 4 months overdue norms for the year ended 31st March, 2016 as against the revised regulatory norms of recognising NPAs at 5 months overdue applicable for the current financial year resulting in an additional provision of Rs. 5549.96 lacs (including income de-recognition) with a consequent impact on Profit before tax for the year ended 31st March, 2016. However, there is no significant impact of this change on provision for the quarter ended 31st March, 2016.
- 9) During the quarter ended 31st March, 2016, the Company has made following investments :
 - i) Rs. 1152.18 lacs equivalent to US \$ 1.69 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 31st March, 2016 Rs. 4530.32 lacs equivalent to US \$ 6.96 million);
 - ii) Rs. 3497.22 lacs in Mahindra Rural Housing Finance Ltd., its subsidiary, by subscription to 87,43,040 Equity shares of Rs.10/- each for cash at a premium of Rs.30/- per Equity share on a rights basis on which Rs.40/- per Equity share (including premium of Rs.30/- per Equity share) has been paid up (year ended 31st March, 2016 : Rs. 3497.22 lacs);
 - iii) Rs.700.00 lacs in Mahindra Asset Management Company Private Limited, its wholly owned subsidiary, by subscription to 70,00,000 Equity shares of Face Value of Rs.10/- each for cash at par fully paid up on a rights basis (year ended 31st March, 2016: Rs.5950.00 lacs).There is no consequent change in the Company's shareholding pattern.
- 10) During the quarter ended 31st March, 2016, the Securities Exchange Board of India (SEBI) has granted Certificate of Registration for 'Mahindra Mutual Fund' along with an approval to Mahindra Asset Management Company Private Limited, a wholly owned subsidiary, to act as the Asset Management Company to 'Mahindra Mutual Fund'.
- 11) 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.
- 12) 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 : 23rd April, 2016
Place : Mumbai**