

Financial Results – FY20 Q2 & H1, Standalone & Consolidated Results

Finance

Author : mahindraadmin Category : Finance Published : 10/22/2019

Q2 Income stood at Rs.2,541 Crores, up 18%

Q2 PBT stood at Rs.458 Crores, declines 18%

Q2 PAT stood at Rs.252 Crores, declines 34%

AUM crosses Rs.72,000 Crores, up 16%

Mumbai, October 22, 2019: 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, 2019.

F-2020 Q2 Standalone Results

The **Total Income increased by 18%** at **Rs.2,541 Crores** during the quarter ended September 30, 2019, as against Rs.2,145 Crores during the corresponding quarter last year. The **Profit Before Tax (PBT)** stood at **Rs.458 Crores** during the quarter ended September 30, 2019, as against Rs.556 Crores during the corresponding quarter last year, a decline of **18%**

over the same period previous year. The **Profit After Tax (PAT)** stood at **Rs.252 Crores** during the quarter ended September 30, 2019, as against Rs.381 Crores during the corresponding quarter last year, a decline of **34%** over the same period previous year. The PAT is lower by approx. Rs.50 Crores arising out of net tax adjustment based on amendments in Income Tax Act 1961 and the Finance (No.2) Act, 2019 and an additional impairment provisioning of Rs.31 Crores in view of current market conditions.

F-2020 H1 Standalone Results

The **Total Income increased by 21%** at **Rs.4,953 Crores** during the half year ended September 30, 2019, as against Rs.4,085 Crores during the corresponding period last year. The **Profit Before Tax (PBT)** stood at **Rs.563 Crores** during the half year ended September 30, 2019, as against Rs.968 Crores during the corresponding period last year, a decline of **42%** over the same period previous year. The **Profit After Tax (PAT)** stood at **Rs.320 Crores** during the half year ended September 30, 2019, as against Rs.650 Crores during the corresponding period last year, a decline of **51%** over the same period previous year.

F-2020 Q2 Consolidated Results

The **Total Income increased by 16%** at **Rs.2,936 Crores** during the quarter ended September 30, 2019, as against Rs.2,522 Crores during the corresponding quarter last year. The **Profit Before Tax (PBT)** stood at **Rs.507 Crores** during the quarter ended September 30, 2019, as against

Rs.646 Crores during the corresponding quarter last year, a decline of **22%** over the same period previous year. The **Profit After Tax (PAT)** stood at **Rs.264 Crores** during the quarter ended September 30, 2019, as against Rs.435 Crores during the corresponding quarter last year, a decline of **39%** over the same period previous year.

F-2020 H1 Consolidated Results

The **Total Income increased by 20%** at **Rs.5,775 Crores** during the half year ended September 30, 2019, as against Rs.4,824 Crores during the corresponding period last year. The **Profit Before Tax (PBT)** stood at **Rs.667 Crores** during the half year ended September 30, 2019, as against Rs.1,135 Crores during the corresponding period last year, a decline of **41%** over the same period previous year. The **Profit After Tax (PAT)** stood at **Rs.372 Crores** during the half year ended September 30, 2019, as against Rs.757 Crores during the corresponding period last year, a decline of **51%** over the same period previous year.

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. Accordingly, the Company has recognised the provision for income tax and re-measured the net deferred tax assets at concessional rate for the half year ended 30 September 2019. Further, the opening net deferred tax

asset has been re-measured at lower rate with a one-time impact of Rs.104 Crores (the net impact on account of change in tax rates is approx. Rs.50 Crores.) recognised in the Standalone statement of profit and loss and Rs.125 Crores recognised in the consolidated statement of profit and loss for the half year ended 30 September 2019.

Operations

During the period ended September 30, 2019, the Company's customer base has crossed **6.4 Million**.

The standalone **Assets Under Management (AUM)** stood at **Rs.72732 Crores** as on September 30, 2019, as against Rs.62762 Crores as on corresponding reporting date last year, registering a **growth of 16%**.

The Total value of assets financed for the half year ended September 30, 2019, was **Rs.20345 Crores** as against Rs.21194 Crores during the same period previous year, decline of 4%.

Mahindra Finance has maintained market share in all our lead products.

During the year we have been aggressive in pre-owned vehicle as we see demand for pre-owned vehicle in the rural market picking up. We have kept a multi-product approach and continue to be leading financier for automotive and tractors, including pre-owned vehicles. The Company focus area have always been semi urban, rural market. Given the harvest and the festival season, the second half of the fiscal for the rural market has always been

good. Put together, we do expect demand to pick up in the second half of the current fiscal.

The Company's capital and debt position is strong and the ALM position is well balanced.

Impairment provisioning is done as per Expected Credit Loss (ECL) method prescribed in Ind AS, which requires provisioning in three stages. The company has considered all loan accounts with an ageing of 90 days and above under Stage 3 (Impaired assets). The **Gross Stage 3** levels have gone down to **7.2%** for the period ended September 30, 2019, from 9% during the corresponding period last year. **The Net Stage 3** levels have gone down to **5.8%** for the period ended September 30, 2019, from 6% during the corresponding period last year. The **Stage 3 provisioning coverage ratio** stood at **19.5%** after Rs.384 Crores being considered as Bad Debts. The company has made an additional provision of Rs.42 Crores (pre-tax) considering the market conditions.

SUBSIDIARIES

Mahindra Insurance Brokers Limited (MIBL)

During the quarter ended September 30, 2019, MIBL registered income at Rs.78.2 Crores as against Rs.75.2 Crores, registering a growth of 4% over the same period previous year. The Profit After Tax (PAT) registered was Rs.10.8 Crores as against Rs.11.8 Crores, a decline of 8% over the same period previous year.

During the half year ended September 30, 2019, MIBL registered income at Rs.157.8 Crores as against Rs.141.9 Crores, registering a growth of 11% over the same period previous year. The Profit After Tax (PAT) registered was Rs.16.9 Crores as against Rs.26.6 Crores, a decline of 36% over the same period previous year.

Mahindra Rural Housing Finance Limited (MRHFL)

During the quarter ended September 30, 2019, MRHFL registered Income at Rs.370.42 Crores as against Rs.334.88 Crores, a growth of 11% over the same period previous year. The Profit After Tax during the quarter ended September 30, 2019, was Rs.28.77 Crores as against Rs.60.03 Crores, a decline of 52% over the same period previous year.

During the half year ended September 30, 2019, MRHFL registered Income at Rs.733.47 Crores as against Rs.636.86 Crores, a growth of 15% over the same period previous year. The Profit After Tax during the half year ended September 30, 2019, was Rs.57.52 Crores as against Rs.90.92 Crores, a decline of 37% over the same period previous year.

Mahindra Asset Management Company Private Limited (MAMCPL)

During the quarter ended September 30, 2019, MAMCPL earned revenues of Rs.4.31 Crores as compared to Rs.9.74 Crores in the same period previous year. The company incurred a loss of Rs.8.84 Crores compared to a loss of Rs.11.54 Crores during the same period previous year.

During the half year ended September 30, 2019, MAMCPL earned revenues of Rs.8.44 Crores as compared to Rs.19.15 Crores in the same period previous year. The company incurred a loss of Rs.17.40 Crores compared to a loss of Rs.17.76 Crores during the same period previous year. The Average Assets under Management (AUM) of MAMCPL for the period ended September 30, 2019 was Rs.5221 Crores across eleven schemes which showed a growth of 20% over the same period previous year. Of these assets, MAMCPL managed Rs.1521 crores of average equity assets in the quarter ended September 30, 2019 which compared to Rs.1315 Crores in the same quarter last year.

Mahindra Finance USA, LLC (MFUSA)

During the quarter ended September 30, 2019, MFUSA registered income at USD 17.50 Million as against USD 17.10 Million, registering a growth of 2% over the same period previous year. The Profit After Tax (PAT) during the quarter ended September 30, 2019, registered was USD 3.33 Million as against USD 3.79 Million, a decline of 12% over the same period previous year.

During the half year ended September 30, 2019, MFUSA registered income at USD 35.02 Million as against USD 33.55 Million, registering a growth of 4% over the same period previous year. The Profit After Tax (PAT) during the half year ended September 30, 2019, registered was USD 7.24 Million as against USD 7.89 Million, a decline of 8% 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 6.4 Million customers and has an AUM of over USD 10 Billion. The Company is a leading vehicle and tractor financier, provides loans to SMEs and also offers fixed deposits. The Company has over 1,300 MMFSL offices and reaches out to customers spread over 3,70,000 villages and 7,000 towns across the country.

Mahindra Finance is the only Non-Banking Finance Company from India to be listed on the Dow Jones Sustainability Index in the Emerging Market Category. Mahindra Finance has been ranked 8th on the list of India's Best Companies to work for – 2019 and 25 Best Large Workplaces in Asia 2019 by Great Place to Work® Institute.

The Company's Insurance Broking subsidiary, Mahindra Insurance Brokers Limited (MIBL), is a licensed Composite Broker providing Direct and Reinsurance broking services.

Mahindra Rural Housing Finance Limited (MRHFL) a subsidiary of Mahindra Finance provides loans for purchase, renovation, construction of houses to individuals in the rural and semi-urban areas of the country.

Mahindra Asset Management Company Private Limited (MAMCPL), a wholly-owned subsidiary of Mahindra Finance, acts as the Investment Manager of Mahindra Mutual Fund.

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 tractors in the US.

About Mahindra

The Mahindra Group is a USD 20.7 billion federation of companies that enables people to rise through innovative mobility solutions, driving rural prosperity, enhancing urban living, nurturing new businesses and fostering communities. It has a leadership position in utility vehicles, information technology, financial services and vacation ownership in India and is the world's largest tractor company, by volume. It also enjoys a strong presence in agribusiness, components, commercial vehicles, speedboats, consulting services, energy, industrial equipment, logistics, real estate, steel, aerospace, defence and two wheelers. Headquartered in India, Mahindra employs over 240,000 people across 100 countries.

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

@MahindraRise

Media Contact information:

Metabelle Lobo

Head - Corporate Communications

Mahindra Finance

Tel: +91 22 66526135

Mobile: +91 9769212078

Email – lobo.metabelle@mahindra.com

Tags :

MMFSL	Financial Results	F20Q2
-------	-------------------	-------