Mahindra Finance FY20-Q1 Results

Finance

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Income up 23%, stood at Rs.2,838 Crores

PAT declines 66%, stood at Rs.108 Crores

AUM up 22%, crosses Rs.71,000 Crores

Mumbai, July 23, 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 ended June 30, 2019.

F-2020 Q1 Consolidated Results

The **Total Income increased by 23% at Rs.2,838 Crores** during the quarter ended June 30, 2019, as against Rs.2,302 Crores in the corresponding quarter last year. **The Profit After Tax** (PAT) stood at **Rs.108 Crores** during the quarter ended June 30, 2019, as against Rs.322 Crores during the corresponding quarter last year, a decline of **66%** over the same period previous year.

F-2020 Q1 Standalone Results

The **Total Income increased by 24% at Rs.2,413 Crores** during the quarter ended June 30, 2019, as against Rs.1,940 Crores in the corresponding quarter last year. **The Profit After Tax** (PAT) stood at Rs.**68 Crores** during the quarter ended June 30, 2019, as against Rs.269 Crores during the corresponding period last year, a decline **of 75%** over the same period previous year.

Operations

During the period ended June 30, 2019, the Company's customer base has crossed **6.2 Million.**

The Total value of assets financed for the quarter ended June 30, 2019, **was Rs.10,598 Crores** as against Rs.10,339 Crores during the same quarter previous year, registering a **growth of 3%.**

The standalone **Assets Under Management (AUM)** stood at **Rs.71,406 Crores** as on June 30, 2019, as against Rs.58,711 Crores as on corresponding reporting date last year, registering a **growth of 22%.**

The Company continues to be leading financer for automotive and tractors, including pre-owned vehicles. During the year, growth was higher in the pre-owned and commercial vehicle segment. We have maintained our market share and volumes in all our lead products.

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 lnd AS, which requires provisioning in three stages. The company has considered all loan accounts with an ageing of above 90 days under Stage 3 (Impaired assets). The **Gross Stage 3** levels have gone down to 7.4% for the quarter ended June 30, 2019, from 9.4% during the corresponding quarter last year. **The Net Stage 3** levels have gone down to **5.7%** for the quarter ended June 30, 2019, from 6.3% during the corresponding quarter last year. The **Stage 3 provisioning coverage ratio** stood at **24.9%.**

SUBSIDIARIES

Mahindra Insurance Brokers Limited (MIBL)

During the quarter ended June 30, 2019, MIBL registered income at Rs.79.63 crores as against Rs.66.67 crores, registering a growth of 19% over the same period previous year. The Profit After Tax (PAT) was Rs.6.16 crores as against Rs.14.82 crores, a decline of 58% over the same period previous year.

Mahindra Rural Housing Finance Limited (MRHFL)

During the quarter ended June 30, 2019, MRHFL registered Income at Rs.363.05 crores as against Rs.301.98 crores, a growth of 20% over the

same period previous year. The Profit After Tax during the quarter ended June 30, 2019, was Rs.28.75 Crores as against Rs.30.88 Crores, a decline of 7% over the same period previous year.

Mahindra Asset Management Company Private Limited (MAMCPL)

During the quarter ended June 30, 2019, MAMCPL earned revenues of Rs.4.14 Crores as compared to Rs.9.41 Crores in the same period previous year. The company incurred a loss of Rs.8.56 Crores compared to a loss of Rs.6.22 Crores over the same period previous year.

The Average Assets under Management (AUM) of MAMCPL for the quarter ended June 30, 2019 was Rs.4,972 Crores across nine schemes, which showed a growth of 26% over the same period previous year. Of these assets, MAMCPL managed Rs.1,513 crores of average equity assets in the quarter ended June 30, 2019 compared to Rs.1,264 Crores in the same quarter last year.

Mahindra Finance USA, LLC (MFUSA)

During the quarter ended June 30, 2019, MFUSA registered income at USD 16.69 Million as against USD 15.99 Million, registering a growth of 4% over the same period previous year. The Profit After Tax (PAT) during the quarter ended June 30, 2019, registered was USD 3.90 Million as against USD 4.10 Million, a decline of 5% over the same period previous year.

Mahindra Finance CSR Foundation

During the quarter ended 30 June 2019, the Company has incorporated a Wholly-owned subsidiary company, namely, Mahindra Finance CSR Foundation, under the provisions of section 8 of the Companies Act, 2013 for undertaking the CSR activities of the Company and its subsidiaries.

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 6.2 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 to public. 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 JV in US, Mahindra Finance USA LLC, in partnership with De Lage Landen, a subsidiary of Rabo Bank, for financing Mahindra tractors in 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.

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