

Press Release

For Immediate Dissemination

Mahindra Finance

F-2016 Q1 Consolidated results

Income up by 9%**PAT declined by 37%**

Mumbai, July 24, 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 unaudited financial results for the quarter ended 30th June, 2015.

F-2016 Q1 Consolidated Results

The **Total Income** increased by **9%** at **Rs.1513 crores** during the quarter ended 30th June, 2015 as against Rs.1384 crores in the corresponding quarter last year. The **Profit After Tax** and minority interest declined by **37%** to **Rs.107 crores** during the quarter ended 30th June, 2015 as against Rs.170 crores during the corresponding quarter last year.

F-2016 Q1 Standalone Results

The **Total Income** increased by **7%** at **Rs.1368 crores** during the quarter ended 30th June, 2015 as against Rs.1283 crores in the corresponding quarter last year. The **Profit After Tax** (PAT) declined by **43%** to **Rs.89 crores** during the quarter ended 30th June, 2015 as against Rs.155 crores during the corresponding quarter last year.

Operations

During the quarter, the Company's customer base has crossed 3.7 million customers in the month of June 2015. The Company currently has a network of 1124 offices and Total Assets Under Management of Rs. 37554 crores as on 30th June, 2015 as against Rs. 34271 crores as on 30th June, 2014, a growth of 10%.

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 unseasonal rains during the period and with low economic activities the customer cash flows have remained under pressure resulting in reduced collections. The profitability for the quarter has been impacted by both reduced income and increased credit cost due to lower collections.

The Company follows prudential norms for income recognition, asset classification and provisioning for Non-performing assets 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 applicable for the current financial year issued by the RBI vide its notification no DNBR. 011/CGM (CDS)-2015 dt. March 27, 2015.

India Ratings, Brickworks and CARE Rating have assigned "AAA" rating to Company's long term debt. The Company continued to broad base its consortium of lenders by bringing in new Banks, Mutual Funds, Insurance Companies, Pension, Provident Funds and Trusts.

SUBSIDIARIES

Mahindra Insurance Brokers Limited (MIBL)

For the quarter ended 30th June 2015, **MIBL income** was at **Rs.31.7 Crores** as against Rs.26.6 Crores, registering a growth of 19% over the same period previous year. The **Profit Before Tax (PBT)** was at **Rs.14.6 Crores** as against Rs.12.9 Crores, registering a growth of 13% over the same period previous year. The **Profit After Tax (PAT)** was at **Rs.9.6 Crores** as against Rs.8.5 Crores, registering a growth of 13% over the same period previous year.

Mahindra Rural Housing Finance Limited (MRHFL)

For the quarter ended 30th June 2015, MRHFL **disbursed Rs. 339.2 Crores** as against Rs. 211.5 Crores during the previous year, registering a growth of **60%** over the same period previous year. MRHFL registered **income at Rs. 99.6 crores** as against Rs. 67.4 crores, a growth of **48%** over the same period previous year. The **Profit After Tax (PAT)** was **Rs. 6.8 Crores** as against Rs. 5.2 Crores, registering a growth of **31%** over the 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 3.7 million customers and has an AUM of over USD 5 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 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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