

Q3FY21 Earnings Report

Consolidated Report

Mahindra & Mahindra Financial Services Ltd

INE774D01024

Operating Income

Rs. 2958.0 Cr **2.89%**

PPOP

Rs. 1197.6 Cr **10540.0 bps**

PAT Margin

-7.6% **2310.0 bps**

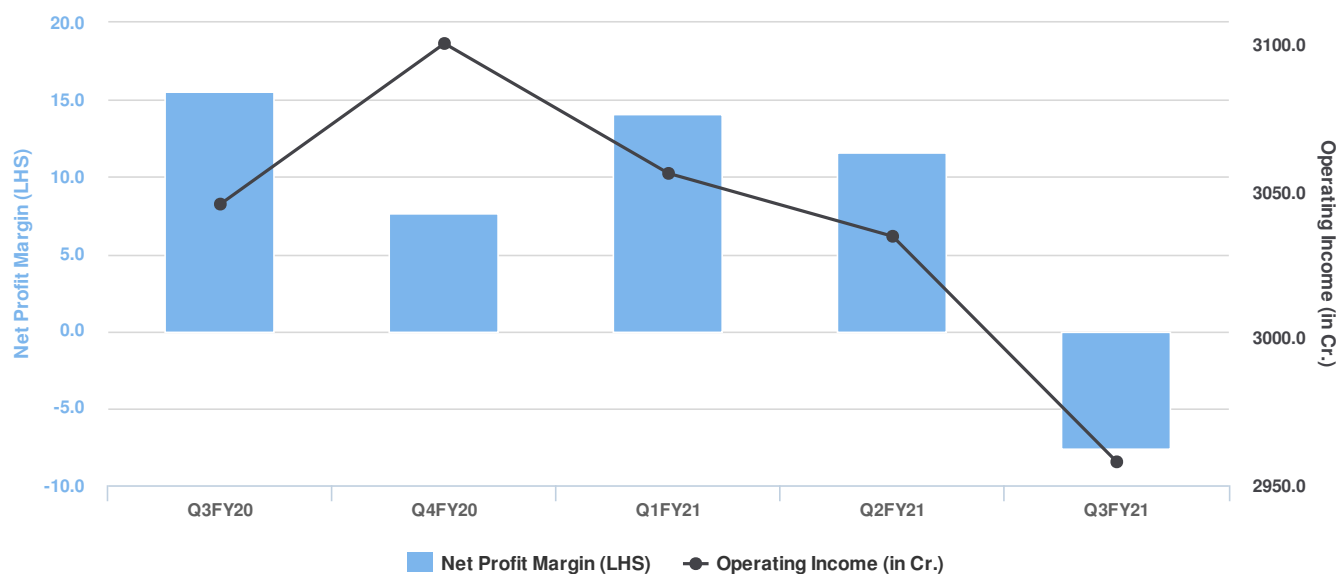
Net Profit

Rs. -223.2 Cr (Rs. 474.9 Cr in Q3FY20)

Date : 4th February 2021

Note : Values compared with Q3FY20

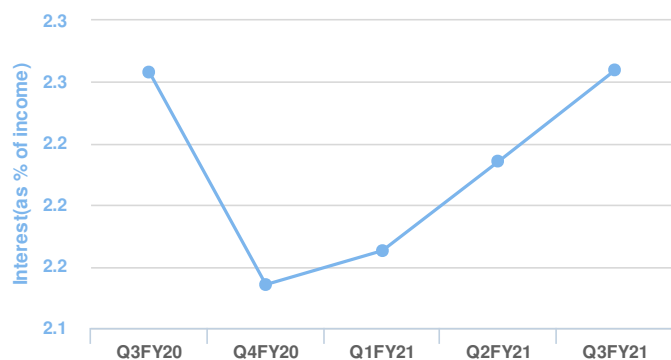
Trends in Profit Margins & Operating Income



Operating Income decreased by **2.54%** to Rs. 2958.0 Cr in Q3FY21 when compared to the previous quarter. Also, it decreased by **2.89%** when compared with Q3FY20. The Operating Income had been decreasing in the period Q1FY21 to Q3FY21. As compared to the previous quarter, Provisions & Write Offs in Q3FY21 have witnessed a growth of **121.39%** and amount to Rs. 1474.0 Cr. It has also gone up by **250.79%** over Q3FY20. It continued to increase from Q4FY20 to Q1FY21.

There was a loss of Rs. 223.2 Cr this quarter. PAT was Rs. 352.5 Cr in the previous quarter. PAT was Rs. 474.9 Cr in the same quarter last year. PAT continued to drop from Q2FY21 to Q3FY21. Although there was an irregular drift since Q3FY20 to Q2FY21, there was a continuous increase found.

Trend of Interest/Operating Income

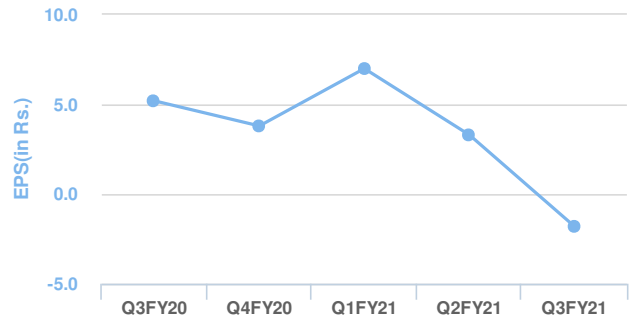
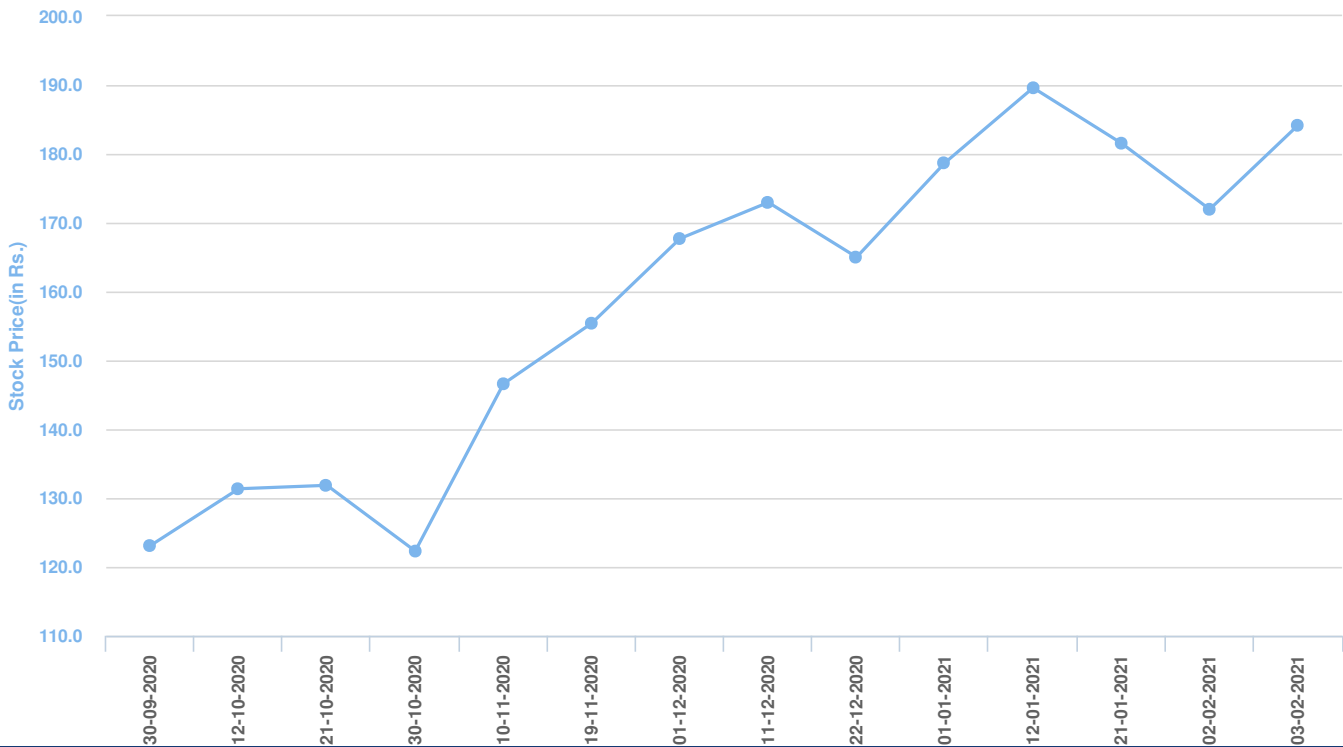


Q3FY21 saw a rise of **Rs. 4.6 Cr (0.39%)** QoQ thus placing this quarter's PPOP at Rs. 1197.6 Cr. The year on year rise of the PPOP was **Rs. 105.4 Cr**, a rise of nearly **9.65%**.

PAT Margin fell from 11.6% in Q2FY21 to -7.6% this quarter.

The EPS decreased this quarter to Rs. -1.8 from Rs. 3.3 in Q2FY21. In Q3FY20 it was Rs. 5.2.

The stock price of Mahindra & Mahindra Financial Services Ltd increased from Rs. 123.1 to Rs. 184.15 when compared to the previous quarter.

EPS Trend

Stock Price


	3rdQtr 202012	3rd Qtr 201912	VAR %	2ndQtr 202009	VAR (%)
QUARTERLY - CONSOLIDATED RESULTS - Mahindra & Mahindra Financial Services Ltd (Curr. Rs in Cr.) As on 04/02/2021					
Operating Income	2958	3046.1	-2.9	3035.1	-2.5
Other Income	59.4	48.1	23.5	35.4	67.8
Other Misc. Income	59.4	48.1	23.5	35.4	67.8
Total Income	3017.4	3094.2	-2.5	3070.5	-1.7
Operating Expenditure					
Interest	1311.8	1351.4	-2.9	1368.5	-4.1
Employee Expenses	336	402	-16.4	351.1	-4.3
Other Expenses	172	248.6	-30.8	157.9	8.9
TOTAL OPERATING EXPENDITURE	1819.7	2002	-9.1	1877.5	-3.1
Operating Profit Before Prov. & Cont.	1197.6	1092.2	9.7	1193	0.4
Provisions & Write Offs	1474	420.2	250.8	665.8	121.4
Depreciation	36.5	43.2	-15.5	39.6	-7.8
TOTAL EXPENDITURE	3330.2	2465.4	35.1	2582.9	28.9
PBT	-312.9	628.8	-149.8	487.6	-164.2
Tax	-55.3	18.4	-399.7	209	-126.5
Deferred Tax	-34.4	135.5	-125.4	-73.9	-53.5
Reported Profit After Tax	-223.2	474.9	-147	352.5	-163.3
Adjusted Profit After Extra-ordinary item	-226.2	471.6	-148	351.4	-164.4
Basic:					
EPS (Unit Curr.)	-1.8	5.2	-135	3.3	-154.5
EPS (Adj) (Unit Curr.)	-1.8	3.2	-157.5	3.3	-154.5
Calculated EPS (Unit Curr.)	0	7.7	0	2.8	-100.0
Calculated EPS (Adj) (Unit Curr.)	0	4.7	0	2.8	-100.0
Calculated EPS (Ann.) (Unit Curr.)	0	30.7	0	11.4	-100.0
Calculated EPS (Adj) (Ann.) (Unit Curr.)	0	30.7	0	11.4	-100.0

	3rdQtr 202012	3rd Qtr 201912	VAR %	2ndQtr 202009	VAR (%)
QUARTERLY - CONSOLIDATED RESULTS - Mahindra & Mahindra Financial Services Ltd (Curr: Rs in Cr.) As on 04/02/2021					
Diluted:					
Diluted EPS (Unit Curr.)	-1.8	5.2	-134.9	3.3	-154.5
Diluted EPS (Adj) (Unit Curr.)	-1.8	3.2	-157.2	3.3	-154.5
Equity	246.3	123	100.3	246.3	0.0
Face Value	2	2	0	2	0.0
PBIDTM(%)	35	66.4	-47.3	62.5	-44.0
PBDTM(%)	-9.3	22.1	-142.3	17.4	-153.4
PATM(%)	-7.6	15.5	-149.4	11.6	-165.5
Net Interest Income	1646.2	1694.7	-2.9	1666.6	-1.2
Loans Disbursed(Amt Rs cr)	6537	10216	-36	0	

HDFC Securities Limited (HSL) is a SEBI Registered Research Analyst having registration no. INH000002475.

Disclaimer:

This report has been prepared by HDFC Securities Ltd and is meant for sole use by the recipient and not for circulation. The information and opinions contained herein have been compiled or arrived at, based upon information obtained in good faith from sources believed to be reliable. Such information has not been independently verified and no guaranty, representation of warranty, express or implied, is made as to its accuracy, completeness or correctness. All such information and opinions are subject to change without notice. This document is for information purposes only. Descriptions of any company or companies or their securities mentioned herein are not intended to be complete and this document is not, and should not be construed as an offer or solicitation of an offer, to buy or sell any securities or other financial instruments.

This report is not directed to, or intended for display, downloading, printing, reproducing or for distribution to or use by, any person or entity who is a citizen or resident or located in any locality, state, country or other jurisdiction where such distribution, publication, reproduction, availability or use would be contrary to law or regulation or what would subject HSL or its affiliates to any registration or licensing requirement within such jurisdiction. If this report is inadvertently sent or has reached any person in such country, especially, United States of America, the same should be ignored and brought to the attention of the sender. This document may not be reproduced, distributed or published in whole or in part, directly or indirectly, for any purposes or in any manner.

Foreign currencies denominated securities, wherever mentioned, are subject to exchange rate fluctuations, which could have an adverse effect on their value or price, or the income derived from them. In addition, investors in securities such as ADRs, the values of which are influenced by foreign currencies effectively assume currency risk.

It should not be considered to be taken as an offer to sell or a solicitation to buy any security. HSL may from time to time solicit from, or perform broking, or other services for, any company mentioned in this mail and/or its attachments.

HSL and its affiliated company(ies), their directors and employees may; (a) from time to time, have a long or short position in, and buy or sell the securities of the company(ies) mentioned herein or (b) be engaged in any other transaction involving such securities and earn brokerage or other compensation or act as a market maker in the financial instruments of the company(ies) discussed herein or act as an advisor or lender/borrower to such company(ies) or may have any other potential conflict of interests with respect to any recommendation and other related information and opinions. HSL, its directors, analysts or employees do not take any responsibility, financial or otherwise, of the losses or the damages sustained due to the investments made or any action taken on basis of this report, including but not restricted to, fluctuation in the prices of shares and bonds, changes in the currency rates, diminution in the NAVs, reduction in the dividend or income, etc. HSL and other group companies, its directors, associates, employees may have various positions in any of the stocks, securities and financial instruments dealt in the report, or may make sell or purchase or other deals in these securities from time to time or may deal in other securities of the companies / organizations described in this report. HSL or its associates might have managed or co-managed public offering of securities for the subject company or might have been mandated by the subject company for any other assignment in the past twelve months.

HSL or its associates might have received any compensation from the companies mentioned in the report during the period preceding twelve months from t date of this report for services in respect of managing or co-managing public offerings, corporate finance, investment banking or merchant banking, brokerage services or other advisory service in a merger or specific transaction in the normal course of business.

HSL or its analysts did not receive any compensation or other benefits from the companies mentioned in the report or third party in connection with preparation of the research report. Accordingly, neither HSL nor Research Analysts have any material conflict of interest at the time of publication of this report. Compensation of our Research Analysts is not based on any specific merchant banking, investment banking or brokerage service transactions. HSL may have issued other reports that are inconsistent with and reach different conclusion from the information presented in this report.

Research entity has not been engaged in market making activity for the subject company. Research analyst has not served as an officer, director or employee of the subject company. We have not received any compensation/benefits from the subject company or third party in connection with the Research Report.

HDFC securities Limited, I Think Techno Campus, Building - B, "Alpha", Office Floor 8, Near Kanjurmarg Station, Opp. Crompton Greaves, Kanjurmarg (East), Mumbai 400 042 Phone: (022) 3075 3400 Fax: (022) 2496 5066 Compliance Officer: Binkle R. Oza Email: complianceofficer@hdfcsec.com Phone: (022) 3045 3600

HDFC Securities Limited, SEBI Registration No.: INZ000186937 (NSE, BSE, MSEI, MCX) |NSE Trading Member Code: 11094 | BSE Clearing Number: 393 | MSEI Trading Member Code: 30000 | MCX Member Code: 56015 | IN-DP-372-2018 (CDSL, NSDL) | CDSL DP ID: 12086700 | NSDL DP ID: IN304279 | AMFI Reg No. ARN -13549 | PFRDA Reg. No - POP 11092018 | IRDA Corporate Agent Licence No.CA0062 | Research Analyst Reg. No. INH000002475 | Investment Adviser: INA000011538 | CIN-U67120MH2000PLC152193

Mutual Funds Investments are subject to market risk. Please read the offer and scheme related documents carefully before investing.