

Mahindra & Mahindra Financial Services Limited

Quarter Result Update
December - 2019

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CIN - L65921MH1991PLC059642



Company Overview

Industry Overview

Business Strategy

Financial Information

Key Subsidiaries

Awards & Accolades

Risk Management Policies

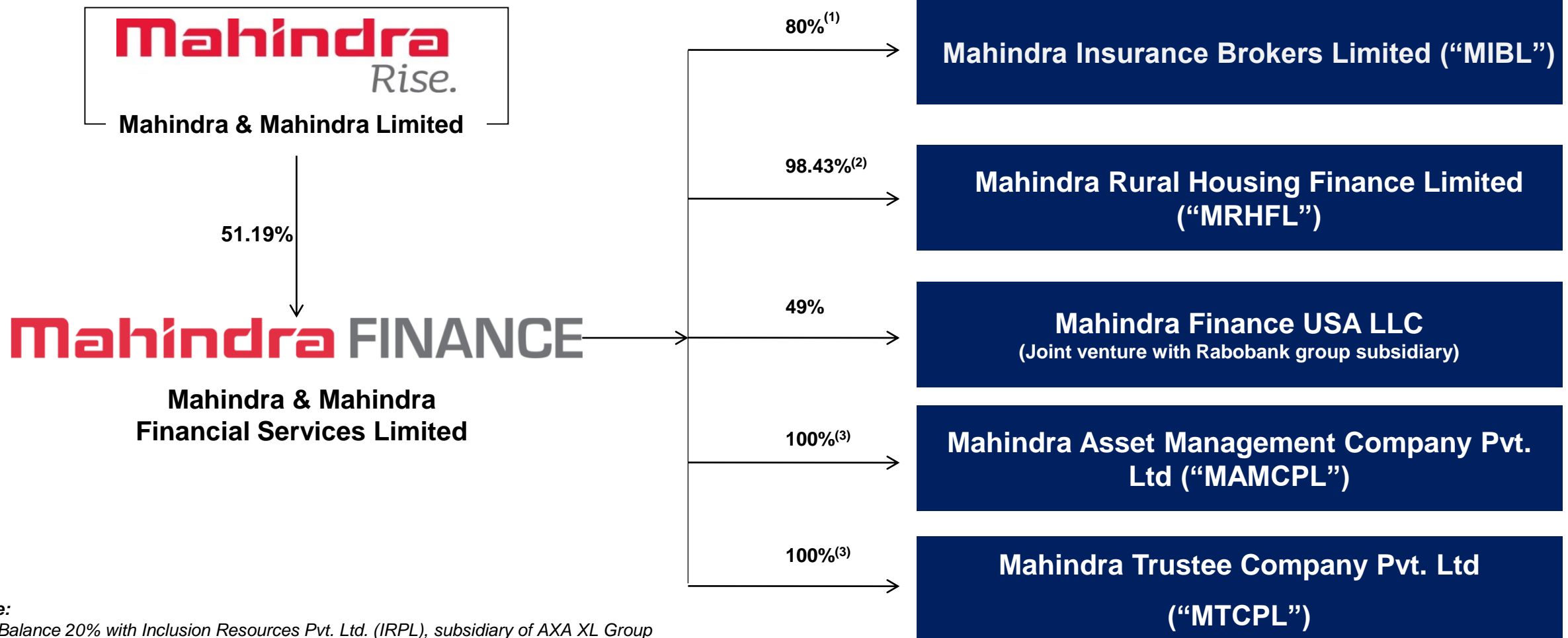
Transforming rural lives across the country

Company Background

- Parentage:** Mahindra & Mahindra Financial Services Limited (“MMFSL”) is a subsidiary of Mahindra and Mahindra Limited (*Mcap: Rs 719 billion*)*, India’s largest tractor and utility vehicle manufacturer
- About MMFSL:** MMFSL (*Mcap: Rs 218 billion*)*, one of India’s leading non-banking finance companies focused in the rural and semi-urban sector, is the largest Indian tractor financier
- Key Business Area:** Primarily in the business of financing purchase of new and pre-owned auto and utility vehicles, tractors, cars, commercial vehicles, construction equipment and SME Financing
- Vision:** MMFSL’s vision is to be a leading provider of financial services in the rural and semi-urban areas of India
- Reach:** Has 1,326 offices covering 28 states and 5 union territories in India, with over 6.68 million vehicle finance customer contracts since inception
- Credit Ratings:** India Ratings has assigned AAA/Stable, CARE Ratings has assigned AAA/Stable, Brickwork has assigned AAA/Stable and CRISIL has assigned AA+/Stable rating to the Company’s long term and subordinated debt

**Source: Market capitalisation as of January 27, 2020 from BSE website*

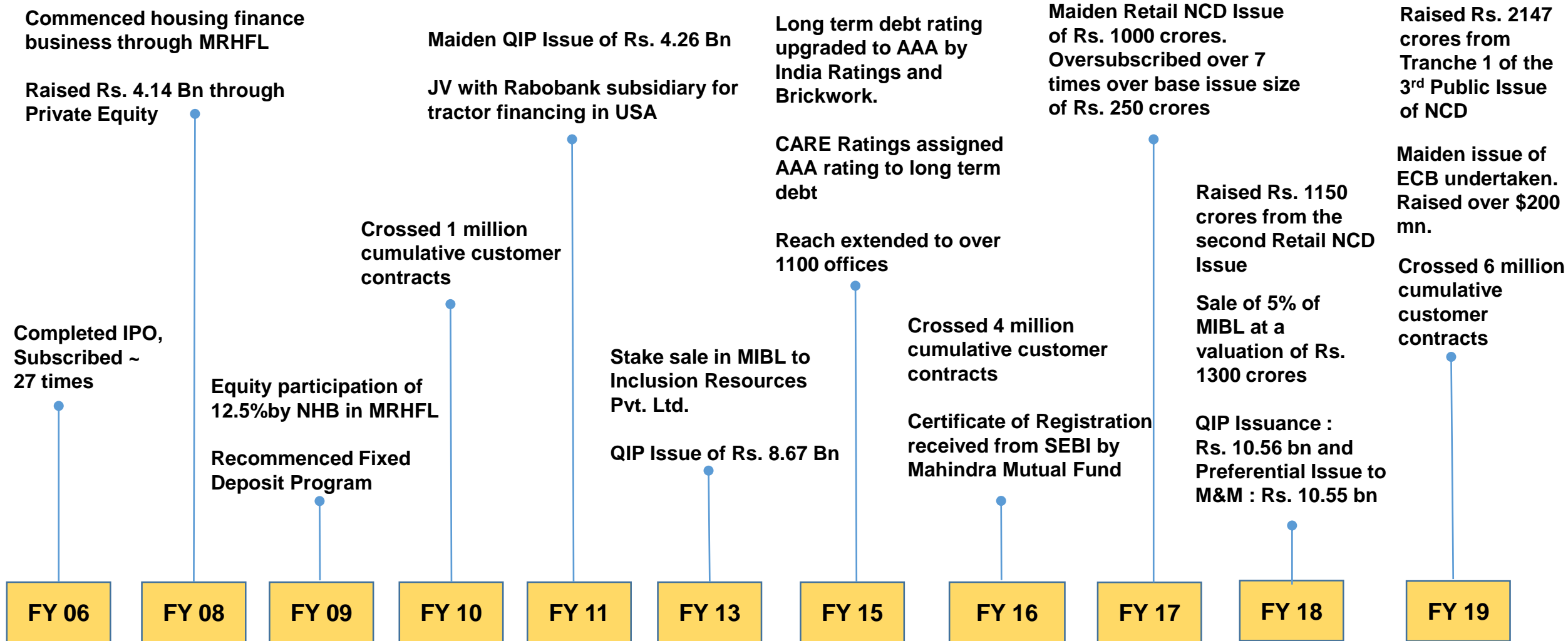
MMFSL Group structure



Note:

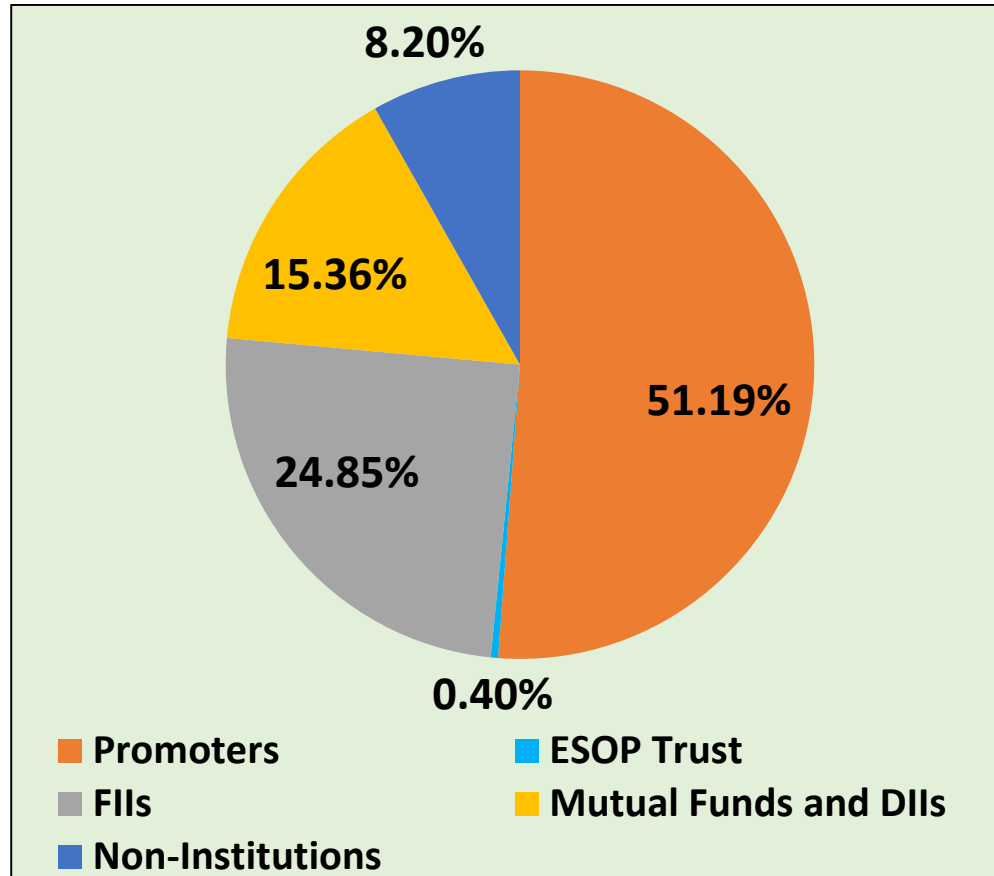
1. Balance 20% with Inclusion Resources Pvt. Ltd. (IRPL), subsidiary of AXA XL Group
2. Balance 1.57% with MRHFL Employee Welfare Trust
3. Manulife has entered into a Share Subscription Agreement with the Company for subscribing to 49% of the shareholding of MAMCPL and MTCPL, subject to regulatory approvals
4. The Company formed Mahindra Finance CSR Foundation as a wholly owned subsidiary on 2nd April 2019 for undertaking all CSR initiatives under one umbrella
5. The Company has entered into a subscription agreement to acquire 58.2% of Ideal Finance Limited, Sri Lanka and has remitted an amount of Rs.440 million towards acquiring 38.2% of its equity share capital

Our Journey



Shareholding Pattern (as on 31st December, 2019)

Shareholding Pattern



Mahindra & Mahindra Limited holds a stake of 51.19% in the Company

Top 10 Public Shareholders

- HDFC Life Insurance Company Limited
- Life Insurance Corporation Of India
- Kotak Funds - India Midcap Fund
- Valiant Mauritius Partners Offshore Limited
- Blackrock Global Funds Asian Dragon Fund
- Life Insurance Corporation Of India P & Gs Fund
- SBI Blue Chip Fund
- Bank Muscat India Fund
- Vanguard Total International Stock Index Fund
- Vanguard Emerging Markets Stock Index Fund, A Seri



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Auto Industry Volume

Domestic Sales (Volume in '000)	9MFY20 (Nos.)	9MFY19 (Nos.)	Y-o-Y Growth (%)	FY19 (Nos.)	FY18 (Nos.)	Y-o-Y Growth (%)
Passenger Vehicles (PVs)						
Passenger Cars / Vans	1,294	1,690	(23%)	2,219	2,174	2%
UV's	824	843	(2%)	1,159	1,115	4%
Commercial Vehicles (CVs)						
M&HCVs	176	278	(37%)	391	341	15%
LCVs	395	445	(11%)	617	516	20%
Three Wheelers	507	521	(3%)	701	636	10%
Tractors	563	626	(10%)	785	711	10%

Automobile Finance Market: 5 years Projected Growth

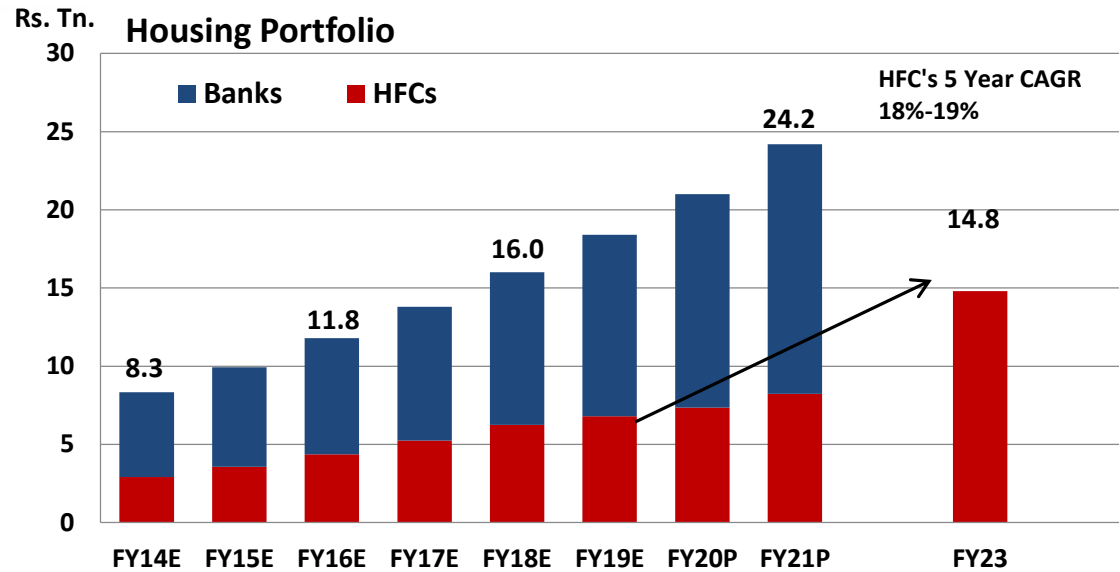
Segment-wise growth in disbursement					
	FY 14 (Rs. Bn.)	CAGR FY 14 – FY 19	FY 19 (E) (Rs. Bn.)	CAGR FY 19 – FY 24	FY 24 (P) (Rs. Bn.)
Passenger vehicle	696	8%	1,012	7% - 9%	1,486
Commercial vehicle	351	18%	820	6% - 8%	1,133
Two wheelers	140	17%	302	10% - 12%	496
Three wheelers	64	11%	104	5% - 7%	142

Source: CRISIL Research, Retail Finance - Auto, November 2019

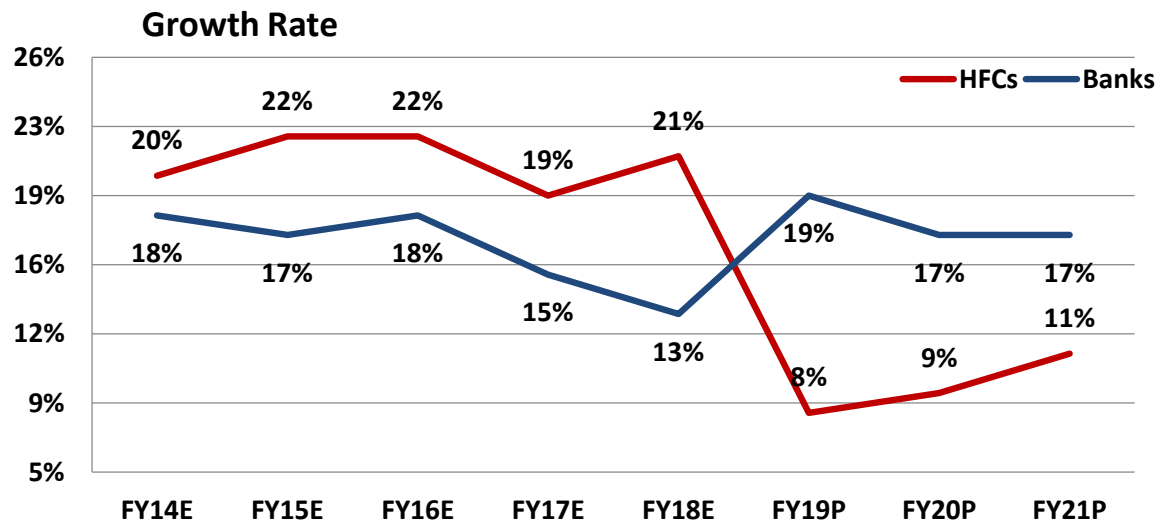
Car & UV Loan Portfolio	Top 20 Cities	Other Cities
Outstanding Loan Composition	58%	42%
Finance Penetration Ratio	80.0%	65.0%

- By FY 2024P, penetration levels are projected to increase to 79.5% for cars and 76.5% for utility vehicles from 77.5% and 74% respectively (FY 2019) as a result of a moderation in interest rates and better availability of credit information
- Loan-to-value (LTVs) expected to drop in FY20 and increase thereafter
- Finance penetration in cities (excluding top 20) expected to grow with availability of credit information and more customers coming under the purview of formal financial services

Housing Finance Growth



- Growth momentum in the sector expected to slow down. However, demand side fundamentals remain strong.
- Share of loans from Banks to increase over the medium term. Liquidity concerns points towards healthy growth prospects for banks
- Securitisation to remain key avenue to manage liquidity for non-banks
- Rise in finance penetration to drive growth. Affordable housing a new growth engine. Deeper mortgage penetration and increased demand from Tier II/ smaller towns to fuel loan growth over the period
- Mortgage penetration in India is 9 – 11 years behind other regional emerging markets like China and Thailand. Mortgage to GDP amongst the lowest at 10%-12%.





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Transforming rural lives across the country

Business Strategy

Grow in rural and semi urban markets for vehicle and automobile financing

Expand Branch Network

Leverage existing customers base through Direct Marketing Initiatives

Diversify Product Portfolio

Broad base Liability Mix

Continuing to attract, train and retain talented employees

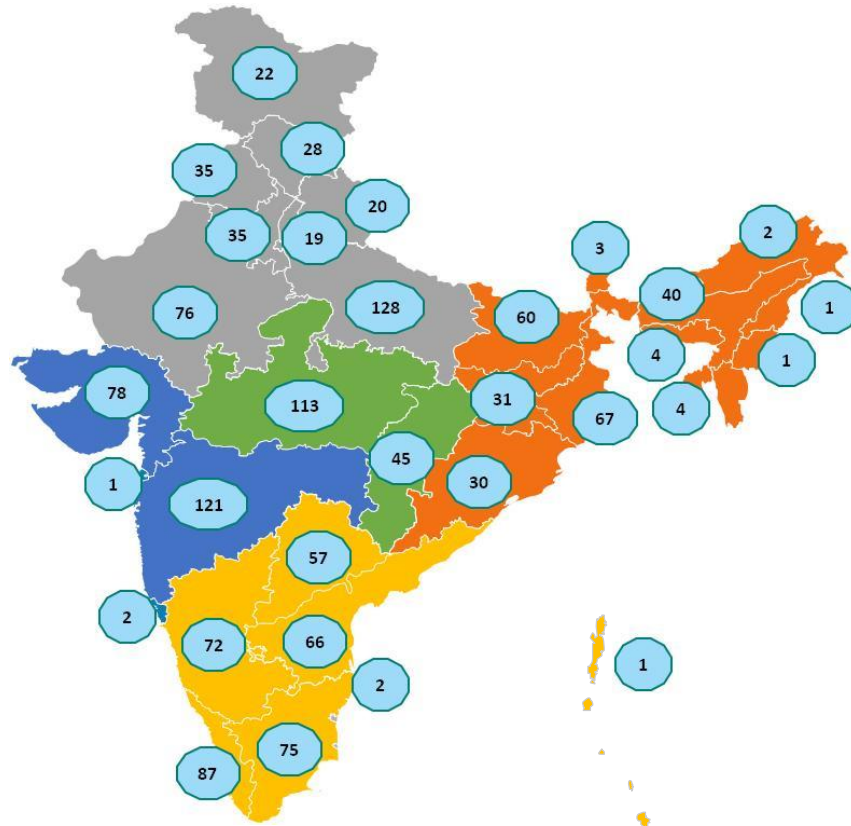
Effective use of technology to improve productivity

Leverage the “Mahindra” Ecosystem

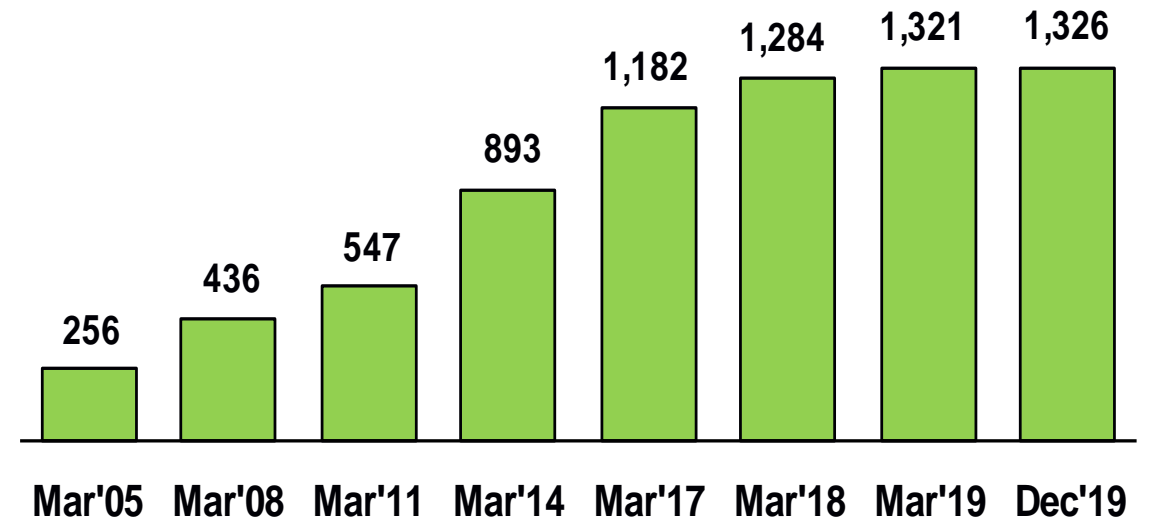
Extensive Branch Network

- Extensive branch network with presence in 28 states and 5 union territories in India through 1,326 offices
- Branches have authority to approve loans within prescribed guidelines

Coverage



Branch Network as of



Diversified Product Portfolio

Vehicle Financing

- Loans for auto and utility vehicles, tractors, cars, commercial vehicles and construction equipments



Pre-Owned Vehicles

- Loans for pre-owned cars, multi-utility vehicles, tractors and commercial vehicles



SME Financing

- Loans for varied purposes like project finance, equipment finance and working capital finance



Personal Loans

- Offers personal loans typically for weddings, children's education, medical treatment and working capital



Mutual Fund Distribution

- Advises clients on investing money through AMFI certified professionals under the brand "MAHINDRA FINANCE FINSMART"



Insurance Broking

- Insurance solutions to retail customers as well as corporations through our subsidiary MIBL



Housing Finance

- Loans for buying, renovating, extending and improving homes in rural and semi-urban India through our subsidiary MRHFL



Mutual Fund & AMC

- Asset Management Company/ Investment Manager to 'Mahindra Mutual Fund', which received certificate of registration from SEBI



Break down of estimated value of Assets Financed

on standalone basis

Asset Class	Nine months ended December – 19	Nine months ended December – 18	Year ended March – 19
Auto/ Utility vehicles	27%	24%	25%
Tractors	17%	19%	18%
Cars	19%	20%	20%
Commercial vehicles and Construction equipments	16%	18%	19%
Pre-owned vehicles	18%	14%	14%
SME and Others	3%	5%	4%

Break down of AUM

on standalone basis

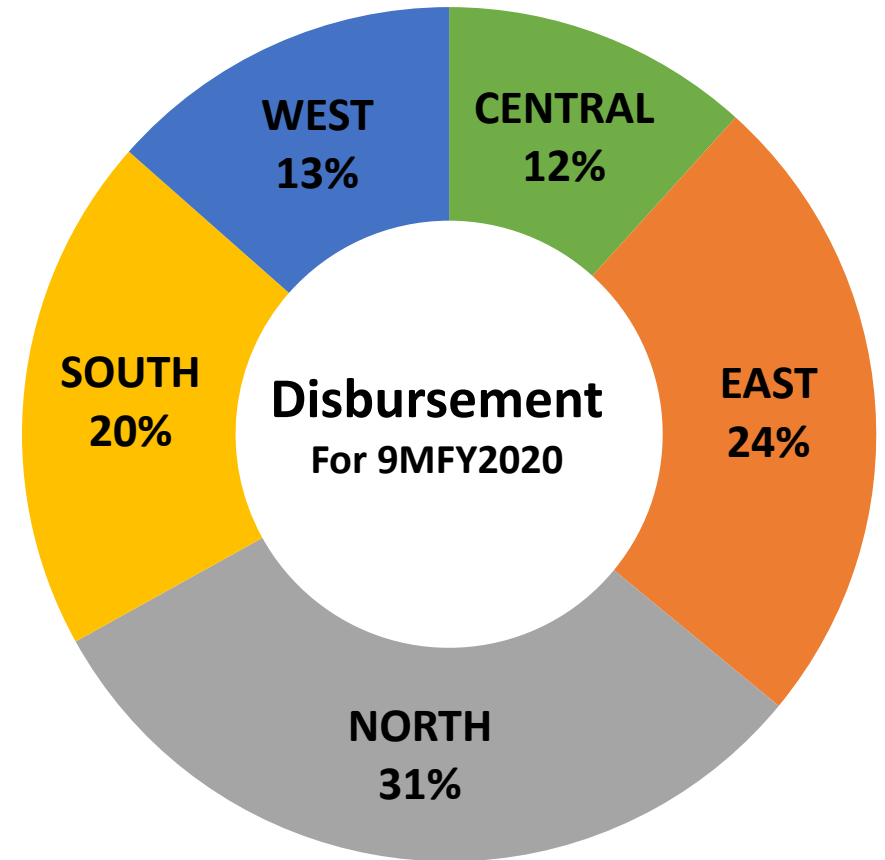
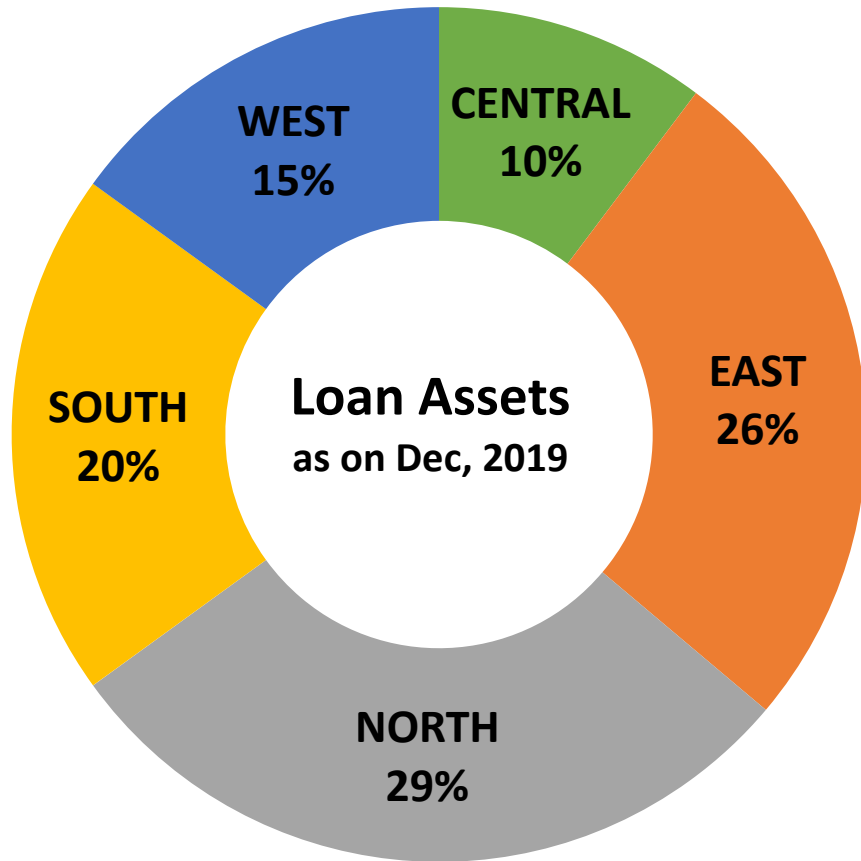
Asset Class	As on December – 19	As on December – 18	As on March – 19
Auto/ Utility vehicles	27%	26%	26%
Tractors	17%	17%	17%
Cars	21%	21%	21%
Commercial vehicles and Construction equipments	18%	17%	18%
Pre-owned vehicles	10%	9%	9%
SME and Others	7%*	10%	9%

As on 31st December 19, ~43% of the AUM was from M&M assets

* Share of SME: 5%

Break down by Geography

on standalone basis



NORTH: Chandigarh, Delhi, Haryana, Himachal Pradesh, Jammu and Kashmir, Punjab, Rajasthan, Uttar Pradesh, Uttaranchal;

EAST: Assam, Bihar, Jharkhand, Meghalaya, Mizoram, Orissa, Sikkim, Tripura, West Bengal;

CENTRAL: Chhattisgarh, Madhya Pradesh;

WEST: Dadra and Nagar Haveli, Gujarat, Maharashtra, Goa;

SOUTH: Andaman and Nicobar Island, Andhra Pradesh, Karnataka, Kerala, Pondicherry, Tamil Nadu, Telangana;

Credit Rating

MMFSL believes that its credit rating and strong brand equity enables it to borrow funds at competitive rates

Credit Rating	India Ratings	Outlook
Long term (including MLD) and Subordinated debt	IND AAA IND PP-MLD AAA emr	Stable
Short term debt	IND A1+	--
	CARE Ratings	Outlook
Long term and Subordinated debt	CARE AAA	Stable
	Brickwork	Outlook
Long term and Subordinated debt	BWR AAA	Stable
	CRISIL	Outlook
Fixed Deposit Programme	FAAA	Stable
Short term debt	CRISIL A1+	--
Long term and Subordinated debt; Bank Facilities	CRISIL AA+	Stable

Broad Based Liability Mix

on standalone basis

Working Capital Consortium Facility enhanced to Rs. 20,000 mn. comprising several banks

Funding Mix by Investor profile (Dec'19)

Investor Type	Amount (INR mn.)	% Share
Banks/ Dev. Institutions	268,397	45.5%
Mutual Fund	76,914	13.1%
Insurance & Pension Funds	103,850	17.6%
FIs & Corporates	46,650	7.9%
Others	93,689	15.9%
Total	589,500	100.0%

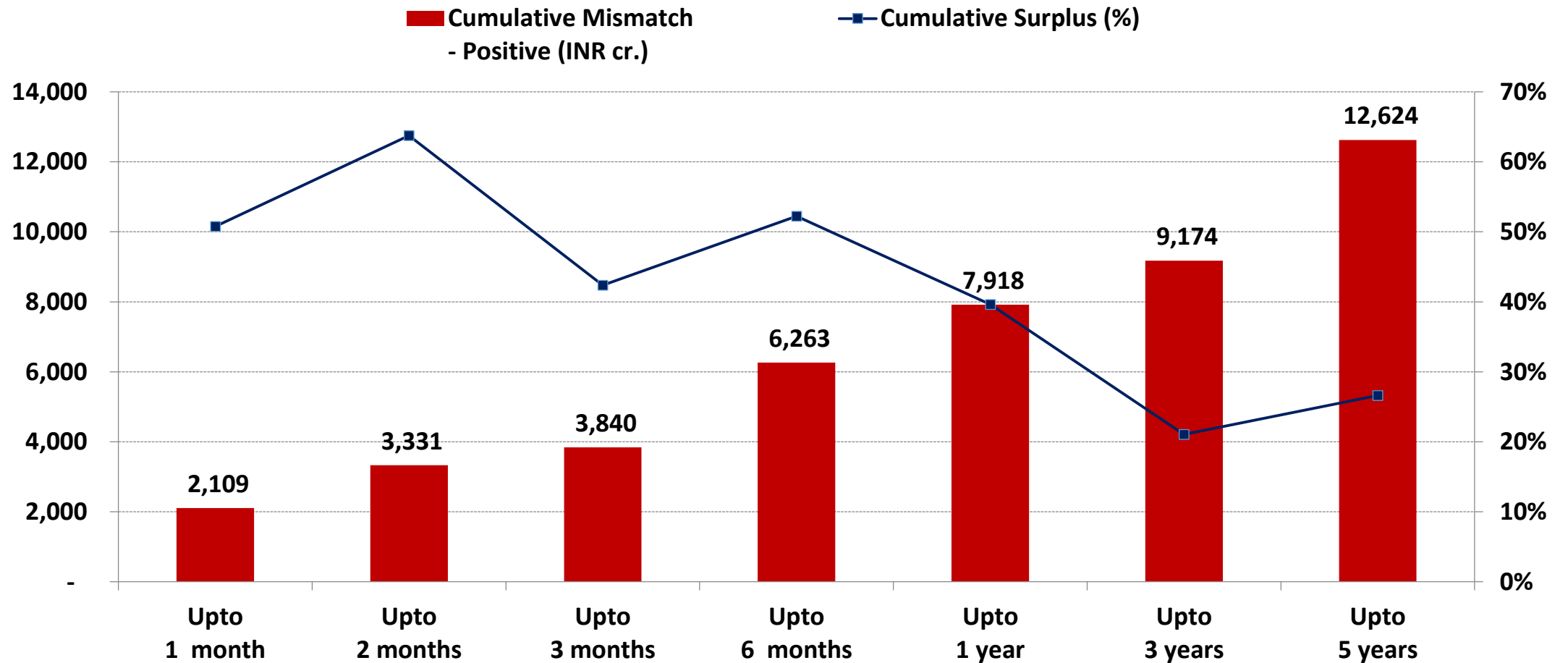
* Based on holding as on 31st December, 2019

Funding Mix by type of Instrument (Dec'19)

Instrument Type	Amount (INR mn.)	% Share
NCDs	175,915	29.9%
Retail NCDs	42,975	7.3%
Bank Loans	145,686	24.7%
Offshore Borrowings	26,150	4.4%
Fixed Deposits	83,605	14.2%
CP, ICD	28,313	4.8%
Securitisation/ Assignment	86,856	14.7%
Total	589,500	100.0%

^ For purpose of presentation, Borrowings are recognised at Face Value (NCD, ZCB and CP)

ALM Position



As on 31st December, 19

Employee Management and Technology Initiatives

Employee engagement & training

- Training programs for employees on regular basis
- 5 days induction program on product knowledge, business processes and aptitude training
- Mahindra Finance Academy training programs for prospective and existing employees at 5 locations
- Assessment & Development Centre for promising employees
- Employee recognition programs such as– Dhruv Tara, Annual Convention Award and Achievement Box
- Participation in Mahindra Group's Talent Management and Retention program

Technology initiatives

- All our offices are connected to the centralised data centre in Mumbai through Lease line/HHD
- Through hand held devices connected by GPRS to the central server, we transfer data which provides
 - Prompt intimation by SMS to customers
 - Complete information to handle customer queries with transaction security
 - On-line collection of MIS on management's dashboard
 - Recording customer commitments
 - Enables better internal checks & controls





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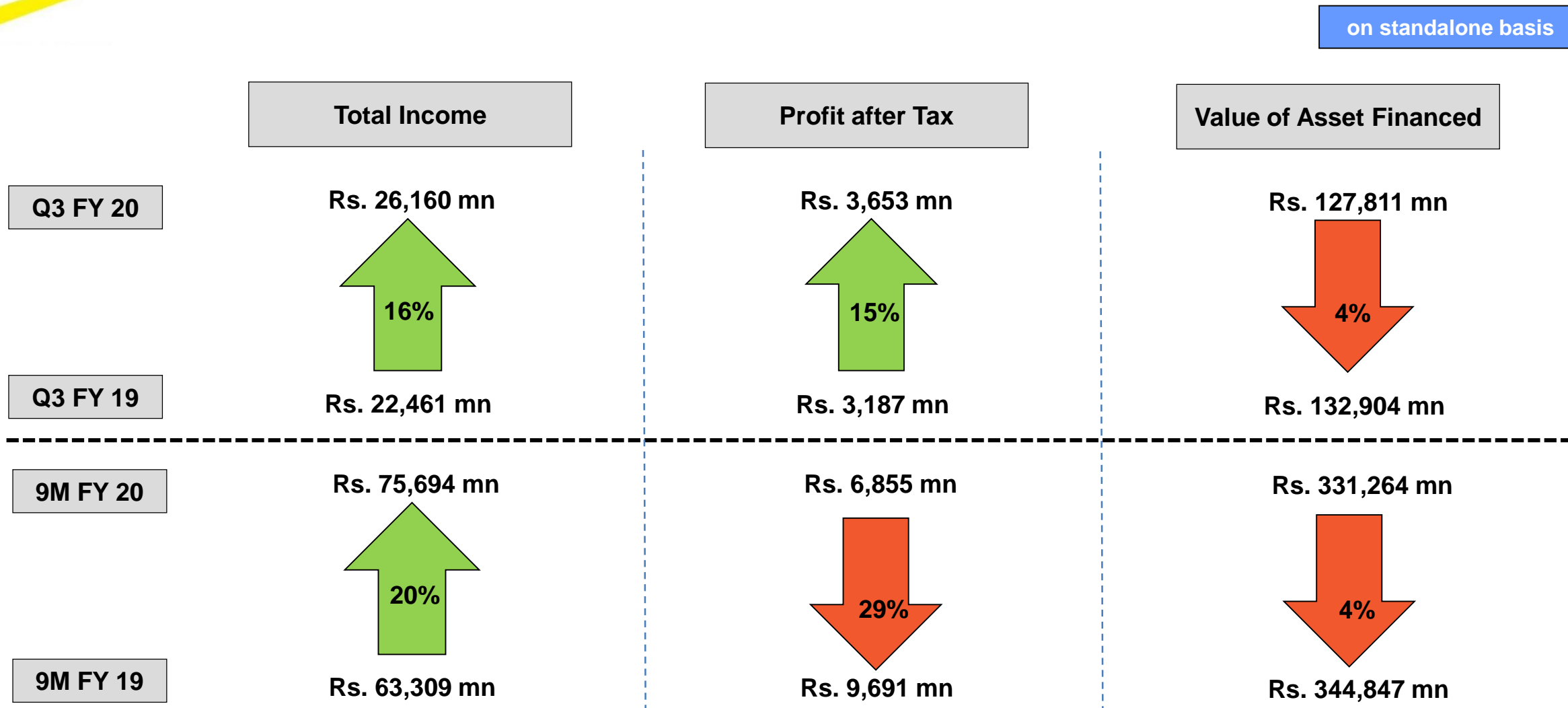
Awards & Accolades

Risk Management Policies

Transforming rural lives across the country

Key Financials

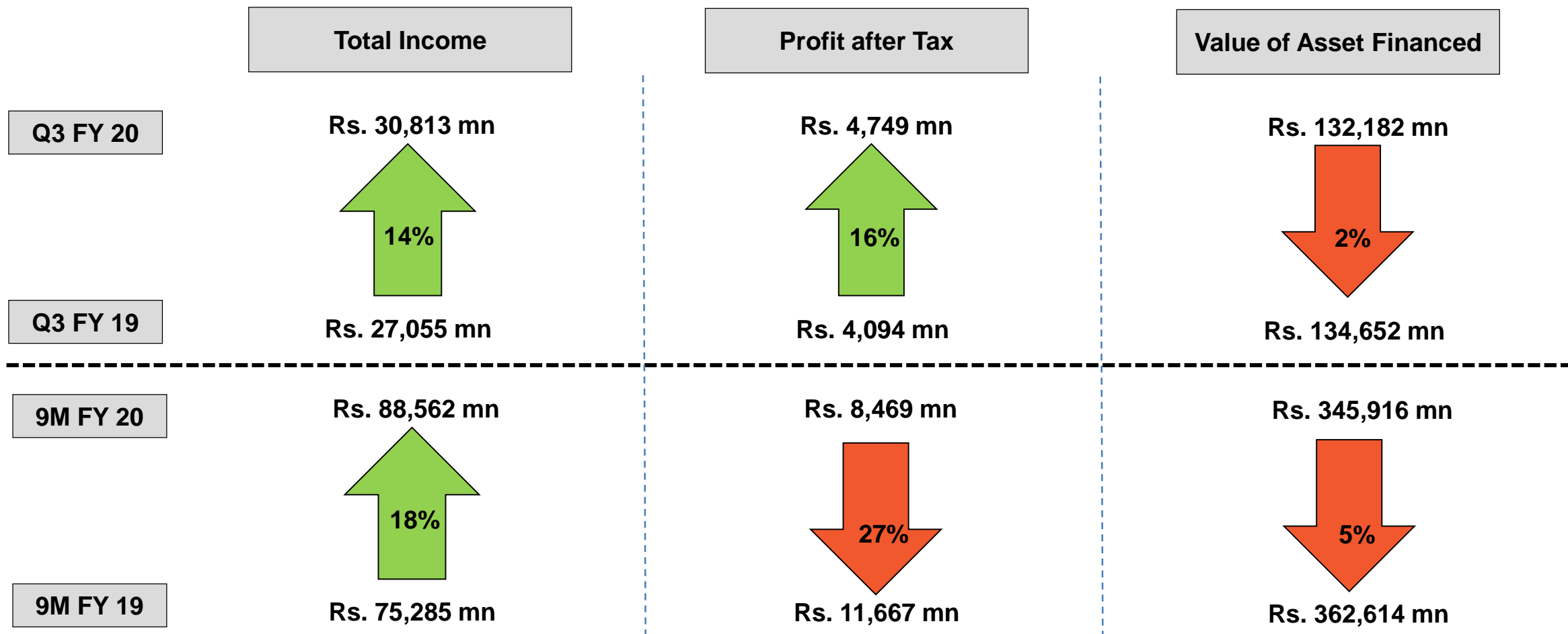
on standalone basis



* As per IND-AS

Key Financials (Consolidated)

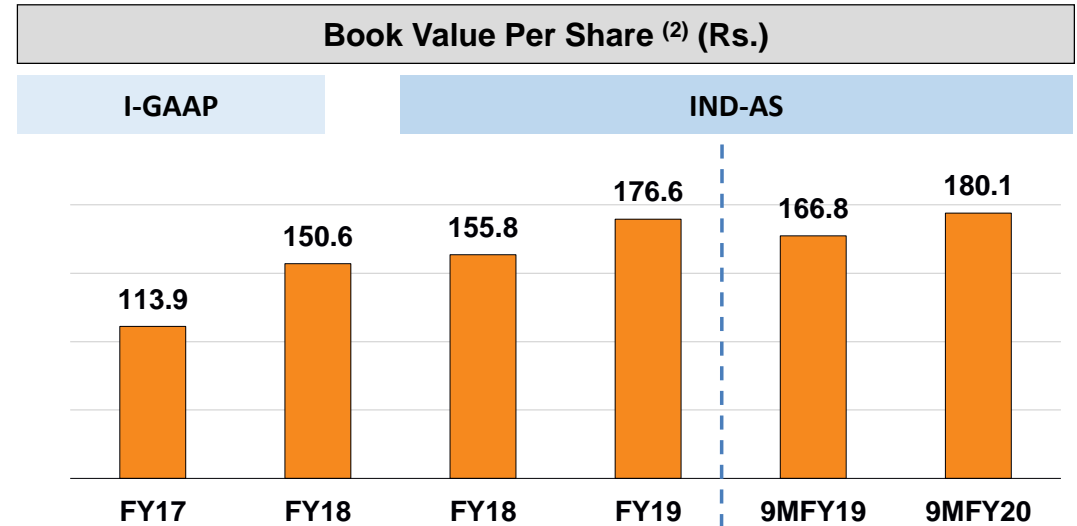
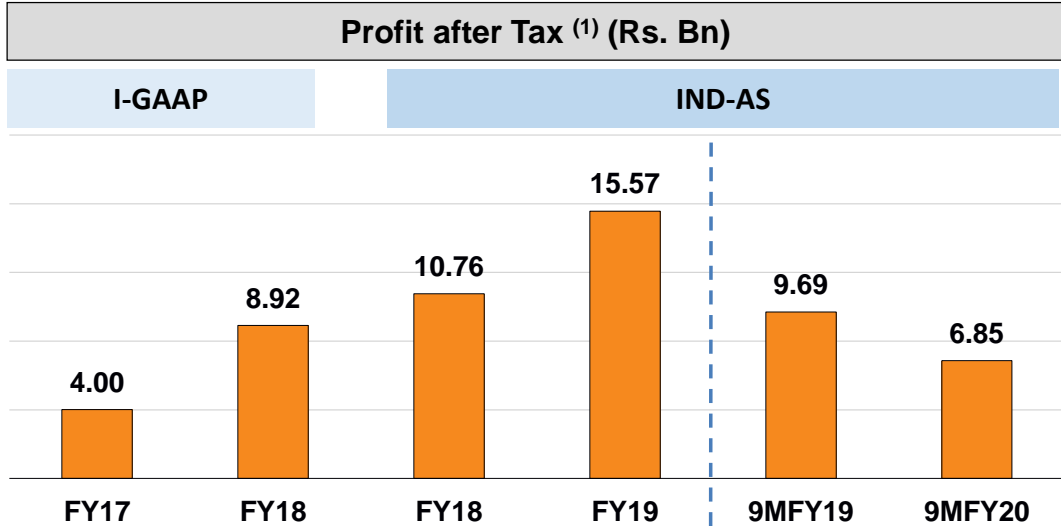
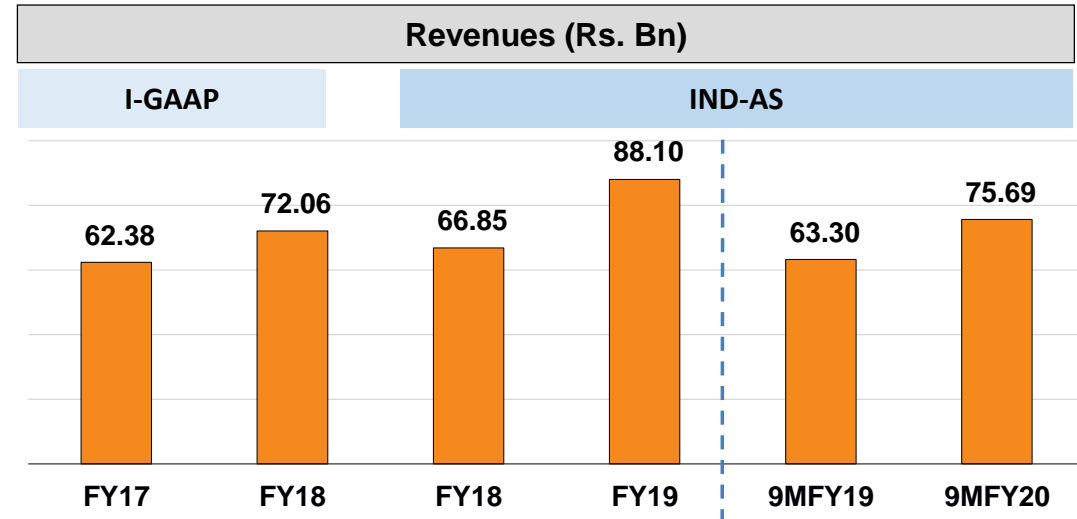
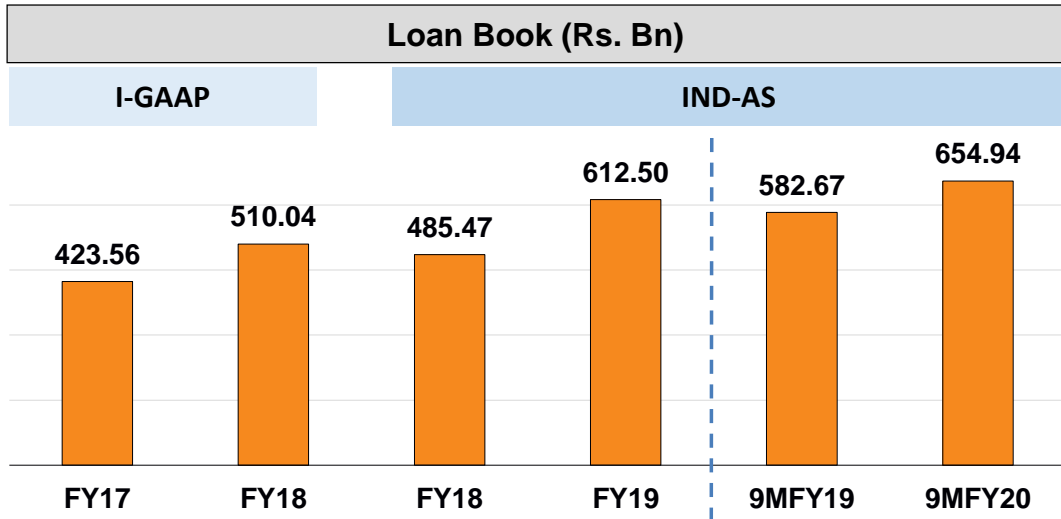
on consolidated basis



* As per IND-AS

Growth Trajectory

on standalone basis

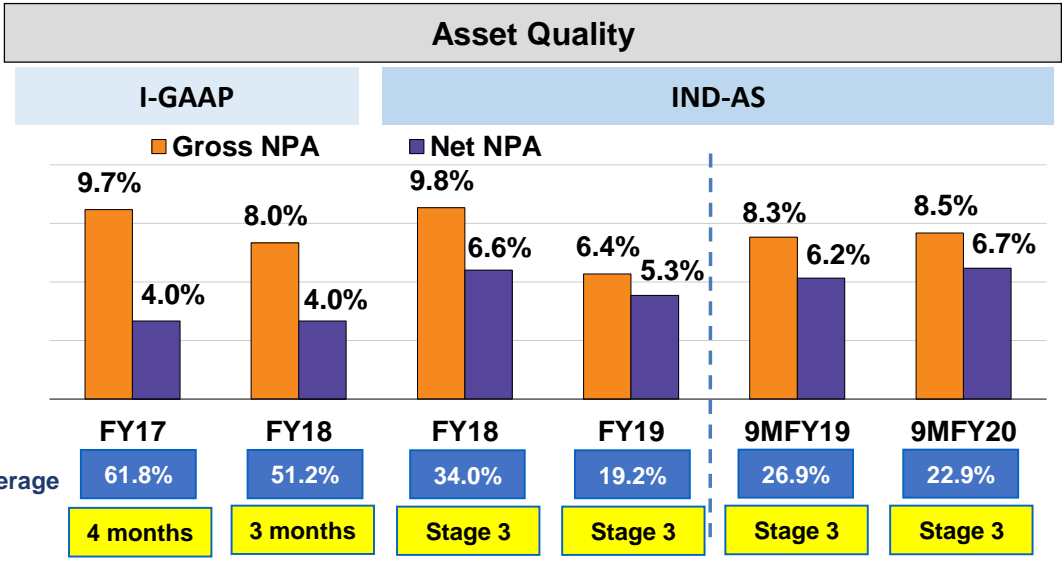
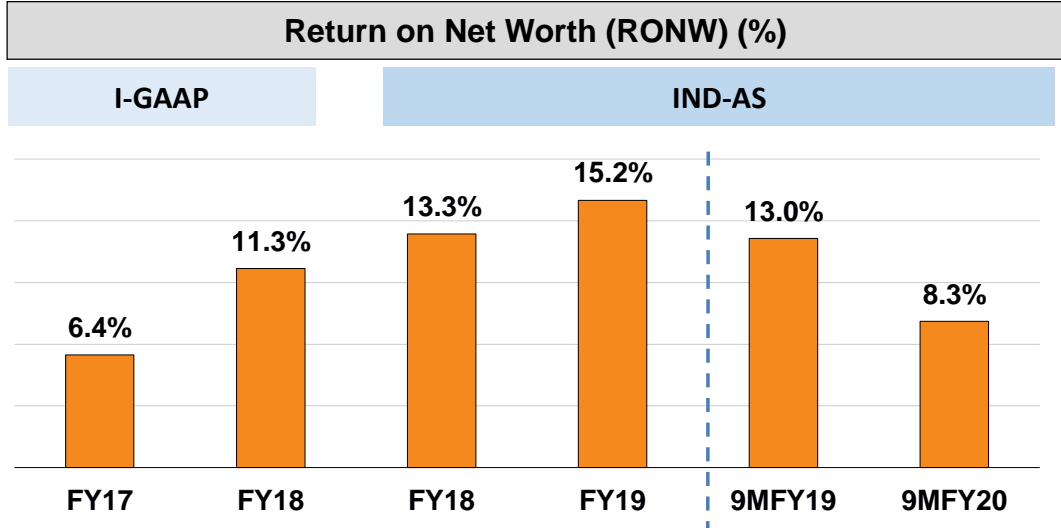
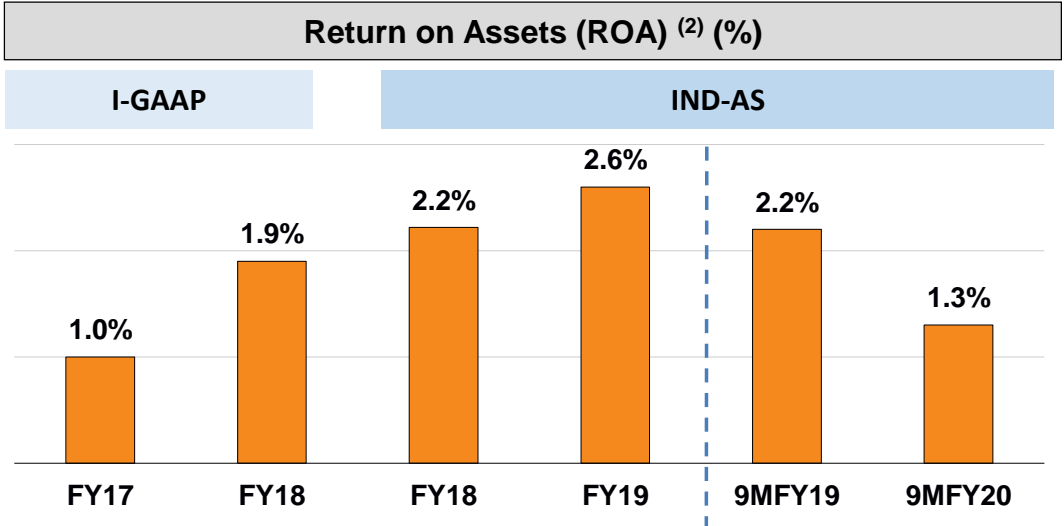
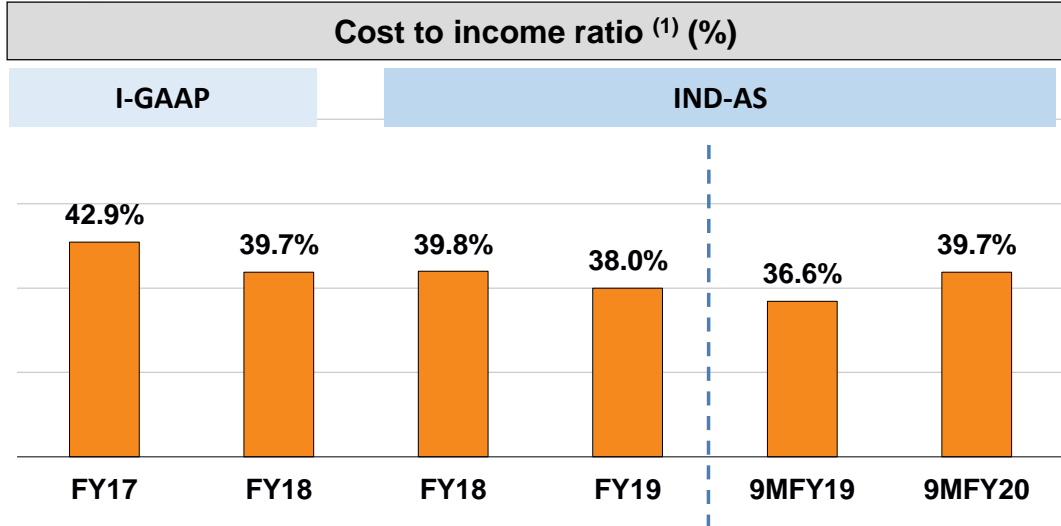


Note :⁽¹⁾ PAT post exceptional items.

⁽²⁾ Calculated as Shareholders funds/ Number of shares.

Financial Performance

on standalone basis



Note : ⁽¹⁾ Cost to Income calculated as Operating Expenses (including depreciation)/(Net Interest Income + Other Income). ⁽²⁾ Calculated based on average total assets

* NPA information provided as a percentage of Total Business Assets

Standalone Profit & Loss Account

Particulars (Rs. in Million)	Q3FY20	Q2FY20	Q-o-Q	Q3FY19	Y-o-Y	FY19
Revenue from operations	25,806	24,864	4%	22,304	16%	87,229
Less: Finance cost	12,088	12,022	1%	10,205	18%	39,445
NII	13,718	12,842	7%	12,099	13%	47,784
Other Income	354	545	-35%	157	125%	869
Total Income	14,072	13,387	5%	12,256	15%	48,653
Employee benefits expense	2,889	2,940	-2%	2,716	6%	10,901
Provisions and write-offs	4,001	3,607	11%	2,247	78%	6,352
Other expenses	1,938	1,897	2%	1,944	0%	6,973
Depreciation and amortization	362	359	1%	152	138%	602
Total Expenses	9,190	8,803	4%	7,059	30%	24,828
Profit before Tax	4,882	4,584	7%	5,197	-6%	23,825
Tax expense *	1,229	2,066	-41%	2,010	-39%	8,254
Net Profit after Taxes	3,653	2,518	45%	3,187	15%	15,571

* Figures re-grouped and rounded where found relevant

Standalone Profit & Loss Account

Particulars (Rs. in Million)	Nine months ended Dec – 19	Nine months ended Dec – 18	Y-o-Y	FY 19
Revenue from operations	74,610	62,684	19%	87,229
Less: Finance cost	35,393	28,002	26%	39,445
NII	39,217	34,682	13%	47,784
Other Income	1,084	625	73%	869
Total Income	40,301	35,307	14%	48,653
Employee benefits expense	9,350	7,760	20%	10,901
Provisions and write-offs	13,803	7,497	84%	6,352
Other expenses	5,570	4,744	17%	6,973
Depreciation and amortization	1,065	429	148%	602
Total Expenses	29,788	20,430	46%	24,828
Profit before Tax	10,513	14,877	-29%	23,825
Tax expense *	3,658	5,186	-29%	8,254
Net Profit after Taxes	6,855	9,691	-29%	15,571

*The Company continued to apply the concessional tax rate provided under the Taxation Laws (Amendment) Ordinance, 2019. Further, the opening net deferred tax asset has been re-measured at lower rate with a **one-time impact of Rs.1,040 million** which is recognised in the statement of profit and loss for the nine month ended 31 December 2019.

* Figures re-grouped and rounded where found relevant

Standalone Balance Sheet

Particulars (Rs. in Million)	As on Dec 31, 2019	As on Dec 31, 2018	As on Mar 31, 2019
ASSETS			
Financial Asset			
a) Cash and cash equivalents	3,685	4,129	5,017
b) Bank balance other than (a) above	7,140	3,318	4,568
c) Derivative financial instruments	129	222	100
d) Trade Receivables	29	37	52
e) Loans	654,935	582,673	612,496
e) Investments	51,425	29,585	37,917
g) Other Financial Assets	5,224	1,221	1,690
Financial Asset	722,567	621,185	661,840
Non-Financial Asset			
a) Current tax assets (Net)	5,825	2,398	3,021
b) Deferred tax Assets (Net)	959	5,723	3,717
c) Property, plant and equipment	3,231	1,192	1,325
d) Other Intangible assets	243	241	306
e) Other non-financial assets	758	644	571
Non-Financial Assets	11,016	10,198	8,940
Total Assets	733,583	631,383	670,780

* Figures re-grouped and rounded where found relevant

Standalone Balance Sheet (Contd.)

Particulars (Rs. in Million)	As on Dec 31, 2019	As on Dec 31, 2018	As on Mar 31, 2019
LIABILITIES AND EQUITY			
Financial Liabilities			
a) Derivative financial instruments	425	-	770
b) Payables			
i) Trade payables	8,288	10,017	9,795
ii) Other payables	278	-	342
c) Debt Securities	210,405	235,218	223,194
d) Borrowings (Other than Debt Securities)	259,699	184,911	213,015
e) Deposits	83,183	46,317	56,672
f) Subordinated Liabilities	34,158	31,638	35,589
g) Other financial liabilities	22,660	17,610	19,266
Financial Liabilities	619,096	525,711	558,643
Non-Financial liabilities			
a) Current tax liabilities (Net)	139	357	139
b) Provisions	2,169	1,655	2,065
c) Other non-financial liabilities	933	605	853
Non-Financial Liabilities	3,241	2,617	3,057
Equity			
a) Equity Share capital	1,231	1,230	1,230
b) Other Equity	110,015	101,826	107,850
Equity	111,246	103,056	109,080
Total Equities and Liabilities	733,583	631,383	670,780

* Figures re-grouped and rounded where found relevant

Consolidated Profit & Loss Account

Particulars (Rs. in Million)	Nine months ended Dec – 19	Nine months ended Dec – 18	Y-o-Y	FY19
Revenue from operations	87,820	74,917	17%	103,717
Less: Finance cost	39,599	31,624	25%	44,323
NII	48,221	43,293	11%	59,394
Other Income	743	368	102%	592
Total Income	48,964	43,661	12%	59,986
Employee benefits expense	12,887	10,540	22%	14,779
Provisions and write Offs	14,971	8,326	80%	7,171
Other expenses	7,247	6,614	10%	9,342
Depreciation and amortization	1,279	542	136%	755
Total Expenses	36,384	26,022	40%	32,047
Profit before Tax (before exceptional)	12,580	17,639	-29%	27,939
Share of profit of associates	376	354	6%	469
Profit before Tax	12,956	17,993	-28%	28,408
Tax expense*	4,487	6,326	-29%	9,735
Net Profit after Taxes	8,469	11,667	-27%	18,673

*The Company continued to apply the concessional tax rate provided under the Taxation Laws (Amendment) Ordinance, 2019. Further, the opening net deferred tax asset has been re-measured at lower rate with a **one-time impact of Rs.1,252 million** which is recognised in the statement of profit and loss for the nine month ended 31 December 2019.

* Figures re-grouped and rounded where found relevant

Consolidated Balance Sheet

Particulars (Rs. in Million)	As on Dec 31, 2019	As on Dec 31, 2018	As on Mar 31, 2019
ASSETS			
Financial Asset			
a) Cash and cash equivalents	4,014	4,523	5,372
b) Bank balance other than (a) above	7,140	3,318	4,568
c) Derivative financial instruments	129	222	100
d) Trade Receivables	481	709	536
e) Loans	734,944	655,683	689,390
f) Investments	46,348	25,843	33,274
g) Other Financial Assets	5,610	1,628	2,121
Financial Asset	798,666	691,926	735,361
Non-Financial Asset			
a) Current tax assets (Net)	6,288	2,466	3,121
b) Deferred tax Assets (Net)	1,295	6,689	4,497
c) Property, plant and equipment	4,163	1,538	1,682
d) Intangible assets under development	11	3	8
e) Other Intangible assets	265	269	333
f) Other non-financial assets	1,015	794	758
Non-Financial Assets	13,037	11,759	10,399
Total Assets	811,703	703,685	745,760

* Figures re-grouped and rounded where found relevant

Consolidated Balance Sheet (Contd.)

Particulars (Rs. in Million)	As on Dec 31, 2019	As on Dec 31, 2018	As on Mar 31, 2019
LIABILITIES AND EQUITY			
Financial Liabilities			
a) Derivative financial instruments	425	-	770
b) Payables			
i) Trade payables	9,294	11,188	11,143
ii) Other payables	278	-	342
c) Debt Securities	232,013	258,275	247,159
d) Borrowings (Other than Debt Securities)	299,154	218,808	246,327
e) Deposits	82,875	45,757	56,309
f) Subordinated Liabilities	36,792	34,270	38,221
g) Other financial liabilities	29,481	23,011	28,408
Financial Liabilities	690,312	591,309	628,679
Non-Financial liabilities			
a) Current tax liabilities (Net)	139	488	139
b) Provisions	2,898	2,180	2,550
c) Other non-financial liabilities	1,053	701	917
Non-Financial Liabilities	4,090	3,369	3,606
Equity			
a) Equity Share capital	1,231	1,230	1,230
b) Other Equity	115,217	106,051	111,460
c) Non-controlling interests	853	1,726	785
Equity (incl attributable to minority investors)	117,301	109,007	113,475
Total Equities and Liabilities	811,703	703,685	745,760

* Figures re-grouped and rounded where found relevant

Summary & Key Ratios

on standalone basis

Particulars	As per IND-AS		
	Nine months ended Dec – 19	Nine months ended Dec – 18	Year ended March – 19
RONW (Avg. Net Worth)	8.3%	13.0%	15.2%
Debt / Equity	5.28:1	4.83:1	4.84:1
Capital Adequacy^{\$}	19.6%	19.4%	20.3%
Tier I	15.4%	14.7%	15.5%
Tier II	4.2%	4.7%	4.8%
EPS (Basic) (Rs.)	11.15	15.77	25.33
Book Value (Rs.)	180.1	166.8	176.6
Dividend %	-	-	325%
New Contracts During the period (Nos.)	588,250	567,846	761,381
No. of employees	21,850	21,082	21,789

^{\$} as per IND-AS after considering proposed dividend

* Figures re-grouped and rounded where found relevant

Spread Analysis

on standalone basis

Particulars	As per IND-AS		
	Nine months ended Dec – 19	Nine months ended Dec – 18	Year ended March – 19
Total Income / Average Assets	14.4%	14.6%	14.7%
Interest / Average Assets	6.7%	6.5%	6.6%
Gross Spread	7.7%	8.1%	8.1%
Overheads / Average Assets	3.0%	3.0%	3.1%
Write offs & NPA provisions / Average Assets	2.6%	1.7%	1.0%
Net Spread	2.0%	3.4%	4.0%
Net Spread after Tax	1.3%	2.2%	2.6%

* Average Assets is computed based on Net Total Assets i.e Total Assets less Provisions

NPA Analysis (As per IND-AS) - on Business Assets

on standalone basis

Particulars (Rs. in Million) except figures in %	Dec 31, 2019	Dec 31, 2018	Sep 30, 2019	Jun 30, 2019	Mar 31, 2019
Business Assets (including Provisions)	680,179	606,999	660,584	648,200	631,164
Gross NPA (Stage 3)	57,733	50,645	52,038	52,952	40,706
Less: ECL Provisions (Stage 3)	13,214	13,611	10,172	13,163	7,799
Net NPA (Stage 3)	44,519	37,034	41,866	39,789	32,907
Gross NPA as % of Business Assets (Stage 3)	8.5%	8.3%	7.9%	8.2%	6.4%
Net NPA as % of Business Assets (Stage 3)	6.7%	6.2%	6.4%	6.3%	5.3%
Coverage Ratio (%) – based on Stage 3 ECL	22.9%	26.9%	19.5%	24.9%	19.2%
Stage 1 & 2 provision to Business Assets (%)	1.8%	1.8%	1.9%	1.7%	1.7%
Coverage Ratio (%) – including Stage 1 & 2 provision	43.8%	48.4%	43.6%	45.8%	46.0%

Particulars (in units) except figures in %	As on Dec 31, 2019	As on Dec 31, 2018	As on Mar 31, 2019
Contracts under NPA (90 dpd)	138,635	128,522	93,084
% of Live Cases under NPA	5.4%	5.6%	4.0%
Repossessed Assets (out of above NPA)	13,821	14,701	9,832

* Figures re-grouped and rounded where found relevant

NPA Analysis (As per IND-AS) – on Total Assets

on standalone basis

Particulars (Rs. in Million) except figures in %	Dec 31, 2019	Dec 31, 2018	Mar 31, 2019
Total Assets (including Provisions)	758,844	655,754	689,476
Gross NPA (Stage 3)	57,733	50,645	40,706
Less: ECL Provisions (Stage 3)	13,214	13,611	7,799
Net NPA (Stage 3)	44,519	37,034	32,907
Gross NPA as % of Total Assets (Stage 3)	7.6%	7.7%	5.9%
Net NPA as % of Total Assets (Stage 3)	6.0%	5.8%	4.8%
Coverage Ratio (%) – based on Stage 3 ECL	22.9%	26.9%	19.2%
Stage 1 & 2 provision to Total Assets (%)	1.6%	1.7%	1.6%
Coverage Ratio (%) – including Stage 1 & 2 provision	43.8%	48.4%	46.0%

Particulars (in units) except figures in %	As on Dec 31, 2019	As on Dec 31, 2018	As on Mar 31, 2019
Contracts under NPA (90 dpd)	138,635	128,522	93,084
% of Live Cases under NPA	5.4%	5.6%	4.0%
Repossessed Assets (out of above NPA)	13,821	14,701	9,832

* Figures re-grouped and rounded where found relevant



Company Overview

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Key Subsidiaries

Awards & Accolades

Risk Management Policies

Transforming rural lives across the country

Mahindra Rural Housing Finance Limited

Accounting Basis	As per IND-AS		
	Particulars (Rs. million) except figures in %	Nine Months ended December – 19	Nine Months ended December – 18
Loans disbursed	14,652	17,767	25,811
No. of Customer Contracts (nos.)	74,050	114,776	171,187
Outstanding loan book	80,007	73,009	76,892
Total income	11,271	10,302	13,839
PBT	2,173	2,622	3,662
PAT	1,481	1,685	2,505
Net-worth	12,466	9,935	11,271
GNPA % – IND-AS I-GAAP	17.56% 13.54%	15.75% 12.24%	13.02% 9.65%
NNPA % – IND-AS I-GAAP	14.23% 9.85%	13.07% 9.14%	10.77% 6.81%
NNPA % – IND-AS I-GAAP (Net of Total Provisions)	12.86% 9.61%	11.24% 8.87%	8.87% 6.53%

- **Business Area:** Provide loans for home construction, extension, purchase and improvement to customers in rural and semi-urban India
- **Shareholding pattern:** MMFSL – 98.43%; MRHFL Employee Welfare Trust – 1.57%
- **Reach:** Currently spread in 14 States & 1 Union Territory

*The Company continued to apply the concessional tax rate provided under the Taxation Laws (Amendment) Ordinance, 2019. Further, the opening net deferred tax asset has been re-measured at lower rate with a **one-time impact of Rs.207 million** which is recognised in the statement of profit and loss for the nine month ended 31 December 2019.

* Figures re-grouped and rounded where found relevant

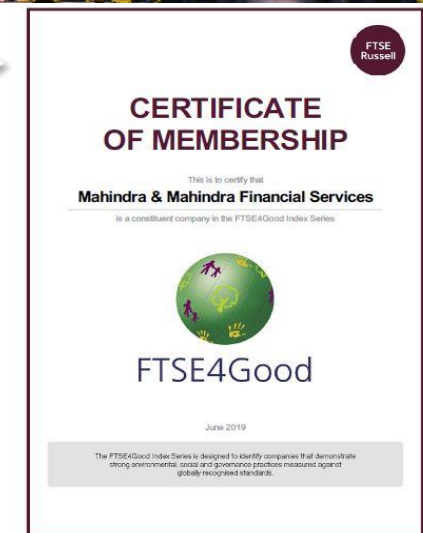
Mahindra Insurance Brokers Limited

Accounting Basis	As per IND-AS		
	Particulars (Rs. million)	Nine Months ended December – 19	Nine Months ended December – 18
No. of Policies for the Period (nos.)	1,698,407	1,669,594	2,265,146
Net Premium	14,890	12,902	19,238
Total income	2,490	2,237	3,234
PBT	457	643	1,029
PAT	330	448	715
No. of employees (nos.)	1,180	1,063	1,097

- **Business Area:** Licensed by IRDA for undertaking insurance broking in Life, Non-Life and reinsurance businesses
- **Shareholding pattern:** MMFSL – 80%; Inclusion Resources Pvt. Ltd. – 20%

Awards and Accolades

- **Global Corporate Sustainability Award** in the award category: Reporting, Emerging Market at Taipei, Taiwan
- Ranked **49th amongst Top 100** Indian companies for Sustainability & CSR under Responsible Business Rankings 2019 by Futurescape.
- Ranked **8th Rank**, in the **India's Best Companies to Work 2019-** a study by **Economic Times**, felicitated by The Great Place to Work Institute®
- Ranked **11th** among **the Best Large Workplaces** in the **Asia's Best Workplaces 2019** list by The Great Place to Work Institute®
- Awarded **Aon Best Employers Award 2019**
- Included in **DJSI Leadership Index for Emerging Markets category**, for 7th year in a row.
- Awarded the **IDF CSR Award 2019** for participation in Resource Mobilization for Humanitarian Causes
- Included in the renowned **FTSE4Good Index Series constituent**



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Transforming rural lives across the country

Risk Management Policies

Provisioning Norms

Stage	Description	Provision Mechanism
Stage 1	0- 30 days past due	PD * LGD * Stage 1 Asset
Stage 2	> 30 to <= 90days past due	PD * LGD * Stage 2 Asset
Stage 3	> 90 days past due	LGD * EAD of Stage 3 Asset*

*Fair valued at reporting date

PD – Probability of Default;

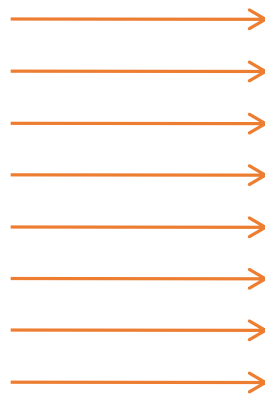
LGD – Loss given Default;

EAD – Exposure at Default

Key Risks & Management Strategies

Key Risks

- Volatility in interest rates
- Rising competition
- Raising funds at competitive rates
- Dependence on M&M
- Occurrence of natural disasters
- Adhering to write-off standards
- Employee retention
- Physical cash management



Management Strategies

- Matching of asset and liabilities
- Increasing branch network
- Maintaining credit rating & improving asset quality
- Increasing non-M&M Portfolio
- Increasing geographical spread
- Diversify the product portfolio
- Job rotation / ESOP/ Recovery based performance initiatives
- Insurance & effective internal control

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