

# Mahindra & Mahindra Financial Services Limited

Quarter Result Update  
June - 2019

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CIN - L65921MH1991PLC059642



**Company Overview**

**Industry Overview**

**Business Strategy**

**Financial Information**

**Key Subsidiaries**

**Awards & Accolades**

**Risk Management Policies**

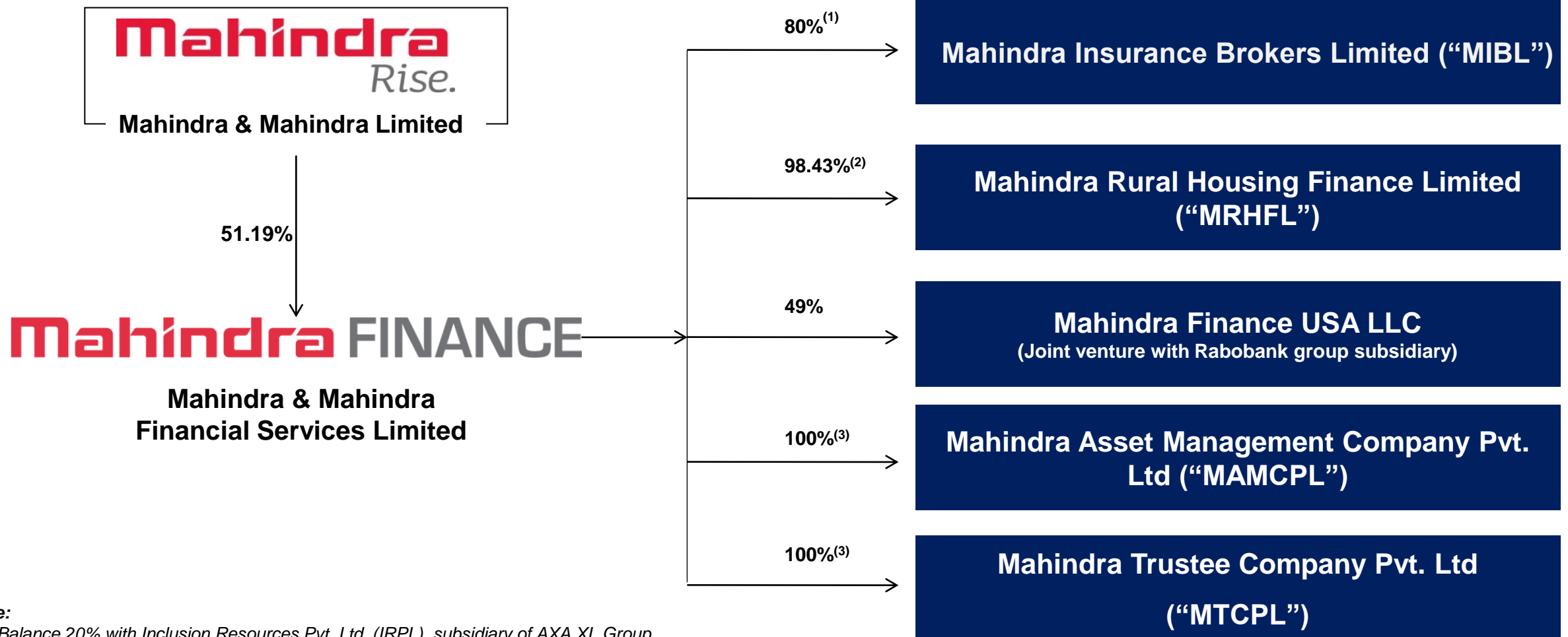
***Transforming rural lives across the country***

# Company Background

- Parentage:** Mahindra & Mahindra Financial Services Limited (“MMFSL”) is a subsidiary of Mahindra and Mahindra Limited (*Mcap: Rs 702 billion*)\*, India’s largest tractor and utility vehicle manufacturer
- About MMFSL:** MMFSL (*Mcap: Rs 221 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 1,334 offices covering 28 states and 5 union territories in India, with over 6.28 million vehicle finance customer contracts since inception
- Credit Ratings:** India Ratings has assigned AAA(ind)/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 July 22, 2019 from BSE website*

# MMFSL Group structure

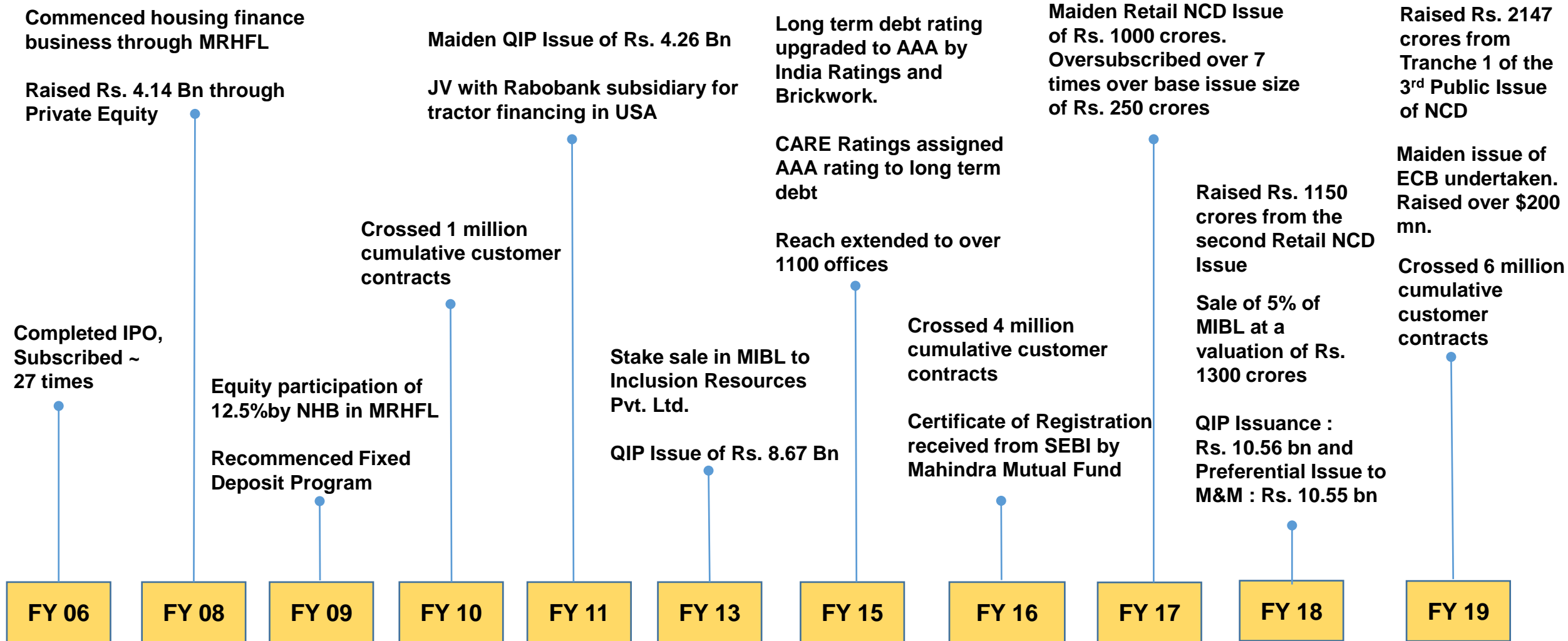


**Note:**

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 2<sup>nd</sup> April 2019 for undertaking all CSR initiatives under one umbrella

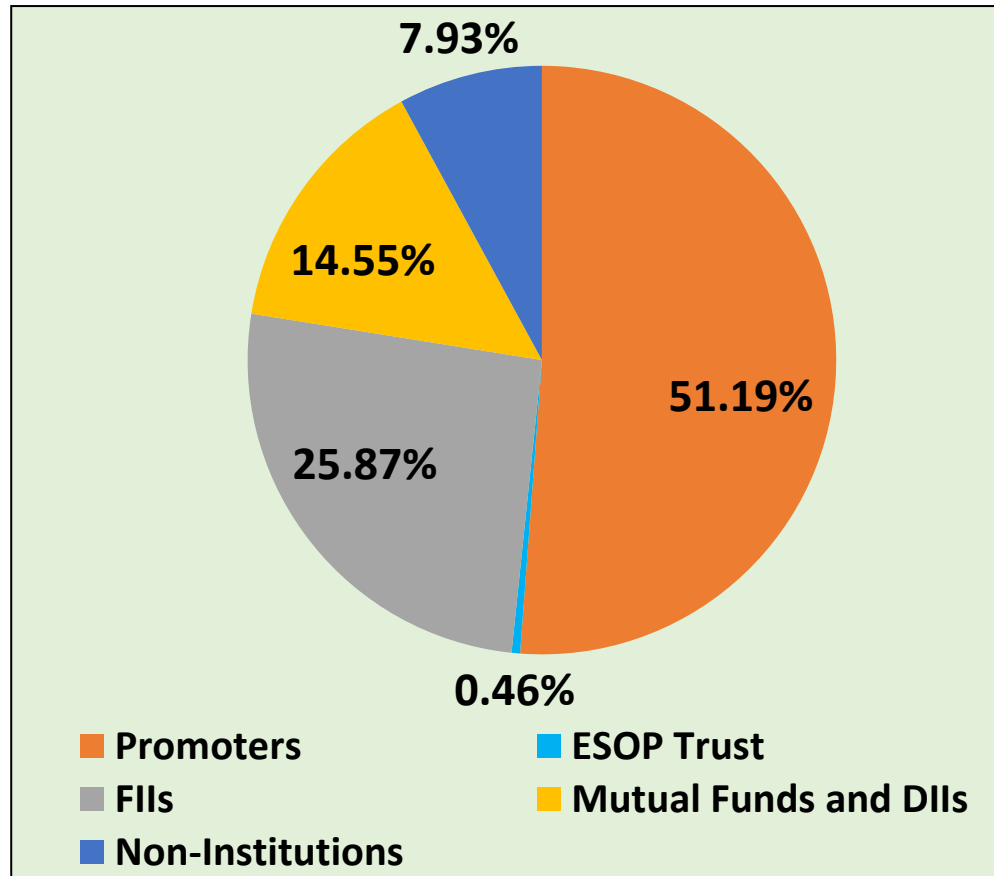
\* As on June 30, 2019

# Our Journey



# Shareholding Pattern (as on 30<sup>th</sup> June, 2019)

## Shareholding Pattern Chart



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
- Blackrock Global Funds Asian Dragon Fund
- Blackrock Global Funds - Asian Growth Leaders Fund
- Valiant Mauritius Partners Offshore Limited
- Life Insurance Corporation Of India P & Gs Fund
- SBI Blue Chip Fund
- Bank Muscat India Fund
- Vanguard Emerging Markets Stock Index Fund



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# 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%	1,032	10% - 12%	1,747
Commercial vehicle	351	20%	859	5% - 7%	1,171
Two wheelers	140	18%	309	11% - 13%	552
Three wheelers	64	12%	110	10% - 12%	188

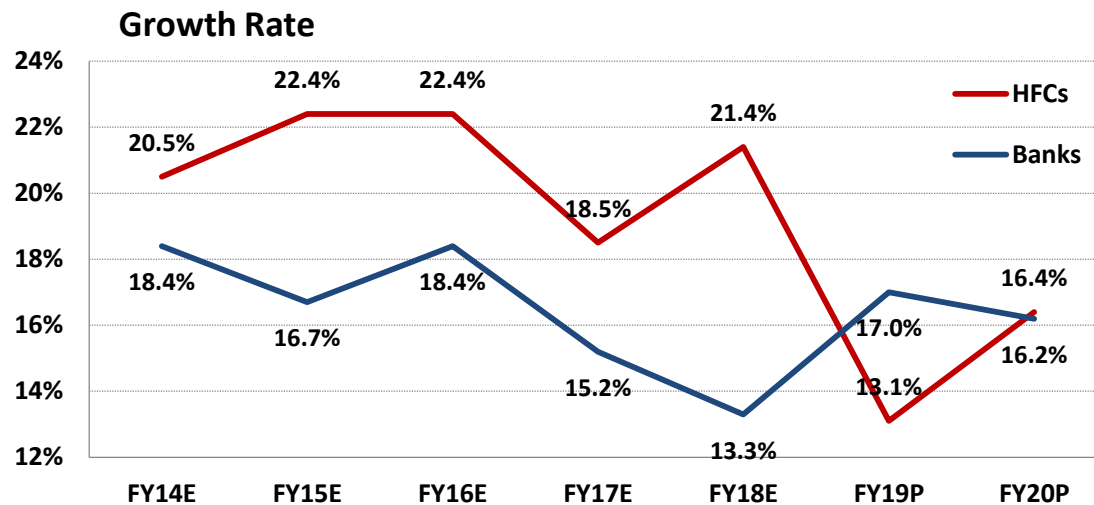
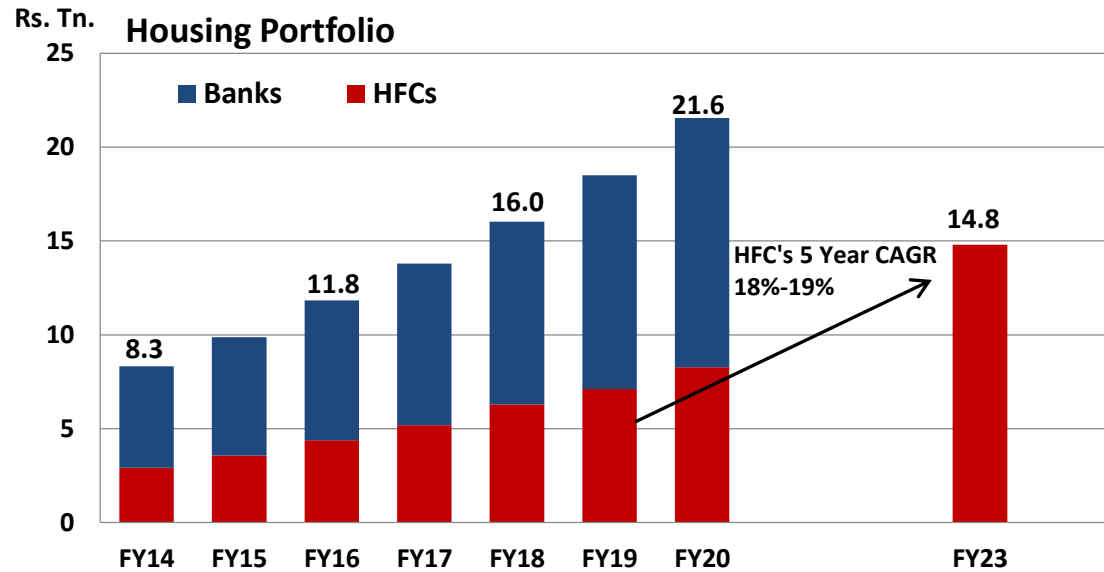
Source: CRISIL Research, Retail Finance - Auto, June 2019

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 (E)) as a result of a moderation in interest rates and better availability of credit information
- Loan-to-value (LTVs) expected to increase marginally to 77% for cars and 74.5% for UVs from 75.5% and 73% respectively over the same period
- 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 especially for HFC's. However, demand side fundamentals remain strong.
- Affordable housing a new growth engine. PSL enhancement to also support growth
- Share of loans from Banks to increase as over the medium term
- Deeper mortgage penetration and increased demand from Tier II/ smaller towns to fuel loan growth over the period
- Government's aggressive push towards affordable housing leading to 3x increase in number of houses
- Mortgage penetration in India is 9 – 11 years behind other regional emerging markets like China and Thailand



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# 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**

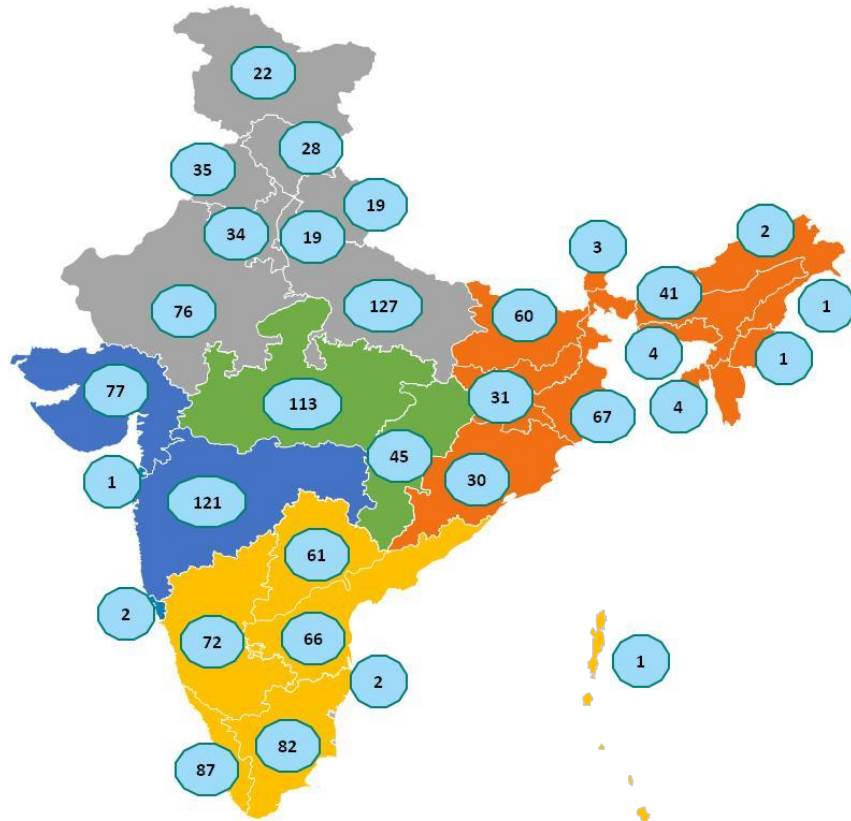
**Effective use of technology to improve productivity**

**Leverage the “Mahindra” Ecosystem**

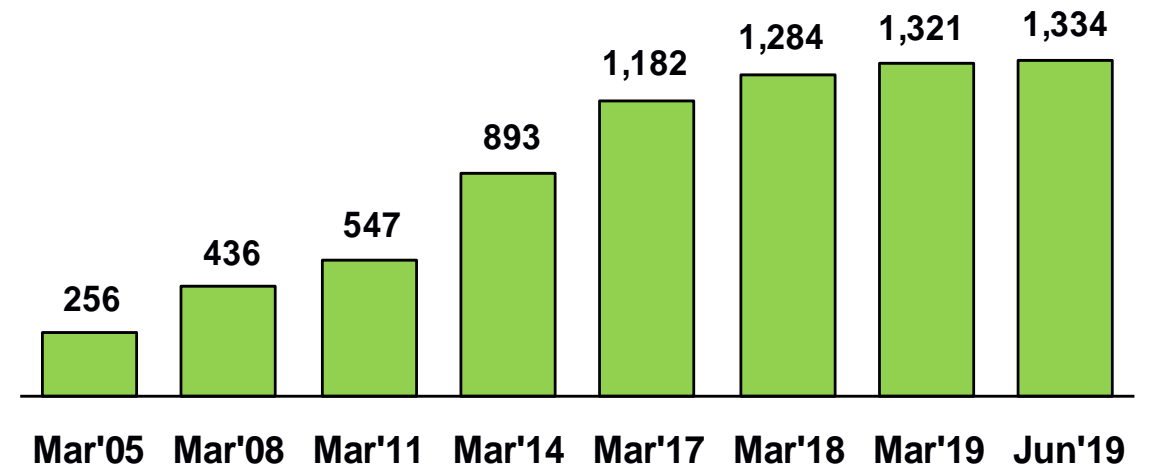
# Extensive Branch Network

- Extensive branch network with presence in 28 states and 5 union territories in India through 1,334 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

Asset Class	Quarter ended June – 19	Quarter ended June – 18	Year ended March – 19
Auto/ Utility vehicles	27%	24%	25%
Tractors	17%	19%	18%
Cars	20%	21%	20%
Commercial vehicles and Construction equipments	18%	17%	19%
Pre-owned vehicles	16%	14%	14%
SME and Others	2%	5%	4%

\* Standalone

# Break down of AUM

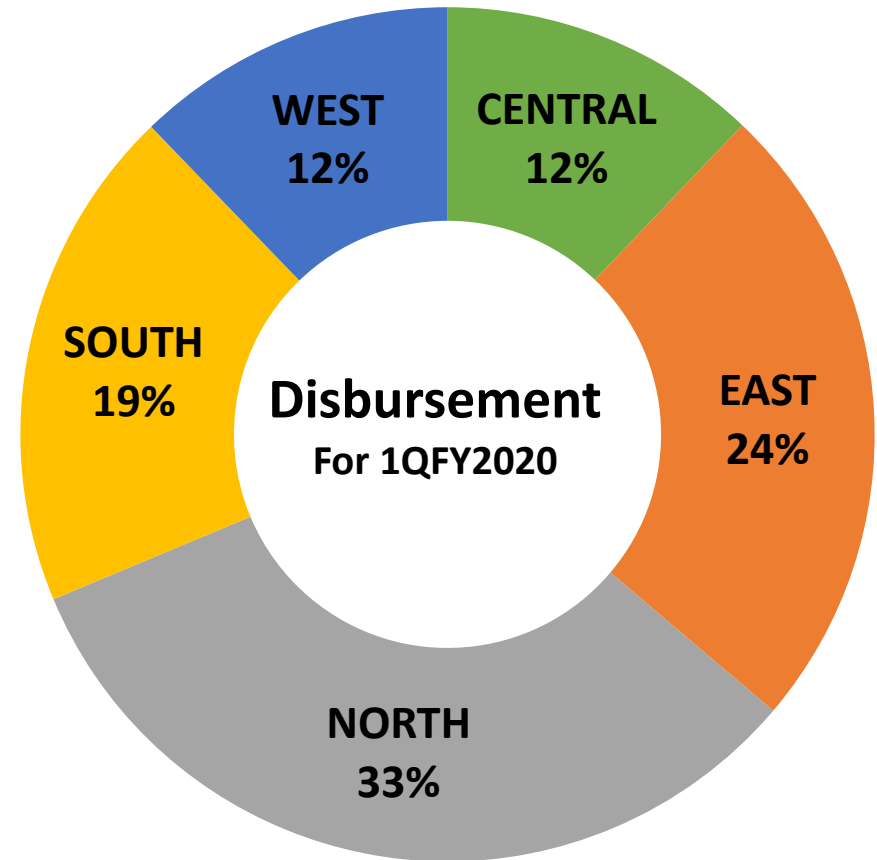
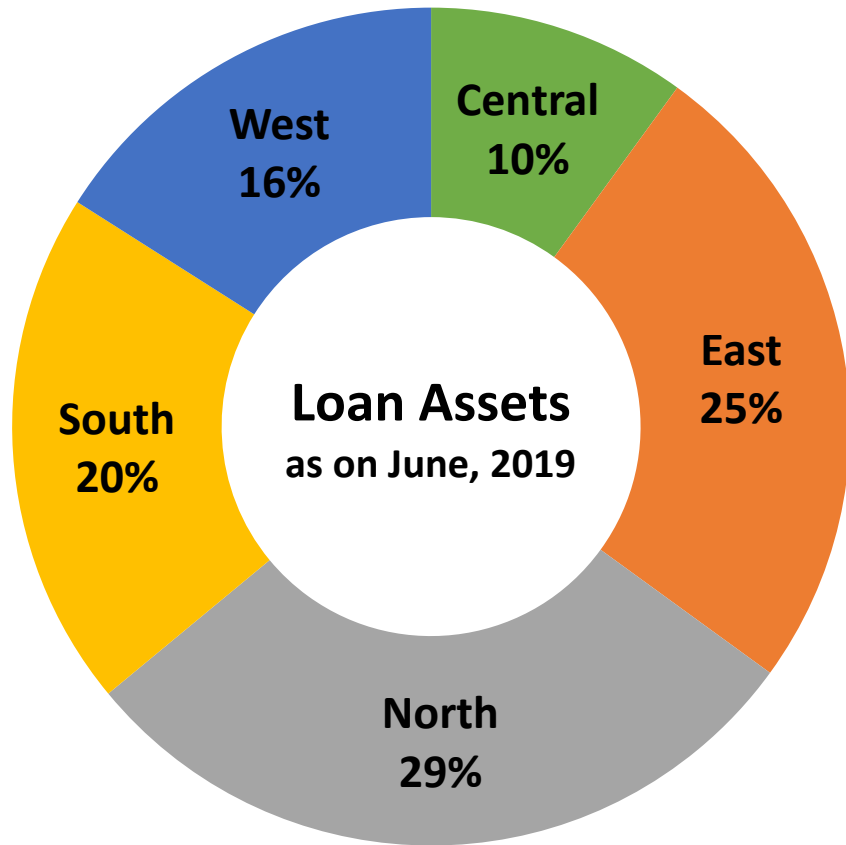
Asset Class	As on June – 19	As on June – 18	As on March – 19
Auto/ Utility vehicles	26%	27%	26%
Tractors	17%	17%	17%
Cars	21%	22%	21%
Commercial vehicles and Construction equipments	19%	14%	18%
Pre-owned vehicles	9%	8%	9%
SME and Others	8%*	12%	9%

As on 30<sup>th</sup> June 19, ~43% of the AUM was from M&M assets

\* Share of SME: 5%

\* Standalone

# Break down by Geography



**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;

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

**CENTRAL:** Chhattisgarh, Madhya Pradesh;

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

\* Standalone



# 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

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

## Funding Mix by Investor profile (Jun'19)

Investor Type	Amount (INR mn.)	% Share
Banks	246,213	44.8%
Mutual Fund	84,349	15.3%
Insurance & Pension Funds	87,643	15.9%
FIs & Corporates	52,266	9.5%
Others	79,568	14.5%
<b>Total</b>	<b>550,039</b>	<b>100.0%</b>

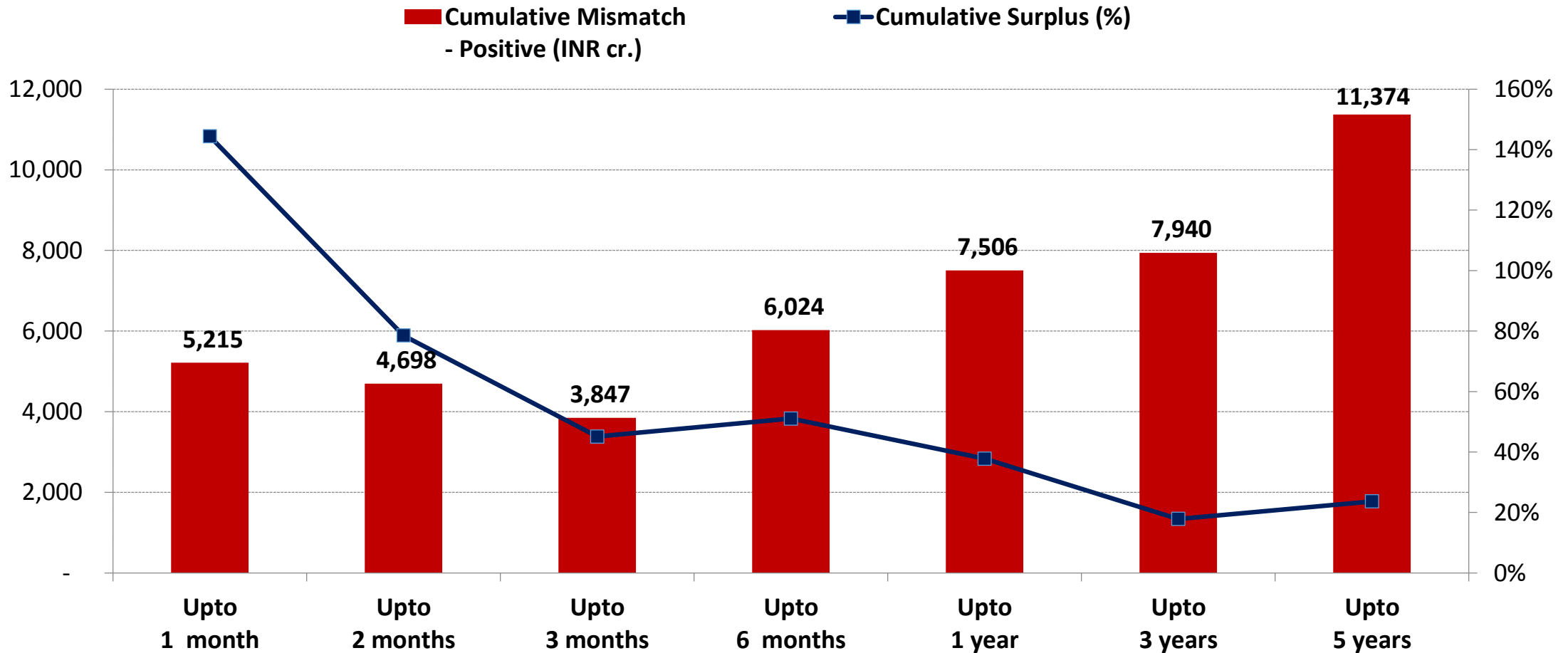
\* Based on holding as on 30<sup>th</sup> June, 2019

## Funding Mix by type of Instrument (Jun'19)

Instrument Type	Amount (INR mn.)	% Share
NCDs	183,407	33.3%
Retail NCDs	42,975	7.8%
Bank Loans	155,542	28.3%
Offshore Borrowings	13,941	2.5%
Fixed Deposits	67,457	12.3%
CP, ICD	36,275	6.6%
Securitisation/ Assignment	50,442	9.2%
<b>Total</b>	<b>550,039</b>	<b>100.0%</b>

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

# ALM Position



As on 30<sup>th</sup> June, 19

\* Based on provisional filing with RBI

# 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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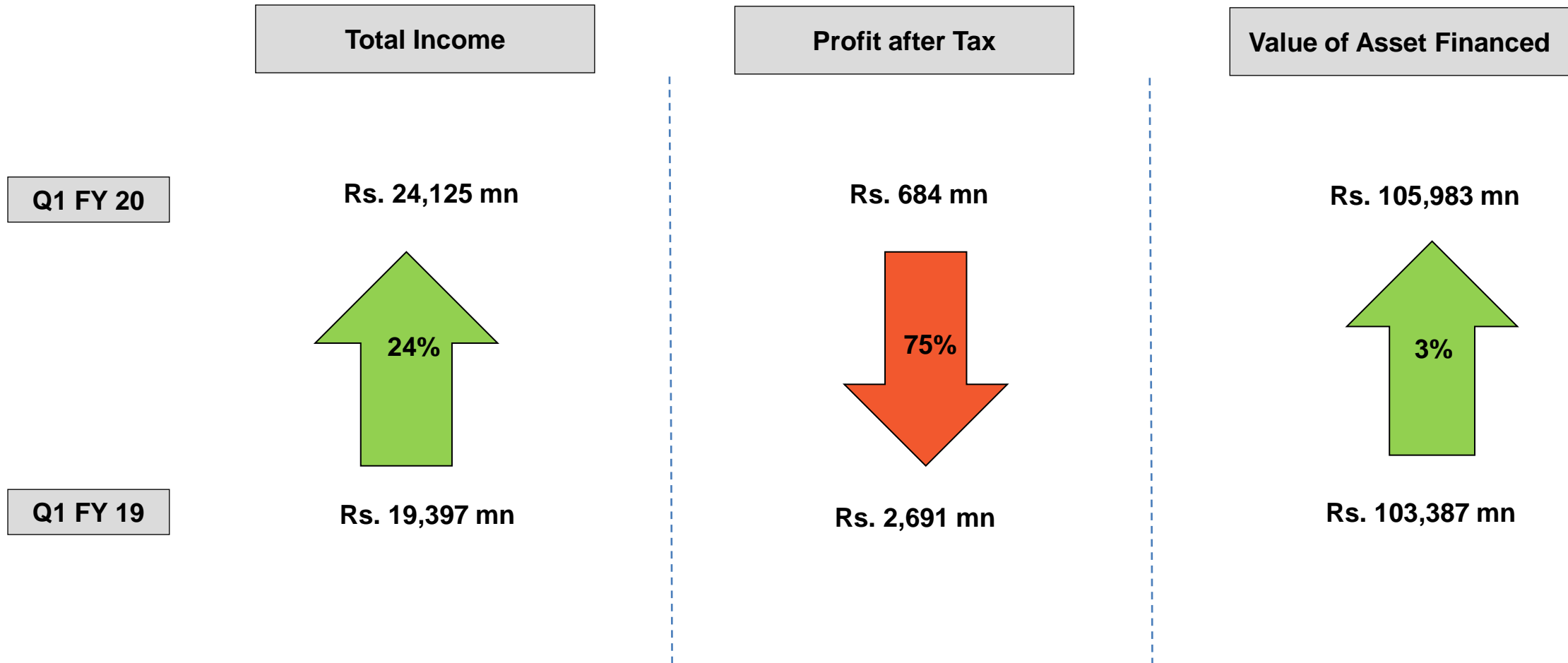
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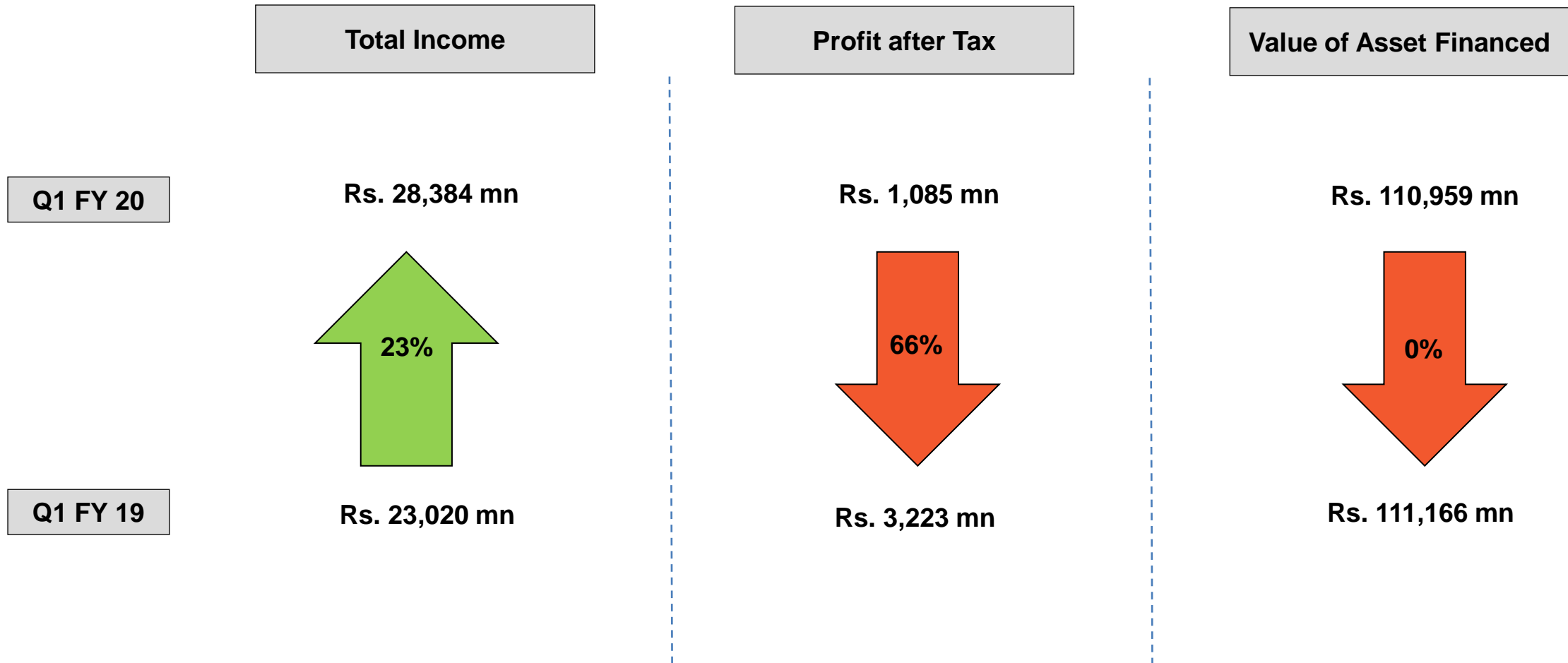
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# Key Financials (Standalone)



\* As per IND-AS

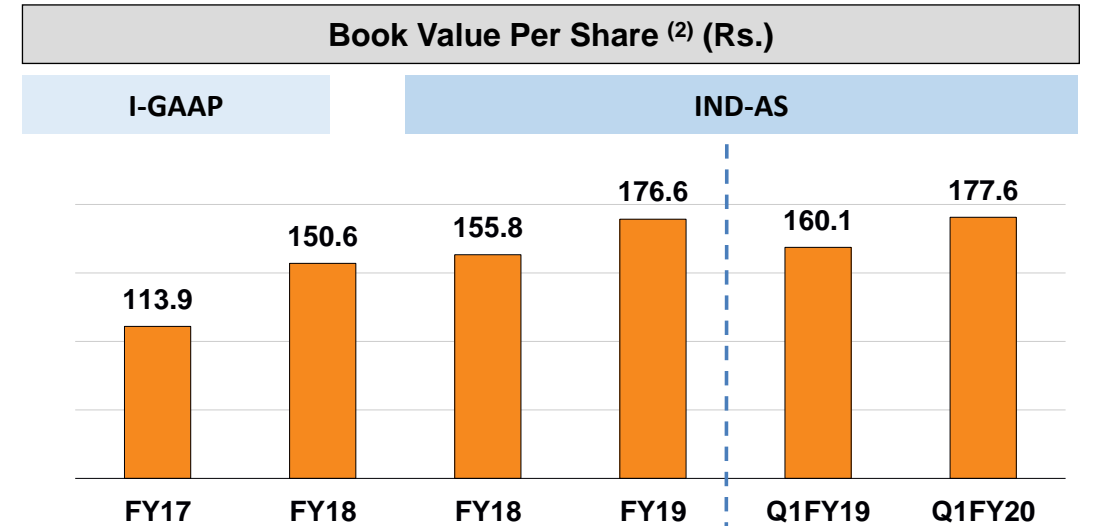
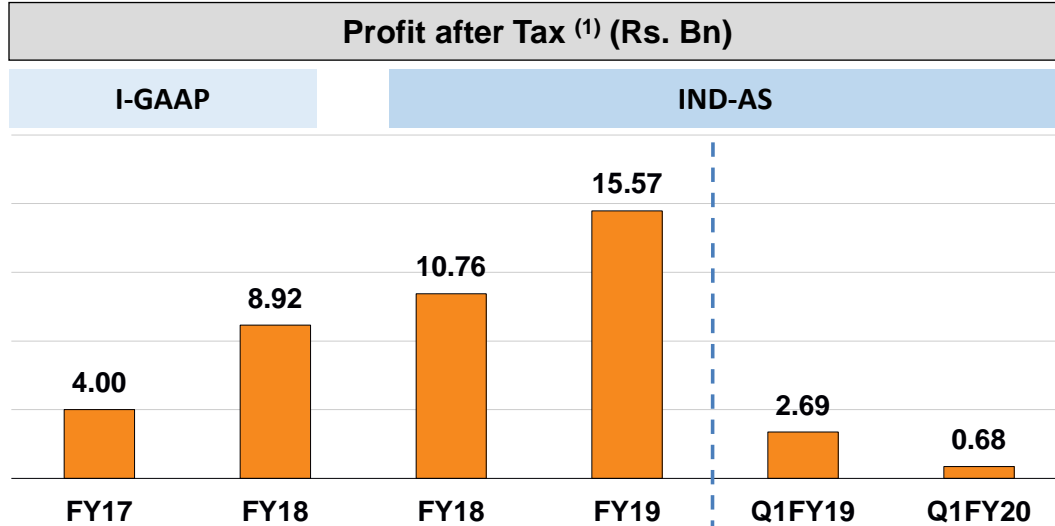
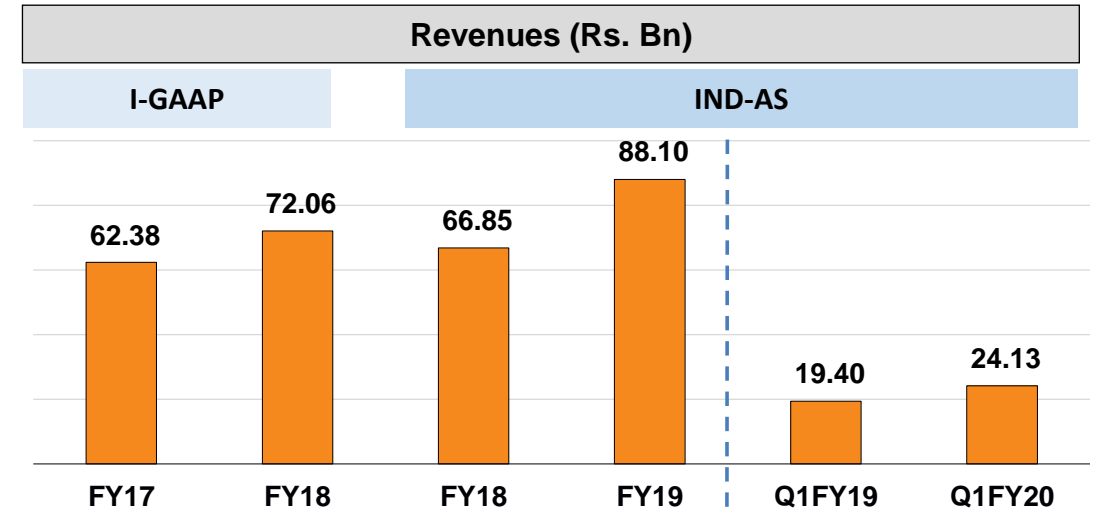
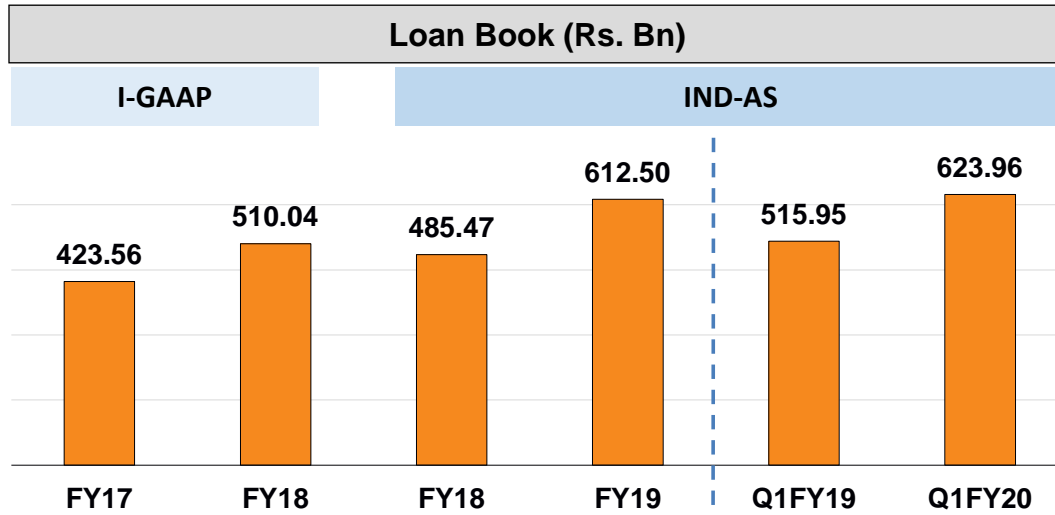
# Key Financials (Consolidated)



\* As per IND-AS

# Growth Trajectory

Figures on standalone basis



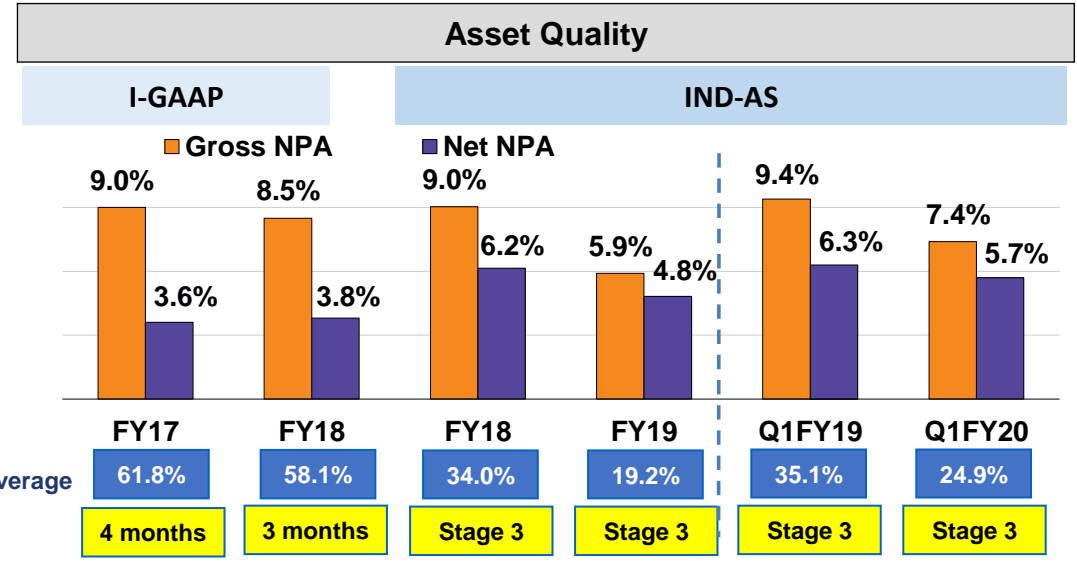
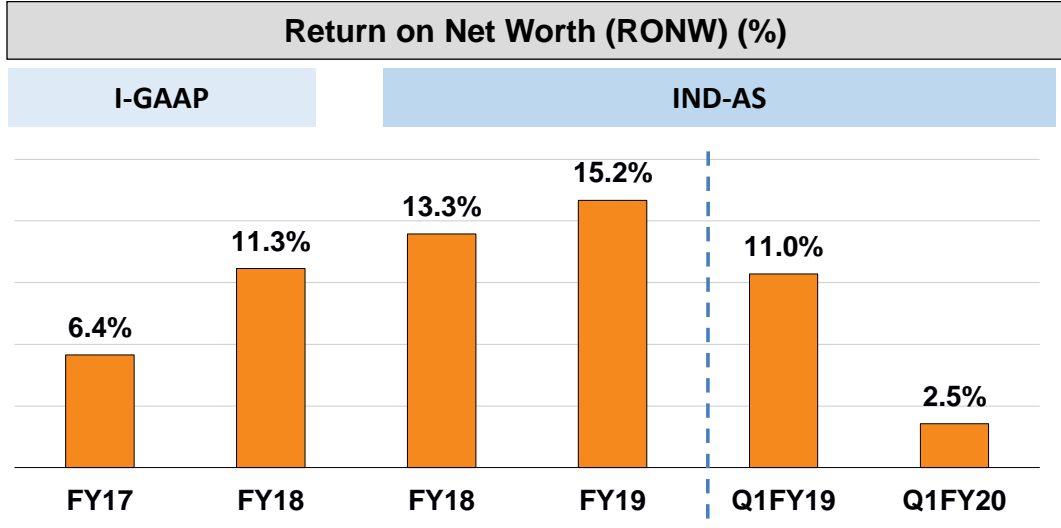
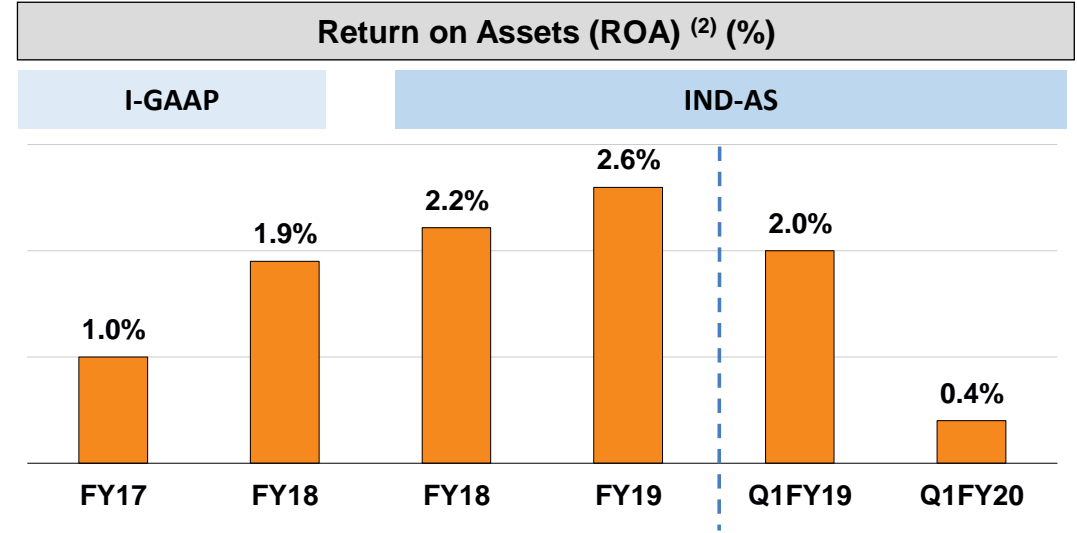
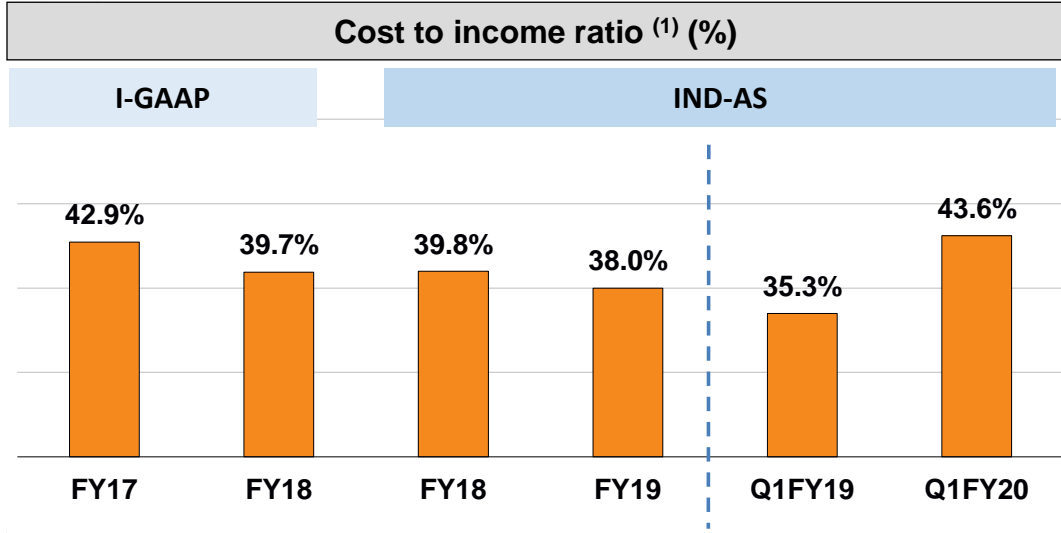
Note :<sup>(1)</sup> PAT post exceptional items.

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



# Financial Performance

Figures on standalone basis



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

\* GNPA under I-GAAP after including income reversal

# Standalone Profit & Loss Account: IND-AS

Accounting Basis	As per IND-AS			
Particulars (Rs. in Million)	Q1FY20	Q1FY19	Y-o-Y	FY19
Revenue from operations	23,940	19,286	24.1%	87,229
Less: Finance cost	11,282	8,488	32.9%	39,445
<b>NII</b>	<b>12,658</b>	<b>10,798</b>	<b>17.2%</b>	<b>47,784</b>
Other Income	185	111	66.2%	869
<b>Total Income</b>	<b>12,843</b>	<b>10,909</b>	<b>17.7%</b>	<b>48,653</b>
Employee benefits expense	3,521	2,634	33.6%	10,901
Provisions and write-offs	6,196	2,938	110.9%	6,352
Other expenses	1,736	1,082	60.5%	6,973
Depreciation and amortization	343	133	158.8%	602
<b>Total Expenses</b>	<b>11,796</b>	<b>6,787</b>	<b>73.8%</b>	<b>24,828</b>
<b>Profit before Tax</b>	<b>1,047</b>	<b>4,122</b>	<b>-74.6%</b>	<b>23,825</b>
Tax expense	363	1,431	-74.7%	8,254
<b>Net Profit after Taxes</b>	<b>684</b>	<b>2,691</b>	<b>-74.6%</b>	<b>15,571</b>

\* Figures re-grouped and rounded where found relevant

# Standalone Balance Sheet

Particulars (Rs. in Million)	As on Jun 30, 2019	As on Jun 30, 2018	As on Mar 31, 2019
<b>ASSETS</b>			
<b>Financial Asset</b>			
a) Cash and cash equivalents	2,735	2,447	5,017
b) Bank balance other than (a) above	5,365	1,271	4,568
c) Derivative financial instruments	50	244	100
d) Trade Receivables	76	44	52
e) Loans	623,965	515,949	612,496
f) Investments	43,394	24,521	37,917
g) Other Financial Assets	2,811	784	1,690
<b>Financial Asset</b>	<b>678,396</b>	<b>545,260</b>	<b>661,840</b>
<b>Non-Financial Asset</b>			
a) Current tax assets (Net)	3,559	1,742	3,021
b) Deferred tax Assets (Net)	3,738	6,089	3,717
c) Property, plant and equipment	1,337	1,085	1,325
d) Right to use (Leased assets)	1,843	-	-
e) Other Intangible assets	276	265	306
f) Other non-financial assets	660	519	571
<b>Non-Financial Assets</b>	<b>11,413</b>	<b>9,700</b>	<b>8,940</b>
<b>Total Assets</b>	<b>689,809</b>	<b>554,960</b>	<b>670,780</b>

\* Figures re-grouped and rounded where found relevant

# Standalone Balance Sheet (Contd.)

Particulars (Rs. in Million)	As on Jun 30, 2019	As on Jun 30, 2018	As on Mar 31, 2019
<b>LIABILITIES AND EQUITY</b>			
<b>Financial Liabilities</b>			
a) Derivative financial instruments	622	8	770
b) Payables			
i) Trade payables	8,812	11,908	9,795
ii) Other payables	262	-	342
c) Debt Securities	217,128	221,692	223,194
d) Borrowings (Other than Debt Securities)	227,921	139,037	213,015
e) Deposits	67,083	33,570	56,672
f) Subordinated Liabilities	35,590	32,344	35,589
g) Other financial liabilities	19,701	15,094	19,266
<b>Financial Liabilities</b>	<b>577,119</b>	<b>453,653</b>	<b>558,643</b>
<b>Non-Financial liabilities</b>			
a) Current tax liabilities (Net)	139	381	139
b) Provisions	2,068	1,434	2,065
c) Other non-financial liabilities	742	597	853
<b>Non-Financial Liabilities</b>	<b>2,949</b>	<b>2,412</b>	<b>3,057</b>
<b>Equity</b>			
a) Equity Share capital	1,230	1,229	1,230
b) Other Equity	108,511	97,666	107,850
<b>Equity</b>	<b>109,741</b>	<b>98,895</b>	<b>109,080</b>
<b>Total Equities and Liabilities</b>	<b>689,809</b>	<b>554,960</b>	<b>670,780</b>

\* Figures re-grouped and rounded where found relevant

# Consolidated Profit & Loss Account

Particulars (Rs. in Million)	Q1FY20	Q1FY19	Y-o-Y	FY19
Revenue from operations	28,219	22,927	23.1%	103,717
Less: Finance cost	12,626	9,567	32.0%	44,323
<b>NII</b>	<b>15,593</b>	<b>13,360</b>	<b>16.7%</b>	<b>59,394</b>
Other Income	165	92	79.2%	592
<b>Total Income</b>	<b>15,758</b>	<b>13,452</b>	<b>17.1%</b>	<b>59,986</b>
Employee benefits expense	4,725	3,448	37.1%	14,779
Provisions and write Offs	6,769	3,454	96.0%	7,171
Other expenses	2,383	1,638	45.4%	9,342
Depreciation and amortization	415	162	156.1%	755
<b>Total Expenses</b>	<b>14,292</b>	<b>8,702</b>	<b>64.2%</b>	<b>32,047</b>
<b>Profit before tax (before Exceptional)</b>	<b>1,466</b>	<b>4,750</b>	<b>-69.1%</b>	<b>27,939</b>
Share of profit of associates	133	134	-1.1%	469
<b>Profit before tax</b>	<b>1,599</b>	<b>4,884</b>	<b>-67.3%</b>	<b>28,408</b>
Tax expense	514	1,661	-69.0%	9,735
<b>Net Profit after Taxes</b>	<b>1,085</b>	<b>3,223</b>	<b>-66.3%</b>	<b>18,673</b>

\* Figures re-grouped and rounded where found relevant

# Consolidated Balance Sheet

Particulars (Rs. in Million)	As on Jun 30, 2019	As on Jun 30, 2018	As on Mar 31, 2019
<b>ASSETS</b>			
<b>Financial Asset</b>			
a) Cash and cash equivalents	4,538	2,898	5,372
b) Bank balance other than (a) above	5,365	1,271	4,568
c) Derivative financial instruments	50	244	100
d) Trade Receivables	538	448	536
e) Loans	702,688	583,919	689,390
f) Investments	38,252	21,096	33,274
g) Other Financial Assets	3,247	1,177	2,121
<b>Financial Asset</b>	<b>754,678</b>	<b>611,053</b>	<b>735,361</b>
<b>Non-Financial Asset</b>			
a) Current tax assets (Net)	3,726	1,860	3,121
b) Deferred tax Assets (Net)	4,507	6,064	4,497
c) Property, plant and equipment	1,692	1,332	1,682
d) Right to use (Lease assets)	2,490	-	-
e) Intangible assets under development	10	2	8
f) Other Intangible assets	300	286	333
g) Other non-financial assets	886	723	758
<b>Non-Financial Assets</b>	<b>13,611</b>	<b>10,267</b>	<b>10,399</b>
<b>Total Assets</b>	<b>768,289</b>	<b>621,320</b>	<b>745,760</b>

\* Figures re-grouped and rounded where found relevant

# Consolidated Balance Sheet (Contd.)

Particulars (Rs. in Million)	As on Jun 30, 2019	As on Jun 30, 2018	As on Mar 31, 2019
<b>LIABILITIES AND EQUITY</b>			
<b>Financial Liabilities</b>			
a) Derivative financial instruments	4,613	4,173	770
b) Payables			
i) Trade payables	10,118	12,742	11,143
ii) Other payables	376	-	342
c) Debt Securities	241,348	244,207	247,159
d) Borrowings (Other than Debt Securities)	266,427	170,065	246,327
e) Deposits	66,790	33,010	56,309
f) Subordinated Liabilities	38,224	34,638	38,221
g) Other financial liabilities	22,251	16,152	28,408
<b>Financial Liabilities</b>	<b>650,147</b>	<b>514,987</b>	<b>628,679</b>
<b>Non-Financial liabilities</b>			
a) Current tax liabilities (Net)	139	380	139
b) Provisions	2,649	1,731	2,550
c) Other non-financial liabilities	855	703	917
<b>Non-Financial Liabilities</b>	<b>3,643</b>	<b>2,814</b>	<b>3,606</b>
<b>Equity</b>			
a) Equity Share capital	1,230	1,229	1,230
b) Other Equity	112,475	100,775	111,460
c) Non-controlling interests	794	1,515	785
<b>Equity (incl attributable to minority investors)</b>	<b>114,499</b>	<b>103,519</b>	<b>113,475</b>
<b>Total Equities and Liabilities</b>	<b>768,289</b>	<b>621,320</b>	<b>745,760</b>

\* Figures re-grouped and rounded where found relevant

# Summary & Key Ratios

Figures on standalone basis

Particulars (Rs. in Million)	As per IND-AS		
	Quarter ended June – 19	Quarter ended June – 18	Year ended March – 19
RONW (Avg. Net Worth) ^	2.5%	11.0%	15.2%
Debt / Equity	4.99:1	4.31:1	4.84:1
<b>Capital Adequacy<sup>\$</sup></b>	<b>19.4%</b>	21.9%	20.3%
Tier I	14.9%	16.6%	15.5%
Tier II	4.5%	5.3%	4.8%
EPS (Basic) (Rs.)	1.11	4.38	25.33
Book Value (Rs.)	177.6	160.1	176.6
Dividend %	-	-	325%
New Contracts During the period (Nos.)	180,948	171,511	761,381
No. of employees	22,005	19,346	21,789

<sup>\$</sup> as per IND-AS after considering proposed dividend

\* Figures re-grouped and rounded where found relevant



# Spread Analysis

Figures on standalone basis

Particulars (Rs. in Million)	As per IND-AS		
	Quarter ended June – 19	Quarter ended June – 18	Year ended March – 19
Total Income / Average Assets	14.2%	14.3%	14.7%
Interest / Average Assets	6.6%	6.3%	6.6%
<b>Gross Spread</b>	<b>7.6%</b>	<b>8.0%</b>	<b>8.1%</b>
Overheads / Average Assets	3.3%	2.8%	3.1%
Write offs & NPA provisions / Average Assets	3.6%	2.2%	1.0%
Net Spread	0.6%	3.0%	4.0%
<b>Net Spread after Tax</b>	<b>0.4%</b>	<b>2.0%</b>	<b>2.6%</b>

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

# NPA Analysis (As per IND-AS)

Figures on standalone basis

Particulars (Rs. in Million) except figures in %	As on Jun 30, 2019	As on Jun 30, 2018	As on Mar 31, 2019
<b>Total Assets (including Provisions)</b>	<b>714,057</b>	<b>587,107</b>	<b>689,476</b>
<b>Gross NPA (Stage 3)</b>	<b>52,952</b>	<b>55,338</b>	<b>40,706</b>
<b>Less: ECL Provisions (Stage 3)</b>	<b>13,163</b>	<b>19,415</b>	<b>7,799</b>
<b>Net NPA (Stage 3)</b>	<b>39,789</b>	<b>35,923</b>	<b>32,907</b>
<b>Gross NPA % (Stage 3)</b>	<b>7.4%</b>	<b>9.4%</b>	<b>5.9%</b>
<b>Net NPA % (Stage 3)</b>	<b>5.7%</b>	<b>6.3%</b>	<b>4.8%</b>
<b>Coverage Ratio (%) – based on Stage 3 ECL</b>	<b>24.9%</b>	<b>35.1%</b>	<b>19.2%</b>
<b>Stage 1 &amp; 2 provision to Total Assets (%)</b>	<b>1.6%</b>	<b>2.2%</b>	<b>1.6%</b>
<b>Coverage Ratio(%) – including Stage 1 &amp; 2 provision</b>	<b>45.8%</b>	<b>58.3%</b>	<b>46.0%</b>
Particulars (in units) except figures in %	As on Jun 30, 2019	As on Jun 30, 2018	As on Mar 31, 2019
Contracts under NPA (90 dpd)	130,226	158,961	93,084
% of Live Cases under NPA	5.4%	7.4%	4.0%
Repossessed Assets (out of above NPA)	11,143	12,597	9,832

\* Figures re-grouped and rounded where found relevant



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# Mahindra Rural Housing Finance Limited

Accounting Basis	As per IND-AS		
	Particulars (Rs. million)	Quarter ended June – 19	Quarter ended June – 18
Loans disbursed	4,976	7,779	25,811
No. of Customer Contracts (nos.)	24,911	53,847	171,187
Outstanding loan book	78,722	70,833	76,892
Total income	3,631	3,020	13,839
PBT	411	472	3,662
PAT	288	309	2,505
Net-worth	11,560	7,884	11,271
GNPA % – IND-AS   I-GAAP	16.24%   12.67%	16.67%   13.40%	13.02%   9.65%
NNPA % – IND-AS   I-GAAP	13.32%   9.25%	14.17%   10.30%	10.77%   6.81%
NNPA % – IND-AS   I-GAAP (Net of Total Provisions)	11.73%   8.99%	13.08%   10.02%	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 Trust – 1.57%
- **Reach:** Currently spread in 13 States & 1 Union Territory

\* Figures re-grouped and rounded where found relevant

# Mahindra Insurance Brokers Limited

Accounting Basis	As per IND-AS		
	Particulars (Rs. million)	Quarter ended June – 19	Quarter ended June – 18
No. of Policies for the Period (nos.)	538,578	554,338	2,265,146
Net Premium	4,673	4,035	19,238
Total income	796	667	3,234
PBT	88	213	1,029
PAT	62	148	715
No. of employees (nos.)	1,108	1,019	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%



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# Awards and Accolades

- **Great Places to Work** has honored Mahindra Finance at the **8<sup>th</sup> Rank**, in the **India's Best Companies to Work For 2019**- a study by **Economic Times**.
- Mahindra Finance has been ranked at **11<sup>th</sup>** among the **Best Large Workplaces** in the **Asia's Best Workplaces 2019** list by The Great Place to Work Institute®
- **Mahindra Finance** has been awarded **Golden Peacock Award for Corporate Social Responsibility – 2018** by Institute of Directors
- Mahindra Finance was awarded **ET NOW CSR Leadership Award** for Best CSR Practices and Skill development.
- Mahindra Finance (MMFSL) Annual Family Fun Day - Vrindavan 2019 has attained **Yale's Gold Level Green Certificate**
- Mahindra Finance **Ranked #1** for the third consecutive time in the **MCARES Survey**, with Mahindra Finance securing a position in the top percentile group

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A STUDY BY

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# 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;*

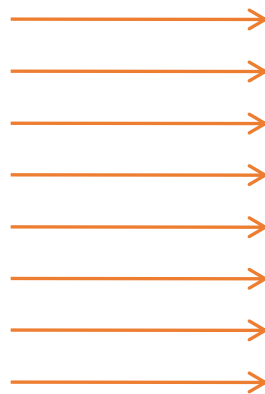
*LGD – Loss given Default;*

*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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