

28<sup>th</sup> October, 2021

The General Manager-Department of  
Corporate Services,  
BSE Limited,  
Phiroze Jeejeebhoy Towers,  
Dalal Street, Mumbai - 400 001.

Scrip Code : 532720

The Manager-Listing Department,  
National Stock Exchange of India Limited,  
"Exchange Plaza", 5<sup>th</sup> Floor,  
Plot No.C/1, G Block,  
Bandra-Kurla Complex,  
Bandra (East), Mumbai - 400 051.

Scrip Code : M&MFIN

Dear Sirs,

**Sub: Investors / Analysts' Presentation**

Pursuant to Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ["Listing Regulations"], we are enclosing herewith the presentation to be made to the Investors/Analysts on the Unaudited Financial Results of the Company for the second quarter and half year ended 30<sup>th</sup> September, 2021.

The presentation is also being uploaded on the website of the Company at the URL <https://mahindrafinance.com/investor-zone#Latestupdate> in accordance with Regulation 46 of the Listing Regulations.

Kindly take the same on record.

Thanking you,

Yours Faithfully,

**Mahindra & Mahindra Financial Services Limited**



**Arnava M. Pardiwalla**  
**Company Secretary & Compliance Officer**

Encl: a/a



# Mahindra & Mahindra Financial Services Limited

Quarter Result Update  
September - 2021

**Corporate Office:**

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[www.mahindrafinance.com](http://www.mahindrafinance.com)

CIN - L65921MH1991PLC059642



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

**Executive Summary**

**Financial Information**

**Key Subsidiaries**

**Company Overview**

**Business Strategy**

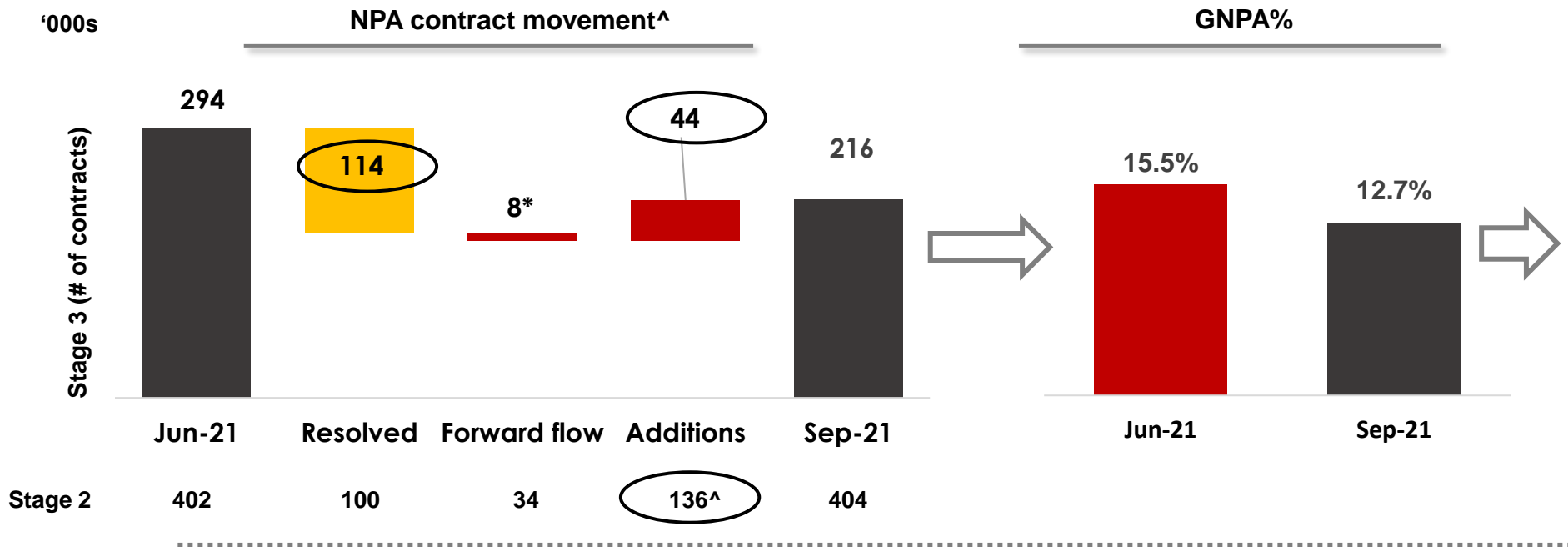
**Awards & CSR Initiatives**

**Risk Management Policies**

# Executive summary

- **PAT for Q2FY22 at Rs. 1,023 crores, a growth of 237% on a Y-o-Y basis**
- **Disbursements/ Loan Book:**
  - 67% QoQ growth in disbursements;
  - Loan de-growth arrested and expect Loan book growth from hereon
- **Business Operations:**
  - Visible collection improvement on the back of high effort and follow-ups;
  - Overheads higher at 2.7% of Average Assets as the economic activity and collection efforts intensified in Q2;
  - Collection momentum to continue in H2
- **Asset Quality: GNPA Reduction of 2.8% from 15.5% to 12.7%**
  - Resulting in Stage -3 Provision reversal of Rs. 1,002 crores;
  - Stage-3 Provision Coverage ratio continues at a healthy 53.0%;
  - The Company shall ensure net NPA below 4.0% by year end

# GNPA and Provisions



**Q2F22:**

- 30% of the provision of Rs. 2,517 Cr made in Q1 FY22 reversed in Q2 (Rs. 763 cr.)
- On track to reverse ~80% of the Q1 provision by year end

## Key Drivers

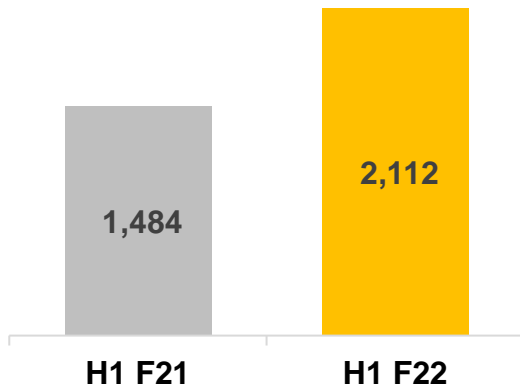
- Improved collection on back of increased activity and higher earnings
- Holding back of repayments – slower recovery of past dues. Harvest cash flows expected to enhance repayments
- Majority of restructured contracts housed in Stage 2; 1.5x of regular Stage 2 coverage made on such contracts

*^Refers to Retail Loans only*

\* 8.4K contracts have been written off in Stage 3 during Q2 F22  
 ^ includes restructured contracts (20k) as well as reversals (40k) from Stage-3

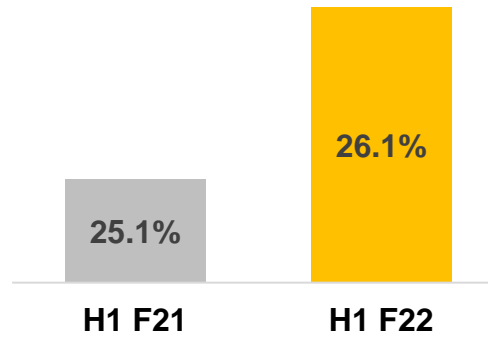
# Business strength

Overlay provisions (Rs. Crs)



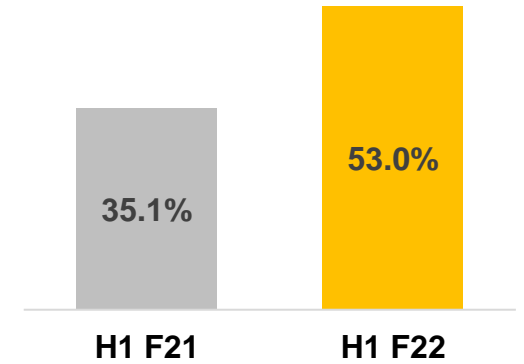
Overlay provisions maintained

Capital Adequacy



Well capitalized

Stage 3 - Coverage Ratio



Prudent

# Business context of Q2 F22

Branches  
operating in  
normalized  
manner

Operating Environment

6,475 crores,  
61% ↑ YoY

Disbursements

Q2FY22: 98%  
Sep 21: 100%  
Aug 21: 97%  
Jul 21: 95%

Collection Efficiency

Stage-3  
Q2FY22: 12.7%  
FY21: 6.4%

Asset Quality

Q2FY22: 63%  
FY21: 58%

Non-Cash collections

1 Dose: 95%+  
2 Doses: ~ 50%

Employees Vaccinated





# Break down of Disbursements

on standalone basis

Asset Class	Half Year ended Sep – 21	Half Year ended Sep – 20	Year ended March – 21
Auto/ Utility vehicles	35%	34%	34%
Tractors	19%	23%	18%
Cars	21%	21%	21%
Commercial vehicles and Construction equipments	5%	5%	5%
Pre-owned vehicles	17%	6%	12%
SME and Others	4%	11%	10%

Historical Disbursements (INR crores)	Q1	Q2	Q3	Q4
FY 2022	3,872	6,475	-	-
FY 2021	2,733	4,028	6,270	5,970
FY 2020	8,074	7,487	9,778	7,041

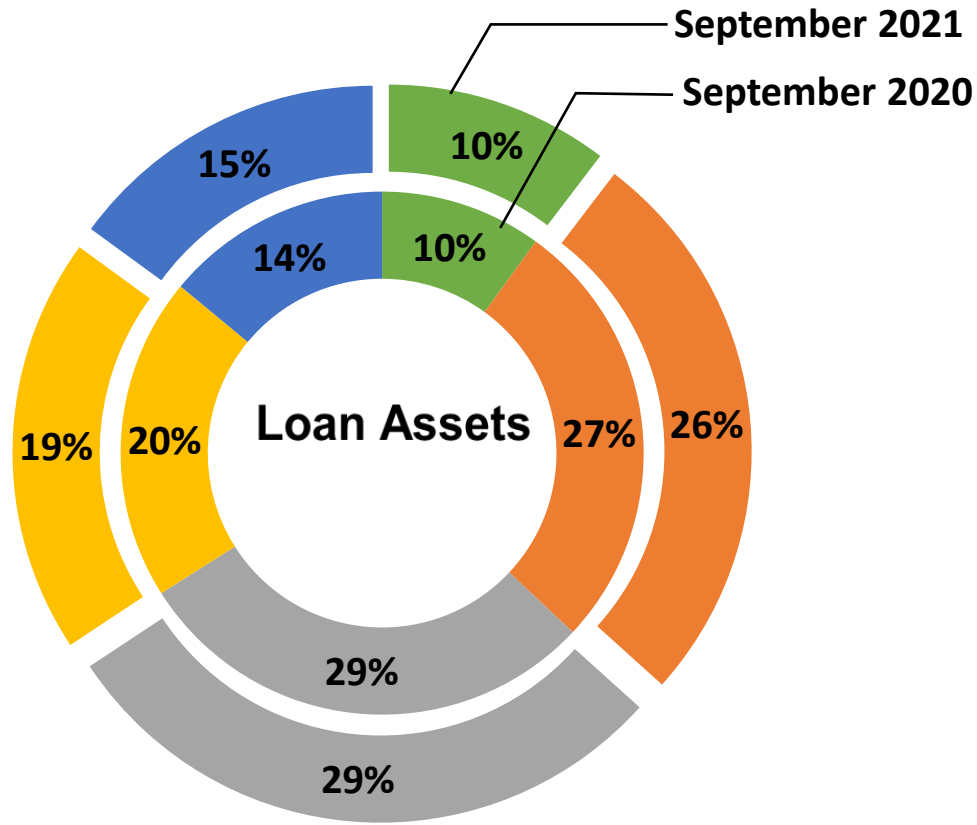
# Break down of Business Assets

on standalone basis

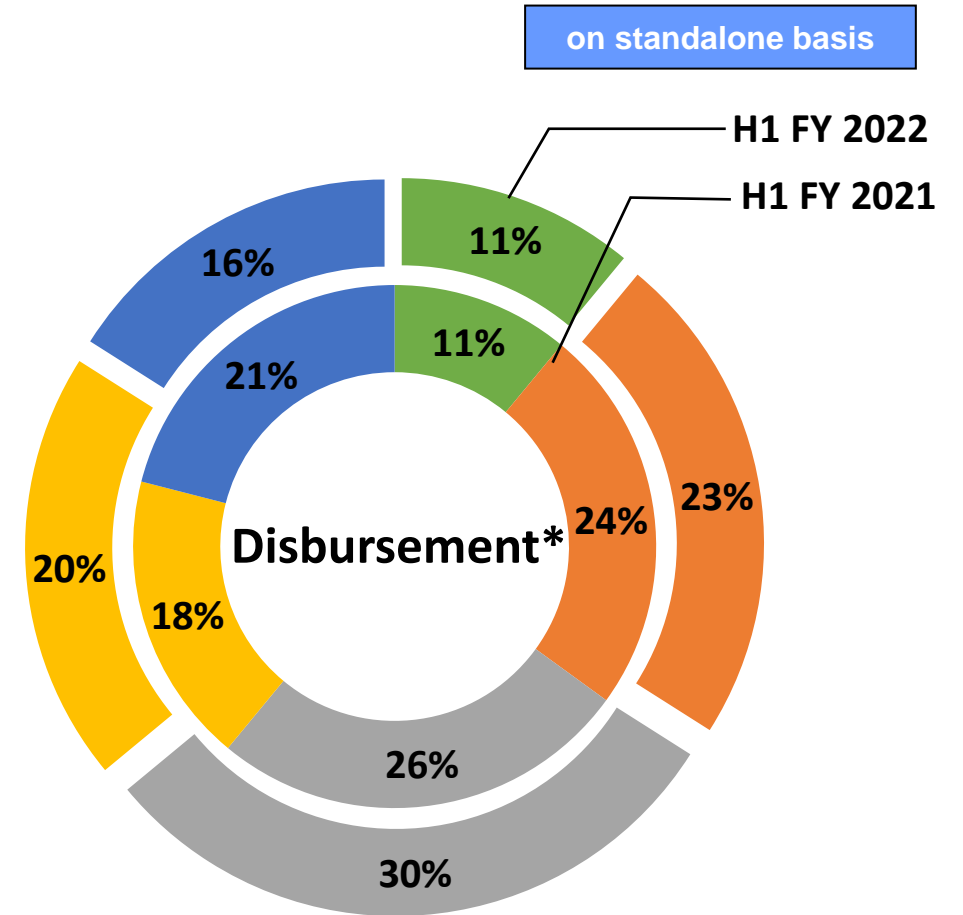
Asset Class	Half Year ended Sep – 21	Half Year ended Sep – 20	Year ended March – 21
Auto/ Utility vehicles	31%	28%	30%
Tractors	17%	17%	17%
Cars	22%	21%	22%
Commercial vehicles and Construction equipments	14%	18%	16%
Pre-owned vehicles	9%	9%	9%
SME and Others	7%	6%	6%
<b>Contribution of M&amp;M assets in AUM</b>	<b>45%</b>	<b>44%</b>	<b>45%</b>

\* Share of SME: 3%

# Break down by Geography



■ CENTRAL ■ EAST ■ NORTH ■ SOUTH ■ WEST



**NORTH:** Chandigarh, Delhi, Haryana, Himachal Pradesh, Jammu and Kashmir, Ladakh, Punjab, Rajasthan, Uttar Pradesh, Uttarakhand;

**EAST:** Arunachal Pradesh, 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;

# Broad Based Liability Mix

on standalone basis

All figures in INR crores

## Funding Mix by Investor Category

Investor Type	Sep'21		Mar'21
	Amount	% Share	% Share
Banks/ Dev. Institutions	25,371	45.3%	50.5%
Mutual Fund	6,505	11.6%	7.6%
Insurance & Pension Funds	9,903	17.7%	16.3%
FIs & Corporates	4,965	8.9%	8.7%
Others	9,272	16.5%	16.9%
<b>Total</b>	<b>56,016</b>	<b>100.0%</b>	<b>100.0%</b>

## Funding Mix by type of Instrument

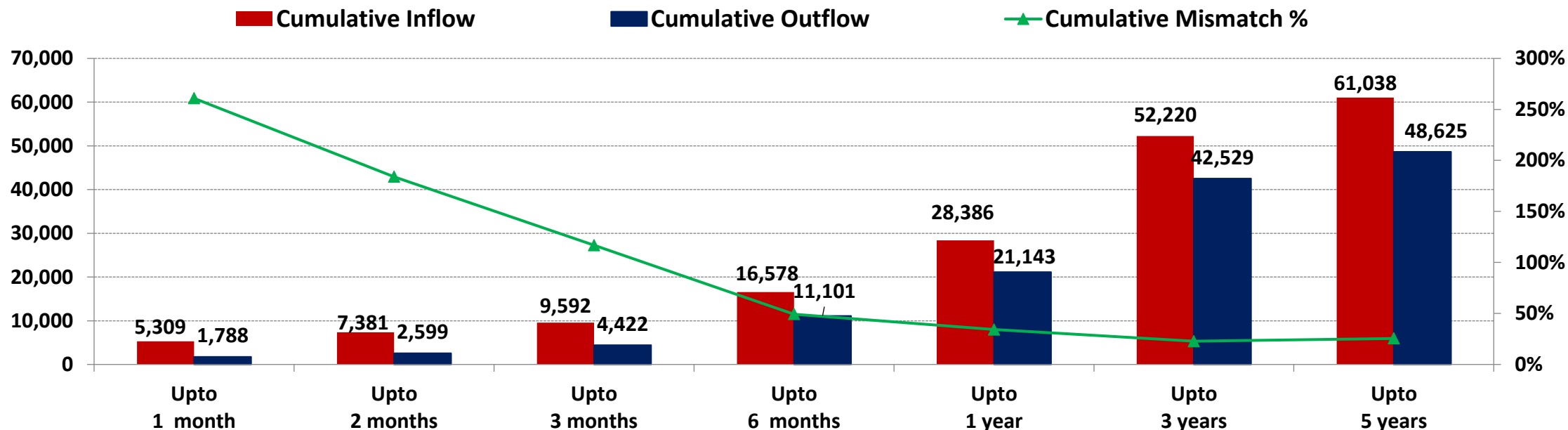
Instrument Type	Sep'21		Mar'21
	Amount	% Share	% Share
NCDs	15,924	28.4%	25.4%
Retail NCDs	4,298	7.7%	7.3%
Bank Loans	12,563	22.4%	24.5%
Offshore Borrowings	4,022	7.2%	6.9%
Fixed Deposits	9,224	16.5%	16.2%
CP, ICD, TREPS	1,998	3.6%	2.0%
Securitisation/ Assignment	7,987	14.2%	17.7%
<b>Total</b>	<b>56,016</b>	<b>100.0%</b>	<b>100.0%</b>

Computed based on FV/ Principal value

^ Based on holding as at respective period ends

# ALM Position and Liability Maturity

All figures in INR crores



Liability Maturity <sup>^</sup>	Oct-21	Nov-21	Dec-21	Q3 FY 22	Jan-22	Feb-22	Mar-22	Q4 FY 22	Next 6 months
Bank Loans	525	229	1,020	1,774	34	527	1,888	2,449	4,223
Market Instruments (NCD/ CP)	250	95	256	601	800	520	859	2,179	2,780
Others (FD/ ICD)	351	322	333	1,006	371	403	461	1,235	2,241
<b>Total</b>	<b>1,126</b>	<b>646</b>	<b>1,609</b>	<b>3,381</b>	<b>1,205</b>	<b>1,450</b>	<b>3,208</b>	<b>5,863</b>	<b>9,244</b>

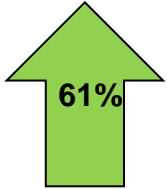
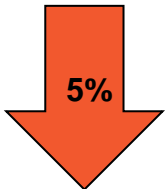
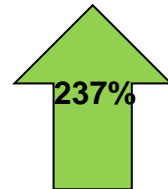
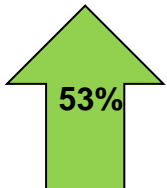
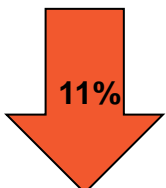
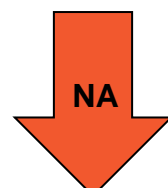
In addition to undrawn sanctioned lines of upwards of Rs. 2,500 crores, the Company held Cash/ Liquid investments of ~ INR 9,600 crores

\* Based on provisional ALM as on Sep 30, 2021

<sup>^</sup> excl. Securitisation and as on Sep 30, 2021 after considering pre-payments

# Key Financials

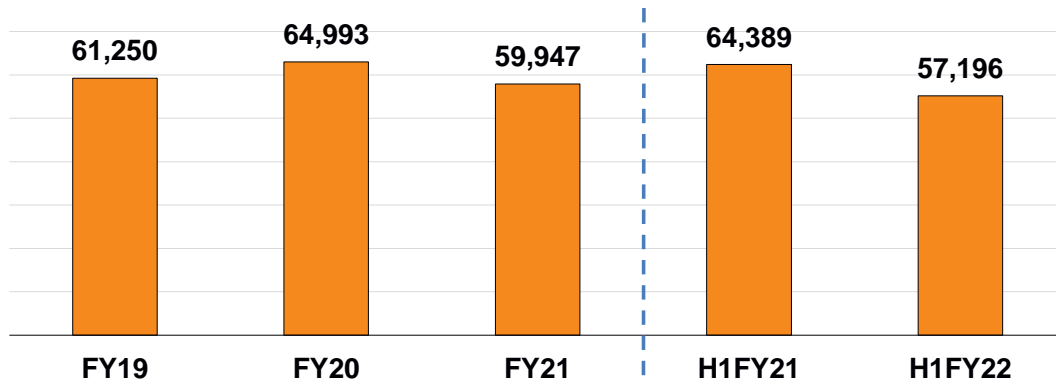
on standalone basis

	Disbursement	Total Income	Profit after Tax
Q2 FY 22	Rs. 6,475 crores	Rs. 2,522 crores	Rs. 1,023 crores
			
Q2 FY 21	Rs. 4,028 crores	Rs. 2,650 crores	Rs. 304 crores
H1 FY 22	Rs. 10,347 crores	Rs. 4,709 crores	Rs. -506 crores
			
H1 FY 21	Rs. 6,761 crores	Rs. 5,304 crores	Rs. 459 crores

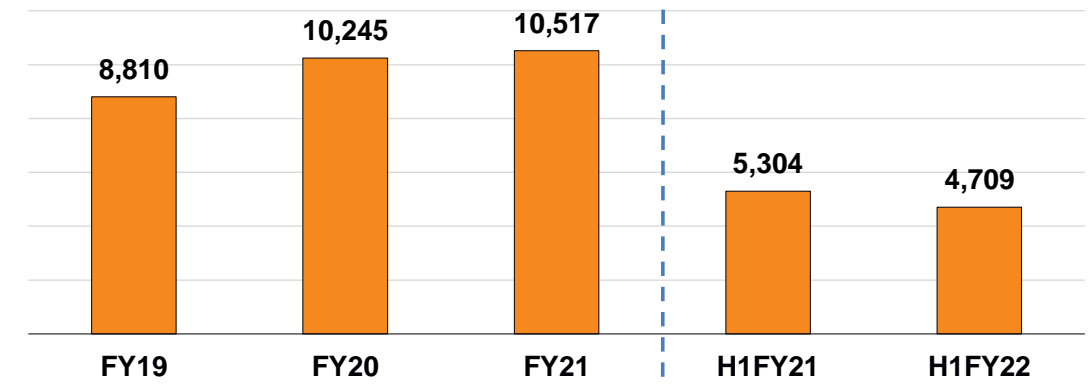
# Growth Trajectory

on standalone basis

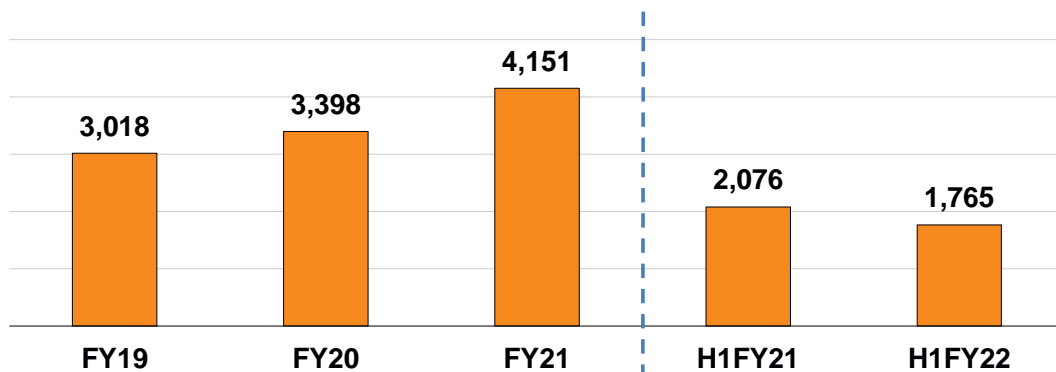
Loan Book <sup>(1)</sup> (Rs. crores)



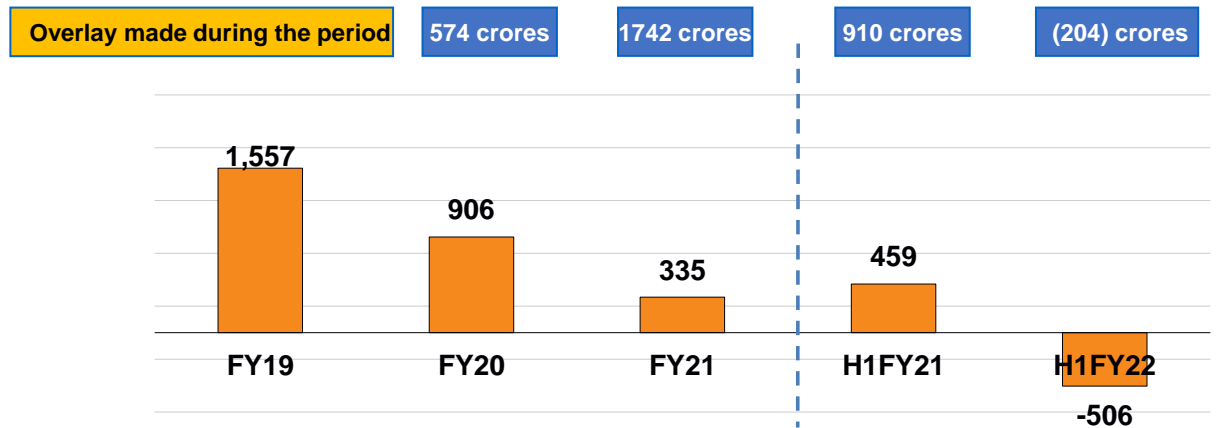
Revenues (Rs. crores)



Pre-Provisioning Operating Profit (Rs. crores)



Profit after Tax <sup>(2)</sup> (Rs. crores)



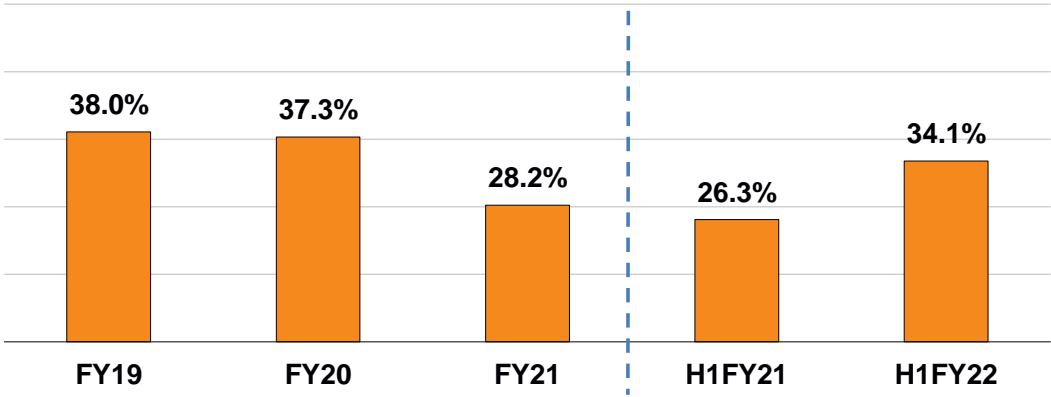
Note : <sup>(1)</sup> Loan Book net of provisions.

<sup>(2)</sup> PAT post exceptional items.

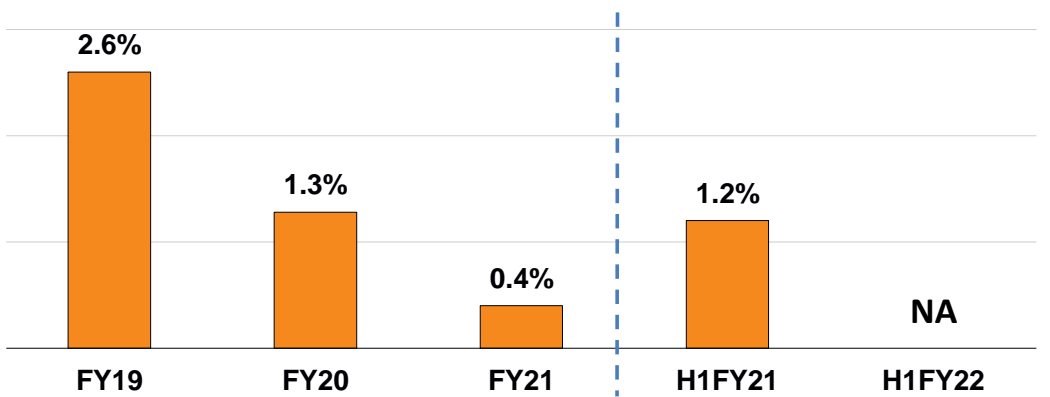
# Financial Performance

on standalone basis

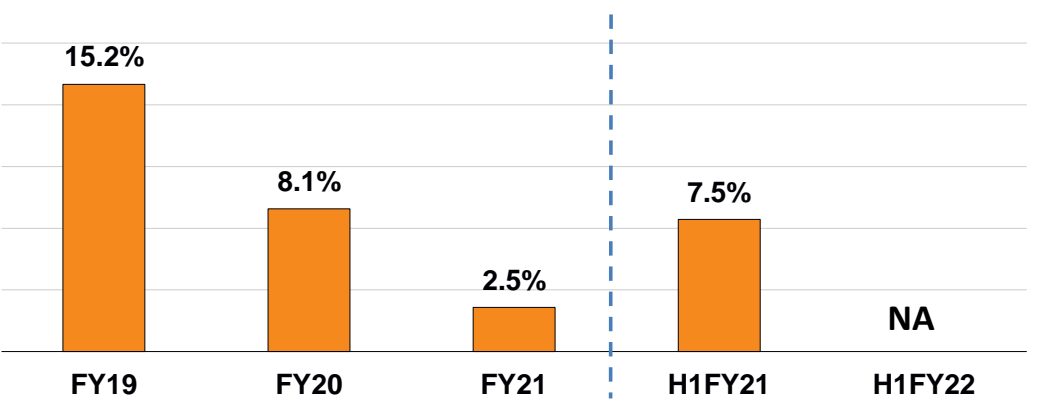
Cost to income ratio <sup>(1)</sup> (%)



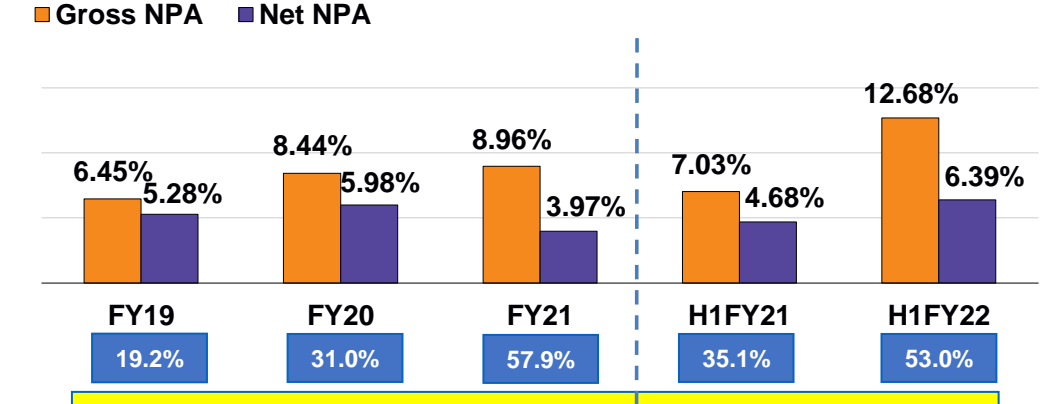
Return on Assets (ROA) <sup>(2)</sup> (%)



Return on Net Worth (RONW) <sup>(2)</sup> (%)



Asset Quality (%)



Provision Coverage Ratio: Stage -3 Provisions/ Stage -3 Assets

\* NPA information provided as a percentage of Total Business Assets

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



# Standalone Profit & Loss Account

Particulars (Rs. in crores)	Q2FY22	Q1FY22	Q-o-Q	Q2FY21	Y-o-Y	FY21
Revenue from operations (A)	2,508	2,176	15%	2,613	(4%)	10,395
Less: Finance cost (B)	1,015	1,018	0%	1,222	(17%)	4,733
<b>NII (C= A+B)</b>	<b>1,493</b>	<b>1,158</b>	<b>29%</b>	<b>1,391</b>	<b>7%</b>	<b>5,662</b>
Other Income (D)	14	11	31%	37	(60%)	122
<b>Total Income (E=C+D)</b>	<b>1,507</b>	<b>1,169</b>	<b>29%</b>	<b>1,428</b>	<b>6%</b>	<b>5,784</b>
Employee benefits expense (F)	279	270	3%	262	6%	1,015
Other expenses (G)	184	123	49%	102	80%	492
Depreciation and amortization (H)	28	27	4%	33	(14%)	126
<b>Total Expenses (I=F+G+H)</b>	<b>491</b>	<b>420</b>	<b>17%</b>	<b>397</b>	<b>24%</b>	<b>1,633</b>
<b>Pre-Provisioning Operating Profit (J=E-I)</b>	<b>1,016</b>	<b>749</b>	<b>36%</b>	<b>1,031</b>	<b>(2%)</b>	<b>4,151</b>
Provisions and write-offs (K) ^	(367)	2,819	-	619	-	3,735
<b>Profit before Exceptional items (L=J-K)</b>	<b>1,383</b>	<b>(2,070)</b>	<b>-</b>	<b>412</b>	<b>236%</b>	<b>416</b>
Exceptional Items (M)	-	-	-	-	-	6*
<b>Profit before Tax (N=L+M)</b>	<b>1,383</b>	<b>(2,070)</b>	<b>-</b>	<b>412</b>	<b>236%</b>	<b>422</b>
Tax expense (O)	360	(541)	-	108	233%	87
<b>Net Profit after Taxes (P=N-O)</b>	<b>1,023</b>	<b>(1,529)</b>	<b>-</b>	<b>304</b>	<b>237%</b>	<b>335</b>

# Standalone Profit & Loss Account

Particulars (Rs. in crores)	H1FY22	H1FY21	Y-o-Y	FY21
Revenue from operations (A)	4,684	5,253	(11%)	10,395
Less: Finance cost (B)	2,033	2,486	(18%)	4,733
<b>NII (C= A+B)</b>	<b>2,651</b>	<b>2,767</b>	<b>(4%)</b>	<b>5,662</b>
Other Income (D)	25	51	(50%)	122
<b>Total Income (E=C+D)</b>	<b>2,676</b>	<b>2,818</b>	<b>(5%)</b>	<b>5,784</b>
Employee benefits expense (F)	549	486	13%	1,015
Other expenses (G)	307	191	60%	492
Depreciation and amortization (H)	55	65	(15%)	126
<b>Total Expenses (I=F+G+H)</b>	<b>911</b>	<b>742</b>	<b>23%</b>	<b>1,633</b>
<b>Pre-Provisioning Operating Profit (J=E-I)</b>	<b>1,765</b>	<b>2,076</b>	<b>(15%)</b>	<b>4,151</b>
Provisions and write-offs (K) ^	2,452	1,462	68%	3,735
<b>Profit before Exceptional items (L=J-K)</b>	<b>(687)</b>	<b>614</b>	<b>-</b>	<b>416</b>
Exceptional Items (M)	-	6*	-	6*
<b>Profit before Tax (N=L+M)</b>	<b>(687)</b>	<b>620</b>	<b>-</b>	<b>422</b>
Tax expense (O)	(181)	161	-	87
<b>Net Profit after Taxes (P=N-O)</b>	<b>(506)</b>	<b>459</b>	<b>-</b>	<b>335</b>

# Standalone Balance Sheet

Particulars (Rs. in crores)	As on Sep 30, 2021	As on Sep 30, 2020	As on Mar 31, 2021
<b>ASSETS</b>			
<b>Financial Asset</b>			
a) Cash and cash equivalents	716	1,067	571
b) Bank balance other than (a) above	3,452	2,342	2,699
c) Derivative financial instruments	56	21	26
d) Trade Receivables	16	8	8
e) Loans	57,196	64,389	59,947
f) Investments	9,129	8,777	11,607
g) Other Financial Assets	562	453	514
<b>Financial Asset</b>	<b>71,127</b>	<b>77,057</b>	<b>75,372</b>
<b>Non-Financial Asset</b>			
a) Current tax assets (Net)	657	332	402
b) Deferred tax assets (Net)	1,027	533	862
c) Property, plant and equipment	317	326	311
d) Capital work-in-progress			10
e) Intangible assets	14	21	19
f) Other non-financial assets	77	36	60
<b>Non-Financial Assets</b>	<b>2,092</b>	<b>1,248</b>	<b>1,664</b>
<b>Total Assets</b>	<b>73,219</b>	<b>78,305</b>	<b>77,036</b>

Figures re-grouped and rounded where found relevant

# Standalone Balance Sheet (Contd.)

Particulars (Rs. in crores)	As on Sep 30, 2021	As on Sep 30, 2020	As on Mar 31, 2021
<b>LIABILITIES AND EQUITY</b>			
<b>Financial Liabilities</b>			
a) Derivative financial instruments	187	99	173
b) Payables			
i) Trade payables	529	526	596
ii) Other payables	24	22	47
c) Debt Securities	18,838	18,955	16,835
d) Borrowings (Other than Debt Securities)	24,614	28,622	29,142
e) Deposits	9,199	9,449	9,451
f) Subordinated Liabilities	3,282	3,346	3,149
g) Other financial liabilities	2,122	2,152	2,604
<b>Financial Liabilities</b>	<b>58,795</b>	<b>63,171</b>	<b>61,997</b>
<b>Non-Financial liabilities</b>			
a) Current tax liabilities (Net)	14	14	14
b) Provisions	179	152	215
c) Other non-financial liabilities	70	67	99
<b>Non-Financial Liabilities</b>	<b>263</b>	<b>233</b>	<b>328</b>
<b>Equity</b>			
a) Equity Share capital	246	246	246
b) Other Equity	13,915	14,654	14,465
<b>Equity</b>	<b>14,161</b>	<b>14,901</b>	<b>14,711</b>
<b>Total Equities and Liabilities</b>	<b>73,219</b>	<b>78,305</b>	<b>77,036</b>

Figures re-grouped and rounded where found relevant

# Summary & Key Ratios

on standalone basis

Particulars	Half Year ended Sep – 21	Half Year ended Sep – 20	Year ended March – 21
RONW (Avg. Net Worth)	NA	7.5%	2.5%
Debt / Equity	3.95:1	4.05:1	3.98:1
<b>Capital Adequacy<sup>§</sup></b>	<b>26.1%</b>	<b>25.1%</b>	<b>26.0%</b>
Tier I	22.3%	20.8%	22.2%
Tier II	3.8%	4.3%	3.8%
EPS (Basic) (Rs.)*	(4.11)	4.68	3.03
Book Value (Rs.)	114.6	120.6	119.1
Dividend %	-	-	40%
New Contracts During the period (Nos.)	<b>245,789</b>	135,625	453,593
No. of employees	<b>19,512</b>	21,135	19,952

\* Pursuant to Ind AS - 33, Earnings Per Share for the previous periods have been restated for the bonus element in respect of the Rights issue

§ Computed post considering dividend for the year

# Spread Analysis

on standalone basis

Particulars	Half Year ended Sep – 21	Half Year ended Sep – 20	Year ended March – 21
Total Loan Income / Average Business Assets	13.5%	14.8%	14.8%
Total Income / Average Assets	12.5%	13.9%	13.9%
Interest cost / Average Assets	5.4%	6.5%	6.2%
<b>Gross Spread</b>	<b>7.1%</b>	<b>7.4%</b>	<b>7.7%</b>
Overheads / Average Assets	2.4%	2.0%	2.2%
Write offs & NPA provisions / Average Assets	6.5%	3.8%	4.9%
Net Spread	-1.8%	1.6%	0.6%
<b>Net Spread after Tax</b>	<b>-1.3%</b>	<b>1.2%</b>	<b>0.4%</b>

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

# Collection Efficiency and Restructuring

on standalone basis

Collection Efficiency <sup>^</sup>	July	Aug	Sep	Quarter 2	Quarter 1
FY 2022	95%	97%	100%	98%	80%
FY 2021	94%	102%	75%	82%	67%

<sup>^</sup> Computed as (Current month demand collected + Overdues collected)/(Current month demand due for the month)  
Without considering restructured contracts

Restructuring/ ECLGS	Number of Contracts*		Amount (INR crores)*	
	LR 2.0	LR 1.0	LR 2.0	LR 1.0
Restructuring	103,893	237	4,330	60

\* Cumulative book as on Sep 30, 2021

# NPA Analysis

on standalone basis

Particulars (Rs. in crores) except figures in %	As on Sep 30, 2021	As on Jun 30, 2021	As on Sep 30, 2020	As on Mar 31, 2021
Business Assets (including Provisions)	63,618	63,582	67,773	64,608
<b>Gross NPA (Stage 3)</b>	<b>8,069</b>	<b>9,832</b>	<b>4,767</b>	<b>5,786</b>
Less: ECL Provisions (Stage 3)	4,278	5,281	1,673	3,352
<b>Net NPA (Stage 3)</b>	<b>3,791</b>	<b>4,551</b>	<b>3,094</b>	<b>2,434</b>
Gross NPA as % of Business Assets (Stage 3)	12.68%	15.46%	7.03%	8.96%
Net NPA as % of Business Assets (Stage 3)	6.39%	7.81%	4.68%	3.97%
<b>Coverage Ratio (%) – based on Stage 3 ECL</b>	<b>53.0%</b>	<b>53.7%</b>	<b>35.1%</b>	<b>57.9%</b>
Stage 1 & 2 provision to Business Assets (%)	3.3%	3.0%	2.5%	2.0%
<b>Coverage Ratio (%) – including Stage 1 &amp; 2 provision</b>	<b>79.4%</b>	<b>72.9%</b>	<b>70.9%</b>	<b>80.4%</b>

Particulars (in units) except figures in %	As on Sep 30, 2021	As on Jun 30, 2021	As on Sep 30, 2020	As on Mar 31, 2021
Contracts under NPA (90 dpd)	216,994	294,225	105,000	139,038
% of Live Cases under NPA	8.5%	11.5%	4.1%	5.4%
Repossessed Assets (out of above NPA)	14,111	9,828	6,616	8,556

Figures re-grouped and rounded where found relevant



# Movement of Provisions and Management Overlay

on standalone basis

Rs. in crores	Q2FY22			H1FY22		
	ECL Provisions	Overlay	Total	ECL Provisions	Overlay	Total
Stage-1 Provisions	20	7	27	(14)	7	(7)
Stage-2 Provisions	210 <sup>^</sup>	2	212	831 <sup>^</sup>	2	833
Stage-3 Provisions	(396)	(606)*	(1,002)	1,140	(213)	927
<b>Provisions – P&amp;L Charge</b>	<b>(166)</b>	<b>(597)</b>	<b>(763)</b>	<b>1,957</b>	<b>(204)</b>	<b>1,753</b>
<b>Write-Offs</b>	<b>396</b>	<b>-</b>	<b>396</b>	<b>699</b>	<b>-</b>	<b>699</b>
<b>Total</b>	<b>230</b>	<b>(597)</b>	<b>(367)</b>	<b>2,656</b>	<b>(204)</b>	<b>2,452</b>

\* Carved Rs. 236 crores from overlay provisions to ECL provisions based on ECL model refresh

<sup>^</sup> Includes additional provision (over and above model provisions) of Rs. 153 crores for Q2FY22 and Rs. 310 crores for H1FY22 restructured contracts

## Cumulative Management Overlay

Rs. in crores	Sep 30, 2021	Jun 30, 2021	Mar 31, 2021	Sep 30, 2020	Mar 31, 2020
Stage – 1 Overlay	7	-	-	71	58
Stage – 2 Overlay	2	-	-	279	42
Stage – 3 Overlay	2,103	2,709	2,316	1,134	474
<b>Total Overlay</b>	<b>2,112</b>	<b>2,709</b>	<b>2,316</b>	<b>1,484</b>	<b>574</b>

Figures re-grouped and rounded where found relevant

# Stage Wise Provisioning

on standalone basis

Stage-Wise Assets and Provisioning												
Rs. in crores	As on 30 <sup>th</sup> Sep 2021				As on 30 <sup>th</sup> Jun 2021				As on 31 <sup>st</sup> Mar 2021			
	Business Assets (Amount and %)		Provisions & Coverage		Business Assets (Amount and %)		Provisions & Coverage		Business Assets (Amount and %)		Provisions & Coverage	
Stage - 1 Assets	42,993	67.58%	416	1.0%	41,434	65.17%	389	0.9%	50,713	78.49%	423	0.8%
Stage - 2 Assets	12,556	19.74%	1,712	13.6%	12,316	19.37%	1,500	12.2%	8,109	12.55%	879	10.8%
Stage - 3 Assets	8,069	12.68%	4,279	53.0%	9,832	15.46%	5,281	53.7%	5,786	8.96%	3,352	57.9%
<b>Total</b>	<b>63,618</b>		<b>6,407</b>	<b>10.1%</b>	<b>63,582</b>		<b>7,170</b>	<b>11.3%</b>	<b>64,608</b>		<b>4,654</b>	<b>7.2%</b>

Restructured assets are predominantly classified under Stage 2 i.e Rs. 4,104 crores as of Q2 FY22, Rs.2,126 crores as of Q1 FY22 and Rs. 63 crores as of FY 21.  
Stage 3 includes restructured assets of Rs. 286 crores as of Q2 FY22, Rs. 108 crores as of Q1 FY22

Comparison of IRACP and IND-AS Provisioning requirement			
Rs. in crores	IRACP (A)	IND-AS (B)	Difference (B-A)
Stage 1 and Stage 2	615	2,128	1,513
Stage 3	2,677	4,279	1,602
<b>Total</b>	<b>3,292</b>	<b>6,407</b>	<b>3,115</b>

Figures re-grouped and rounded where found relevant



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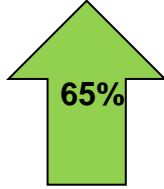
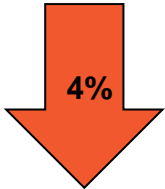
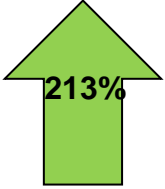
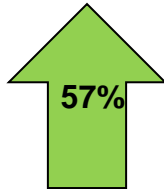
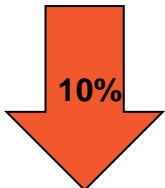
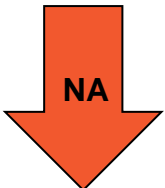
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# Key Financials (Consolidated)

on consolidated basis

	Disbursement	Total Income	Profit after Tax
Q2 FY 22	Rs. 6,839 crores 	Rs. 2,951 crores 	Rs. 1,103 crores 
Q2 FY 21	Rs. 4,134 crores	Rs. 3,071 crores	Rs. 353 crores
H1 FY 22	Rs. 10,811 crores 	Rs. 5,517 crores 	Rs. - 470 crores 
H1 FY 21	Rs. 6,867 crores	Rs. 6,139 crores	Rs. 785 crores

# Consolidated Profit & Loss Account

Particulars (Rs. in crores)	Q2FY22	Q1FY22	Q-o-Q	Q2FY21	Y-o-Y	FY21
Revenue from operations (A)	2,929	2,550	15%	3,035	-4%	12,050
Less: Finance cost (B)	1,143	1,151	-1%	1,368	-17%	5,307
<b>NII (C= A+B)</b>	<b>1,786</b>	<b>1,399</b>	<b>28%</b>	<b>1,667</b>	<b>7%</b>	<b>6,743</b>
Other Income (D)	22	17	26%	35	-38%	120
<b>Total Income (E=C+D)</b>	<b>1,808</b>	<b>1,416</b>	<b>28%</b>	<b>1,702</b>	<b>6%</b>	<b>6,863</b>
Employee benefits expense (F)	382	365	5%	351	9%	1,384
Other expenses (G)	251	171	47%	146	72%	663
Depreciation and amortization (H)	34	33	4%	40	-14%	151
<b>Total Expenses (I=F+G+H)</b>	<b>667</b>	<b>569</b>	<b>17%</b>	<b>536</b>	<b>24%</b>	<b>2,198</b>
<b>Pre-Provisioning Operating Profit (J=E-I)</b>	<b>1,141</b>	<b>847</b>	<b>35%</b>	<b>1,166</b>	<b>-2%</b>	<b>4,665</b>
Provisions and write-offs (K) ^	(315)	3,005	-110%	666	-147%	3,999
<b>Profit before Exceptional items (L=J-K)</b>	<b>1,456</b>	<b>(2,158)</b>	<b>-</b>	<b>500</b>	<b>191%</b>	<b>666</b>
Exceptional Items (M)	20	-	-	-	-	229
Share of Profit of Associates (N)	12	17	-32%	(12)	-	39
<b>Profit before taxes (O= L+M+N)</b>	<b>1,488</b>	<b>(2,141)</b>	<b>-</b>	<b>488</b>	<b>205%</b>	<b>934</b>
Tax expense (P)	385	(568)	-	135	185%	154
<b>Net Profit after Taxes (Q=O-P)</b>	<b>1,103</b>	<b>1,573</b>	<b>-</b>	<b>353</b>	<b>213%</b>	<b>780</b>

\* On account of recognition of capital gain, based on fair valuation, due to consolidation of Ideal Finance as a subsidiary of the Company

# Consolidated Profit & Loss Account

Particulars (Rs. in crores)	H1FY22	H1FY21	Y-o-Y	FY21
Revenue from operations (A)	5,478	6,092	-10%	12,050
Less: Finance cost (B)	2,293	2,770	-17%	5,307
<b>NII (C= A+B)</b>	<b>3,185</b>	<b>3,322</b>	<b>-4%</b>	<b>6,743</b>
Other Income (D)	39	47	-17%	120
<b>Total Income (E=C+D)</b>	<b>3,224</b>	<b>3,369</b>	<b>-4%</b>	<b>6,863</b>
Employee benefits expense (F)	747	650	15%	1,384
Other expenses (G)	422	265	59%	663
Depreciation and amortization (H)	67	78	-14%	151
<b>Total Expenses (I=F+G+H)</b>	<b>1,236</b>	<b>993</b>	<b>24%</b>	<b>2,198</b>
<b>Pre-Provisioning Operating Profit (J=E-I)</b>	<b>1,988</b>	<b>2,376</b>	<b>-16%</b>	<b>4,665</b>
Provisions and write-offs (K)	2,690	1,614	67%	3,999
<b>Profit before Share of associates(L=J-K)</b>	<b>(702)</b>	<b>762</b>	<b>-</b>	<b>666</b>
Exceptional items (M)	21	229	-91%	229
Share of Profit of Associates (N)	28	1	-	39
<b>Profit before taxes (O= L+M+N)</b>	<b>(653)</b>	<b>992</b>	<b>-</b>	<b>934</b>
Tax expense (P)	(183)	207	-	154
<b>Net Profit after Taxes (Q=O-P)</b>	<b>(470)</b>	<b>785</b>	<b>-</b>	<b>780</b>

\* On account of recognition of capital gain, based on fair valuation, due to consolidation of Ideal Finance as a subsidiary of the Company

# Consolidated Balance Sheet

Particulars (Rs. in crores)	As on Sep 30, 2021	As on Sep 30, 2020	As on Mar 31, 2021
<b>ASSETS</b>			
<b>Financial Asset</b>			
a) Cash and cash equivalents	944	2,607	808
b) Bank balance other than (a) above	3,770	2,563	3,174
c) Derivative financial instruments	55	21	26
d) Trade Receivables	68	39	55
e) Loans	64,314	71,874	67,076
f) Investments	9,636	8,833	12,028
g) Other Financial Assets	604	489	551
<b>Financial Asset</b>	<b>79,391</b>	<b>86,426</b>	<b>83,718</b>
<b>Non-Financial Asset</b>			
a) Current tax assets (Net)	698	383	414
b) Deferred tax Assets (Net)	1,117	583	945
c) Property, plant and equipment	389	399	379
d) Capital Work-in-progress			10
e) Intangible assets under development	2	1	1
f) Goodwill	43		
g) Other Intangible assets	15	23	19
h) Other non-financial assets	132	59	113
<b>Non-Financial Assets</b>	<b>2,396</b>	<b>1,448</b>	<b>1,883</b>
<b>Total Assets</b>	<b>81,787</b>	<b>87,874</b>	<b>85,601</b>

Figures re-grouped and rounded where found relevant

# Consolidated Balance Sheet (Contd.)

Particulars (Rs. in crores)	As on Sep 30, 2021	As on Sep 30, 2020	As on Mar 31, 2021
<b>LIABILITIES AND EQUITY</b>			
<b>Financial Liabilities</b>			
a) Derivative financial instruments	187	99	173
b) Payables			
i) Trade payables	693	674	732
ii) Other payables	24	22	47
c) Debt Securities	22,095	21,956	19,671
d) Borrowings (Other than Debt Securities)	27,523	32,966	32,454
e) Deposits	9,167	9,399	9,366
f) Subordinated Liabilities	3,742	3,756	3,609
g) Other financial liabilities	2,630	2,794	3,283
<b>Financial Liabilities</b>	<b>66,061</b>	<b>71,666</b>	<b>69,335</b>
<b>Non-Financial liabilities</b>			
a) Current tax liabilities (Net)	16	17	14
b) Provisions	231	202	271
c) Other non-financial liabilities	73	78	105
<b>Non-Financial Liabilities</b>	<b>320</b>	<b>297</b>	<b>390</b>
<b>Equity</b>			
a) Equity Share capital	246	246	246
b) Other Equity	15,018	15,574	15,530
c) Non-controlling interests	142	91	99
<b>Equity (incl attributable to minority investors)</b>	<b>15,406</b>	<b>15,911</b>	<b>15,876</b>
<b>Total Equities and Liabilities</b>	<b>81,787</b>	<b>87,874</b>	<b>85,601</b>

Figures re-grouped and rounded where found relevant





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# Mahindra Rural Housing Finance Limited

Particulars (Rs. in crores)	Q2FY22	Q2FY21	H1FY22	H1FY21	Year ended March – 21
Loans disbursed	364	106	463	106	797
No. of Customer Contracts (nos.)	18,546	3,064	21,606	3,064	34,559
Loans & Advances (net)	6,931	7,485	6,931	7,485	7,128
Total income	361	377	695	762	1,455
PBT	67	83	-27	139	195
PAT	47	57	-19	105	151
Net-worth	1,385	1,355	1,385	1,355	1,403
Gross NPA (Stage 3)	16.98%	13.26%	16.98%	13.26%	13.16%
Net NPA % (Stage 3)	12.72%	9.48%	12.72%	9.48%	9.87%

- **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 and Employees – 1.57%
- **Reach:** Currently spread in 14 States & 1 Union Territory

<sup>^</sup> The Company has cumulative management overlay of Rs. 121.1 crores as at 30 September 2021 for covering the contingencies that may arise due to COVID – 19 pandemic.

# Mahindra Insurance Brokers Limited

Particulars (Rs. in crores)	Q2FY22	Q2FY21	H1FY22	H1FY21	Year ended March – 21
No. of Policies for the Period (nos.)	430,654	321,032	746,288	522,220	1,439,023
Net Premium	494	394	942	687	1,794
Total income	77	60	137	101	269
PBT	13	5	18	8	44
PAT	10	4	13	6	32
No. of employees (nos.)	1,072	1,145	1,072	1,145	1,117

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



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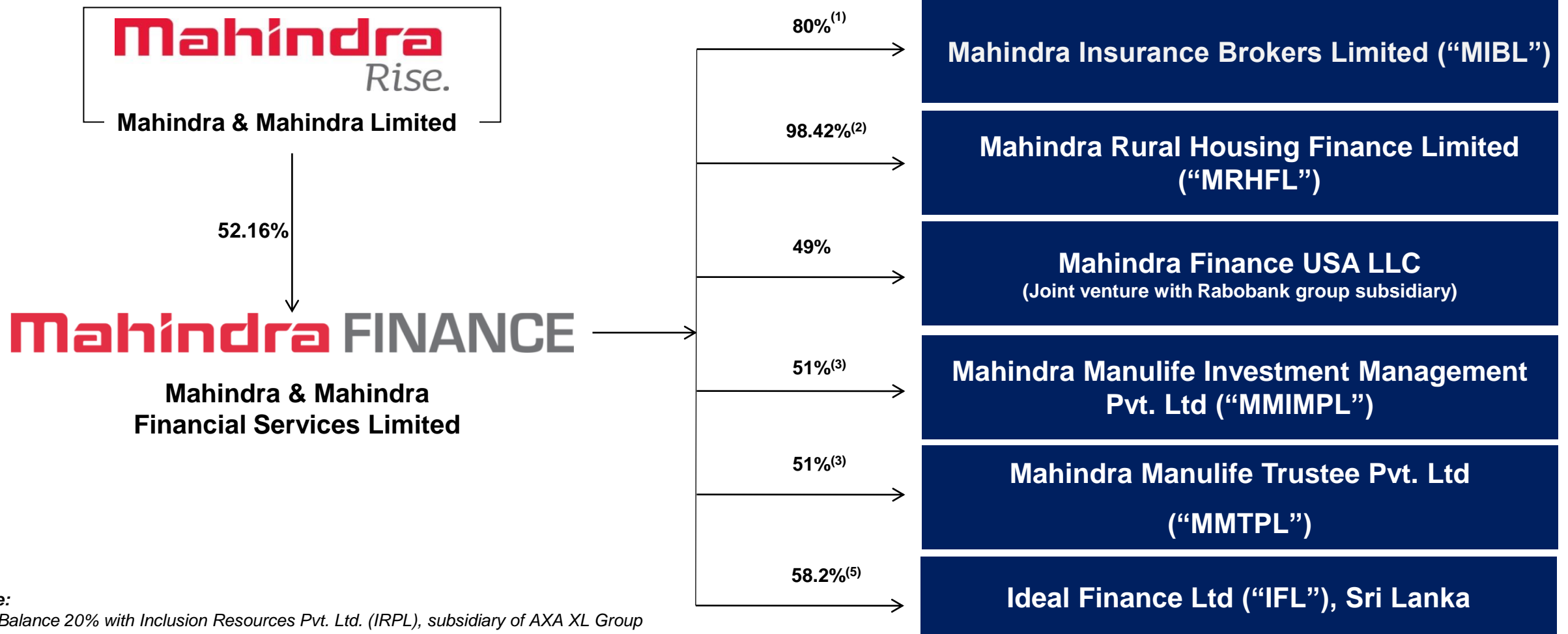
**Risk Management Policies**

# Company Background

- Parentage:** Mahindra & Mahindra Financial Services Limited (“MMFSL”) is a subsidiary of Mahindra and Mahindra Limited (*Mcap: Rs 1.1 trillion*)\*
- About MMFSL:** MMFSL (*Mcap: Rs 237 billion*)\*, one of India’s leading non-banking finance companies focused in the rural and semi-urban sector
- 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 1,384 offices covering 27 states and 7 union territories in India, with over 7.55 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 October 27, 2021 from BSE website*

# MMFSL Group structure



**Note:**

1. Balance 20% with Inclusion Resources Pvt. Ltd. (IRPL), subsidiary of AXA XL Group
2. Balance 1.58% held by MRHFL Employee Welfare Trust and employees
3. Manulife Investment Management (Singapore) Pte. Ltd. holds 49% of the shareholding of MMIMPL and MMTPL.
4. Mahindra Finance CSR Foundation is a wholly owned subsidiary to undertake all CSR initiatives under one umbrella
5. IFL wef 8<sup>th</sup> July 2021 is a subsidiary of the Company, consequent to the Company acquiring an additional 20% in IFL. This has resulted in Company's shareholding in IFL increasing from 38.2% to 58.2%.

# Our Journey

Commenced Housing Finance business through MRHFL

Raised Rs. 414 crores through Private Equity

Completed IPO, Subscribed ~ 27 times

Equity participation of 12.5% by NHB in MRHFL

Recommended Fixed Deposit Program

Crossed 1 million cumulative customer contracts

QIP Issue of Rs. 426 crores

JV with Rabobank subsidiary for tractor financing in USA

Stake sale in MIBL to Inclusion Resources Pvt. Ltd.

QIP Issue of Rs. 867 crores

Long term debt rating upgraded to AAA by India Ratings and Brickwork.

CARE Ratings assigned AAA rating to long term debt

Certificate of Registration received from SEBI by Mahindra Mutual Fund

Maiden Retail NCD Issue of Rs. 1000 crores  
Oversubscribed over 7x of base issue size of Rs. 250 crores

Sale of 5% of MIBL at a valuation of Rs. 1,300 crores

QIP Issuance : Rs. 1,056 crores;  
Preferential Issue to M&M : Rs. 1,055 crores

Maiden issue of ECB undertaken. Raised over \$200 million

Crossed 6 million cumulative customer contracts

Partnered with Manulife for Mutual Fund business

Invested in Ideal Finance for providing financial services in Sri Lanka

Rights Issue of Rs. 3,089 crores

Ideal Finance becomes a subsidiary

FY 06

FY 08

FY 09

FY 10

FY 11

FY 13

FY 15

FY 16

FY 17

FY 18

FY 19

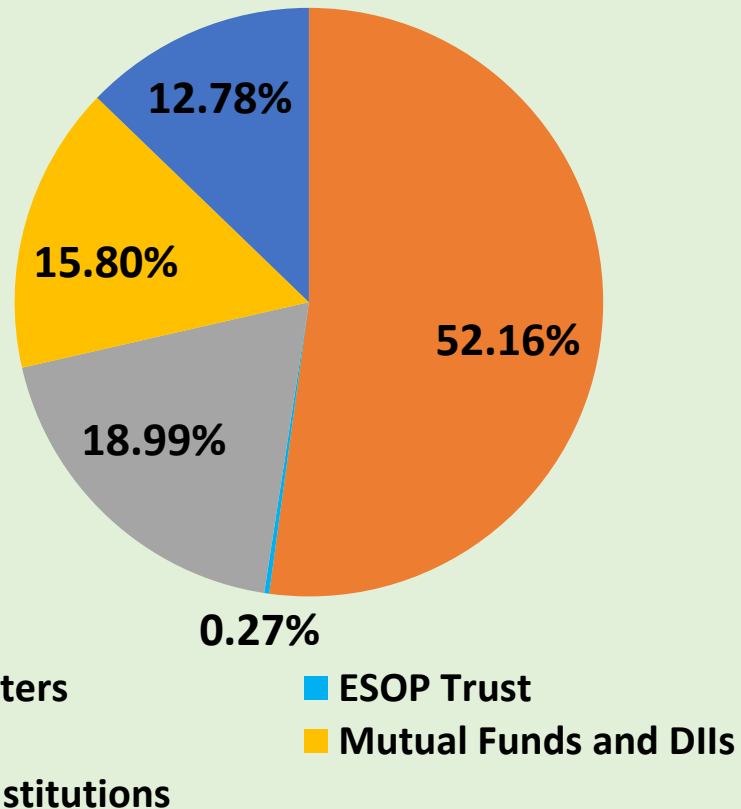
FY 20

FY 21

FY 22

# Shareholding Pattern (as on September 30, 2021)

## Shareholding Pattern



## Top 10 Public Shareholders

- Life Insurance Corporation Of India
- Wishbone Fund, Ltd.
- HDFC Life Insurance Company Limited
- Valiant Mauritius Partners Offshore Limited
- HDFC Trustee Company Ltd
- Ashish Dhawan
- Bank Muscat India Fund
- SBI Life Insurance Co. Ltd
- Kotak Emerging Equity Scheme
- Life Insurance Corporation Of India - P & Gs Fund

Mahindra & Mahindra Limited holds a stake of 52.16% in the Company





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# Business Strategy

**Grow in rural and semi urban markets by providing financing, investment and insurance solutions**

**Expand Branch Network**

**Leverage existing customers base through Direct Marketing Initiatives**

**Diversify Product Portfolio: Nurture new businesses of Digital Finance and Leasing**

**Broad base Liability Mix**

**Continuing to attract, train and retain talented employees**

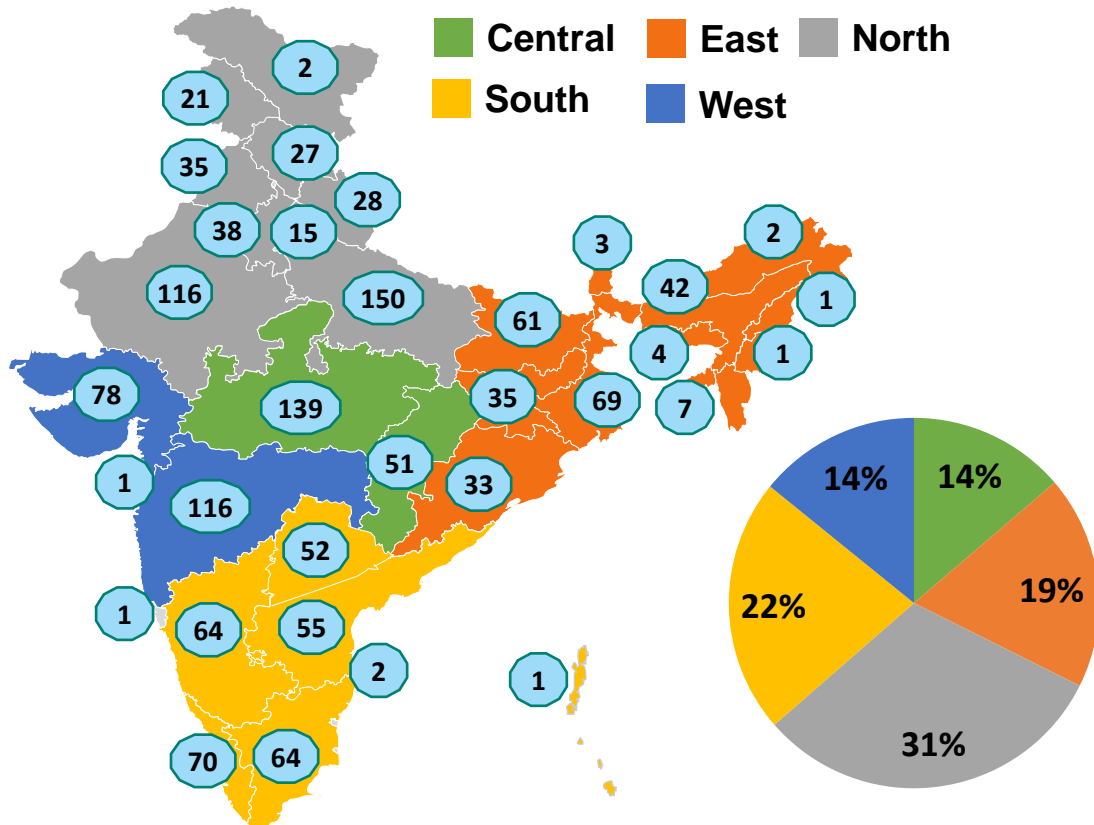
**Effective use of technology to improve productivity**

**Leverage the “Mahindra” Ecosystem**

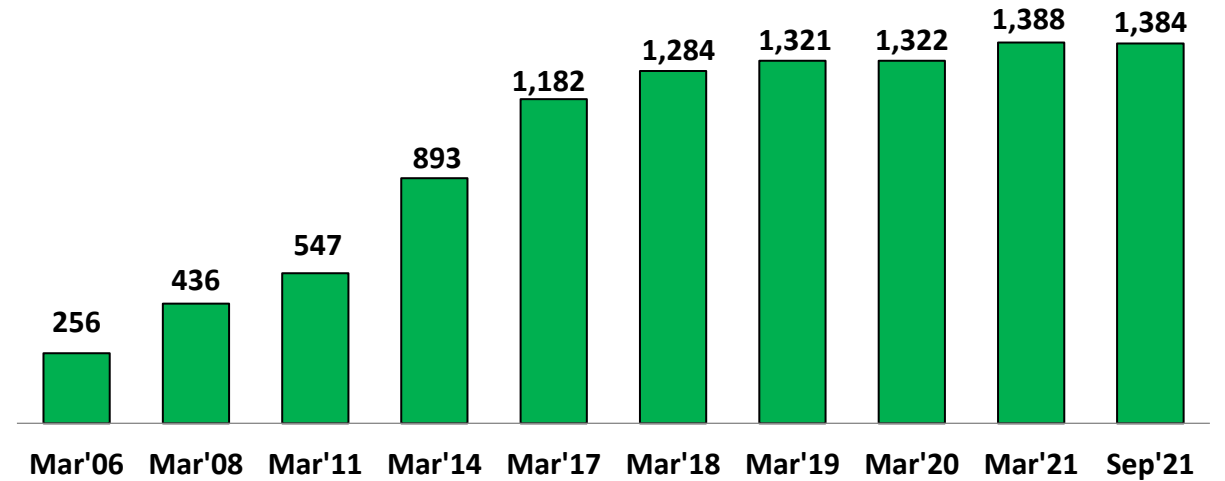
# Extensive Branch Network

- Extensive branch network with presence in 27 states and 7 union territories in India through 1,384 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



## 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 Manulife Mutual Fund',



# Employee Management and Technology Initiatives

## Employee engagement & training

- Foster a Digital Learning ecosystem that drives a culture of anytime-anywhere learning.
- Structured framework which nurtures the functional and leadership capabilities of all employees across verticals.
- In times of an unforeseen event, like the COVID-19 pandemic, psychological and financial support is provided to our employees
- Ekincare, our AI-driven health & wellness app, closely monitors employee health needs.
- Virtual engagement platform “MF-People First” has been launched to drive all celebrations & recognition activities.
- Participate in Group’s Talent Management & Retention program

## Covid initiatives taken for employees

- Financial assistance to employees tested positive; monthly payout to family and reimbursement of children education for employees who have lost life
- Facilitating Covid vaccination & reimbursing hospitalization expenses through insurance policy

## Technology initiatives

- All our offices are connected to the centralised data centre in Mumbai through Lease line/tablets
- Through tablets and mobile applications 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
- Continues to enhance digital capabilities and use of technology to improve efficiency and function normally in current scenario
  - Providing computers and tablets to employees to operate from home
  - On-line training and learning sessions to improve capabilities
  - Promoting digital/ non-cash collections

# 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 and Subordinated debt (incl. MLD); Bank Facilities	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



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**Business Strategy**

**Awards & CSR Initiatives**

**Risk Management Policies**

# Awards & Accolades

- Ranked **54<sup>th</sup>** among India Best Companies to Work 2021 by Great Place to Work<sup>®</sup> Institute
- India's **30<sup>th</sup>** Best workplaces in BFSI 2021 by Great Place to Work<sup>®</sup> Institute
- India's Best workplaces in NBFCs 2021 by Great Place to Work<sup>®</sup> Institute
- Included 3<sup>rd</sup> time in the renowned FTSE4Good Index Series for ESG (Environmental, Social & Governance) performance.
- Included in '**DJSI Sustainability Yearbook 2021**'.



# CSR Initiatives

- Launched flagship program for the holistic development of our driver community and their family members.
- This multi-year program focuses on the empowerment and generation of livelihood for our driver communities.
- The program aims to benefit the targeted segment through various initiatives like:
  - ❑ Training New Drivers; Auto Mechanic Training for Women
  - ❑ Road Safety Training for Existing Drivers
  - ❑ A Financial Planning Workshop for Drivers
  - ❑ Scholarship for Drivers' Children
  - ❑ Health and Accidental Insurance for Drivers
- **Covid-19 Care Initiatives for Community**
  - Ambulance Donation
  - Setting Up Covid Care Centres
  - Distribution Of PPE Kits





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

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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*

The Company may also make additional management overlays based on its assessment of risk profile and to create safeguard from potential future events

*PD – Probability of Default;*

*LGD – Loss given Default;*

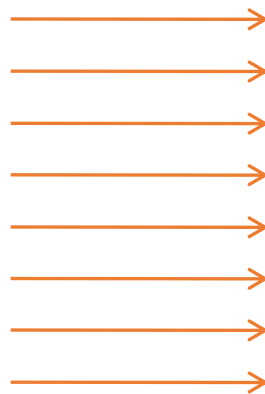
*EAD – Exposure at Default*

*\*Fair valued at reporting date*

## 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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# Thank You

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