

Mahindra FINANCE

Mahindra & Mahindra
Financial Services Ltd.
Mahindra Towers, 4th Floor,
Dr. G. M. Bhosale Marg, Worli,
Mumbai 400 018, India.

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+91 22 24984171

22nd July, 2016

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", 5th Floor,
Plot No.C/1, G Block,
Bandra-Kurla Complex,
Bandra (East), Mumbai - 400 051.

Scrip Code : M&MFIN

Dear Sir,

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 Financial Results of the Company for the first quarter ended 30th June, 2016.

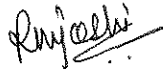
The presentation is also being uploaded on the website of the Company at the URL <http://www.mahindrafinance.com/analyst-presentations.aspx> in accordance with Regulation 46 of the Listing Regulations.

Kindly take the same on record.

Thanking you,

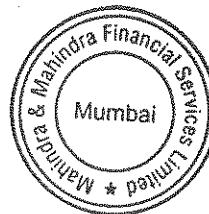
Yours faithfully,

for Mahindra & Mahindra Financial Services Limited



Arnavaz M. Pardiwalla
Company Secretary & Compliance Officer

Encl: a/a



Mahindra & Mahindra Financial Services Limited

Quarter Result Update
June - 2016

Corporate Office:

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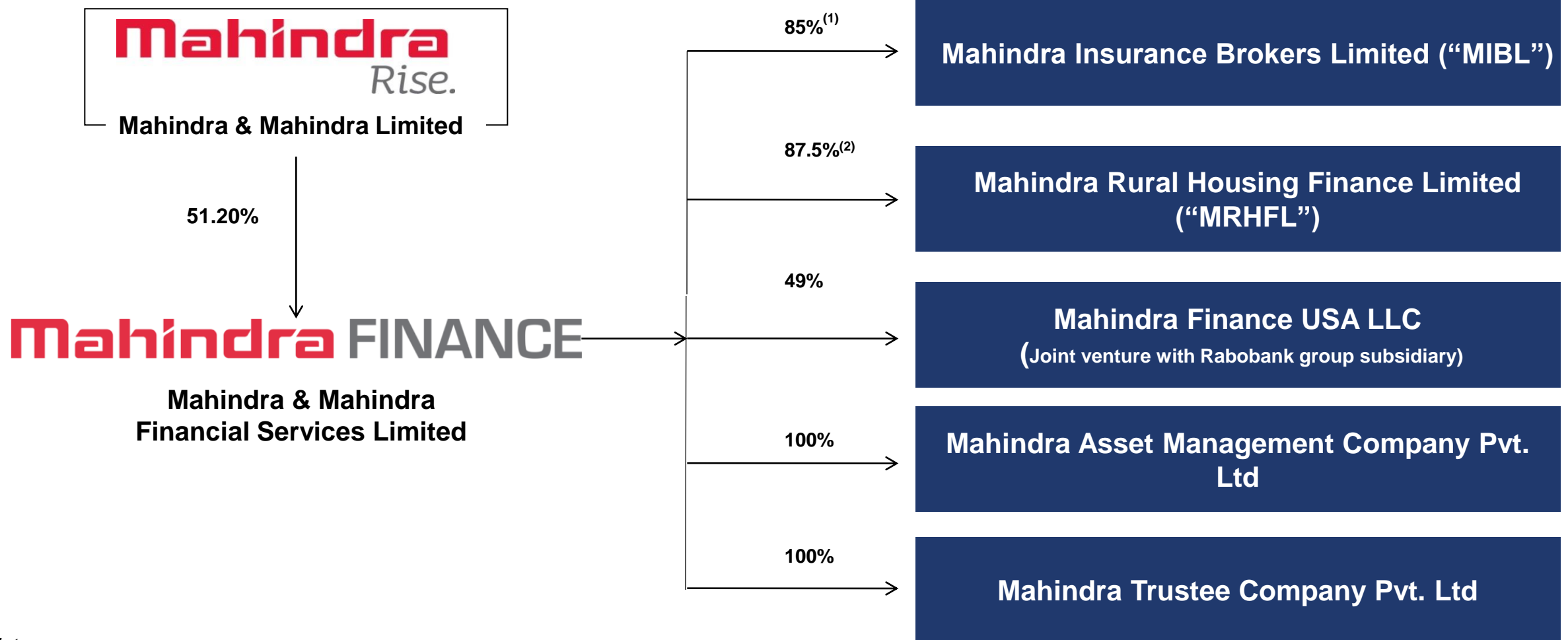
CIN - L65921MH1991PLC059642

Company Background

- Parentage:** Mahindra & Mahindra Financial Services Limited (“MMFSL”) is a subsidiary of Mahindra and Mahindra Limited (*Mcap: Rs 891 billion*)*, India’s largest tractor and utility vehicle manufacturer
- About MMFSL:** MMFSL (*Mcap: Rs 180 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 equipments 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 1172 offices covering 26 states and 3 union territories in India, with over 4.25 million vehicle finance customer contracts since inception
- Credit Ratings:** India Ratings has assigned AAA(ind)/Stable, CARE Ratings has assigned AAA, 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 21, 2016 from BSE website*

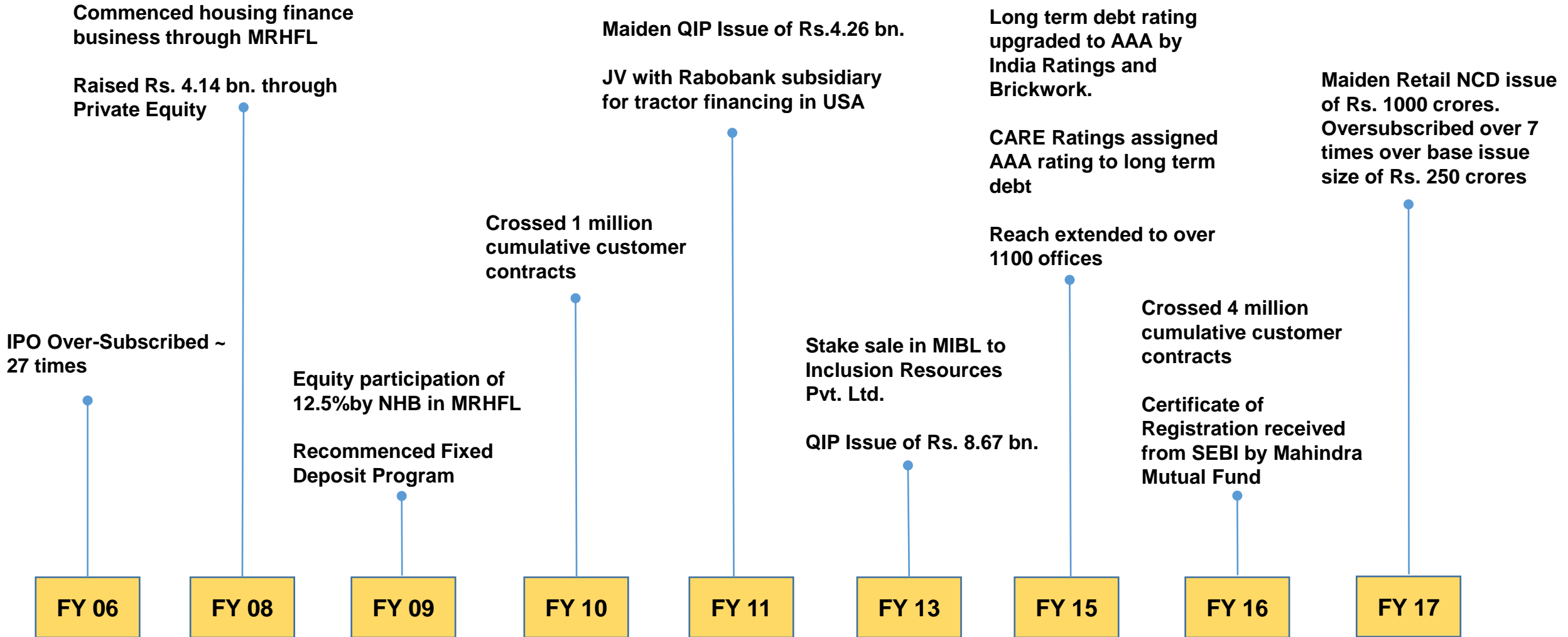
MMFSL Group structure



Note:

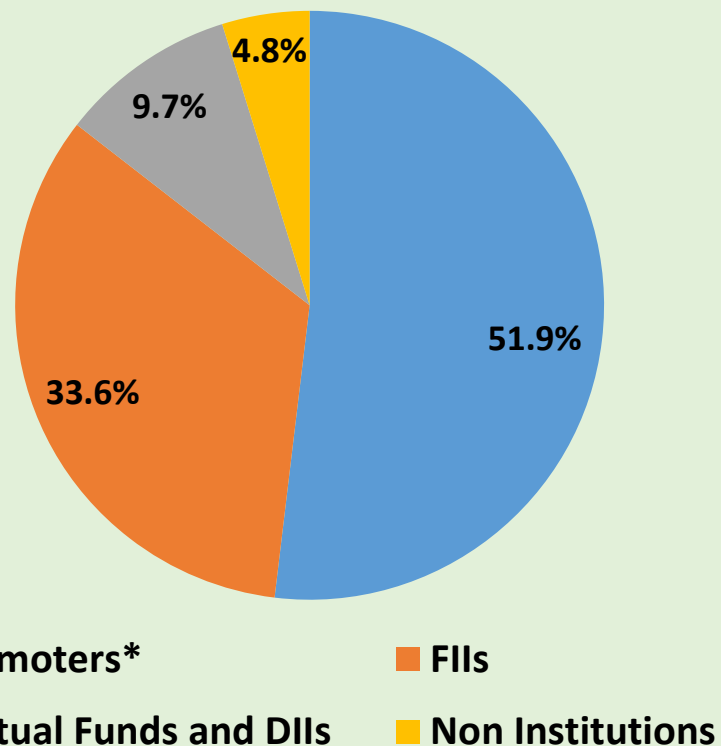
1. Balance 15% with Inclusion Resources Pvt. Ltd., a subsidiary of Leapfrog Financial Inclusion Fund, incorporated in Singapore.
2. Balance 12.5% with National Housing Bank (NHB)

Our Journey



Shareholding Pattern (as on 30th June 2016)

Shareholding Pattern Chart



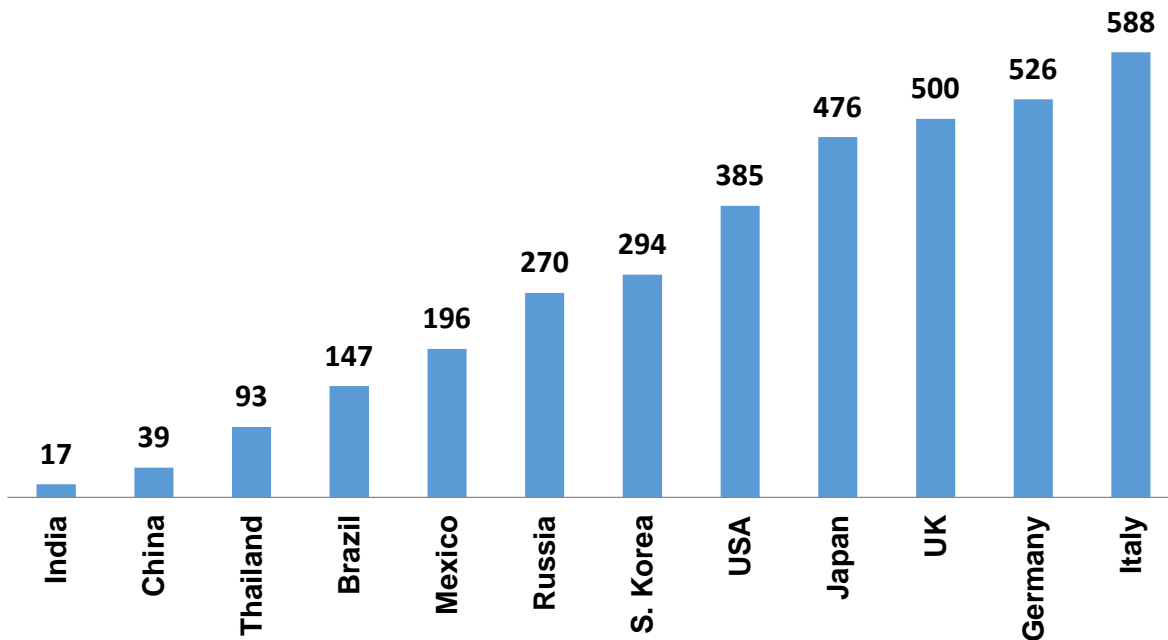
* Mahindra & Mahindra Limited holds a stake of 51.2% in the Company.
ESOP trust holds the balance 0.7%

Top 10 Public Shareholders

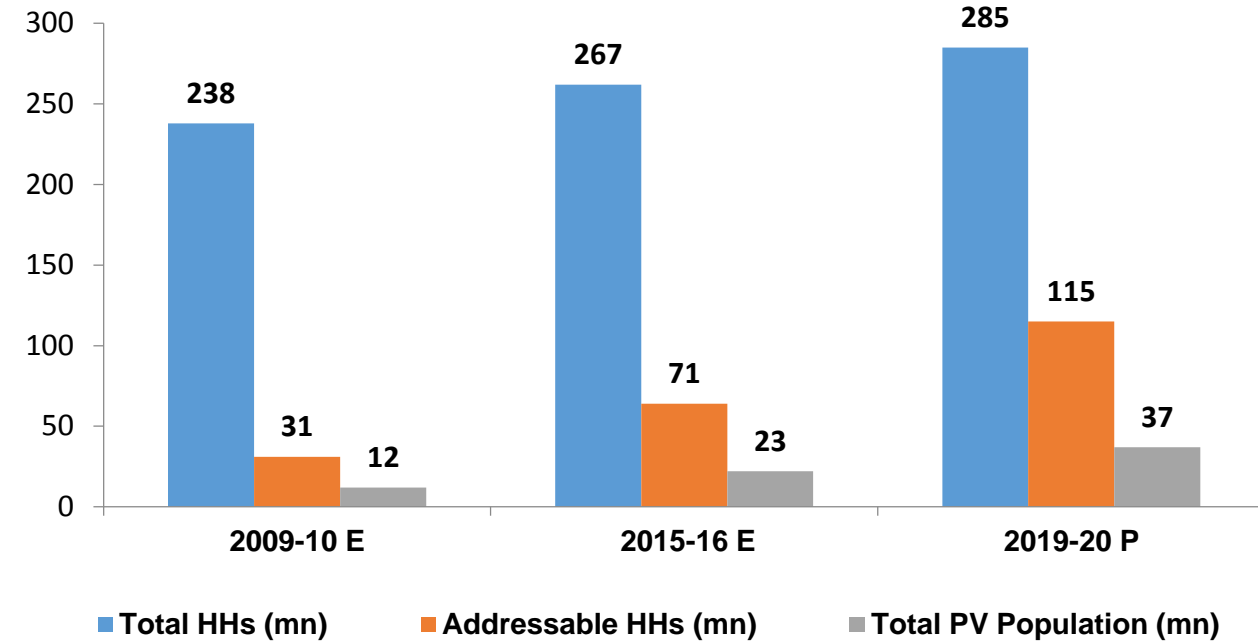
- Amansa Holdings Private Limited
- Aranda Investments (Mauritius) Pte Ltd
- Franklin Templeton Investment Funds
- Life Insurance Corporation Of India
- Government Of Singapore
- Bank Muscat S A O G A/C Bankmuscat India Fund
- Stichting Depository Apg Emerging Markets Equity
- UTI - Mid Cap Fund
- Morgan Stanley Mauritius Company Limited
- Vanguard Emerging Markets Stock Index Fund, Aserie

Auto Industry: Long term growth potential

Global Comparison in terms of PV per thousand people ⁽¹⁾



Addressable HHs to increase over the next 5 years



- With 17 cars per 1000 people, India has strong long term growth prospects
- Growth to be driven by increase in income of households and higher passenger vehicle penetration, rising rural penetration to increase small car sales

Source: *CRISIL Research

Note : (1) All numbers except India are for CY 2012. India's figures are for 2013-14.

Passenger Vehicles Industry: Overall Demand Drivers

	FY 06 – FY11	FY 11 – FY 16	FY 16 – FY 20
Small Cars	14%	2%	11% - 13%
Sedans	10%	-9%	8% - 10%
UV + Vans	12%	5%	12% - 14%
Total (Cars + UVs)	13%	1%	11% - 13%

- Small Cars to drive growth in the long term due to higher aspiration levels led by economy recovery and lower cost of ownership

	FY 2015		FY 2016		FY 2017 (E)
	Volume	Growth	Volume	Growth	Growth
Small Cars	1,854,882	5%	2,008,010	8%	9% - 10%
Sedans	22,279	5%	17,429	-22%	5% - 7%
UV + Vans	722,848	1%	764,208	6%	9% - 11%
Total (Cars + UVs)	2,600,009	4%	2,789,969	7%	8% - 10%

- Low single digit growth expected in larger vehicles - Impact of infrastructure cess and ban on diesel vehicles (over 2000 cc) in Delhi
- Implementation of 7th pay commission to support sale of small cars

Commercial Vehicles Industry: Overall Demand Drivers

	FY 11 – FY 16	FY 16 – FY 20
LCV (goods)	6%	11% - 14%
MHCV (goods)	0%	10% - 12%
Buses	1%	8% - 10%
Total (CV)	3%	10% - 13%

- MHCV goods vehicle sales supported by growth in economic activity, export-import and freight traffic, construction activities etc.
- Demand for LCVs fuelled by increase of hub-and-spoke model, growth of organised retail, rising consumption expenditure and improvement in rural road infrastructure

	FY 2015		FY 2016		FY 2017 (E)
	Volume	Growth	Volume	Growth	Growth
HCV	231,838	16%	302,373	30%	16% - 18%
LCV	382,265	-12%	383,331	0.3%	7% - 9%
Total (CV)	614,103	-3%	685,704	12%	10% - 12%

- Rate of growth in CV vehicles has seen some slowdown.
- LCV industry poised to see improved growth in FY 17 after 2 consecutive years of negative/ poor growth

Tractors Industry: Overall Demand Drivers

Industry - Tractors	FY 2015		FY 2016		FY 2017 (E)	FY 16 – FY 20 (P)
	Volume	Growth	Volume	Growth	Growth	Growth
Tractors	551,463	-13%	493,764	-11%	10% - 12%	8% - 10%

Accumulated Rainfall	Period: 01-06-2016 - 19-07-2016		
MET Regions (Sub-divisions)	Actual (mm)	Normal (mm)	% Dep.
East & North East (7)	520	627	-17%
North West (9)	214	196	10%
Central India (10)	411	360	14%
South Peninsula (10)	302	291	4%
India (36)	346	338	2%

- Strong growth of upwards of 10% expected in the current year, after 2 years of below – average rainfall
- East & North-East is still below their normal rainfall levels.
- Out of the total of 36 sub-divisions, no sub-division is suffering from scanty or no-rainfall (6 sub-divisions still has deficient rainfall).

- Tractor Financing Market has improved significantly on the back of expectation of good monsoon and improvement of farmers sentiment

Auto Industry Volume

Domestic Sales (Volume in '000)	1QFY17 (Nos.)	1QFY16 (Nos.)	Y-o-Y Growth (%)	FY16 (Nos.)	FY15 (Nos.)	Y-o-Y Growth (%)
Passenger Vehicles (PVs)						
Passenger Cars / Vans	476	482	(1.4%)	2,025	1,877	7.9%
UVs	221	171	29.5%	764	723	5.7%
Commercial Vehicles (CVs)						
M&HCVs	71	62	14.5%	302	232	30.2%
LCVs	96	86	11.9%	382	382	0%
Three Wheelers	140	113	23.4%	538	532	1.1%
Tractors	164	143	14.8%	494	551	(10.3%)

Source: Crisil

Automobile Finance Market: 5 years Projected Growth @16-18%

Growth in New Vehicle Finance Disbursements							
(% growth YoY)	FY12E	FY13E	FY14E	FY15E	FY16E	FY17E	5 year CAGR (FY21P)
Cars	8%	-7%	-6%	3%	15%	15% - 17%	17% - 19%
Utility Vehicles	16%	39%	-6%	1%	16%	16% - 18%	20% - 22%
Commercial Vehicles	17%	-14%	-24%	10%	28%	20% - 22%	14% - 16%
Two Wheelers	27%	10%	16%	4%	7%	15% - 17%	17% - 19%

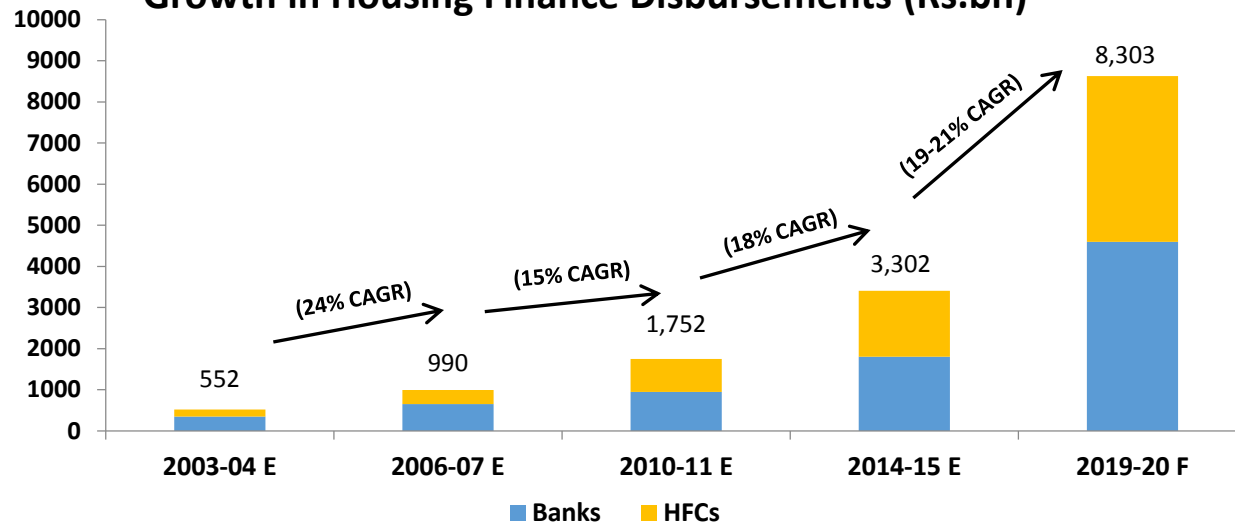
Source: CRISIL Research, Retail Finance – Auto - July 2016

Car & UV Loan Portfolio	Top 20 Cities	Other Cities
Outstanding Loan Composition	55% - 60%	40% - 45%
Finance Penetration Ratio	80.0%	65.0%

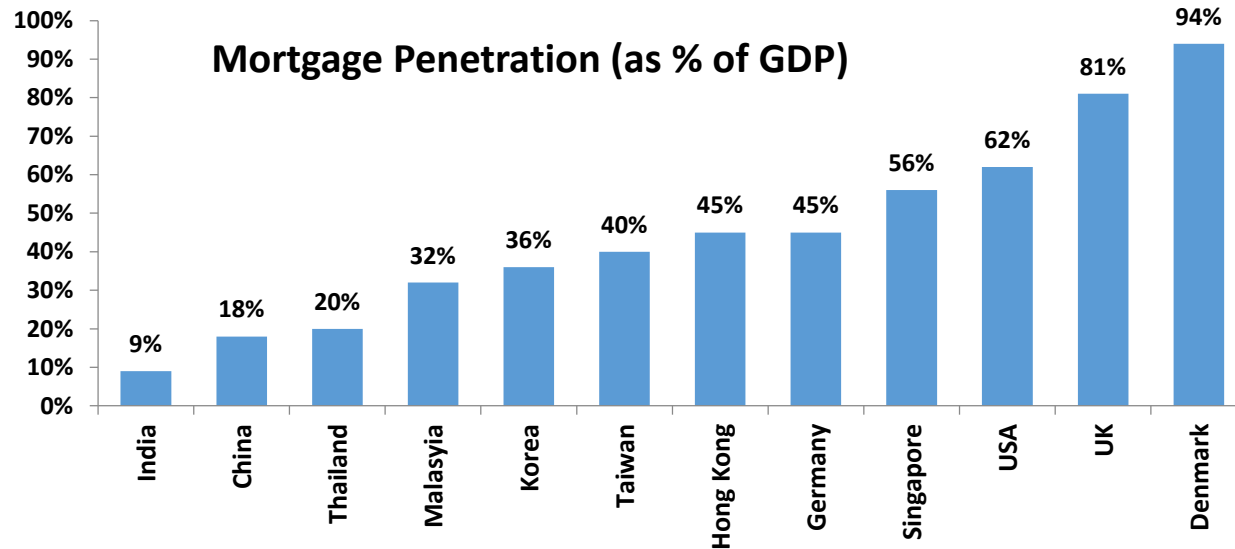
- By FY 2020, penetration levels are expected to increase to 78% for cars and 75% for utility vehicles from 76% and 70% respectively as a result of a moderation in interest rates and alleviation of credit risk
- Increase of finance penetration in cities (excluding top 20) are going to contribute in the overall growth
- Loan-to-value (LTVs) expected to increase marginally to 77% for cars and 74% for UVs from 75% and 72% respectively over the next 5 years

Housing Finance Growth

Growth in Housing Finance Disbursements (Rs.bn)



- Growth in disbursements to be supported by rising focus of developers on the affordable housing segment
- Tier II and III cities to drive growth



- Though India's mortgage-to-GDP ratio is low, it has improved by 300-400 bps over the last six years.
- Growth in economic activity, disposable incomes, improving affordability

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

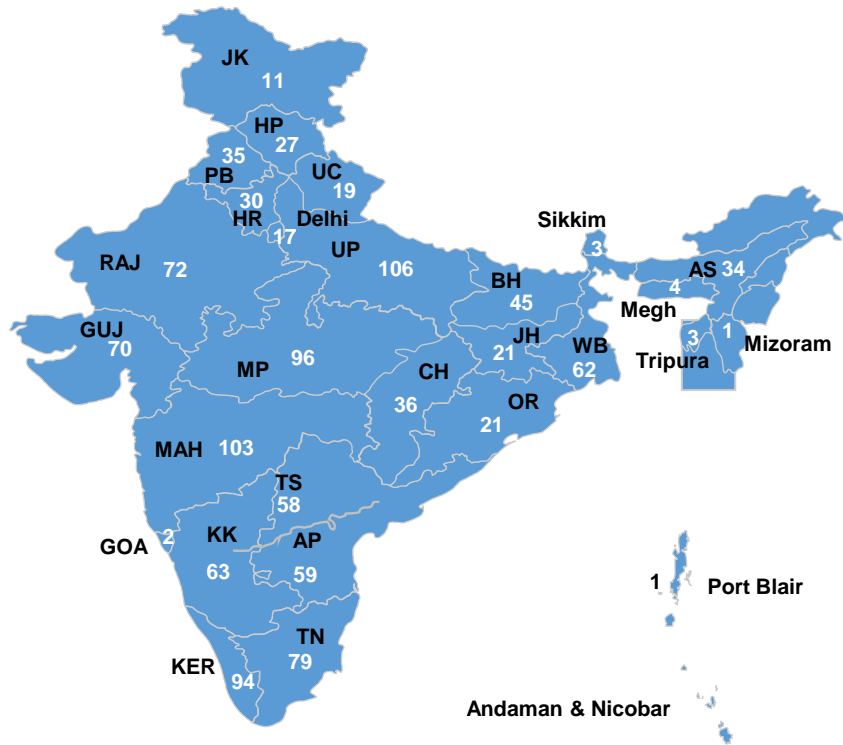
Effective use of technology to improve productivity

Leverage the “Mahindra” Ecosystem

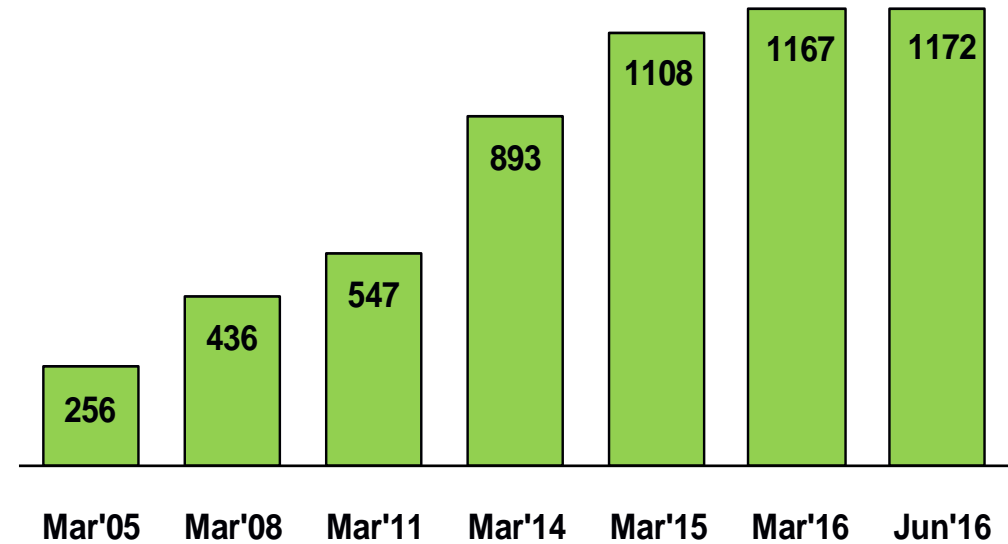
Extensive Branch Network

- Extensive branch network with presence in 26 states and 3 union territories in India through 1172 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 up of estimated value of Assets Financed

Asset Class	Quarter ended June – 16	Quarter ended June – 15	Year ended March – 16
Auto/ Utility vehicles	29%	31%	30%
Tractors	17%	16%	15%
Cars	22%	24%	22%
Commercial vehicles and Construction equipments	13%	10%	11%
Pre-owned vehicles	14%	16%	16%
Others*	5%	3%	6%

* Others include SME assets

Break up of AUM

Asset Class	As on June – 16	As on June – 15	As on March – 16
Auto/ Utility vehicles	31%	31%	31%
Tractors	17%	18%	17%
Cars	24%	23%	24%
Commercial vehicles and Construction equipments	13%	13%	12%
Pre-owned vehicles	9%	10%	10%
Others*	6%	5%	6%

1. Approximate percentages

2. As on 30th June 16, ~48% of the AUM was from M&M assets

* Others include SME assets

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	AAA (ind)	Stable
Short term debt	IND A1+	--
	CARE Ratings	Outlook
Long term and Subordinated debt	AAA	--
	Brickwork	Outlook
Long term and Subordinated debt	AAA	Stable
	CRISIL	Outlook
Fixed Deposit Programme	FAAA	Stable
Short term debt	A1+	--
Long term and Subordinated debt	AA+	Stable

Broad Based Liability Mix

Total consortium size of Rs.15,300 mn. comprising several banks

Funding Mix by Investor profile (June' 16)

Investor Type	Amount (INR mn.)	% Share
Mutual Fund	57,884	19%
Banks	125,861	40%
Insurance Companies	67,325	22%
Securitization/ Assignment to Banks	12,603	4%
Others	48,279	15%
Total	311,952	100%

Funding Mix by type of Instrument (June' 16)

Instrument Type	Amount (INR mn.)	% Share
NCDs	113,156	36%
Retail NCDs	10,000	3%
Bank Term Loan	103,314	33%
Fixed Deposit	46,686	15%
Securitization/ Assignment	12,603	4%
CP, ICD	26,193	9%
Total	311,952	100%

Successfully placed Retail NCD worth Rs. 1000 crores. The issue was over-subscribed 7.4x on the base issue size of Rs. 250 crores

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

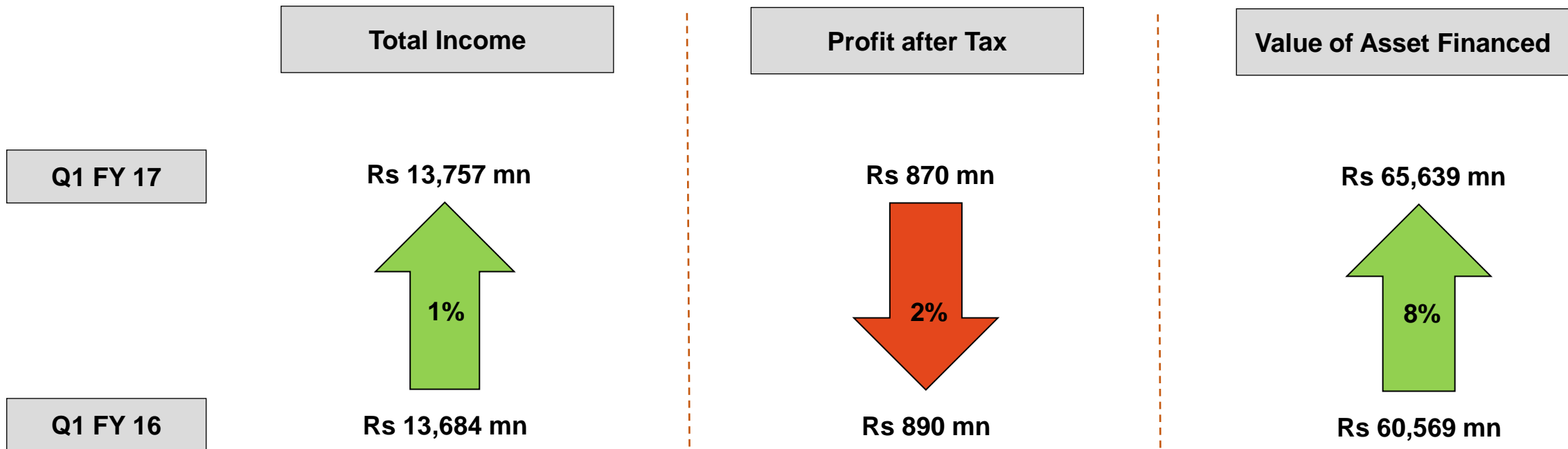
Technology initiatives

- 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



Key Financials

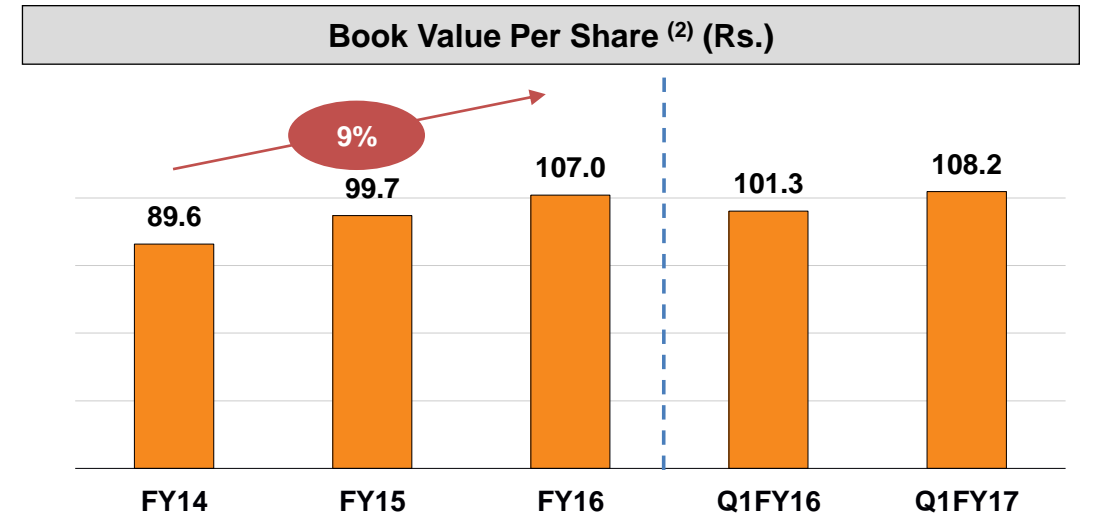
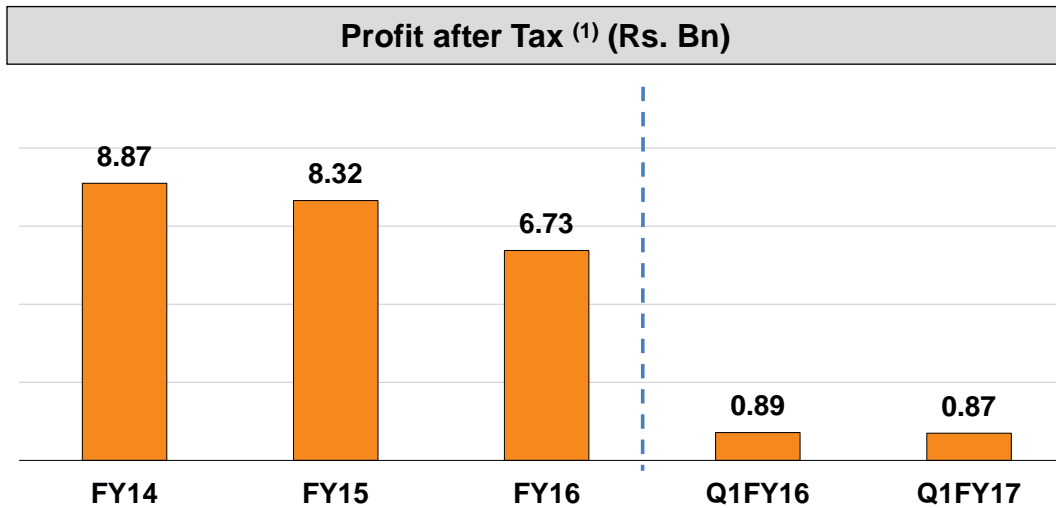
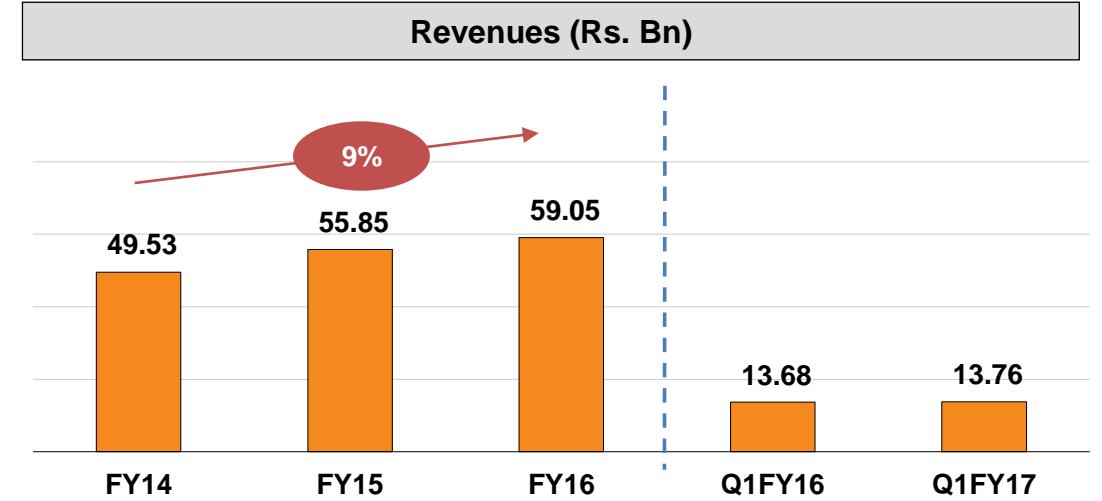
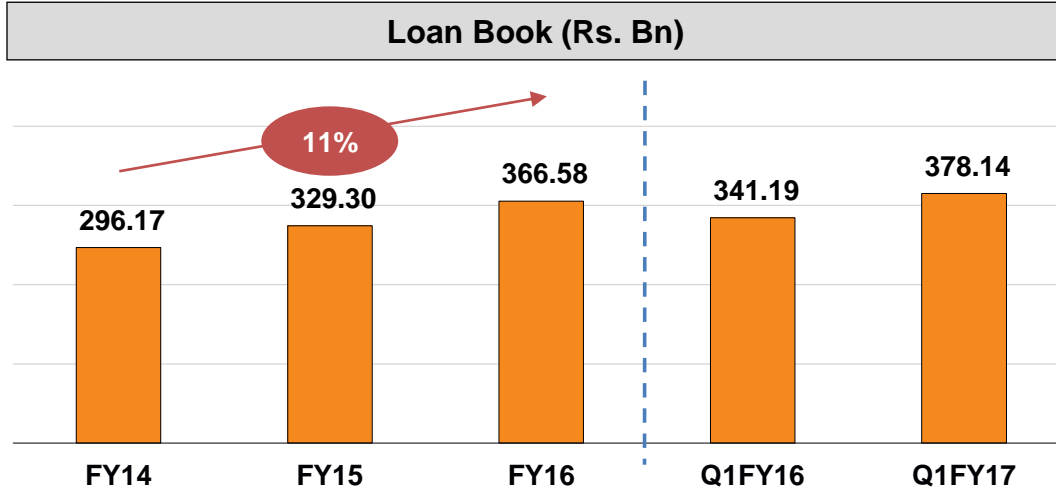
Figures on standalone basis



* Note: The Company is required to recognise NPA based on four months overdue by end of FY 2017, which the Company has been following w.e.f. quarter ended 31st March 2016. This has resulted in additional provision of Rs. 918 mn in the current quarter (including income de-recognition) as compared to quarter ended June 30, 2015 (NPA recognised on a 5 months basis)

Growth Trajectory

Figures on standalone basis



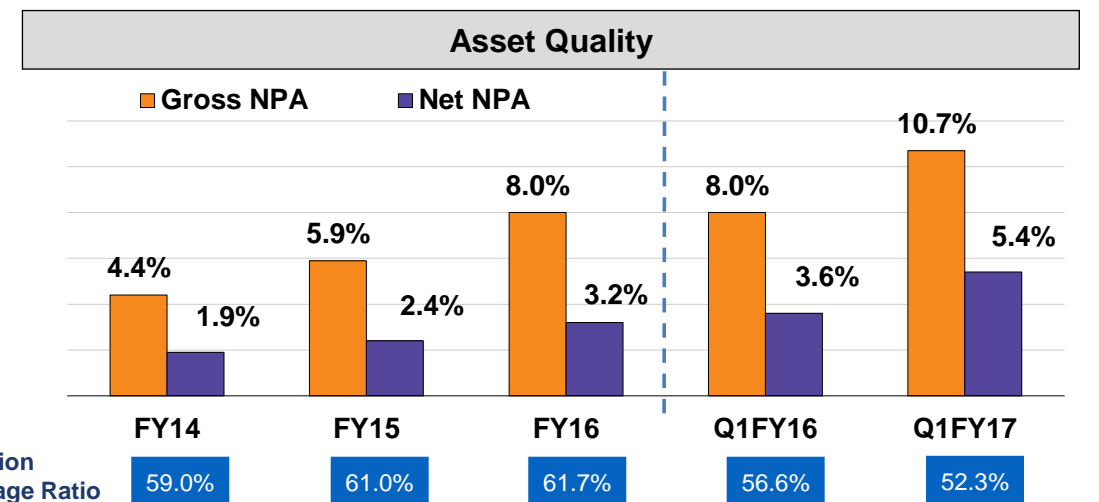
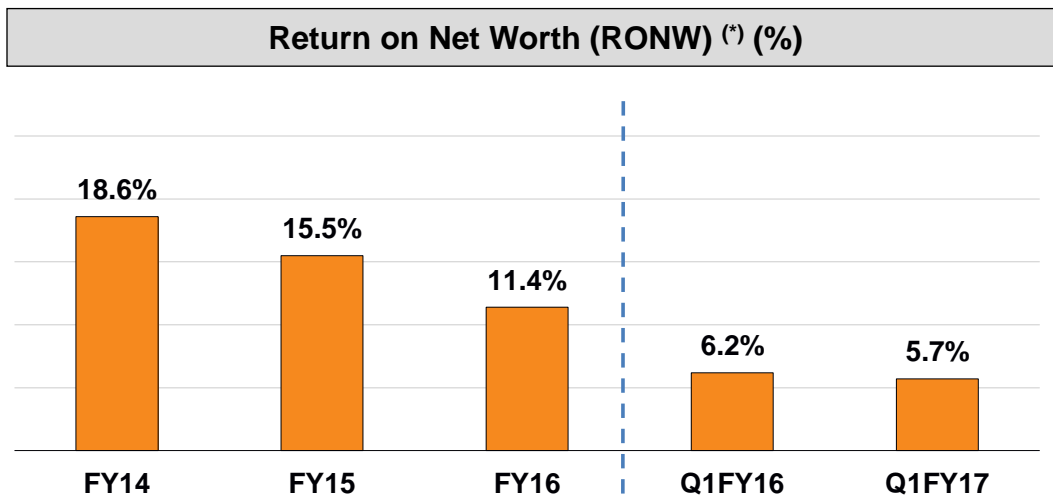
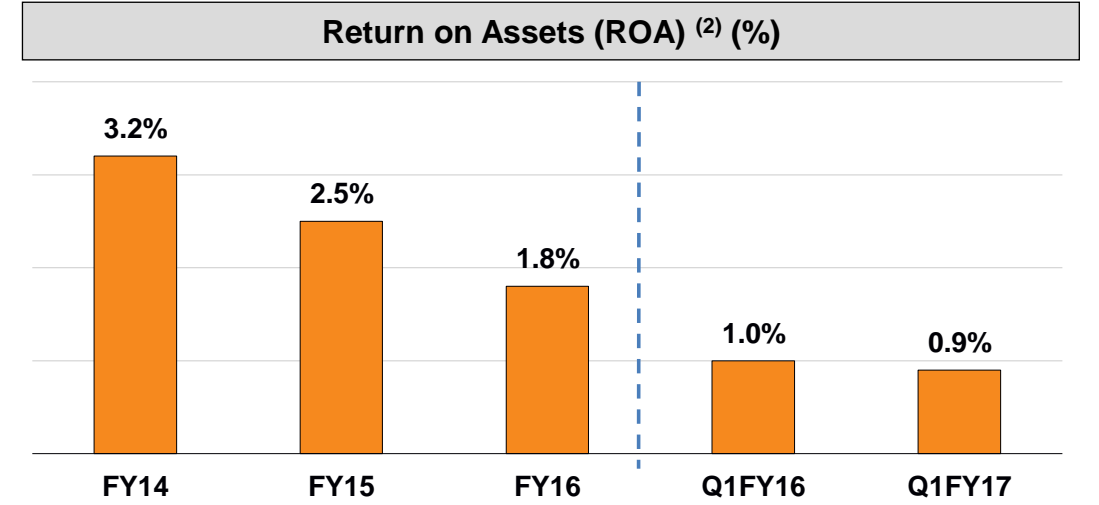
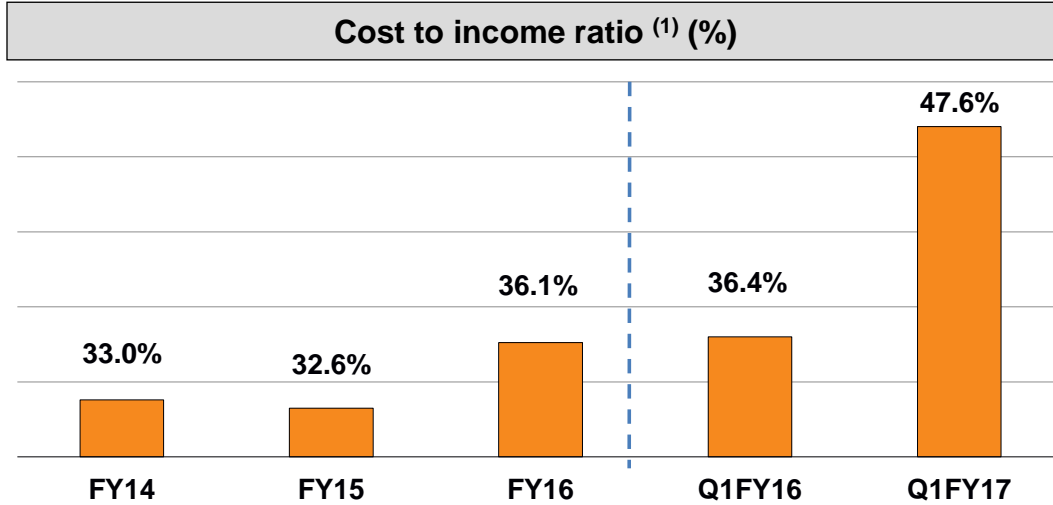
Note : ⁽¹⁾ PAT post exceptional items.

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

* All figures and ratios are post additional provision of Rs. 918 mn (including income de-recognition). Please refer to detailed note on Slide 25.

Financial Performance

Figures 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

* All figures and ratios are post additional provision of Rs. 918 mn (including income de-recognition). Please refer to detailed note on Slide 25.

Standalone Profit & Loss Account

Particulars (Rs. in Million)	Q1FY17	Q4FY16	Q-o-Q	Q1FY16	Y-o-Y	FY16
Revenue from operations	13,603	15,995	(15.0%)	13,163	3.3%	56,468
Securitisation Income (net)	61	726	(91.6%)	445	(86.3%)	2,064
Less: Finance cost	6,910	6,711	3.0%	6,445	7.2%	26,393
NII	6,754	10,010	(32.5%)	7,163	(5.7%)	32,139
Other Income	93	176	(47.4%)	76	21.8%	519
Total Income	6,847	10,186	(32.8%)	7,239	(5.4%)	32,658
Employee benefits expense	1,675	1,556	7.7%	1,294	29.5%	5,588
Provisions and write Offs	2,245	1,089	106.2%	3,228	(30.4%)	10,495
Other expenses	1,479	1,730	(14.5%)	1,243	19.0%	5,784
Depreciation and amortization	106	105	1.4%	98	8.6%	409
Total Expenses	5,506	4,480	22.9%	5,863	(6.1%)	22,276
Profit before tax	1,341	5,706	(76.5%)	1,376	(2.5%)	10,382
Tax expense	472	2,003	(76.5%)	486	(3.0%)	3,656
Net Profit after Taxes	870	3,703	(76.5%)	890	(2.3%)	6,726

* All figures and ratios are post additional provision of Rs. 918 mn (including income de-recognition). Please refer to detailed note on Slide 25.

Standalone Balance Sheet

Particulars (Rs. in Million)	As on Jun 30, 2016	As on Jun 30, 2015	As on Mar 31, 2016
EQUITY AND LIABILITIES			
Shareholders' funds			
a) Share Capital	1,129	1,128	1,129
b) Reserves and Surplus	60,417	56,498	59,752
Shareholders' funds	61,546	57,626	60,881
Non-current liabilities			
a) Long-term borrowings	1,80,286	1,68,287	1,73,317
b) Other Long-term liabilities	4,603	3,511	4,326
c) Long term provisions	5,074	4,077	4,482
Non-current liabilities	1,89,963	1,75,875	1,82,125
Current liabilities			
a) Short Term Borrowings	37,157	42,366	43,469
b) Trade payables	5,894	5,017	4,789
c) Other current liabilities	94,148	68,344	89,462
d) Short term provisions	16,343	13,262	15,069
Current liabilities	1,53,542	1,28,989	1,52,789
Total Equities and Liabilities	4,05,051	3,62,490	3,95,795

Standalone Balance Sheet (Contd.)

Particulars (Rs. in Million)	As on Jun 30, 2016	As on Jun 30, 2015	As on Mar 31, 2016
ASSETS			
Non-current assets			
a) Fixed Assets	1,161	1,106	1,135
b) Non-current investments	9,916	7,914	9,923
c) Deferred tax assets (Net)	6,133	4,280	5,853
d) Long-term loans and advances	1,86,384	1,71,388	1,84,172
e) Other non-current assets	547	2,848	518
Non-current assets	2,04,141	1,87,536	2,01,601
Current assets			
a) Current investments	2,612	937	4,910
b) Trade receivables	49	49	51
c) Cash and cash equivalents	5,475	3,748	5,890
d) Short-term loans and advances	1,91,752	1,69,805	1,82,406
e) Other current assets	1,022	415	937
Current assets	2,00,910	1,74,954	1,94,194
Total Assets	4,05,051	3,62,490	3,95,795

Consolidated Profit & Loss Account

Particulars (Rs. in Million)	Quarter ended June – 16	Quarter ended June 15	Year ended March - 16
Revenue from operations	15,679	15,046	65,539
Other income	107	80	436
Total Revenue	15,786	15,126	65,975
Expenses:			
Employee benefits expense	2,104	1,593	7,041
Finance costs	7,639	6,927	28,683
Depreciation and amortization expense	122	109	457
Provisions and write Offs	2,475	3,375	10,982
Other expenses	1,732	1,424	6,571
Total Expenses	14,072	13,428	53,734
Profit before tax	1,713	1,698	12,241
Tax expense	612	601	4,367
Profit for the year	1,101	1,097	7,874
Minority Interest	25	23	151
Net Profit after Taxes and Minority Interest	1,076	1,074	7,723

* All figures and ratios are post additional provision of Rs. 918 mn (including income de-recognition). Please refer to detailed note on Slide 25.

Consolidated Balance Sheet

Particulars (Rs. in Million)	As on Jun 30, 2016	As on Jun 30, 2015	As on Mar 31, 2016
EQUITY AND LIABILITIES			
Shareholders' funds			
a) Share Capital	1,129	1,128	1,129
b) Reserves and Surplus	64,481	59,444	63,565
Shareholders' funds	65,610	60,572	64,694
Minority Interest	700	516	675
Non-current liabilities			
a) Long-term borrowings	2,12,604	1,90,267	2,03,412
b) Other Long-term liabilities	4,604	3,511	4,326
c) Long term provisions	5,635	4,400	4,919
Non-current liabilities	2,22,843	1,98,178	2,12,657
Current liabilities			
a) Short Term Borrowings	47,252	49,209	52,175
b) Trade payables	6,206	5,199	5,073
c) Other current liabilities	105,008	75,722	99,103
d) Short term provisions	16,954	13,686	15,691
Current liabilities	1,75,420	1,43,816	1,72,042
Total Equities and Liabilities	4,64,575	4,03,082	4,50,068

Consolidated Balance Sheet (Contd.)

Particulars (Rs. in Million)	As on Jun 30, 2016	As on Jun 30, 2015	As on Mar 31, 2016
ASSETS			
Non-current assets			
a) Fixed Assets	1,332	1,199	1,291
b) Non-current investments	6,399	5,807	6,522
c) Deferred tax assets (Net)	6,282	4,349	5,992
d) Long-term loans and advances	2,33,484	2,03,672	2,28,420
e) Other non current assets	553	2,854	524
Non-current assets	2,48,050	2,17,881	2,42,749
Current assets			
a) Current investments	2,819	938	5,467
b) Trade receivables	159	109	200
c) Cash and cash equivalents	5,738	3,919	6,098
d) Short-term loans and advances	2,06,852	1,79,841	1,94,669
e) Other current assets	957	394	885
Current assets	2,16,525	1,85,201	2,07,319
Total Assets	4,64,575	4,03,082	4,50,068

Summary & Key Ratios

Figures on standalone basis

Particulars	Quarter ended June – 16	Quarter ended June – 15	Year ended March – 16
RONW (Avg. Net Worth)	5.7%	6.2%	11.4%
Debt / Equity	4.87:1	4.68:1	4.84:1
Capital Adequacy	19.5%	18.1%	17.3%
Tier I	14.3%	15.3%	14.6%
Tier II	5.2%	2.7%	2.7%
EPS (Basic) (Rs.)	1.54	1.58	11.92
Book Value (Rs.)	108.2	101.3	107.0
Dividend	-	-	200%
Assets Under Management (Rs. Mn)	416,622	375,544	409,333
New Contracts During the period (Nos)	118,843	122,415	522,256
No. of employees	15,610	14,250	15,821

* Note: The Company is required to recognise NPA based on four months overdue by end of FY 2017, which the Company has been following w.e.f. quarter ended 31st March 2016. This has resulted in additional provision of Rs. 918 mn in the current quarter (including income de-recognition) as compared to quarter ended June 30, 2015 (NPA recognised on a 5 months basis)

Spread Analysis

Figures on standalone basis

	Quarter ended June – 16	Quarter ended June – 15	Year ended March – 16
Total Income / Average Assets	14.3%	15.8%	16.3%
Interest / Average Assets	7.2%	7.4%	7.3%
Gross Spread	7.1%	8.4%	9.0%
Overheads / Average Assets	3.4%	3.1%	3.2%
Write offs & NPA provisions / Average Assets	2.3%	3.7%	2.9%
Net Spread	1.4%	1.6%	2.9%
Net Spread after Tax	0.9%	1.0%	1.8%

* Note: The Company is required to recognise NPA based on four months overdue by end of FY 2017, which the Company has been following w.e.f. quarter ended 31st March 2016. This has resulted in additional provision of Rs. 918 mn in the current quarter (including income de-recognition) as compared to quarter ended June 30, 2015 (NPA recognised on a 5 months basis)

NPA Analysis

Figures on standalone basis

Particulars (Rs. million)	June – 16	June – 15	March – 16
Gross Non - Performing Assets	44,147*	29,411	32,242*
Less: NPA Provisions	23,087	16,644	19,891
Net Non – Performing Assets	21,060	12,767	12,351
Total Assets (Incl. NPA Provision)	411,337	366,656	400,764
Gross NPA to Total Assets(%)	10.7%	8.0%	8.0%
Net NPA to Total Assets(%)	5.4%	3.6%	3.2%
Coverage Ratio(%)	52.3%	56.6%	61.7%

Note: *includes additional assets of Rs. 2486 mn and Rs. 4496 mn for March 2016 and June 2016 respectively identified due to accelerated recognition.

* The Company is required to recognise NPA based on four months overdue by end of FY 2017, which the Company has been following w.e.f. quarter ended 31st March 2016. This has resulted in additional provision of Rs. 918 mn in the current quarter (including income de-recognition) as compared to quarter ended June 30, 2015 (NPA recognised on a 5 months basis)

Above workings are excluding securitised/assigned portfolio

Mahindra Rural Housing Finance Limited

Particulars (Rs. million)	Quarter ended June – 16	Quarter ended June – 15	Year ended March – 16
Loans disbursed	4,050	3,392	15,525
No. of Customer Contracts (Nos)	28,654	25,048	125,074
Outstanding loan book	35,576	23,646	32,645
Total income	1,437	996	4,954
PBT	124	105	967
PAT	81	68	627

- **Business Area:** Provide loans for home construction, extension, purchase and improvement to a wide base of customers in rural and semi-urban India
- **Shareholding pattern:** MMFSL- 87.5%; NHB- 12.5%
- **Reach:** Currently spread in 11 States

Mahindra Insurance Brokers Limited

Particulars (Rs. million)	Quarter ended June – 16	Quarter ended June – 15	Year ended March – 16
Total income	365	317	1,492
Net premium	2,680	2,499	10,870
PBT	154	146	752
PAT	101	96	485
No. of Policies for the Period (nos.)	360,128	300,483	1,330,929
No. of employees (nos.)	825	733	802

- **Business Area:** Licensed by IRDA for undertaking insurance broking in Life, Non-Life and reinsurance businesses
- **Shareholding pattern:** MMFSL- 85%; Inclusion Resources Pvt. Ltd.- 15%



Company Overview

Industry Overview

Business Strategy

Financial Information

Key Subsidiaries

Awards & Accolades

Risk Management Policies

Transforming rural lives across the country

Awards and Accolades

- **Great Place to Work Institute** in association with **Economic Times** has recognized **Mahindra & Mahindra Financial Services Ltd.** as one of **INDIA'S BEST COMPANIES TO WORK FOR, 2016.**

The FSS sector has also topped the sectors for the below 2 categories:

- Ranked 1st at **Best Place to Work.**
- Ranked 2nd in **Loyalty.**

- Mahindra Finance has been appraised and rated at People CMM® Maturity Level 3
- Mahindra Finance included on **Dow Jones Sustainability Index (DJSI)** - Emerging Market Trends for 3rd year in a row. We also got featured in **RobecoSAM Sustainability Yearbook 2015**
- Mahindra Finance made it to the list of **Carbon Disclosure Leadership Index (CDLI)** for 2nd consecutive year in 2015



Conservative Risk Management Policies

Provisioning Norms

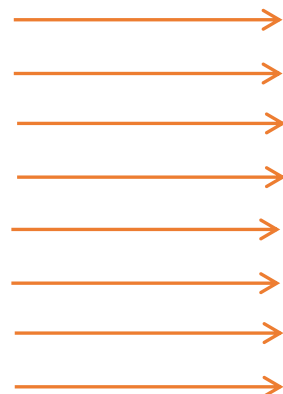
Duration (months)	RBI Norms	Duration (months)	MMFSL
5 and <= 16	10%	> 4* and <= 11	10%
> 16 and <= 28	20%	> 11 and <= 24	50%
> 28 and <= 52	30%	> 24 months	100%
> 52 months	50%		

Note: During the current quarter, the Company has reviewed the basis of estimating provision for non-performing assets and has considered estimated realisable value of underlying security (which conforms to the RBI norms) for loan assets to determine 100% provisioning for assets which are 24 months overdue. As a result, provision for the quarter ended 30 June 2016 is lower by Rs.19275.18 lacs with a consequent impact on the Profit before tax.

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

At MMFSL, NPA provisioning norms are more stringent than RBI norms

* **Note:** The Company is required to recognise NPA based on four months overdue by end of FY 2017, which the Company has been following w.e.f. quarter ended 31st March 2016. This has resulted in additional provision of Rs. 918 mn in the current quarter (including income de-recognition) as compared to quarter ended June 30, 2015 (NPA recognised on a 5 months basis)

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