

22<sup>nd</sup> October, 2019

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, 2019.

The presentation is also being uploaded on the website of the Company at the URL <https://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,  
Mahindra & Mahindra Financial Services Limited

*Arnavaz*

Arnavaz M. Pardiwalla  
Company Secretary & Compliance Officer

Encl: a/a



# Mahindra & Mahindra Financial Services Limited

Quarter Result Update  
September - 2019

**Corporate Office:**

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CIN - L65921MH1991PLC059642



**Company Overview**

**Industry Overview**

**Business Strategy**

**Financial Information**

**Key Subsidiaries**

**Awards & Accolades**

**Risk Management Policies**

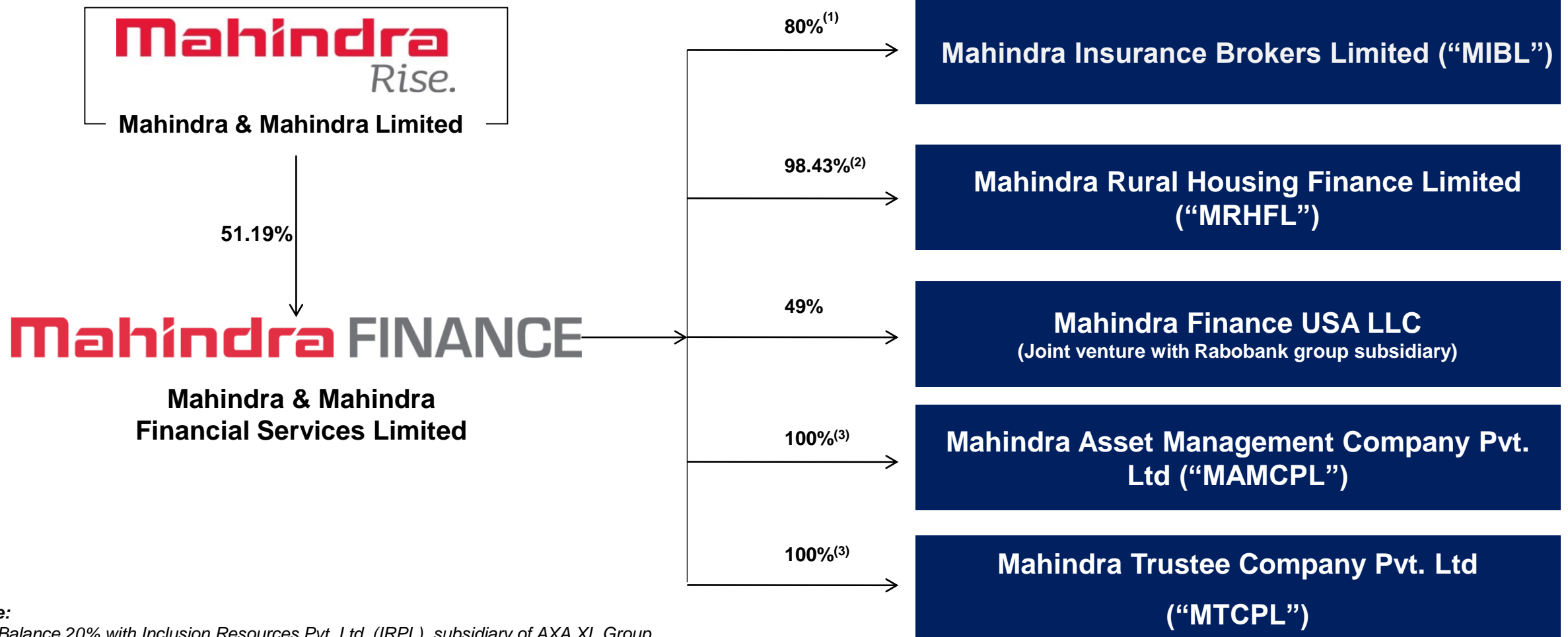
***Transforming rural lives across the country***

# Company Background

- Parentage:** Mahindra & Mahindra Financial Services Limited (“MMFSL”) is a subsidiary of Mahindra and Mahindra Limited (*Mcap: Rs 741 billion*)\*, India’s largest tractor and utility vehicle manufacturer
- About MMFSL:** MMFSL (*Mcap: Rs 211 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 1,337 offices covering 28 states and 5 union territories in India, with over 6.45 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 October 21, 2019 from BSE website*

# MMFSL Group structure

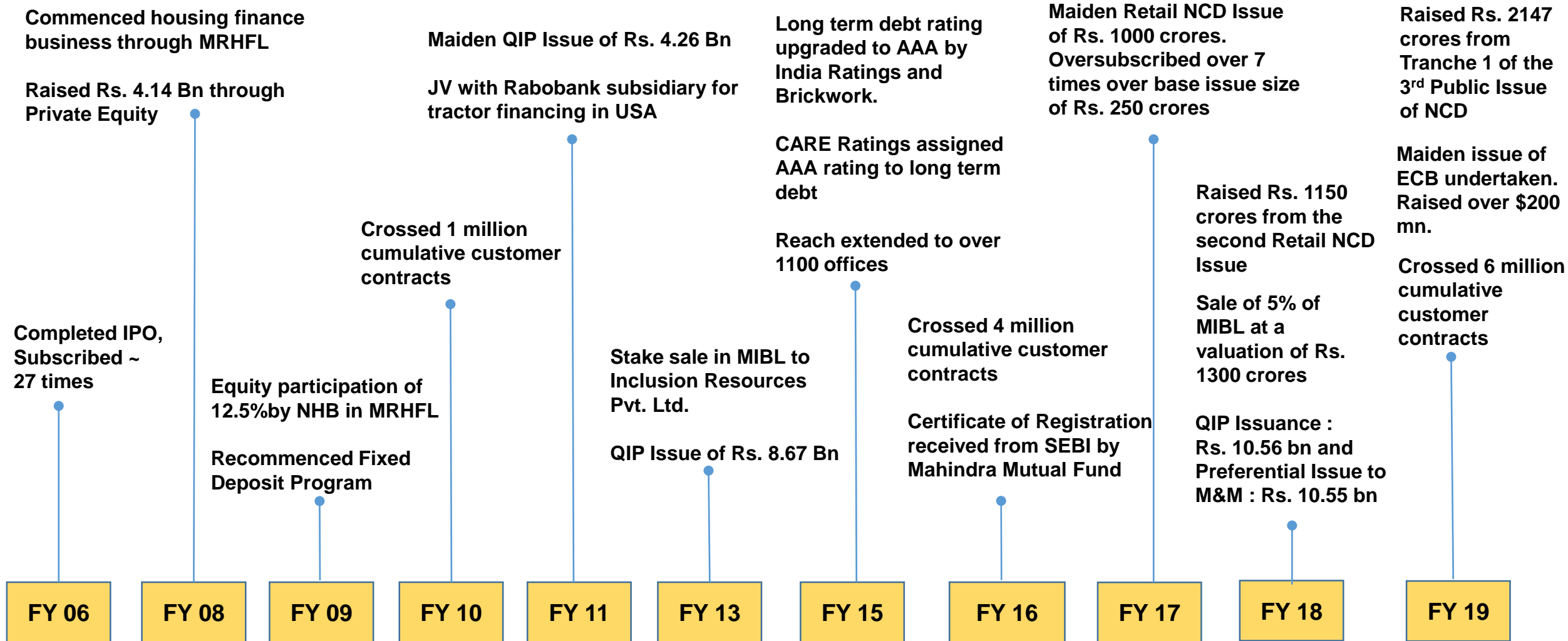


**Note:**

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

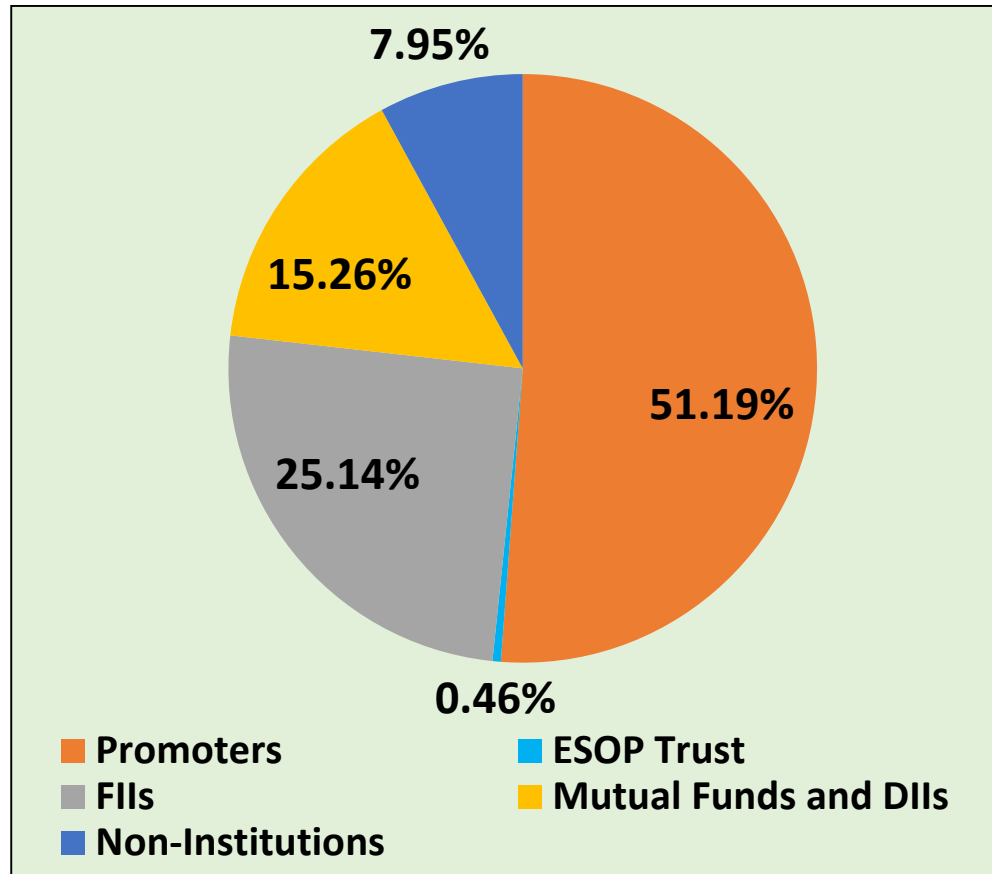
\* As on June 30, 2019

# Our Journey



# Shareholding Pattern (as on 30<sup>th</sup> September, 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
- Valiant Mauritius Partners Offshore Limited
- Blackrock Global Funds Asian Dragon Fund
- Life Insurance Corporation Of India P & Gs Fund
- SBI Blue Chip Fund
- Bank Muscat India Fund
- Vanguard Total International Stock Index Fund
- Vanguard Emerging Markets Stock Index Fund, A Seri



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# Auto Industry Volume

Domestic Sales (Volume in '000)	1HFY20 (Nos.)	1HFY19 (Nos.)	Y-o-Y Growth (%)	FY19 (Nos.)	FY18 (Nos.)	Y-o-Y Growth (%)
<b>Passenger Vehicles (PVs)</b>						
Passenger Cars / Vans	818	1,169	(30%)	2,219	2,174	2%
UV's	516	575	(10%)	1,159	1,115	4%
<b>Commercial Vehicles (CVs)</b>						
M&HCVs	123	191	(36%)	391	341	15%
LCVs	253	297	(15%)	617	516	20%
<b>Three Wheelers</b>	331	354	(6%)	701	636	10%
<b>Tractors</b>	359	409	(12%)	785	711	10%

All vehicle categories have witnessed de-growth in the first half

# Automobile Finance Market: 5 years Projected Growth

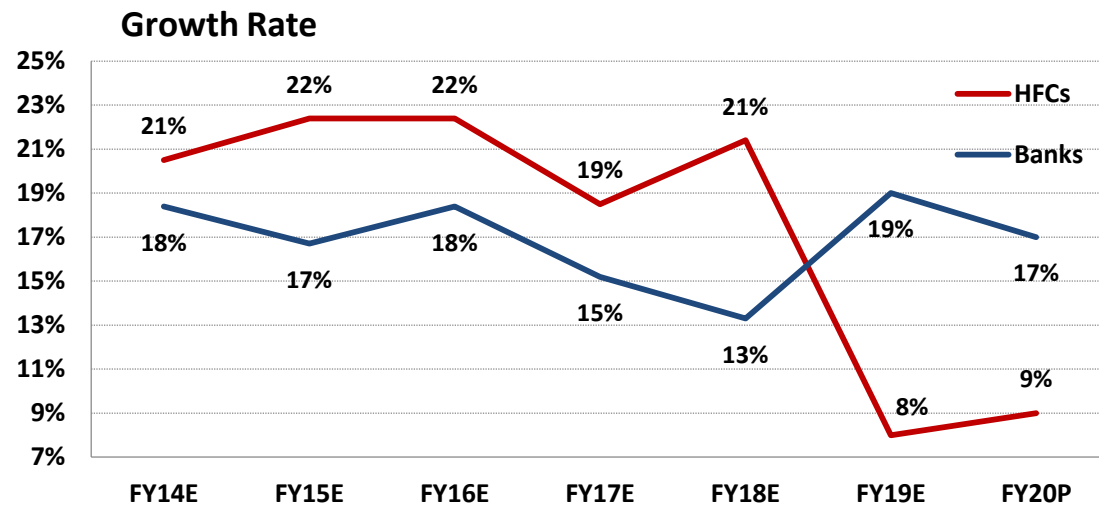
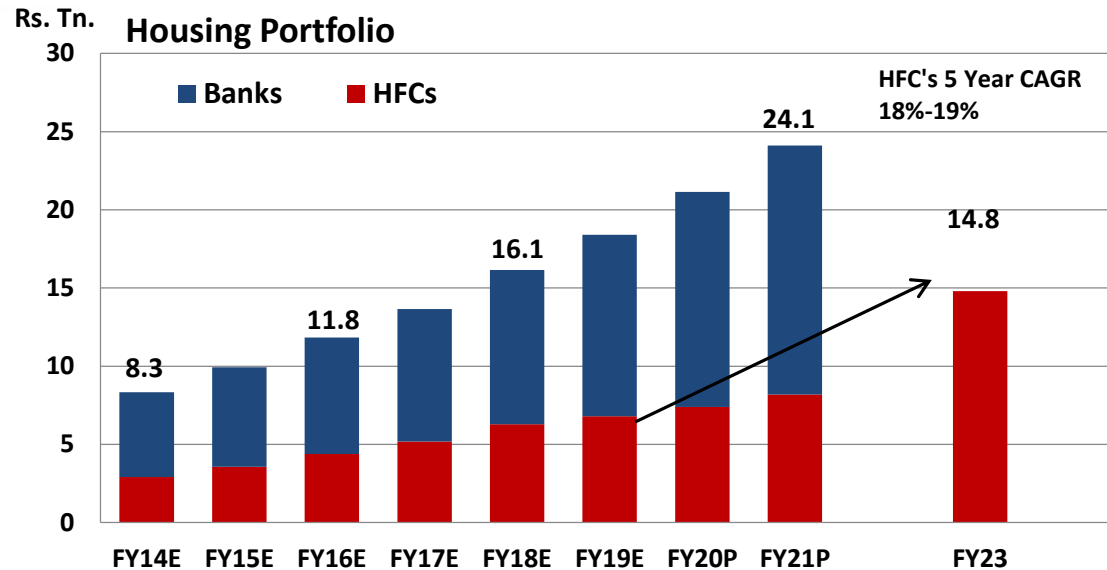
Segment-wise growth in disbursement					
	FY 14 (Rs. Bn.)	CAGR FY 14 – FY 19	FY 19 (E) (Rs. Bn.)	CAGR FY 19 – FY 24	FY 24 (P) (Rs. Bn.)
Passenger vehicle	696	8%	1,032	10% - 12%	1,747
Commercial vehicle	351	20%	859	5% - 7%	1,171
Two wheelers	140	18%	309	11% - 13%	552
Three wheelers	64	12%	110	10% - 12%	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. However, demand side fundamentals remain strong.
- Share of loans from Banks to increase as over the medium term. Liquidity concerns points towards healthy growth prospects for banks
- Securitisation to remain key avenue to manage liquidity for non-banks
- Rise in finance penetration to drive growth: Affordable housing a new growth engine. Deeper mortgage penetration and increased demand from Tier II/ smaller towns to fuel loan growth over the period
- Mortgage penetration in India is 9 – 11 years behind other regional emerging markets like China and Thailand. Rapid urbanisation to boost housing demand



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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**

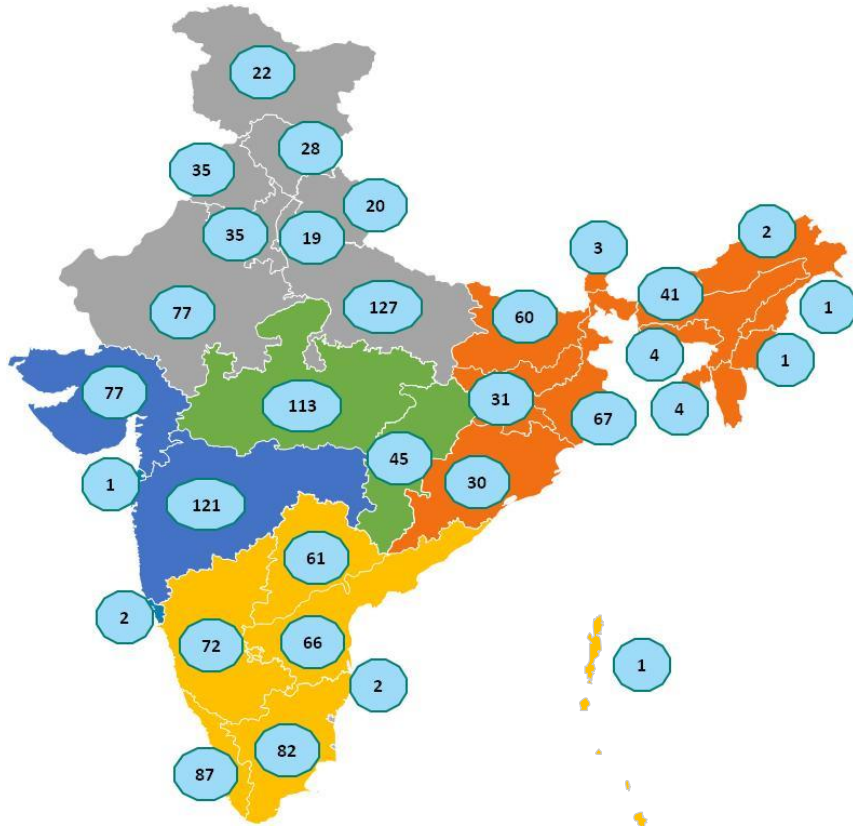
**Effective use of technology to improve productivity**

**Leverage the “Mahindra” Ecosystem**

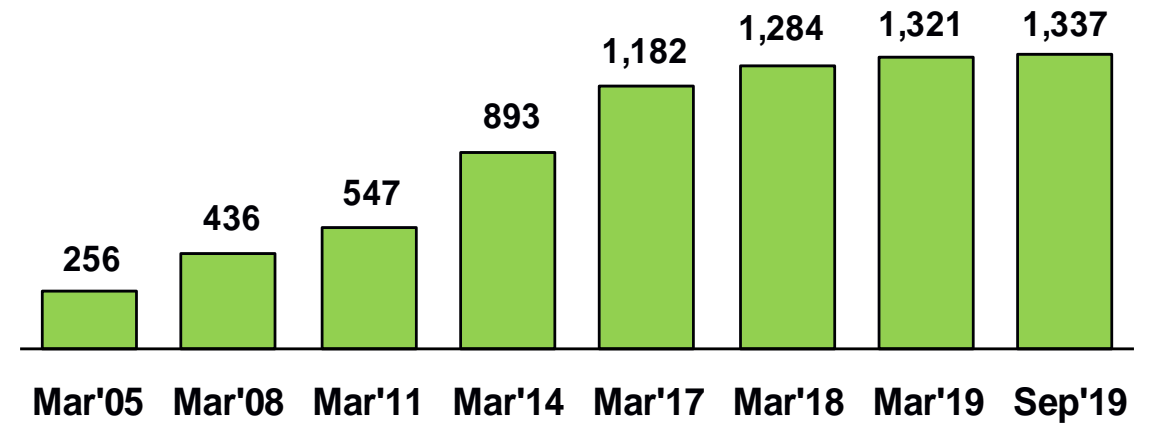
# Extensive Branch Network

- Extensive branch network with presence in 28 states and 5 union territories in India through 1,337 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	Half Year ended Sep – 19	Half Year ended Sep – 18	Year ended March – 19
Auto/ Utility vehicles	27%	23%	25%
Tractors	16%	18%	18%
Cars	19%	20%	20%
Commercial vehicles and Construction equipments	17%	18%	19%
Pre-owned vehicles	18%	14%	14%
SME and Others	3%	7%	4%

\* Standalone



# Break down of AUM

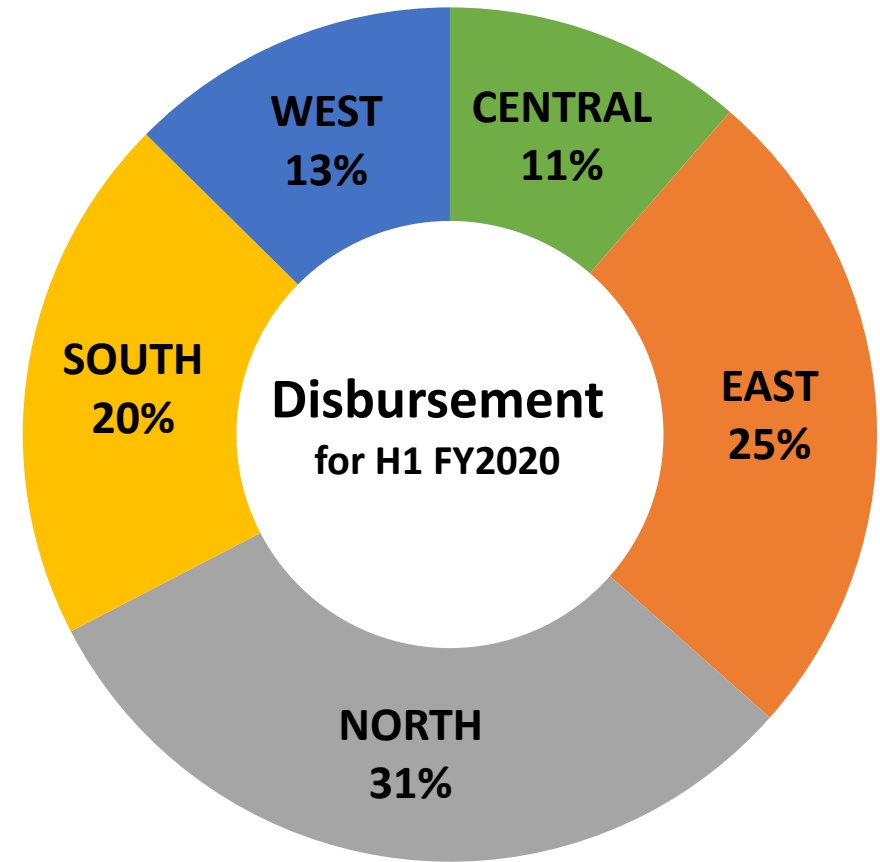
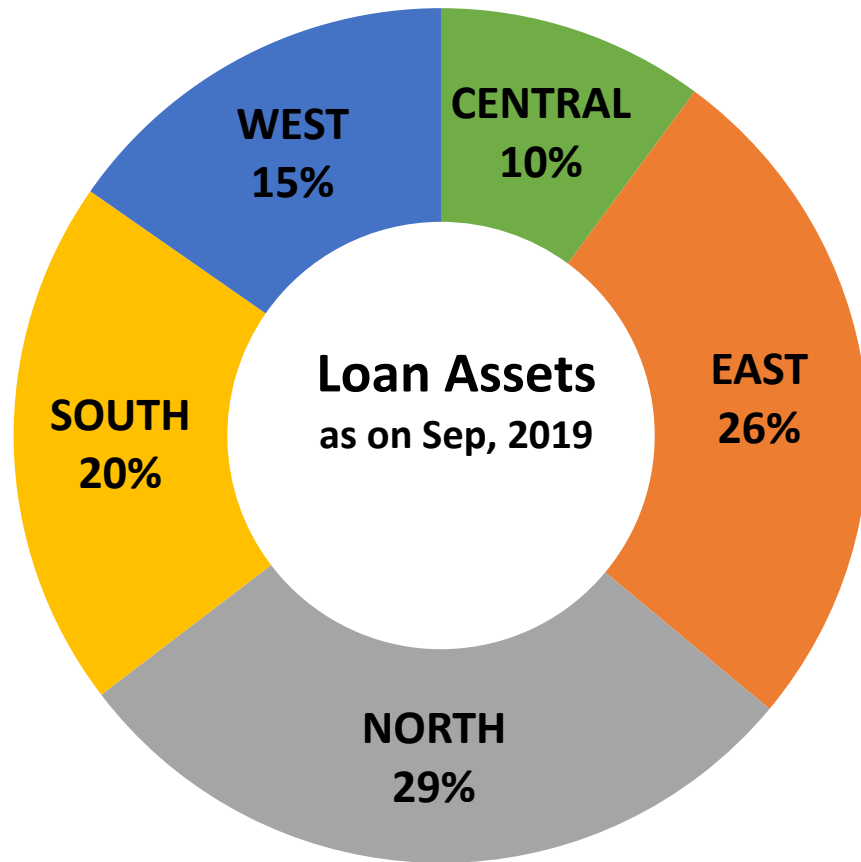
Asset Class	As on Sep – 19	As on Sep – 18	As on March – 19
Auto/ Utility vehicles	26%	25%	26%
Tractors	17%	17%	17%
Cars	20%	21%	21%
Commercial vehicles and Construction equipments	19%	15%	18%
Pre-owned vehicles	9%	8%	9%
SME and Others	9%*	14%	9%

As on 30<sup>th</sup> September 19, ~42% 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, Uttarakhand;

**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 (Sep'19)

Investor Type	Amount (INR mn.)	% Share
Banks/ Dev. Institutions	256,900	45.3%
Mutual Fund	71,214	12.6%
Insurance & Pension Funds	107,763	19.0%
FII's & Corporates	43,136	7.6%
Others	88,047	15.5%
<b>Total</b>	<b>567,060</b>	<b>100.0%</b>

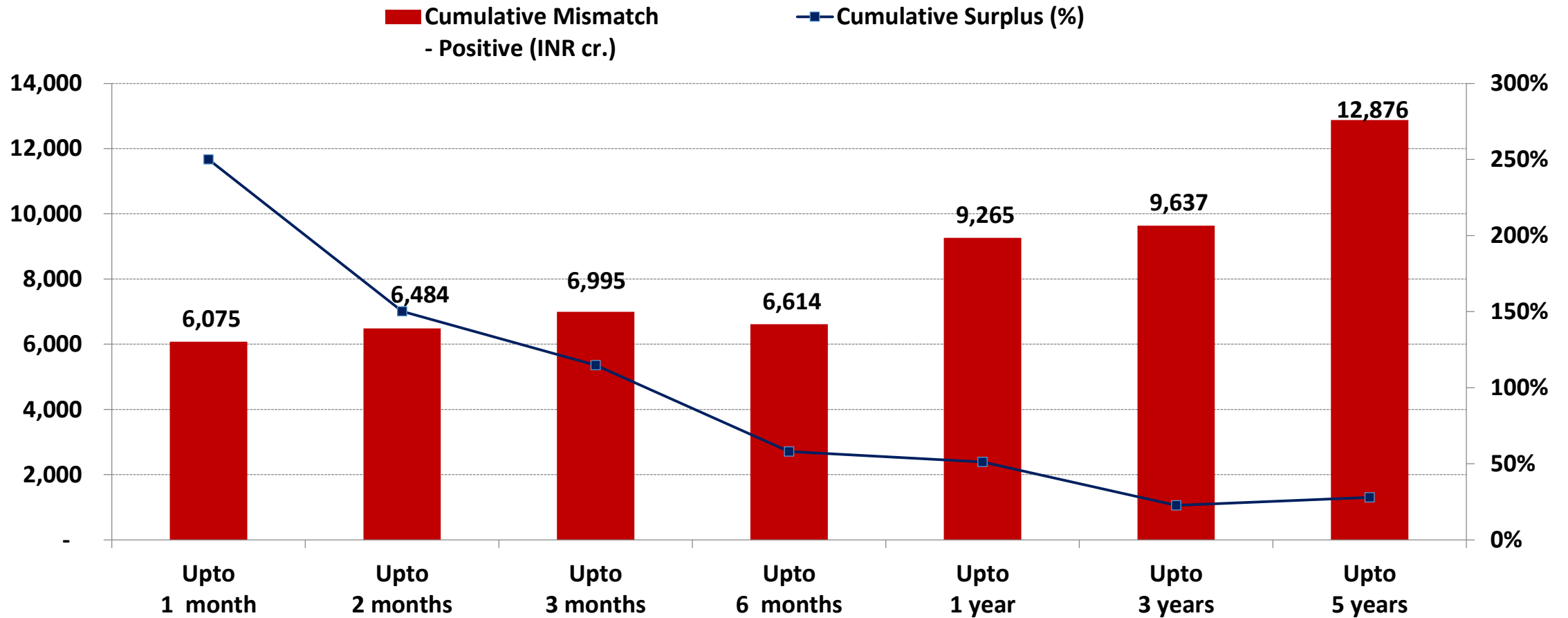
\* Based on holding as on 30<sup>th</sup> September, 2019

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

Instrument Type	Amount (INR mn.)	% Share
NCDs	180,515	31.8%
Retail NCDs	42,975	7.6%
Bank Loans	151,650	26.8%
Offshore Borrowings	20,587	3.6%
Fixed Deposits	76,869	13.6%
CP, ICD	25,205	4.4%
Securitisation/ Assignment	69,259	12.2%
<b>Total</b>	<b>567,060</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> September, 19

# Employee Management and Technology Initiatives

## Employee engagement & training

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

## Technology initiatives

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





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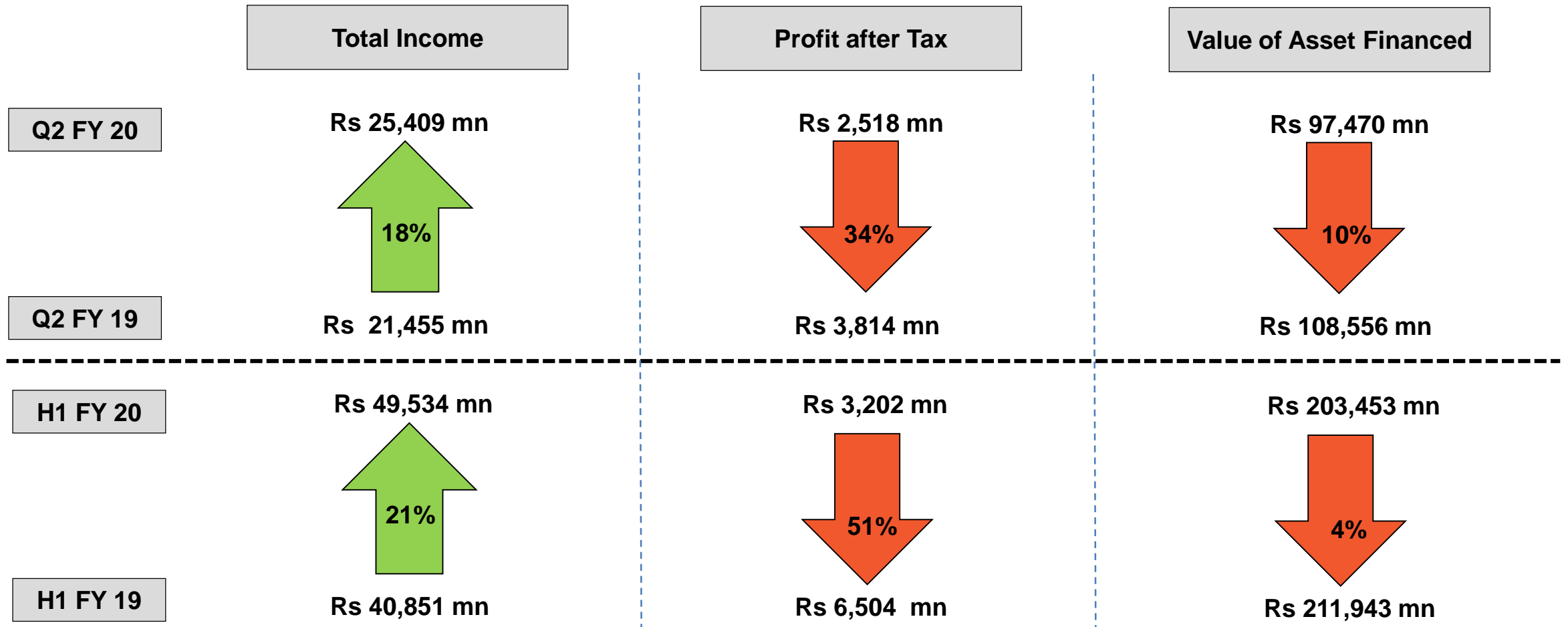
**Awards & Accolades**

**Risk Management Policies**

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# Key Financials

Figures on standalone basis

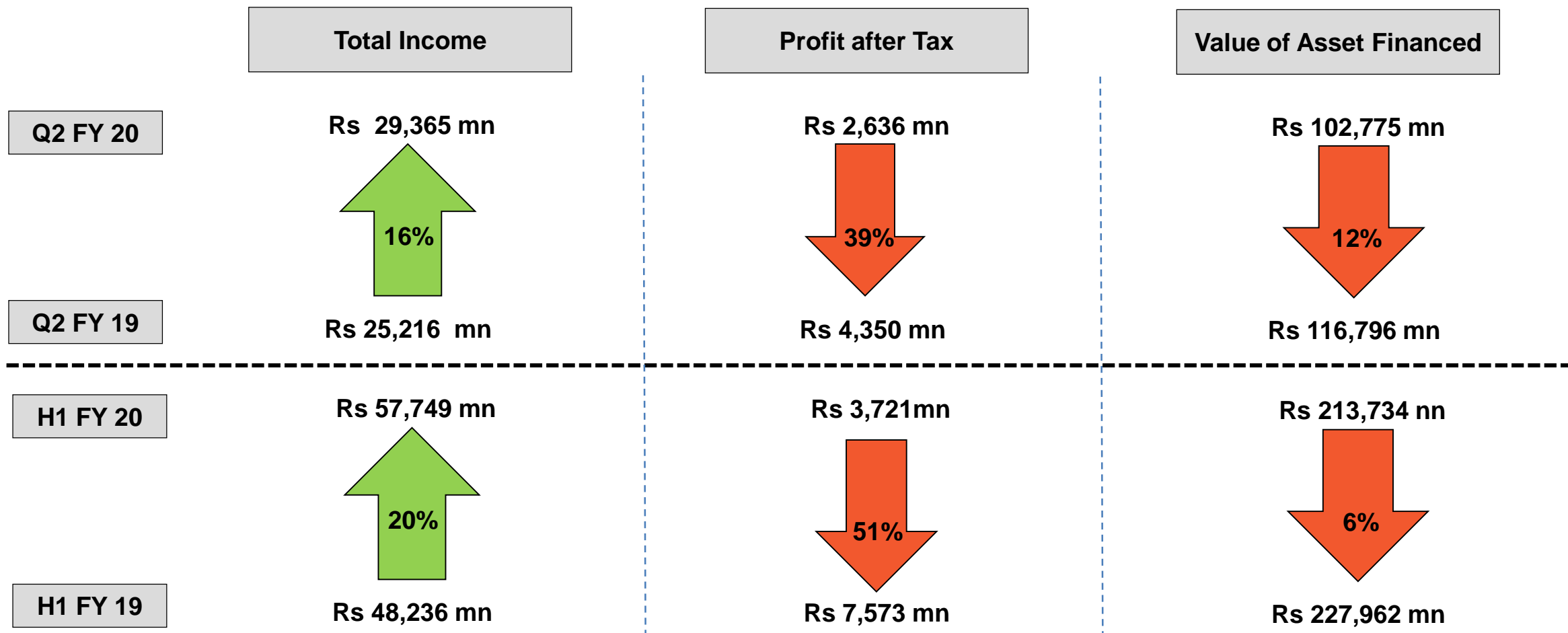


\* As per IND-AS



# Key Financials (Consolidated)

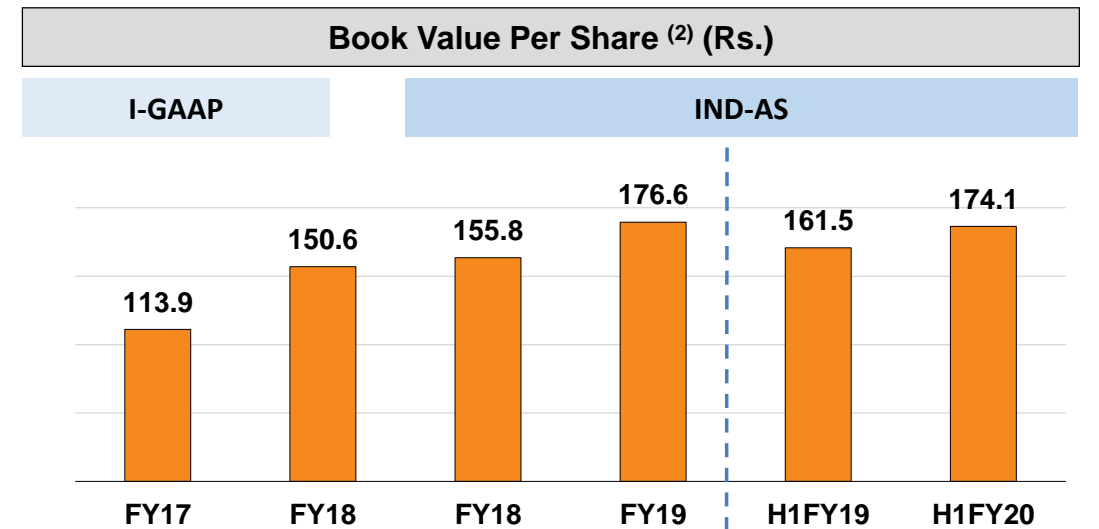
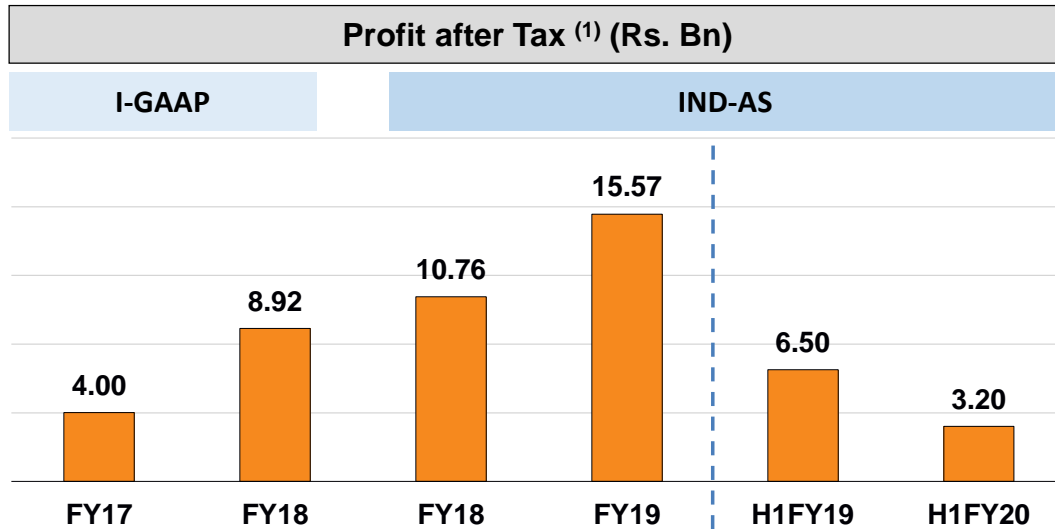
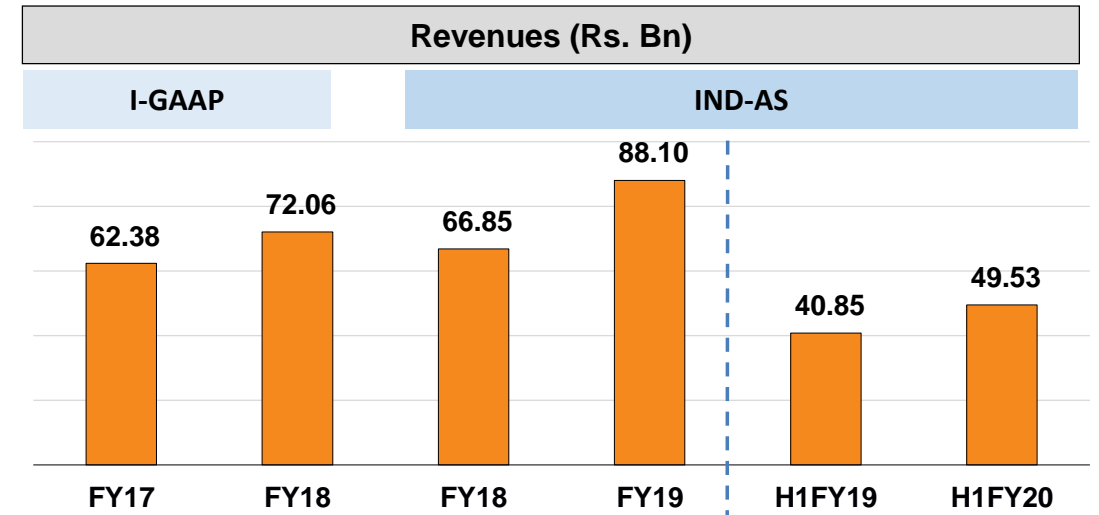
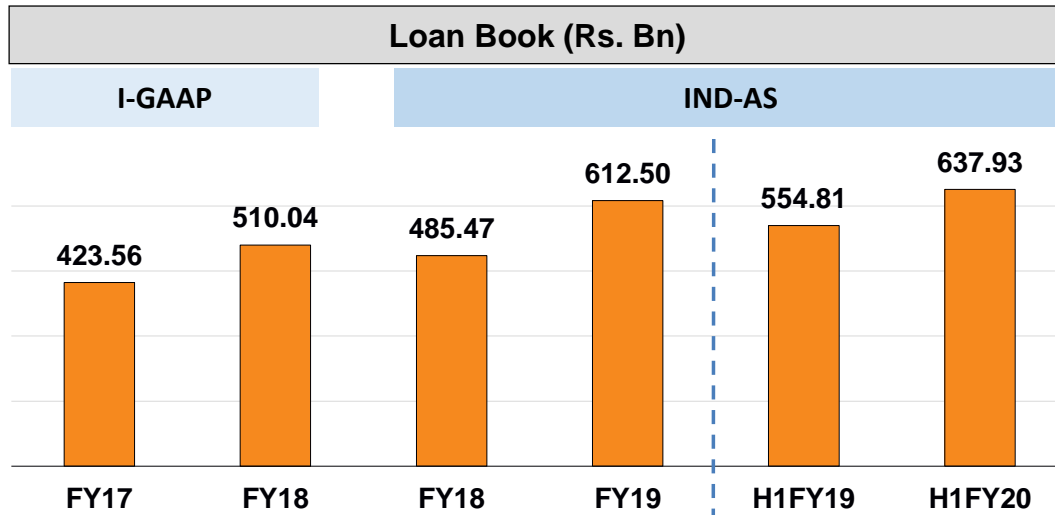
Figures on consolidated basis



\* As per IND-AS

# Growth Trajectory

Figures on standalone basis

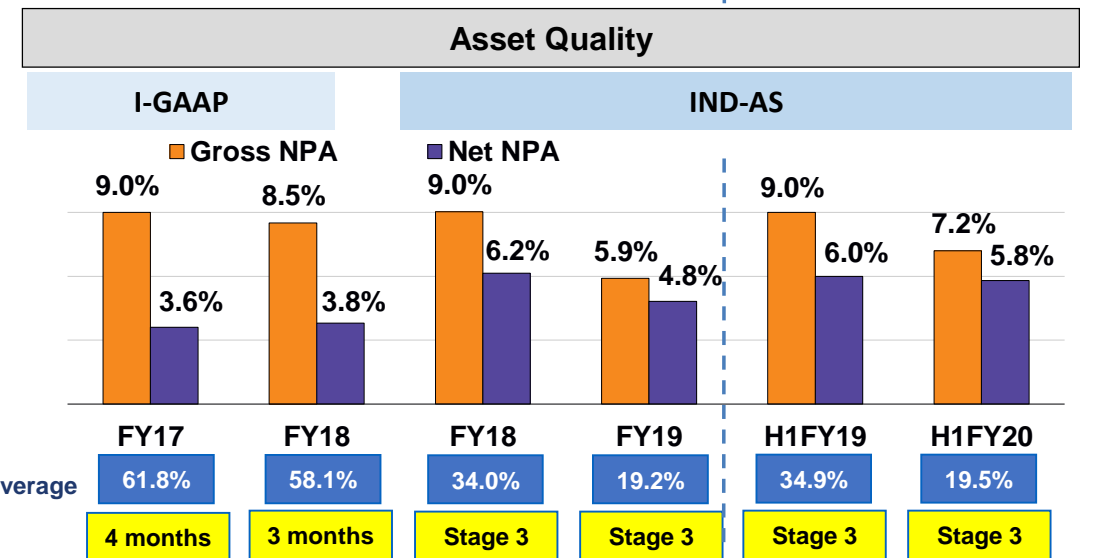
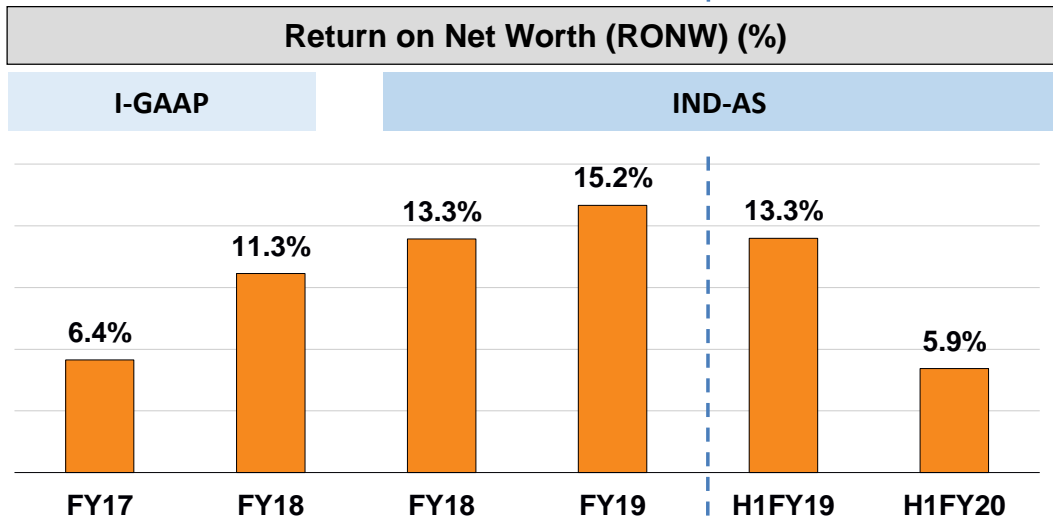
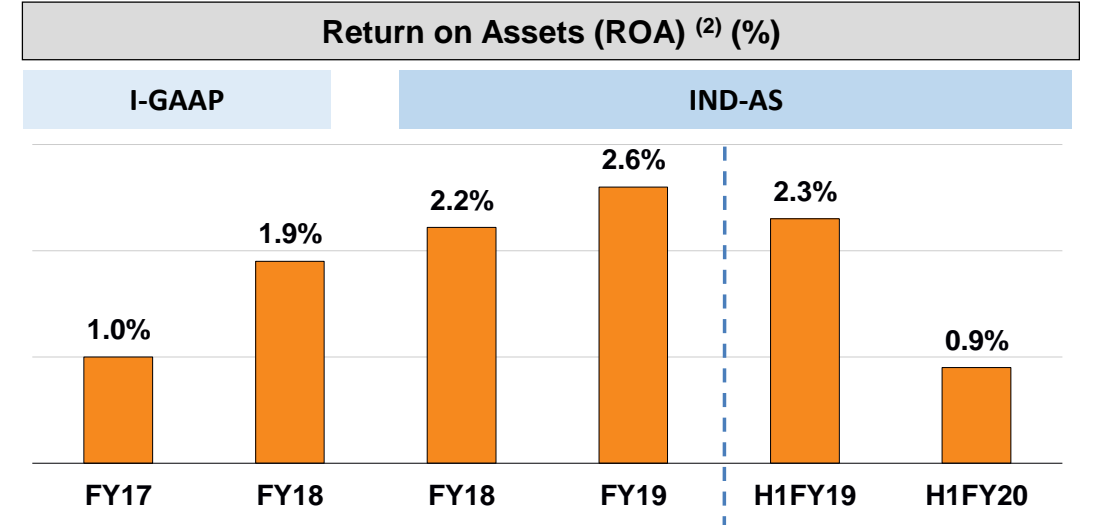
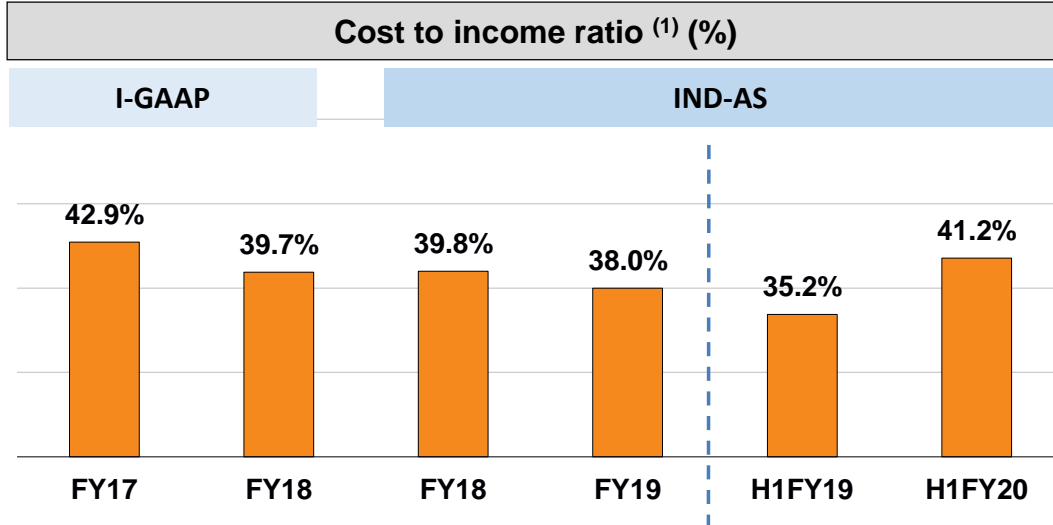


Note :<sup>(1)</sup> PAT post exceptional items.

<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

Particulars (Rs. in Million)	Q2FY20	Q1FY20	Q-o-Q	Q2FY19	Y-o-Y	FY19
Revenue from operations	24,864	23,940	4%	21,097	18%	87,229
Less: Finance cost	12,022	11,282	7%	9,310	29%	39,445
<b>NII</b>	<b>12,842</b>	<b>12,658</b>	<b>1%</b>	<b>11,787</b>	<b>9%</b>	<b>47,784</b>
Other Income	545	185	195%	358	53%	869
<b>Total Income</b>	<b>13,387</b>	<b>12,843</b>	<b>4%</b>	<b>12,145</b>	<b>10%</b>	<b>48,653</b>
Employee benefits expense	2,940	3,521	-17%	2,410	22%	10,901
Provisions and write-offs	3,607	6,196	-42%	2,311	56%	6,352
Other expenses	1,897	1,736	9%	1,721	10%	6,973
Depreciation and amortization	359	343	5%	145	148%	602
<b>Total Expenses</b>	<b>8,803</b>	<b>11,796</b>	<b>-25%</b>	<b>6,587</b>	<b>34%</b>	<b>24,828</b>
<b>Profit before Tax</b>	<b>4,584</b>	<b>1,047</b>	<b>338%</b>	<b>5,558</b>	<b>-18%</b>	<b>23,825</b>
Tax expense *	2,066	363	469%	1,744	18%	8,254
<b>Net Profit after Taxes</b>	<b>2,518</b>	<b>684</b>	<b>268%</b>	<b>3,814</b>	<b>-34%</b>	<b>15,571</b>

\*The Company has applied the concessional tax rate provided under the Taxation Laws (Amendment) Ordinance, 2019. Further, the opening net deferred tax asset has been re-measured at lower rate with a **one-time impact of Rs.1,040 million** which is recognised in the statement of profit and loss for the half year ended 30 September 2019.

\* Figures re-grouped and rounded where found relevant

# Standalone Profit & Loss Account

Particulars (Rs. in Million)	Half year ended Sep – 19	Half year ended Sep – 18	Y-o-Y	FY 19
Revenue from operations	48,804	40,383	21%	87,229
Less: Finance cost	23,304	17,797	31%	39,445
<b>NII</b>	<b>25,500</b>	<b>22,586</b>	<b>13%</b>	<b>47,784</b>
Other Income	730	468	56%	869
<b>Total Income</b>	<b>26,230</b>	<b>23,054</b>	<b>14%</b>	<b>48,653</b>
Employee benefits expense	6,461	5,044	28%	10,901
Provisions and write-offs	9,803	5,250	87%	6,352
Other expenses	3,633	2,803	30%	6,973
Depreciation and amortization	702	277	153%	602
<b>Total Expenses</b>	<b>20,599</b>	<b>13,374</b>	<b>54%</b>	<b>24,828</b>
<b>Profit before Tax</b>	<b>5,631</b>	<b>9,680</b>	<b>-42%</b>	<b>23,825</b>
Tax expense *	2,429	3,176	-24%	8,254
<b>Net Profit after Taxes</b>	<b>3,202</b>	<b>6,504</b>	<b>-51%</b>	<b>15,571</b>

\*The Company has applied the concessional tax rate provided under the Taxation Laws (Amendment) Ordinance, 2019. Further, the opening net deferred tax asset has been re-measured at lower rate with a **one-time impact of Rs.1,040 million** which is recognised in the statement of profit and loss for the half year ended 30 September 2019.

\* Figures re-grouped and rounded where found relevant

# Standalone Balance Sheet

Particulars (Rs. in Million)	As on Sep 30, 2019	As on Sep 30, 2018	As on Mar 31, 2019
<b>ASSETS</b>			
<b>Financial Asset</b>			
a) Cash and cash equivalents	4,148	2,243	5,017
b) Bank balance other than (a) above	7,213	1,271	4,568
c) Derivative financial instruments	116	635	100
d) Trade Receivables	80	31	52
e) Loans	637,926	554,808	612,496
e) Investments	40,756	24,850	37,917
g) Other Financial Assets	2,720	915	1,690
<b>Financial Asset</b>	<b>692,959</b>	<b>584,753</b>	<b>661,840</b>
<b>Non-Financial Asset</b>			
a) Current tax assets (Net)	5,411	1,262	3,021
b) Deferred tax Assets (Net)	2,219	6,585	3,717
c) Property, plant and equipment	3,167	1,157	1,325
d) Other Intangible assets	245	271	306
e) Other non-financial assets	653	476	571
<b>Non-Financial Assets</b>	<b>11,695</b>	<b>9,751</b>	<b>8,940</b>
<b>Total Assets</b>	<b>704,654</b>	<b>594,504</b>	<b>670,780</b>

\* Figures re-grouped and rounded where found relevant

# Standalone Balance Sheet (Contd.)

Particulars (Rs. in Million)	As on Sep 30, 2019	As on Sep 30, 2018	As on Mar 31, 2019
<b>LIABILITIES AND EQUITY</b>			
<b>Financial Liabilities</b>			
a) Derivative financial instruments	528	2	770
b) Payables			
i) Trade payables	7,782	11,360	9,795
ii) Other payables	252	-	342
c) Debt Securities	211,463	228,390	223,194
d) Borrowings (Other than Debt Securities)	241,439	165,086	213,015
e) Deposits	76,465	38,294	56,672
f) Subordinated Liabilities	35,595	33,187	35,589
g) Other financial liabilities	20,626	16,241	19,266
<b>Financial Liabilities</b>	<b>594,150</b>	<b>492,560</b>	<b>558,643</b>
<b>Non-Financial liabilities</b>			
a) Current tax liabilities (Net)	139	177	139
b) Provisions	2,112	1,407	2,065
c) Other non-financial liabilities	711	562	853
<b>Non-Financial Liabilities</b>	<b>2,962</b>	<b>2,146</b>	<b>3,057</b>
<b>Equity</b>			
a) Equity Share capital	1,230	1,229	1,230
b) Other Equity	106,312	98,569	107,850
<b>Equity</b>	<b>107,542</b>	<b>99,798</b>	<b>109,080</b>
<b>Total Equities and Liabilities</b>	<b>704,654</b>	<b>594,504</b>	<b>670,780</b>

\* Figures re-grouped and rounded where found relevant

# Consolidated Profit & Loss Account

Particulars (Rs. in Million)	Half year ended Sep – 19	Half year ended Sep – 18	Y-o-Y	FY19
Revenue from operations	57,358	48,006	19%	103,717
Less: Finance cost	26,085	20,098	30%	44,323
<b>NII</b>	<b>31,273</b>	<b>27,908</b>	<b>12%</b>	<b>59,394</b>
Other Income	391	230	70%	592
<b>Total Income</b>	<b>31,664</b>	<b>28,138</b>	<b>13%</b>	<b>59,986</b>
Employee benefits expense	8,867	6,828	30%	14,779
Provisions and write Offs	10,769	5,876	83%	7,171
Other expenses	4,761	4,006	19%	9,342
Depreciation and amortization	846	347	144%	755
<b>Total Expenses</b>	<b>25,243</b>	<b>17,057</b>	<b>48%</b>	<b>32,047</b>
<b>Profit before Tax (before exceptional)</b>	<b>6,421</b>	<b>11,081</b>	<b>-42%</b>	<b>27,939</b>
Share of profit of associates	248	265	-6%	469
<b>Profit before Tax</b>	<b>6,669</b>	<b>11,346</b>	<b>-41%</b>	<b>28,408</b>
Tax expense*	2,948*	3,773	-22%	9,735
<b>Net Profit after Taxes</b>	<b>3,721</b>	<b>7,573</b>	<b>-51%</b>	<b>18,673</b>

\*The Company has applied the concessional tax rate provided under the Taxation Laws (Amendment) Ordinance, 2019. Further, the opening net deferred tax asset has been re-measured at lower rate with a **one-time impact of Rs.1,252 million** which is recognised in the statement of profit and loss for the half year ended 30 September 2019.

\* Figures re-grouped and rounded where found relevant



# Consolidated Balance Sheet

Particulars (Rs. in Million)	As on Sep 30, 2019	As on Sep 30, 2018	As on Mar 31, 2019
<b>ASSETS</b>			
<b>Financial Asset</b>			
a) Cash and cash equivalents	4,447	2,626	5,372
b) Bank balance other than (a) above	7,213	1,271	4,568
c) Derivative financial instruments	116	636	100
d) Trade Receivables	624	547	536
e) Loans	718,054	627,219	689,390
f) Investments	36,349	21,843	33,274
g) Other Financial Assets	3,175	1,320	2,121
<b>Financial Asset</b>	<b>769,978</b>	<b>655,462</b>	<b>735,361</b>
<b>Non-Financial Asset</b>			
a) Current tax assets (Net)	5,921	1,413	3,121
b) Deferred tax Assets (Net)	2,646	7,436	4,497
c) Property, plant and equipment	4,137	1,454	1,682
d) Intangible assets under development	12	2	8
e) Other Intangible assets	266	290	333
f) Other non-financial assets	850	697	758
<b>Non-Financial Assets</b>	<b>13,832</b>	<b>11,292</b>	<b>10,399</b>
<b>Total Assets</b>	<b>783,810</b>	<b>666,754</b>	<b>745,760</b>

\* Figures re-grouped and rounded where found relevant

# Consolidated Balance Sheet (Contd.)

Particulars (Rs. in Million)	As on Sep 30, 2019	As on Sep 30, 2018	As on Mar 31, 2019
<b>LIABILITIES AND EQUITY</b>			
<b>Financial Liabilities</b>			
a) Derivative financial instruments	528	2	770
b) Payables			
i) Trade payables	9,081	12,268	11,143
ii) Other payables	252	-	342
c) Debt Securities	234,027	254,027	247,159
d) Borrowings (Other than Debt Securities)	282,154	197,760	246,327
e) Deposits	76,207	37,734	56,309
f) Subordinated Liabilities	38,228	35,818	38,221
g) Other financial liabilities	27,190	21,396	28,408
<b>Financial Liabilities</b>	<b>667,667</b>	<b>559,005</b>	<b>628,679</b>
<b>Non-Financial liabilities</b>			
a) Current tax liabilities (Net)	139	177	139
b) Provisions	2,729	1,897	2,550
c) Other non-financial liabilities	827	680	917
<b>Non-Financial Liabilities</b>	<b>3,695</b>	<b>2,754</b>	<b>3,606</b>
<b>Equity</b>			
a) Equity Share capital	1,230	1,229	1,230
b) Other Equity	110,401	102,198	111,460
c) Non-controlling interests	817	1,568	785
<b>Equity (incl attributable to minority investors)</b>	<b>112,448</b>	<b>104,995</b>	<b>113,475</b>
<b>Total Equities and Liabilities</b>	<b>783,810</b>	<b>666,754</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		
	Half year ended Sep – 19	Half year ended Sep – 18	Year ended March – 19
RONW (Avg. Net Worth)	5.9%	13.3%	15.2%
Debt / Equity	5.25:1	4.66:1	4.84:1
<b>Capital Adequacy<sup>\$</sup></b>	<b>19.7%</b>	<b>21.0%</b>	<b>20.3%</b>
Tier I	15.2%	16.1%	15.5%
Tier II	4.5%	4.9%	4.8%
EPS (Basic) (Rs.)	5.21	10.58	25.33
Book Value (Rs.)	174.1	161.5	176.6
Dividend %	-	-	325%
New Contracts During the period (Nos.)	357,268	345,249	761,381
No. of employees	22,304	20,201	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		
	Half year ended Sep – 19	Half year ended Sep – 18	Year ended March – 19
Total Income / Average Assets	14.4%	14.6%	14.7%
Interest / Average Assets	6.8%	6.4%	6.6%
<b>Gross Spread</b>	<b>7.6%</b>	<b>8.2%</b>	<b>8.1%</b>
Overheads / Average Assets	3.1%	2.9%	3.1%
Write offs & NPA provisions / Average Assets	2.9%	1.9%	1.0%
Net Spread	1.6%	3.4%	4.0%
<b>Net Spread after Tax</b>	<b>0.9%</b>	<b>2.3%</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 Sep 30, 2019	As on Sep 30, 2018	As on Mar 31, 2019
<b>Total Assets (including Provisions)</b>	<b>727,275</b>	<b>627,495</b>	<b>689,410</b>
<b>Gross NPA (Stage 3)</b>	<b>52,038</b>	<b>56,389</b>	<b>40,706</b>
<b>Less: ECL Provisions (Stage 3)</b>	<b>10,171</b>	<b>19,672</b>	<b>7,799</b>
<b>Net NPA (Stage 3)</b>	<b>41,866</b>	<b>36,717</b>	<b>32,907</b>
<b>Gross NPA % (Stage 3)</b>	<b>7.2%</b>	<b>9.0%</b>	<b>5.9%</b>
<b>Net NPA % (Stage 3)</b>	<b>5.8%</b>	<b>6.0%</b>	<b>4.8%</b>
<b>Coverage Ratio (%) – based on Stage 3 ECL</b>	<b>19.5%</b>	<b>34.9%</b>	<b>19.2%</b>
<b>Stage 1 &amp; 2 provision to Total Assets (%)</b>	<b>1.7%</b>	<b>2.1%</b>	<b>1.6%</b>
<b>Coverage Ratio(%) – including Stage 1 &amp; 2 provision</b>	<b>43.6%</b>	<b>58.8%</b>	<b>46.0%</b>

Particulars (in units) except figures in %	As on Sep 30, 2019	As on Sep 30, 2018	As on Mar 31, 2019
Contracts under NPA (90 dpd)	127,196	157,423	93,084
% of Live Cases under NPA	5.2%	7.2%	4.0%
Repossessed Assets (out of above NPA)	12,866	12,383	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)	Half year ended Sep – 19	Half year ended Sep – 18
Loans disbursed	10,281	16,019	25,811
No. of Customer Contracts (nos.)	52,663	110,575	171,187
Outstanding loan book	80,127	72,410	76,892
Total income	7,335	6,369	13,839
PBT	1,021	1,385	3,662
PAT	575	909	2,505
Net-worth	11,552	7,656	11,271
GNPA % – IND-AS   I-GAAP	16.37%   12.72%	17.36% / 14.16%	13.02%   9.65%
NNPA % – IND-AS   I-GAAP	13.40%   9.32%	14.84% / 10.98%	10.77%   6.81%
NNPA % – IND-AS   I-GAAP (Net of Total Provisions)	11.79%   9.07%	13.12%   10.71%	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

\*The Company has applied the concessional tax rate provided under the Taxation Laws (Amendment) Ordinance, 2019. Further, the opening net deferred tax asset has been re-measured at lower rate with a **one-time impact of Rs.207 million** which is recognised in the statement of profit and loss for the half year ended 30 September 2019.

\* Figures re-grouped and rounded where found relevant

# Mahindra Insurance Brokers Limited

Accounting Basis	As per IND-AS		
	Particulars (Rs. million)	Half year ended Sep – 19	Half year ended Sep – 18
No. of Policies for the Period (nos.)	1,092,146	1,101,241	2,265,146
Net Premium	9,018	8,598	19,238
Total income	1,578	1,419	3,234
PBT	235	382	1,029
PAT	169	266	715
No. of employees (nos.)	1,175	1,021	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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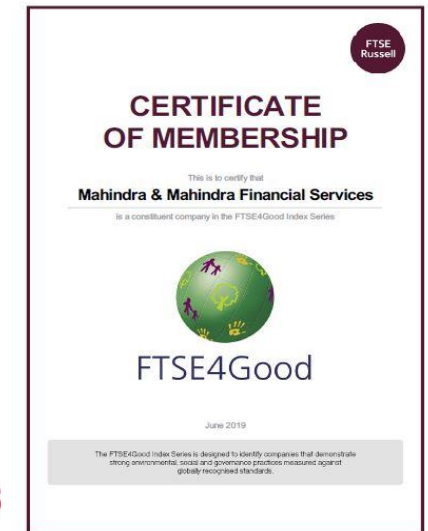
**Awards & Accolades**

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# Awards and Accolades

- Ranked 8<sup>th</sup> Rank, in the India's Best Companies to Work 2019- a study by **Economic Times**, felicitated by The Great Place to Work Institute®
- Ranked 11<sup>th</sup> among the **Best Large Workplaces** in the **Asia's Best Workplaces 2019** list by The Great Place to Work Institute®
- Awarded **Aon Best Employers Award 2019**
- Included in **DJSI Leadership Index for Emerging Markets category**, for 7th year in a row.
- Awarded the **IDF CSR Award 2019** for participation in Resource Mobilization for Humanitarian Causes
- Certificate of Appreciation for recognizing contribution as **Catalyst of Change** by **Sarthak Educational Trust**
- Included in the renowned **FTSE4Good Index Series constituent**





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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;

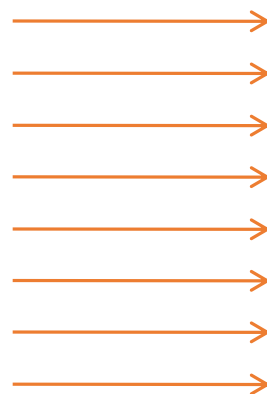
LGD – Loss given Default;

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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