

25th October, 2017

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 Audited Financial Results for the half year ended 30th September, 2017 and Unaudited Financial Results of the Company for the second quarter ended 30th September, 2017.

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,
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 - 2017

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CIN - L65921MH1991PLC059642



Company Overview

Industry Overview

Business Strategy

Financial Information

Key Subsidiaries

Awards & Accolades

Risk Management Policies

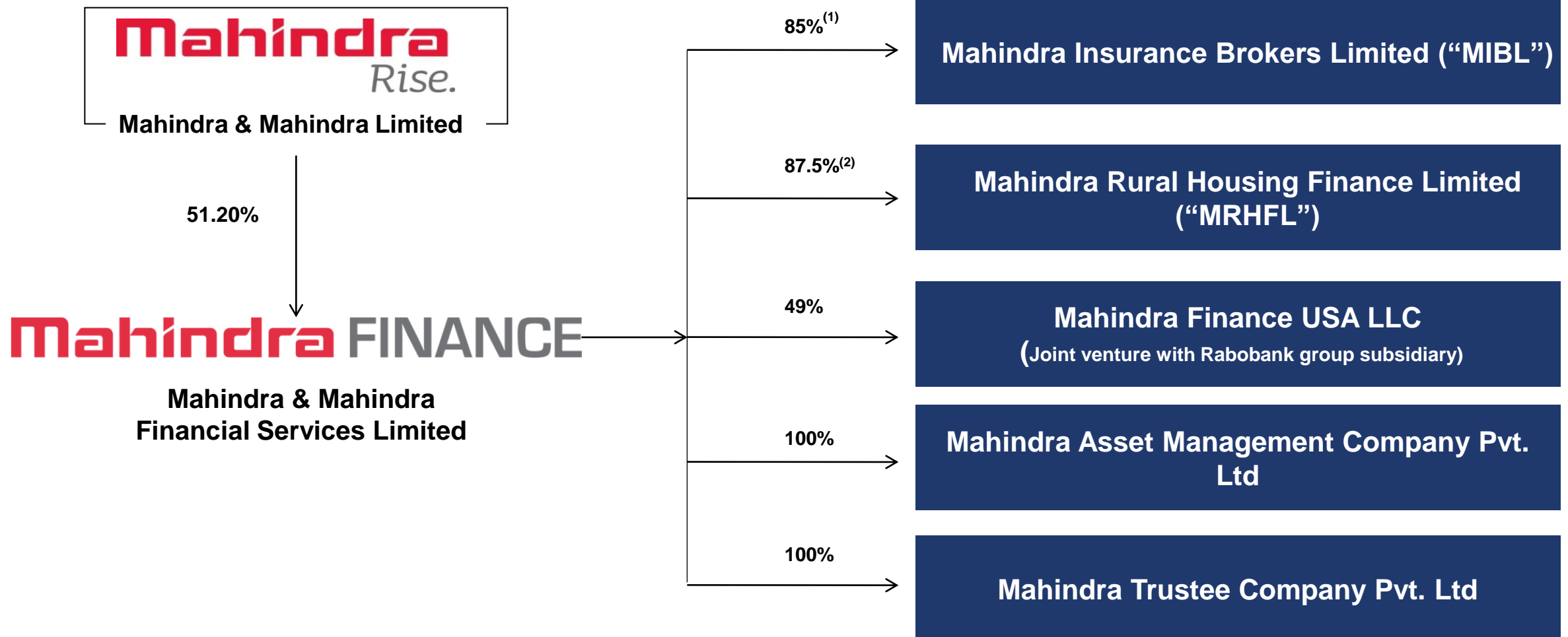
Transforming rural lives across the country

Company Background

- Parentage:** Mahindra & Mahindra Financial Services Limited (“MMFSL”) is a subsidiary of Mahindra and Mahindra Limited (*Mcap: Rs 840 billion*)*, India’s largest tractor and utility vehicle manufacturer
- About MMFSL:** MMFSL (*Mcap: Rs 239 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 1178 offices covering 27 states and 4 union territories in India, with over 4.98 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 24, 2017 from BSE website*

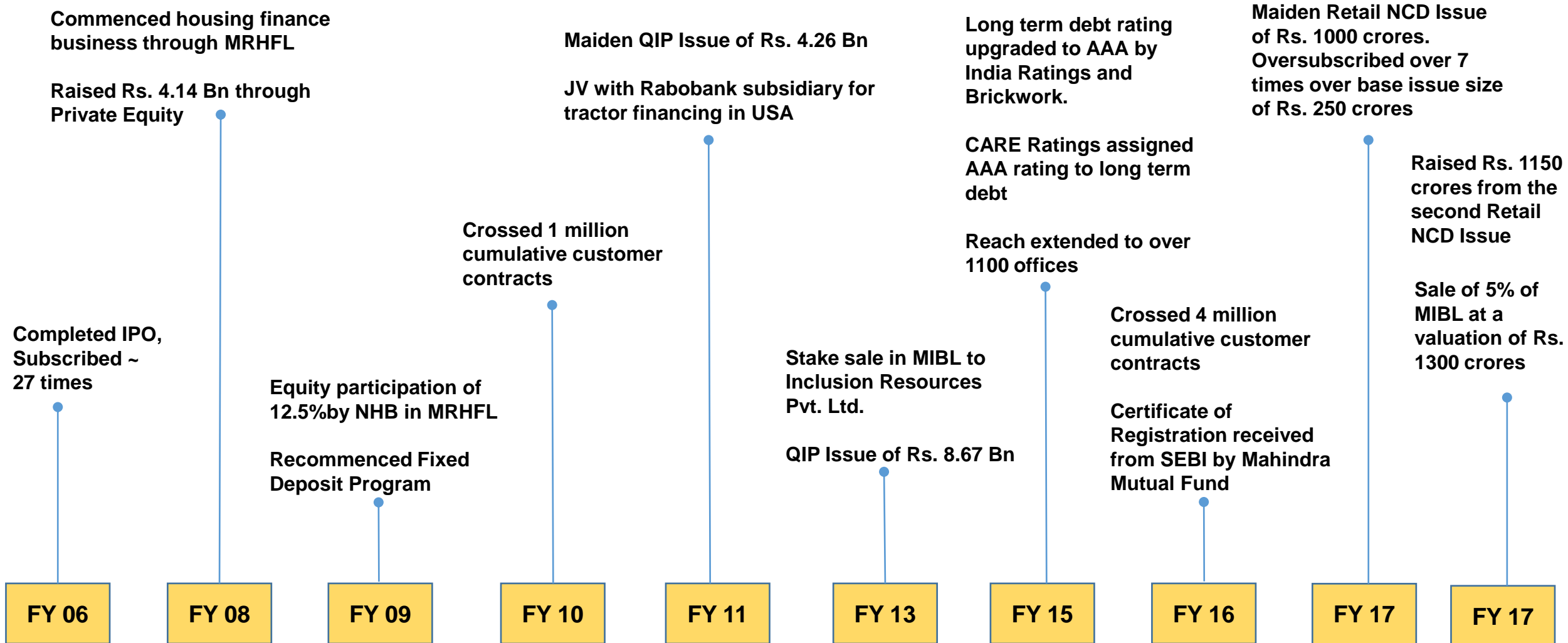
MMFSL Group structure



Note:

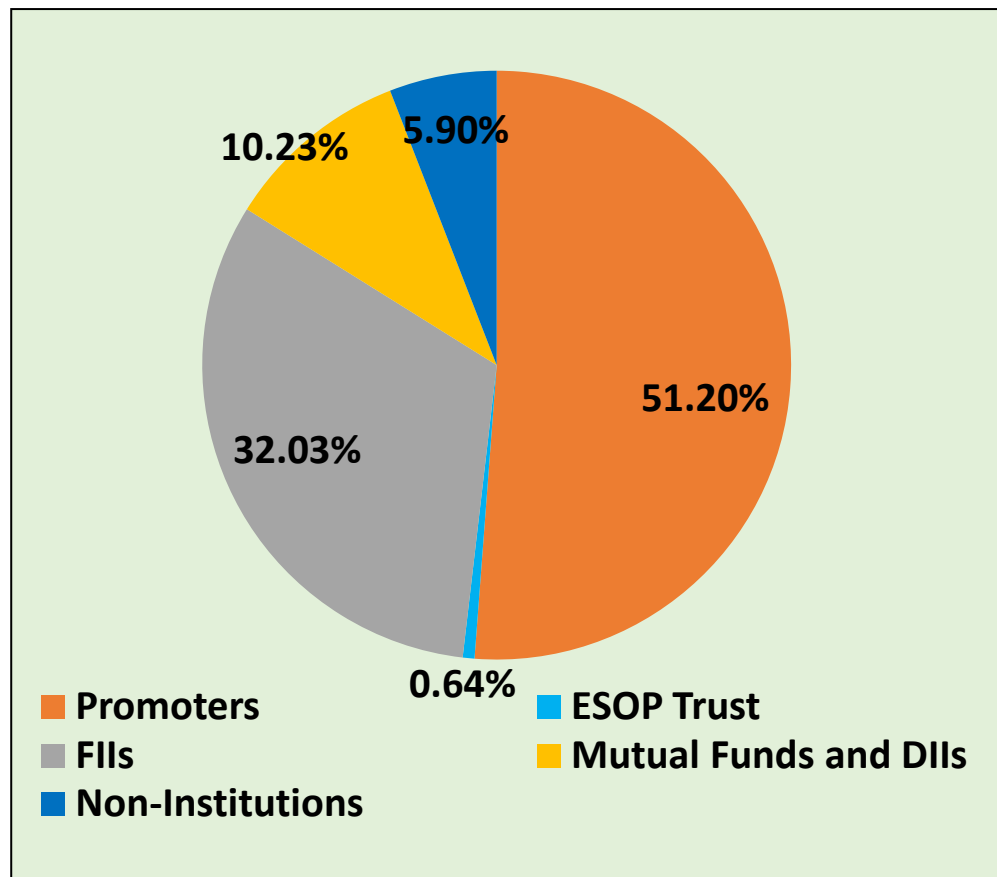
1. Balance 15% with Inclusion Resources Pvt. Ltd. (IRPL), subsidiary of Leapfrog Financial Inclusion Fund (LFIF). On 16th October 2017, Mahindra Finance entered in an agreement to further sell 5% of MIBL to IRPL and LFIF shall immediately sell the entire capital of IRPL to XL Group, subject to necessary regulatory approval.
2. Balance 12.5% with National Housing Bank (NHB)

Our Journey



Shareholding Pattern (as on 30th September, 2017)

Shareholding Pattern Chart



Mahindra & Mahindra Limited holds a stake of 51.20% in the Company.

Top 10 Public Shareholders

- Aranda Investments (Mauritius) PTE Limited
- Franklin Templeton Investment Funds
- Blackrock Global Funds Asian Dragon Fund
- Merrill Lynch Markets Singapore PTE Limited
- Blackrock Global Funds - Asian Growth Leaders Fund
- Valiant Mauritius Partners Offshore Limited
- SBI Blue Chip Fund
- Bank Muscat India Fund
- HDFC Standard Life Insurance Company Limited
- Vanguard Emerging Markets Stock Index Fund, Aserie



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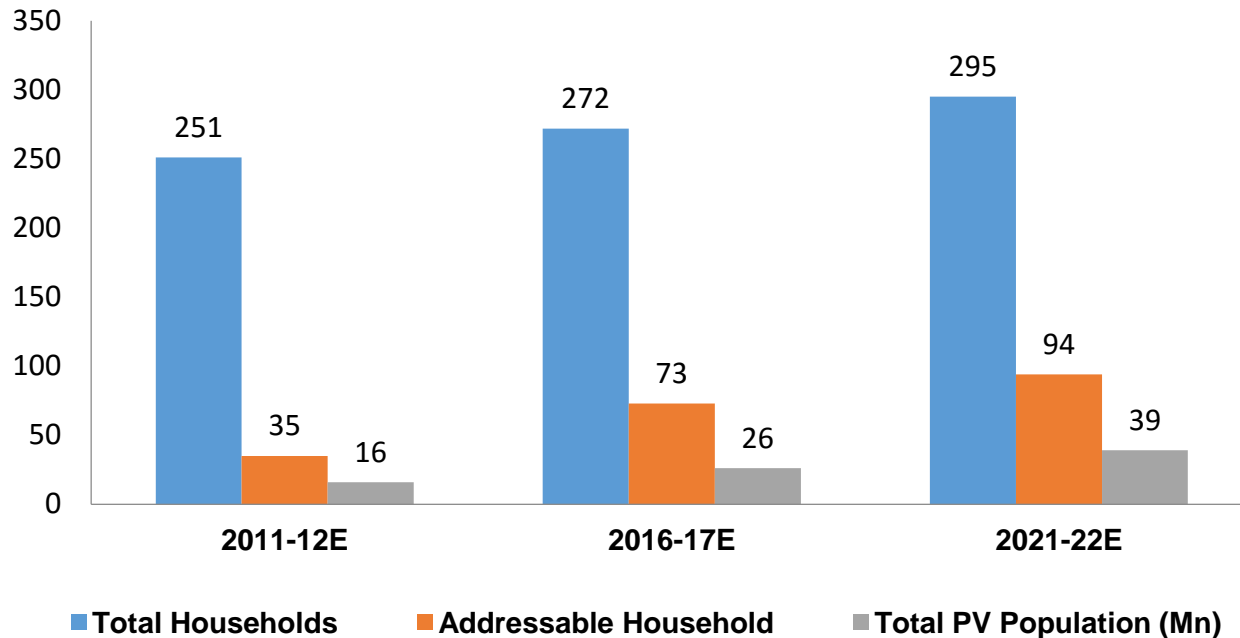
Awards & Accolades

Risk Management Policies

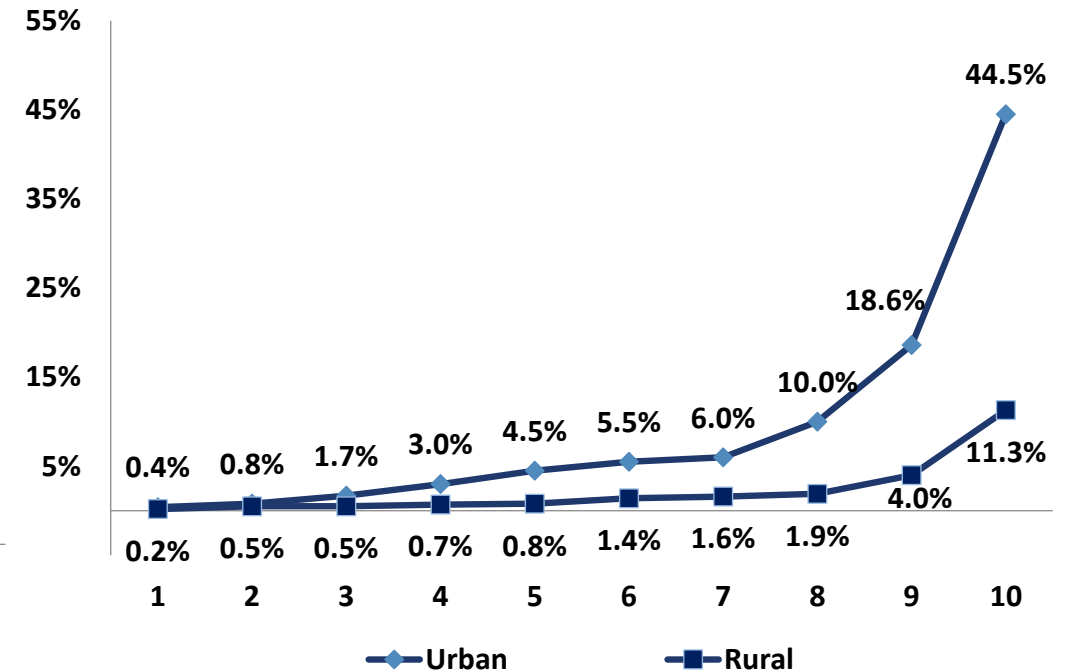
Transforming rural lives across the country

Auto Industry: Long term growth potential

Expansion in Addressable market with Low Cost of Ownership



Decile-wise penetration (Urban versus Rural)



- Considering projected rise in addressable households, penetration levels expected to improve from currently 18 cars per 1000 people to 27 cars per 1000 people by 2021-22.
- Penetration shoots in the top deciles improve and is likely to improve further
- Higher farm incomes, pick up in infrastructure spending and a normal monsoon will boost rural demand
- Increased urbanisation, expanding working population and easy availability of finance will support sales

Passenger Vehicles Industry: Overall Demand Drivers

	FY 07 – FY12	FY 12 – FY 17	FY 17 – FY 22 (P)
Small Cars	13%	3%	11% – 13%
Sedans	17%	(12%)	9% – 11%
UV + Vans	16%	9%	9% – 11%
Total (Cars + UVs)	14%	3%	10% – 12%

- Rural sales to enhance share of small cars
- With cost of ownership likely to decline, first time buyers and increasing proportion of rural sales shall drive demand for small cars
- Growth in compact UV segment due to shift from sedan now expected to taper out

Volumes in '000	FY 2016		FY 2017		FY 2018 (P)
	Volume	Growth	Volume	Growth	Growth
Small Cars	1,754	8%	1,857	6%	8% – 10%
Sedans	271	6%	246	(10%)	9% – 11%
UV + Vans	763	5%	944	24%	12% – 14%
Total (Cars + UVs)	2,788	7%	3,047	9%	10% – 12%

- On the back of GST, growth outlook improved for UV's and Sedan.
- Higher disbursements expected with reduced interest rate environment. Further new model launches shall enhance demand.

Commercial Vehicles Industry: Overall Demand Drivers

	FY 12 – FY 17	FY 17 – FY 22 (P)
MHCV (goods)	(3.1%)	2% – 4%
LCV (goods)	(2.6%)	9% – 12%
Buses	(0.1%)	8% – 10%

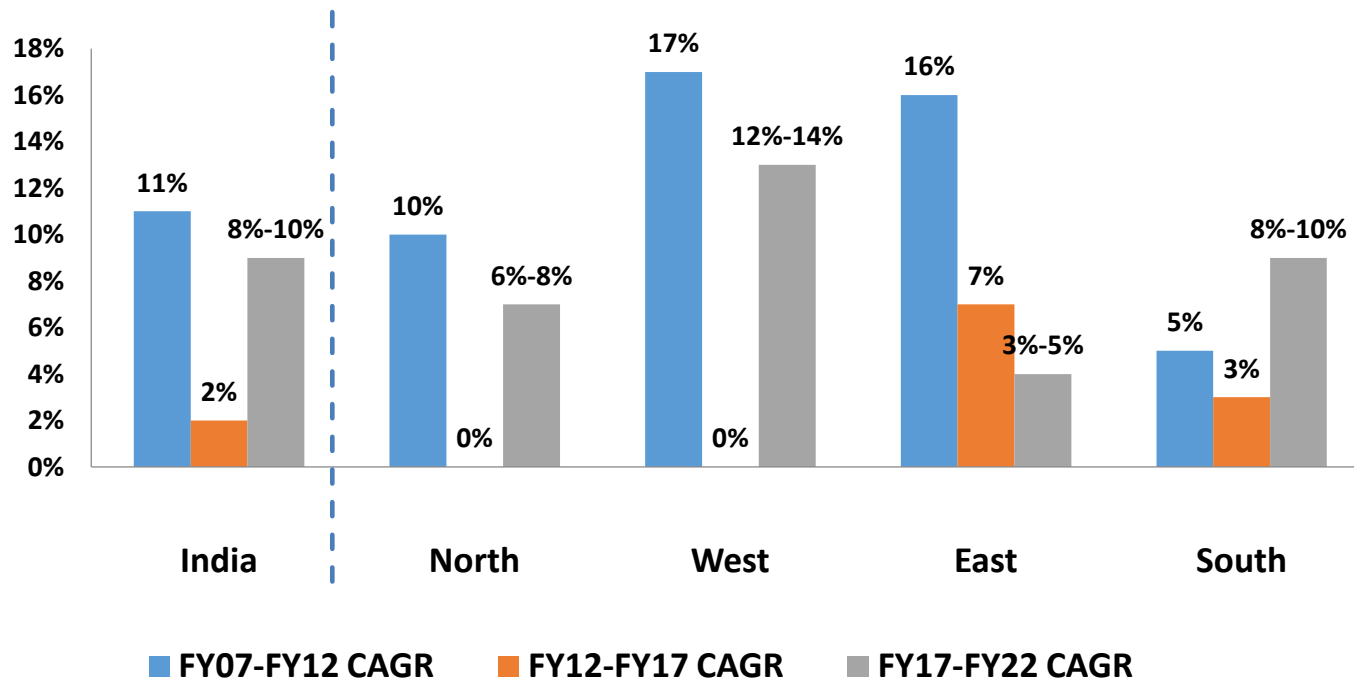
- MHCV segment shall witness slow growth due to lower replacement demand and uncertainty over logistics scenario post GST
- ICV expected to grow at faster pace aided by e-commerce demand.
- Hub and spoke model with improved road infrastructure to drive MAV growth
- Growth in Pick-ups to outpace sub-one tonne vehicles with higher flexibility in usage and transporter needs

	FY 2016		FY 2017		FY 2018 (P)
	Volume	Growth	Volume	Growth	Growth
MHCV	257,987	32%	255,234	(1%)	(3%) – (1%)
LCV	334,371	(1%)	360,842	8%	8% – 10%
Buses	92,845	15%	98,126	6%	4% – 6%

- Demand for LCVs fuelled by increase of hub-and-spoke model, growth of organised retail, rising consumption expenditure and improvement in rural road infrastructure
- Pick-up in the tours segment impacted by demonetisation along with school and intercity segment shall drive demand in buses

Tractors Industry: Overall Demand Drivers

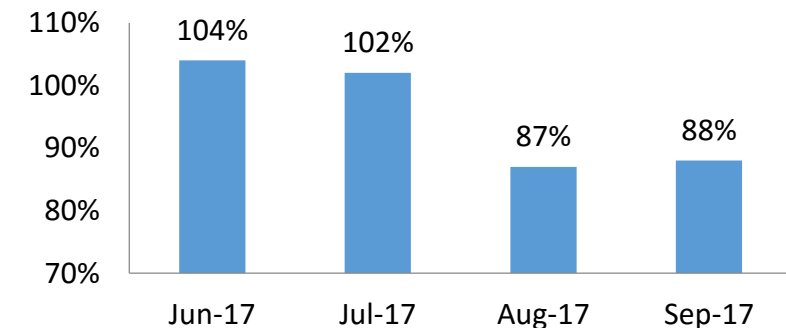
Industry - Tractors	FY 2016		FY 2017		FY 2018 (P)	FY 17 – FY 22 (P)
	Volume	Growth	Volume	Growth	Growth	Growth
Tractors	493,764	(10%)	582,844	18%	11% – 13%	8% – 10%



Period 01 June, 2017 to 30 September, 2017

Category	No. Of Subdivisions	Subdivisional %Area of Country
Excess	5	18%
Normal	25	65%
Deficient	6	17%

Monthly Rainfall Over L.P.A.



The country has received 5% below normal rainfall

Auto Industry Volume

Domestic Sales (Volume in '000)	1HFY18 (Nos.)	1HFY17 (Nos.)	Y-o-Y Growth (%)	FY17 (Nos.)	FY16 (Nos.)	Y-o-Y Growth (%)
Passenger Vehicles (PVs)						
Passenger Cars / Vans	1,095	1,026	6.7%	2,103	2,025	3.9%
Uvs	536	467	14.8%	944	764	23.6%
Commercial Vehicles (CVs)						
M&HCVs	129	138	(6.5%)	302	302	0.0%
LCVs	225	196	14.8%	412	382	7.6%
Three Wheelers*	202	288	(29.9%)	512	538	(4.8%)
Tractors	363	299	21.4%	583	494	18.0%

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

Growth in New Vehicle Finance Disbursements								
(% growth YoY)	FY12E	FY13E	FY14E	FY15E	FY16E	FY17E	FY18P	5 year CAGR (FY22P)
Cars	8%	(7%)	(6%)	3%	17%	12%	15%	16% – 18%
Utility Vehicles	16%	39%	(6%)	1%	12%	32%	23%	18% – 20%
Commercial Vehicles	17%	(14%)	(24%)	9%	23%	9%	12%	13% – 15%
Two Wheelers	27%	10%	16%	4%	7%	14%	18%	12% – 14%

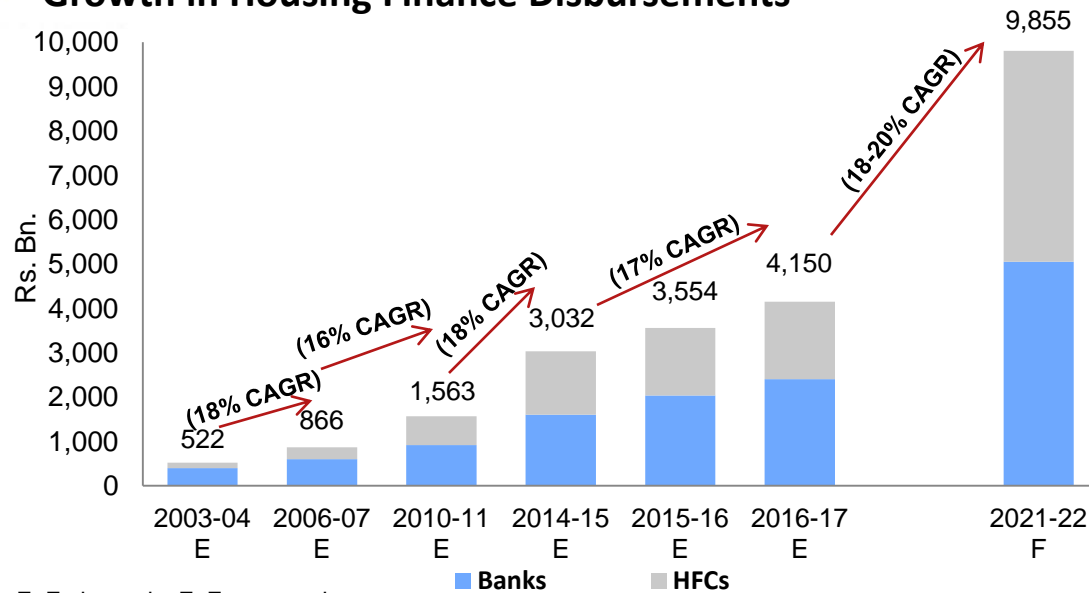
Car & UV Loan Portfolio	Top 20 Cities	Other Cities
Outstanding Loan Composition	55% – 60%	40% – 45%
Finance Penetration Ratio	80.0%	65.0%

Source: CRISIL Research, Retail Finance - Auto, July 2017

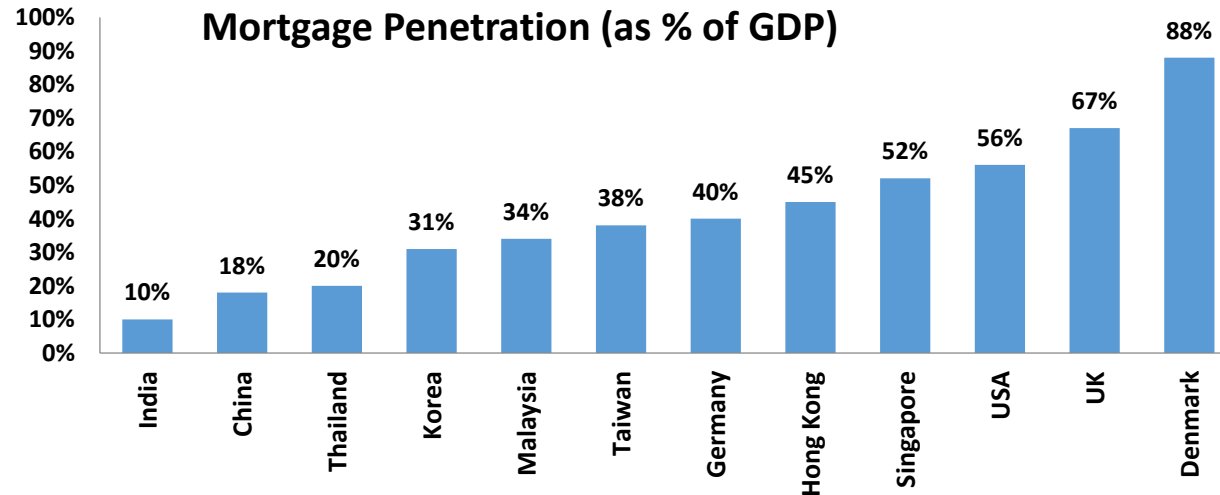
- By FY 2022, penetration levels are expected to increase to 79% for cars and 77% for utility vehicles from 77% and 71% respectively (FY 2017E) as a result of a moderation in interest rates and better availability of credit information
- Increase of finance penetration in cities (excluding top 20) are going to contribute in the overall growth
- Loan-to-value (LTVs) expected to increase marginally to 77% for cars and 75% for UVs from 76% and 72% respectively over the next 5 years

Housing Finance Growth

Growth in Housing Finance Disbursements



E: Estimated F: Forecasted



- Long term growth to remain intact as the real estate industry becomes more transparent, affordability improves, prices stabilize in major markets and interest rate decline under MCLR regime.
- Disbursements to grow @ 18% – 20% CAGR over FY 17 – 22 on the back of higher finance penetration, demand for affordable housing and increasing urbanisation
- Mid size and Small HFC's is expected to maintain spread supported by presence in niche rural markets
- Mortgage penetration in India is 9 – 11 years behind other regional emerging markets like China and Thailand
- Despite mortgage penetration improving by 300 – 400 bps over the last six years (now at 10%), the same is still low.
- This increase was led by rising incomes, improving affordability, growing urbanisation, emergence of Tier-II and Tier-III cities along with tax incentives



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Key Subsidiaries

Awards & Accolades

Risk Management Policies

Transforming rural lives across the country

Business Strategy

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

Expand Branch Network

Leverage existing customers base through Direct Marketing Initiatives

Diversify Product Portfolio

Broad base Liability Mix

Continuing to attract, train and retain talented employees

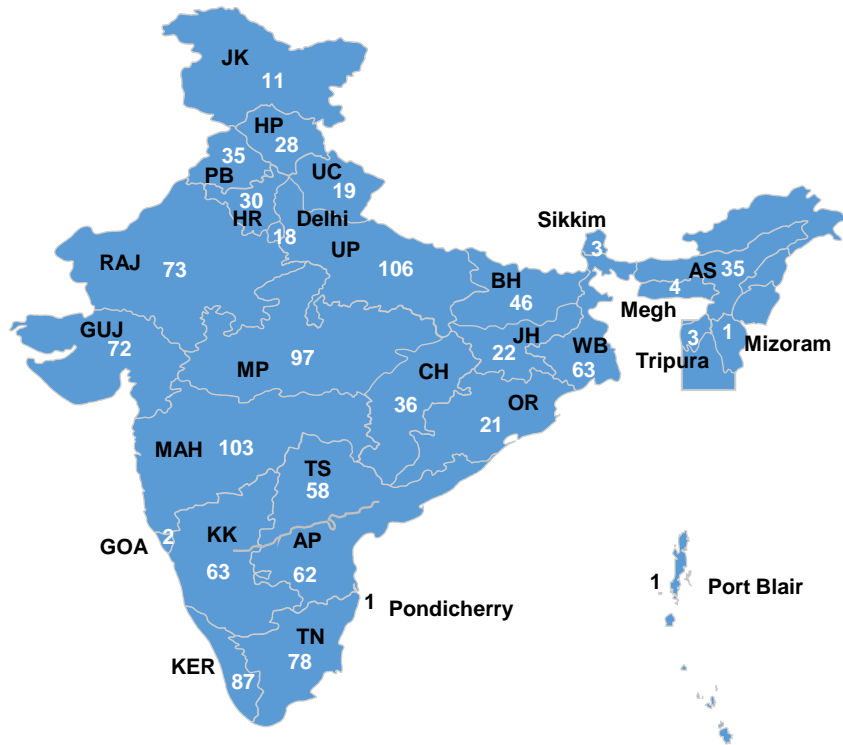
Effective use of technology to improve productivity

Leverage the “Mahindra” Ecosystem

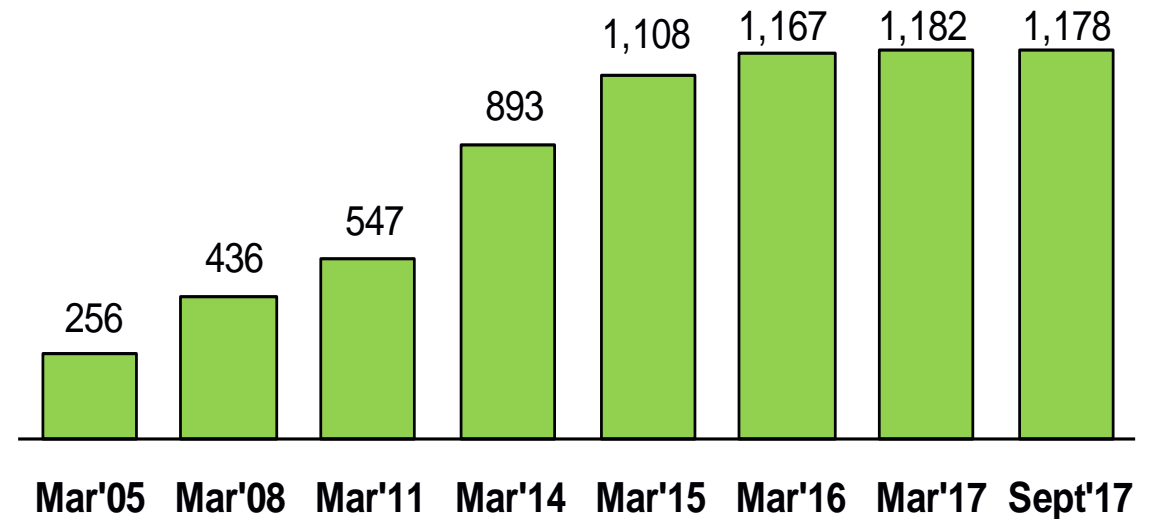
Extensive Branch Network

- Extensive branch network with presence in 27 states and 4 union territories in India through 1,178 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 – 17	Half Year ended Sep – 16	Year ended March – 17
Auto/ Utility vehicles	27%	28%	28%
Tractors	19%	17%	19%
Cars	21%	22%	22%
Commercial vehicles and Construction equipments	11%	12%	11%
Pre-owned vehicles	15%	14%	13%
SME and Others	7%	7%	7%

* Standalone

Break down of AUM

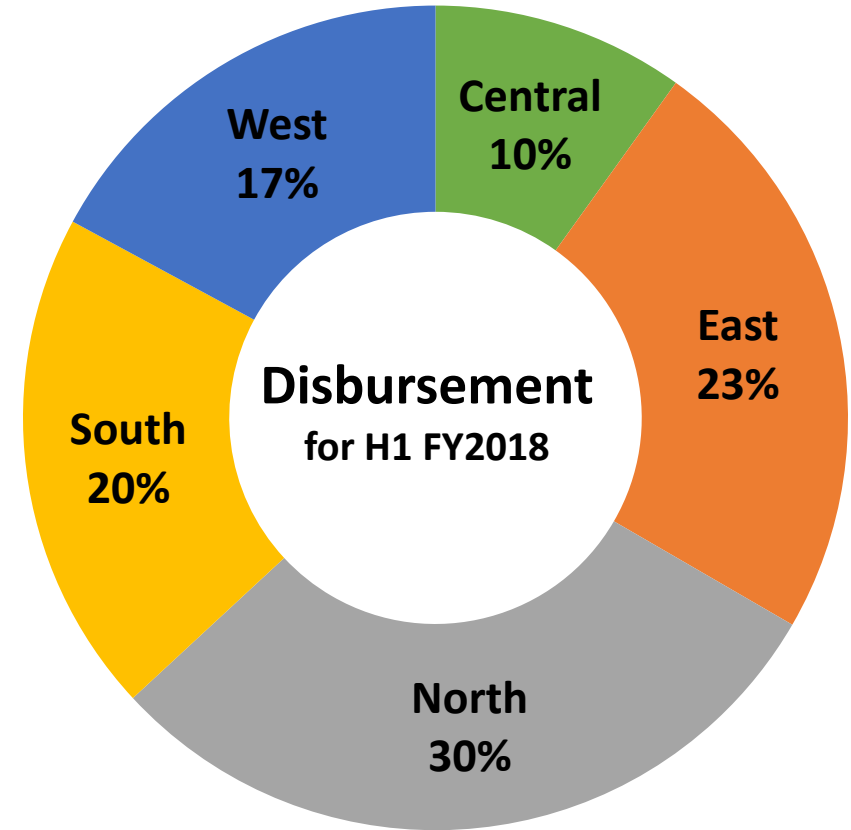
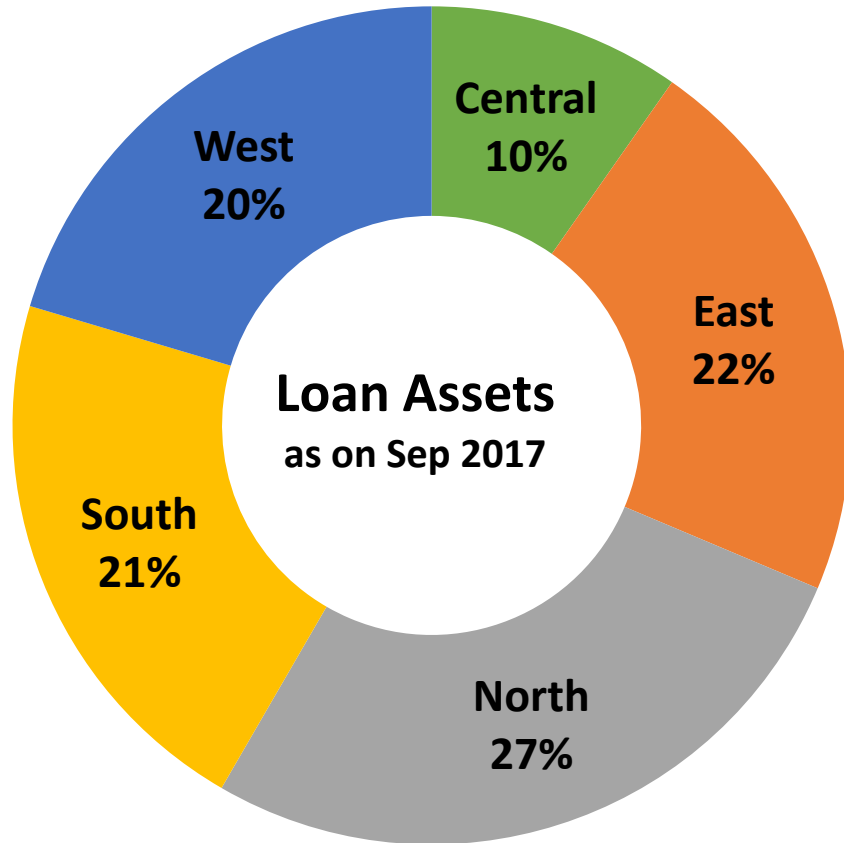
Asset Class	As on Sep – 17	As on Sep – 16	As on March – 17
Auto/ Utility vehicles	28%	30%	30%
Tractors	17%	17%	17%
Cars	22%	23%	23%
Commercial vehicles and Construction equipments	12%	13%	13%
Pre-owned vehicles	9%	9%	9%
SME and Others	12%	8%	8%

As on 30th Sep 17, ~46% of the AUM was from M&M assets

* Share of SME: 7%

* 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 and Subordinated debt	IND AAA	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' 17)

Investor Type	Amount (INR mn.)	% Share
Banks	140,441	37%
Mutual Fund	119,282	31%
Insurance & Pension Funds	55,359	15%
FII's & Corporates	30,934	8%
Others	35,510	9%
Total	381,526	100%

Funding Mix by type of Instrument (Sep' 17)

Instrument Type	Amount (INR mn.)	% Share
NCDs	178,474	47%
Retail NCDs	21,505	6%
Bank Loans	90,756	24%
Fixed Deposits	35,690	9%
CP, ICD	47,058	12%
Securitisation/ Assignment	8,043	2%
Total	381,526	100%

* Based on holding as on 30th September, 2017

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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Business Strategy

Financial Information

Key Subsidiaries

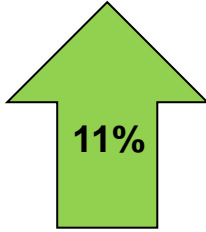
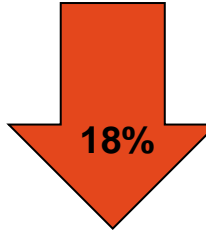
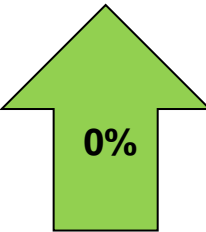
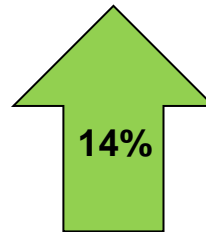
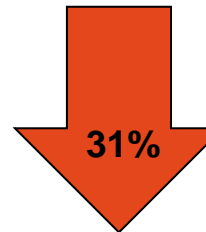
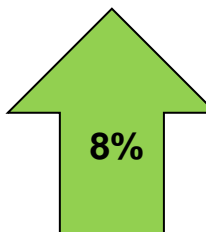
Awards & Accolades

Risk Management Policies

Transforming rural lives across the country

Key Financials

Figures on standalone basis

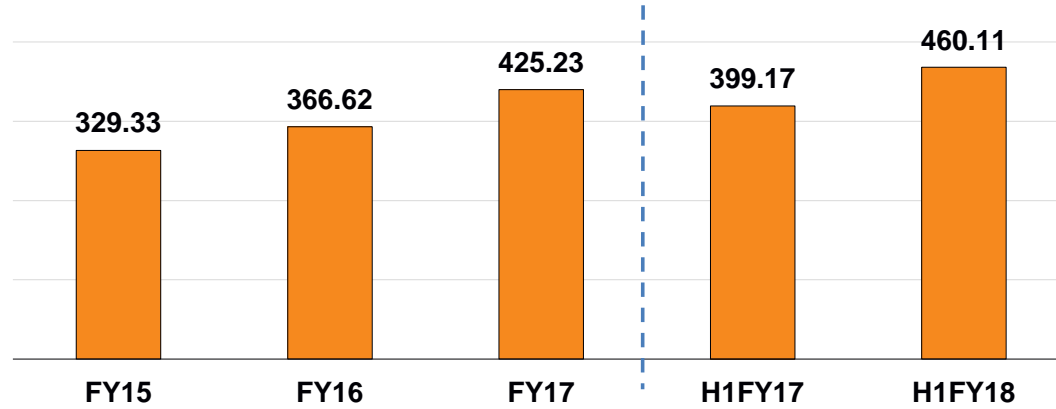
	Total Income	Profit after Tax	NPA Recognition	Value of Asset Financed
Q2 FY 18	Rs 16,829 mn  11%	Rs 780 mn  18%	3 months overdue	Rs 75,665 mn  0%
Q2 FY 17	Rs 15,157 mn	Rs 948 mn	4 months overdue	Rs 75,434 mn
<hr/>				
H1 FY 18	Rs 32,859 mn  14%	Rs 1,254 mn  31%	3 months overdue	Rs 152,064 mn  8%
H1 FY 17	Rs 28,914 mn	Rs 1,818 mn	4 months overdue	Rs 141,073 mn

***Note :** The Company had recognised and provided for NPAs based on 3 months overdue norms as at September 30, 2017 as compared to 4 months overdue norms followed until June 30, 2017. This transition resulted in additional provision of Rs.2469.69 million (including interest income de-recognition) for the quarter ended September 30, 2017 with a consequent impact on the Profit before tax.

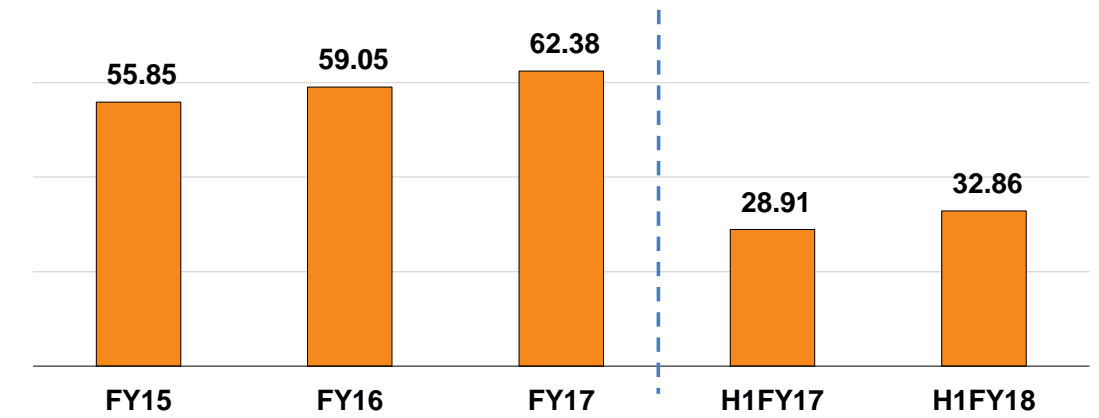
Growth Trajectory

Figures on standalone basis

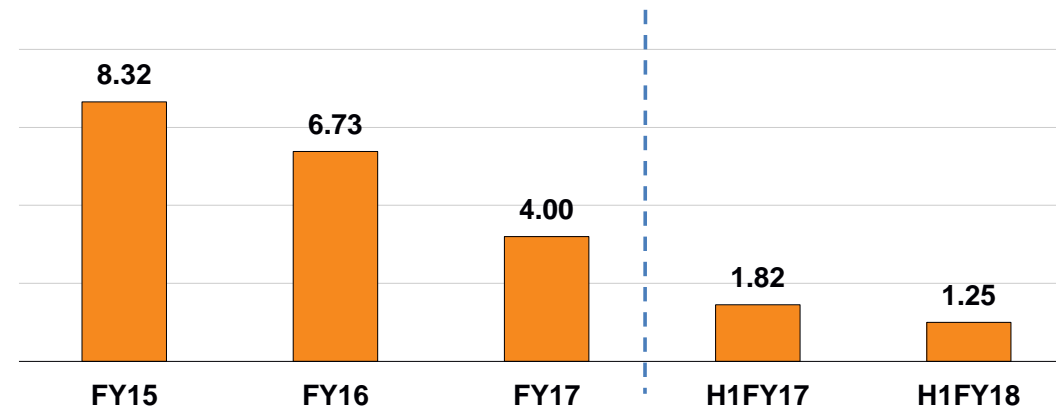
Loan Book (Rs. Bn)



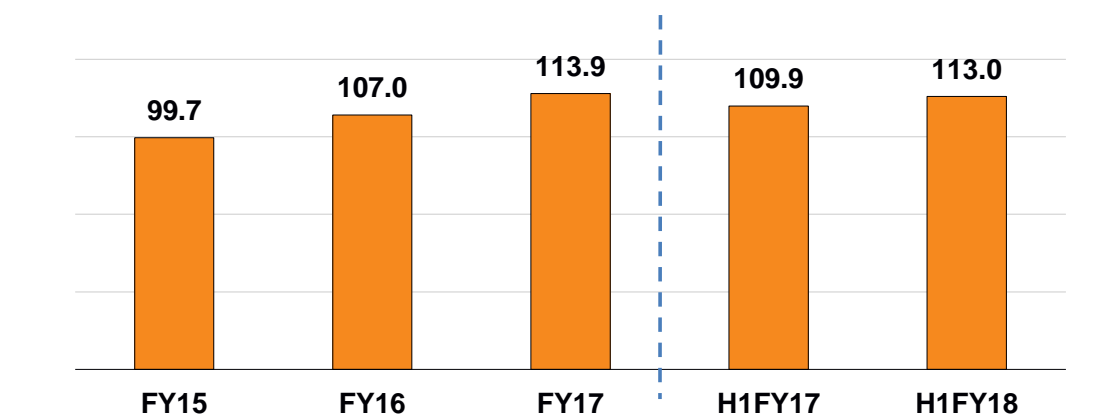
Revenues (Rs. Bn)



Profit after Tax ⁽¹⁾ (Rs. Bn)



Book Value Per Share ⁽²⁾ (Rs.)



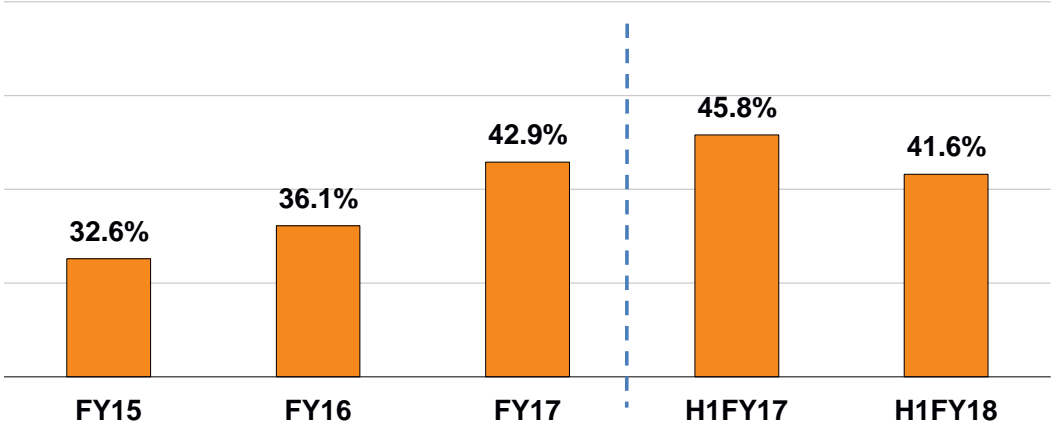
Note :⁽¹⁾ PAT post exceptional items.

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

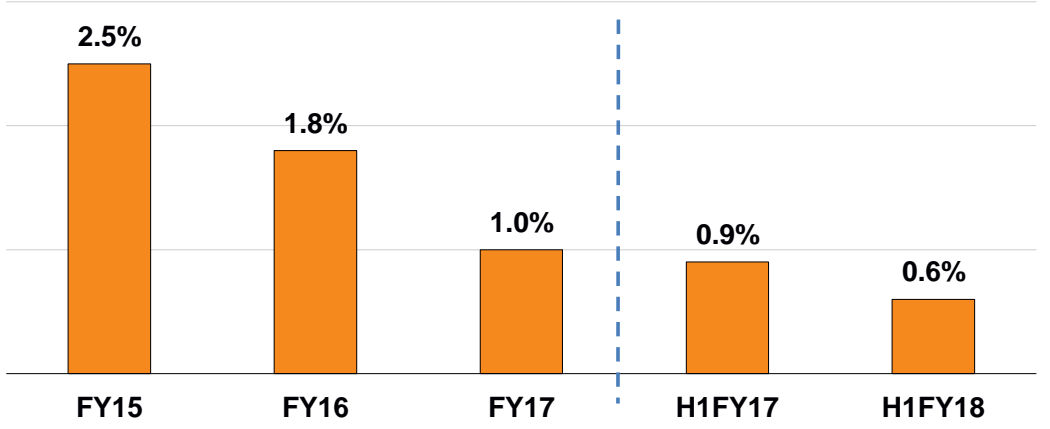
Financial Performance

Figures on standalone basis

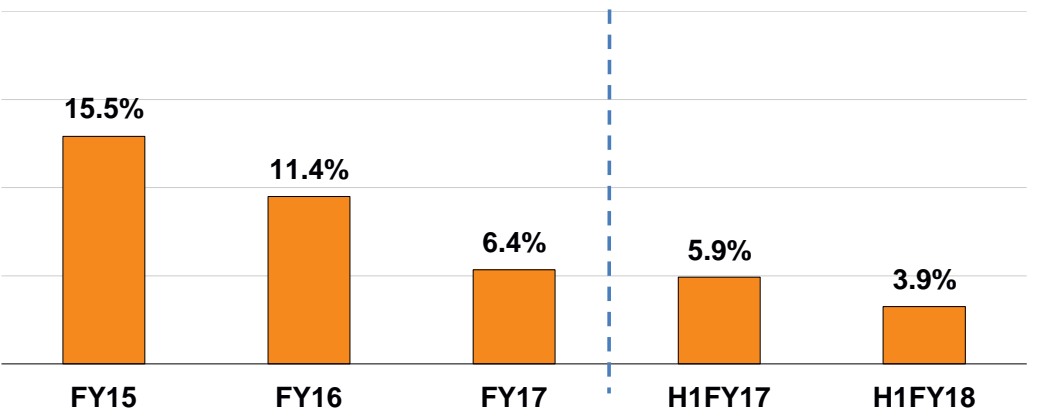
Cost to income ratio ⁽¹⁾ (%)



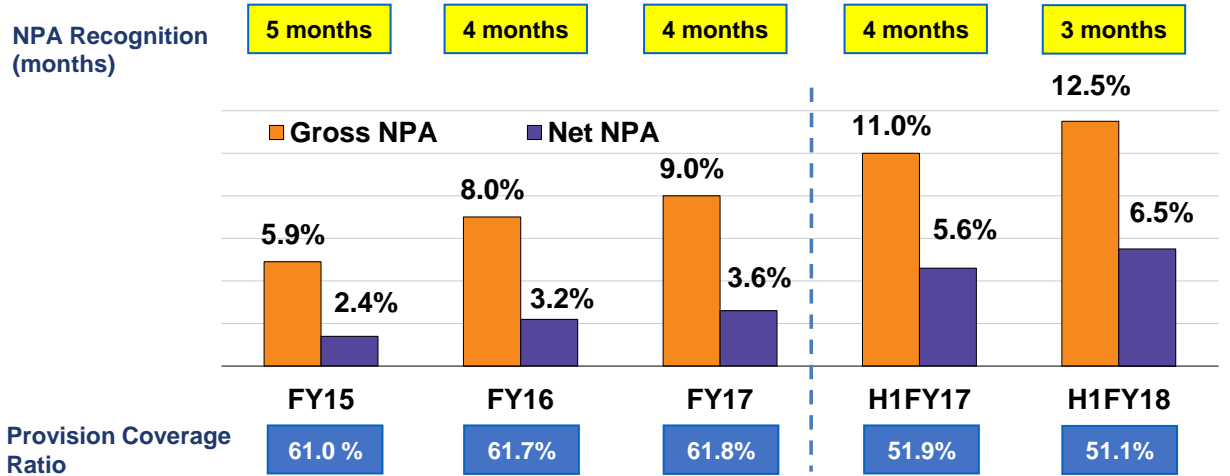
Return on Assets (ROA) ⁽²⁾ (%)



Return on Net Worth (RONW) (%)



Asset Quality



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

Standalone Profit & Loss Account

Particulars (Rs. in Million)	Q2FY18	Q1FY18	Q-o-Q	Q2FY17	Y-o-Y	FY 17
Revenue from operations	16,608	15,924	4.3%	14,916	11.3%	61,739
Less: Finance cost	7,498	7,327	2.3%	7,086	5.8%	28,574
NII	9,110	8,597	6.0%	7,830	16.3%	33,165
Other Income	220	107	106.3%	241	-8.2%	636
Total Income	9,330	8,704	7.2%	8,071	15.6%	33,801
Employee benefits expense	1,862	1,980	-5.9%	1,711	8.9%	6,809
Provisions and write Offs	4,446	4,258	4.4%	3,042	46.2%	13,091
Other expenses	1,725	1,720	0.3%	1,749	-1.4%	7,240
Depreciation and amortization	107	110	-3.5%	107	-0.6%	460
Total Expenses	8,140	8,068	0.9%	6,609	23.2%	27,600
Profit before tax	1,190*	636	87.1%	1,462	-18.6%	6,201
Tax expense	410	162	124.5%	514	-20.2%	2,199
Net Profit after Taxes	780	474	72.0%	948	-17.7%	4,002

* The Company has revised asset classification norms to recognise NPA on 3 months overdue basis which has resulted in additional provision of Rs.2469.69 million (including interest income de-recognition) for the quarter ended September 30, 2017 with a consequent impact on Profit before tax

* Figures re-grouped where found relevant

Standalone Profit & Loss Account

Particulars (Rs. in Million)	Half year ended Sep – 17	Half year ended Sep – 16	Year ended March - 17
Revenue from operations	32,531	28,581	61,739
Other income	328	333	636
Total Revenue	32,859	28,914	62,375
Expenses:			
Employee benefits expense	3,842	3,386	6,809
Finance costs	14,825	13,995	28,574
Depreciation and amortization expense	217	214	460
Provisions and Write Offs	8,704	5,287	13,091
Other expenses	3,445	3,228	7,240
Total Expenses	31,033	26,110	56,174
Profit before tax	1,826*	2,804	6,201
Tax expense	572	986	2,199
Profit for the year	1,254	1,818	4,002

* The Company considered the estimated realisable value of underlying security for loan assets which were 24 months overdue resulting in a lower provision of Rs.1693.43 million for the half year ended September 30, 2016 as against an additional provision of Rs. 833.69 million charged to Profit & Loss account during the half year ended September 30, 2017 with a consequent impact on Profit before tax.

* The Company has revised asset classification norms to recognise NPA on 3 months overdue basis which has resulted in additional provision of Rs.2469.69 million (including interest income de-recognition) for the quarter ended September 30, 2017 with a consequent impact on Profit before tax

* Figures re-grouped where found relevant

Standalone Balance Sheet

Particulars (Rs. in Million)	As on Sep 30, 2017	As on Sep 30, 2016	As on Mar 31, 2017
EQUITY AND LIABILITIES			
Shareholders' funds			
a) Share Capital	1,130	1,129	1,130
b) Reserves and Surplus	63,140	61,402	63,642
Shareholders' funds	64,270	62,531	64,772
Non-current liabilities			
a) Long-term borrowings	231,560	192,049	214,537
b) Other Long-term liabilities	5,487	4,585	4,274
c) Long term provisions	8,073	5,394	5,489
Non-current liabilities	245,120	202,028	224,300
Current liabilities			
a) Short Term Borrowings	66,576	42,922	58,648
b) Trade payables	6,402	5,443	6,630
c) Other current liabilities	90,802	99,024	89,335
d) Short term provisions	18,144	14,578	16,167
Current liabilities	181,924	161,967	170,780
Total Equities and Liabilities	491,314	426,526	459,852

* Figures re-grouped where found relevant

Standalone Balance Sheet (Contd.)

Particulars (Rs. in Million)	As on Sep 30, 2017	As on Sep 30, 2016	As on Mar 31, 2017
ASSETS			
Non-current assets			
a) Fixed Assets	1,085	1,129	1,120
b) Non-current investments	12,966	10,089	13,117
c) Deferred tax assets (Net)	7,723	6,409	7,317
d) Long-term loans and advances	233,935	194,346	222,599
e) Other non-current assets	1,312	363	1,122
Non-current assets	257,021	212,336	245,275
Current assets			
a) Current investments	3,647	3,374	5,778
b) Trade receivables	73	52	58
c) Cash and cash equivalents	4,018	5,156	5,780
d) Short-term loans and advances	226,179	204,821	202,635
e) Other current assets	376	787	326
Current assets	234,293	214,190	214,577
Total Assets	491,314	426,526	459,852

* Figures re-grouped where found relevant

Consolidated Profit & Loss Account

Particulars (Rs. in Million)	Half year ended Sep – 17	Half year ended Sep – 16	Year ended March – 17
Revenue from operations	38,537	32,886	71,462
Other income	180	312	545
Total Revenue	38,717	33,198	72,007
Expenses:			
Employee benefits expense	5,181	4,328	8,866
Finance costs	16,832	15,533	31,862
Depreciation and amortization expense	263	247	537
Provisions and write Offs*	9,427	5,691	13,896
Other expenses	4,353	3,779	8,468
Total Expenses	36,056	29,578	63,629
Profit before tax	2,661	3,620	8,378
Tax expense	990	1,343	3,081
Profit after tax	1,671	2,277	5,297
Minority Interest	80	60	181
Net Profit after Taxes and Minority Interest	1,591	2,217	5,116

* Refer to Slide 45 for impact on Profit before tax on account of change in provisioning policy

* Figures re-grouped where found relevant

Consolidated Balance Sheet

Particulars (Rs. in Million)	As on Sep 30, 2017	As on Sep 30, 2016	As on Mar 31, 2017
EQUITY AND LIABILITIES			
Shareholders' funds			
a) Share Capital	1,130	1,129	1,130
b) Reserves and Surplus	68,299	65,600	68,472
Shareholders' funds	69,429	66,729	69,602
Minority Interest	1,048	715	998
Non-current liabilities			
a) Long-term borrowings	277,111	224,618	249,849
b) Other Long-term liabilities	5,487	4,585	4,274
c) Long term provisions	9,089	6,025	6,217
Non-current liabilities	291,687	235,228	260,340
Current liabilities			
a) Short Term Borrowings	81,817	56,043	72,176
b) Trade payables	6,920	5,675	6,944
c) Other current liabilities	103,468	110,755	106,821
d) Short term provisions	19,656	15,344	17,185
Current liabilities	211,861	187,817	203,126
Total Equities and Liabilities	574,025	490,489	534,066

* Figures re-grouped where found relevant

Consolidated Balance Sheet (Contd.)

Particulars (Rs. in Million)	As on Sep 30, 2017	As on Sep 30, 2016	As on Mar 31, 2017
ASSETS			
Non-current assets			
a) Fixed Assets	1,314	1,316	1,345
b) Non-current investments	7,607	6,317	7,979
c) Deferred tax assets (Net)	7,991	6,578	7,572
d) Long-term loans and advances	298,706	244,389	281,753
e) Other non current assets	1,318	369	1,128
Non-current assets	316,936	258,969	299,777
Current assets			
a) Current investments	3,681	3,686	5,924
b) Trade receivables	404	158	230
c) Cash and cash equivalents	4,467	5,331	6,039
d) Short-term loans and advances	248,161	221,558	221,766
e) Other current assets	376	787	330
Current assets	257,089	231,520	234,289
Total Assets	574,025	490,489	534,066

* Figures re-grouped where found relevant

Summary & Key Ratios

Figures on standalone basis

Particulars (Rs. in Million)	Half year ended Sep – 17	Half year ended Sep – 16	Year ended March – 17
RONW (Avg. Net Worth)	3.9%	5.9%	6.4%
Debt / Equity	5.81:1	5.14:1	5.35:1
Capital Adequacy	19.3%	18.1%	17.2%*
Tier I	12.4%	13.2%	12.8%
Tier II	6.9%	4.9%	4.4%
EPS (Basic) (Rs.)	2.22	3.22	7.09
Book Value (Rs.)	113.0	109.9	113.9
Dividend	-	-	120%
Assets Under Management (Rs. Mn)	499,176	438,547	467,755
New Contracts During the period (Nos)	267,873	250,668	556,122
No. of employees	18,350	16,549	17,856

Spread Analysis

Figures on standalone basis

Particulars (Rs. in Million)	Half year ended Sep – 17	Half year ended Sep – 16	Year ended March – 17
Total Income / Average Assets	14.5%	14.7%	15.2%
Interest / Average Assets	6.6%	7.1%	7.0%
Gross Spread	7.9%	7.6%	8.2%
Overheads / Average Assets	3.3%	3.5%	3.5%
Write offs & NPA provisions / Average Assets	3.8%	2.7%	3.2%
Net Spread	0.8%	1.4%	1.5%
Net Spread after Tax	0.6%	0.9%	1.0%

NPA Analysis

Figures on standalone basis

Particulars (Rs. in Million)	As on Sep 30, 2017		As on Sep 30, 2016	As on Mar 31, 2017
	3 months overdue	4 months overdue	4 months overdue	4 months overdue
Recognition Basis				
Gross Non - Performing Assets	62,196	51,313	47,481	41,827
Less: NPA Provisions (incl. Income reversal)	31,770	29,301	24,619	25,830
Net Non – Performing Assets	30,426	22,012	22,862	15,997
Total Assets (Incl. NPA Provision)	499,223	498,405	433,319	466,338
Gross NPA to Total Assets(%)	12.5%	10.3%	11.0%	9.0%
Net NPA to Total Assets(%)	6.5%	4.7%	5.6%	3.6%
Coverage Ratio(%)	51.1%	57.1%	51.9%	61.8%

Above workings are excluding securitised/assigned portfolio

Count of NPA & Repossessed Stock	As on Sep 30, 2017		As on Sep 30, 2016	As on Mar 31, 2017
	3 months overdue	4 months overdue	4 months overdue	4 months overdue
Recognition Basis				
Contracts under NPA	211,479	165,194	178,480	138,357
% of Live Cases under NPA	10.7%	8.3%	9.6%	7.2%
Repossessed Assets (out of above NPA)	13,530	13,530	10,137	13,185



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Mahindra Rural Housing Finance Limited

Particulars (Rs. million)	Half year ended Sep – 17	Half year ended Sep – 16	Year ended March – 17
Loans disbursed	11,805	8,585	21,162
No. of Customer Contracts (nos.)	77,428	63,082	172,462
Outstanding loan book	54,324	38,818	48,235
Total income	4,350	3,117	7,034
PBT	574	430	1,269
PAT	374	280	830
Net-worth	4,961	2,910	4,759
GNPA %	13.3%	10.2%	9.7%

- **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 12 States & 1 Union Territory

Mahindra Insurance Brokers Limited

Particulars (Rs. million)	Half year ended Sep – 17	Half year ended Sep – 16	Year ended March – 17
Total income	950	743	1,742
Gross premium	8,275	6,289	15,679
PBT	337	286	817
PAT	219	186	530
No. of employees (nos.)	1,019	912	956

- **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%* (shall become 20% post sale of shares)

* **MMFSL has entered in an agreement to sell an additional 5% of MIBL to IRPL, subject to approvals, at a valuation of Rs. 1,300 crores**



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Awards and Accolades

- Mahindra Finance was recognized as Top 19 Best Employer in **Aon Best Employer List 2017** .
- Mahindra Finance is recognized in amongst the **top 50** India's Best Companies to Work for 2017. The study is Conducted by the Great Place to Work Institute and Economic Times .The organization was ranked at **49th position** and also was declared as **one of the best in the Financial Services Sector** .
- Mahindra Finance is commended with **Significant Achievement in HR Excellence** at the 7th Confederation of Indian Industry (CII) HR Excellence Award 2016.
- Mahindra Finance has been appraised and rated at **People CMM® Maturity Level 3**.
- Mahindra Finance listed on **Dow Jones Sustainability Index (DJSI)** –for 5th year in a row.
- Mahindra Finance was included in 'The Sustainability Yearbook 2017' which was released by RobecoSAM.





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Conservative Risk Management Policies

Provisioning Norms

Duration (months)	RBI Norms	Duration (months)	MMFSL
> 4 and <= 14	10%	> 3 and <= 11 [^]	10%
> 14 and <= 26	20%	> 11 and <= 24	50%
> 26 and <= 50	30%	> 24 months*	100%
> 50 months	50%		

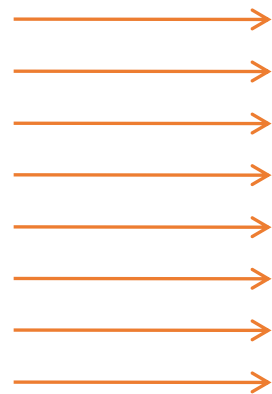
• The Company considered the estimated realisable value of underlying security for loan assets which were 24 months overdue resulting in a lower provision of Rs.1693.43 million for the half year ended September 30, 2016 as against an additional provision of Rs. 833.69 million charged to Profit & Loss account during the half year ended September 30, 2017 with a consequent impact on Profit before tax.

[^] The Company has revised asset classification norms to recognise NPA on 3 months overdue basis which has resulted in additional provision of Rs.2469.69 million (including interest income de-recognition) for the quarter ended September 30, 2017 with a consequent impact on 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

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