

3rd February 2023

To,
BSE Limited, (Security Code: 532720)
Phiroze Jeejeebhoy Towers,
Dalal Street, Fort,
Mumbai - 400 001

National Stock Exchange of India Ltd., (Symbol: M&MFIN)
Exchange Plaza, 5th Floor, Plot No. C/1, "G" Block,
Bandra - Kurla Complex, Bandra (East),
Mumbai – 400 051

Dear Sir/Madam,

Sub: Earnings Presentation for the third quarter and nine months ended 31st December 2022 - Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015 ("SEBI Listing Regulations")

Ref: Our letter dated 30th January 2023 intimating about earnings conference call

In compliance with Regulation 30, Schedule III, Part A, Para A (15) and other applicable provisions of the Listing Regulations, please find enclosed herewith an Earnings Presentation to be made at earnings conference audio call scheduled to be held today i.e. Friday, 3rd February 2023 at 6.00 PM (IST) encompassing, inter-alia, summary of the unaudited standalone and consolidated financial results of the Company for the third quarter and nine months ended 31st December 2022, highlights of the quarter and other updates.

The enclosed earnings presentation is also being uploaded on the Company's website viz. <https://mahindrafinance.com/investors/disclosures-reg-46-62/financial-information#institutionalinvestors-analyst-meet> in compliance with Regulation 30(8) and 46(2) of the SEBI Listing Regulations.

Kindly take the same on record.

Thanking you,
For Mahindra & Mahindra Financial Services Limited

Brijbala Batwal
Company Secretary
Enclosure: as above

Mahindra & Mahindra Financial Services Limited

Quarter Result Update
December - 2022

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CIN - L65921MH1991PLC059642



*Transforming rural lives
across the country*

Executive Summary

Financial Information

Key Subsidiaries

Company Overview

Business Strategy

Awards & CSR Initiatives

Risk Management Policies

mahindra FINANCE

Key Highlights

- Disbursement of ₹ 14,467 Cr. for the quarter, growth of 80% YoY
- Strong Asset Growth with Loan Assets* at ₹ 77,344 Cr.; YoY growth of 21.0%; Sequential growth of 4.8%
- Continuing trend of asset quality improvement with sequential reduction in GS 3 (GS 3 at 5.9% vs. 6.7% from Sep - 22)
- Q3FY23 PAT at Rs. 629 Cr.; 9MFY23 PAT of ₹ 1,300 Cr. vs. PAT of ₹ 388 Cr. in 9MFY22

Financial Performance – Q3FY23

- Revenue at ₹ 2,892 Cr. for the quarter, an increase of 14% YoY
- NIMs at 7.4% - improvement in lending yields visible
- Overheads at 2.9%; Investment towards human capital, collection and technology led initiatives
- PPOP at ₹ 998 Cr., an increase of 16% QoQ; led by improving yields & moderation of operating costs

* Refers to Business Assets

Asset Quality

- Provision coverage maintained @ 59.0% in Dec-22
- Continued with a healthy Collection Efficiency at 95% during Q3FY23 in line with Q3FY22

IRACP migration

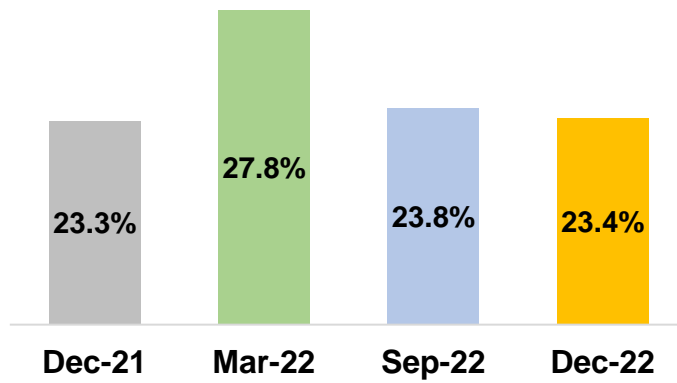
- As of Q3FY23, GNPA (IRACP) was higher by approximately ₹ 1,277 crores in comparison to GS 3 (IND-AS)
- Do not foresee any impairment charge on account of IRACP migration in FY23

Capital Management

- Capital Adequacy strong at 23.4%; Healthy growth in 9MFY23 resulting in improved capital utilization (D:E at 4.33:1)
- Liquidity chest equivalent to upwards of 3 months maintained across the quarter
- Long Term Rating by CRISIL upgraded to CRISIL AAA/ Stable

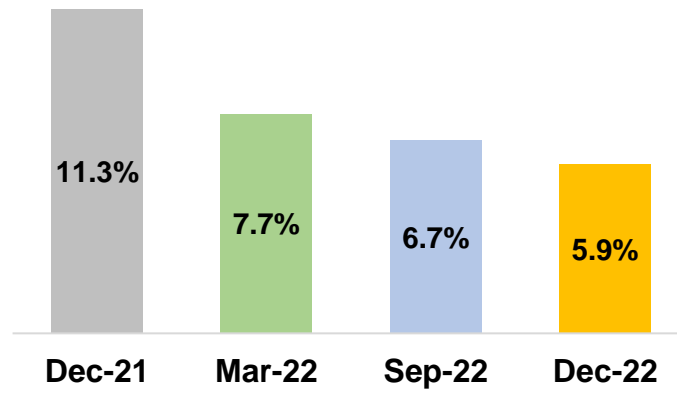
Business Strength

Capital Adequacy



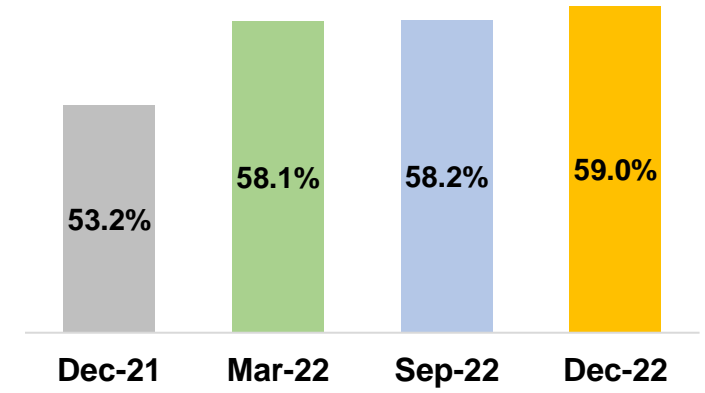
Well capitalized

Gross Stage-3



Asset Quality under control

Stage 3 - Coverage Ratio

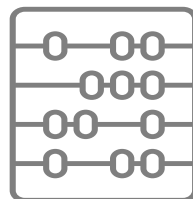


Prudent

On path to achieving Vision 2025: Progress (9M FY23)

Stable asset quality
GS-3 < 6%

9M FY23:
GS-3: 5.9%



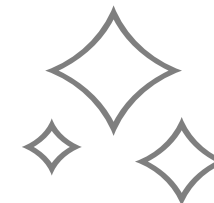
2x AUM

9M FY23:
AUM Growth: 19%*



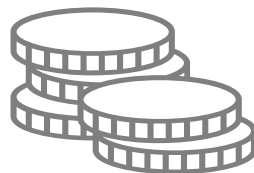
New business contribution:
15%

9M FY23:
New Business: 5%+



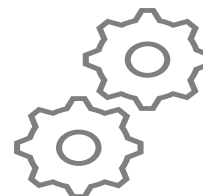
Maintain NIMs ~7.5%

9M FY23:
NIMs: 7.6%



Operating leverage: Cost to Assets ~2.5%

9M FY23:
Cost to Asset: 3.1%



RoA ~2.5%

9M FY23:
RoA: 2.1%



* Business Assets: Dec-22 over Mar-22



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across the country*

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Financial Information - Standalone

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Disbursement and Collection Trends

on standalone basis

Historical Disbursements (INR crores)	Q1	Q2	Q3	Q4	FY/ YTD
FY 2023	9,472	11,824	14,467	-	35,764
FY 2022	3,872	6,475	8,032	9,202	27,581
FY 2021	2,733	4,028	6,270	5,970	19,001

Collection Efficiency [^]	Oct	Nov	Dec	Q3	Q2	Q1
FY 2023	91%	96%	98%	95%	97%	94%
FY 2022	91%	94%	100%	95%	98%	80%

[^] Computed as (Current month demand collected + Overdues collected)/(Current month demand due for the month)
Without considering restructured contracts

Break down of Disbursements

on standalone basis

Asset Class	Nine-month ended Dec – 22	Nine-month ended Dec – 21	Year ended March – 22
Auto/ Utility vehicles	34%	35%	34%
Tractors	12%	19%	16%
Cars	17%	20%	19%
Commercial vehicles and Construction equipments	11%	5%	8%
Pre-owned vehicles	16%	17%	18%
SME and Others	9%	4%	5%

Break down of Business Assets

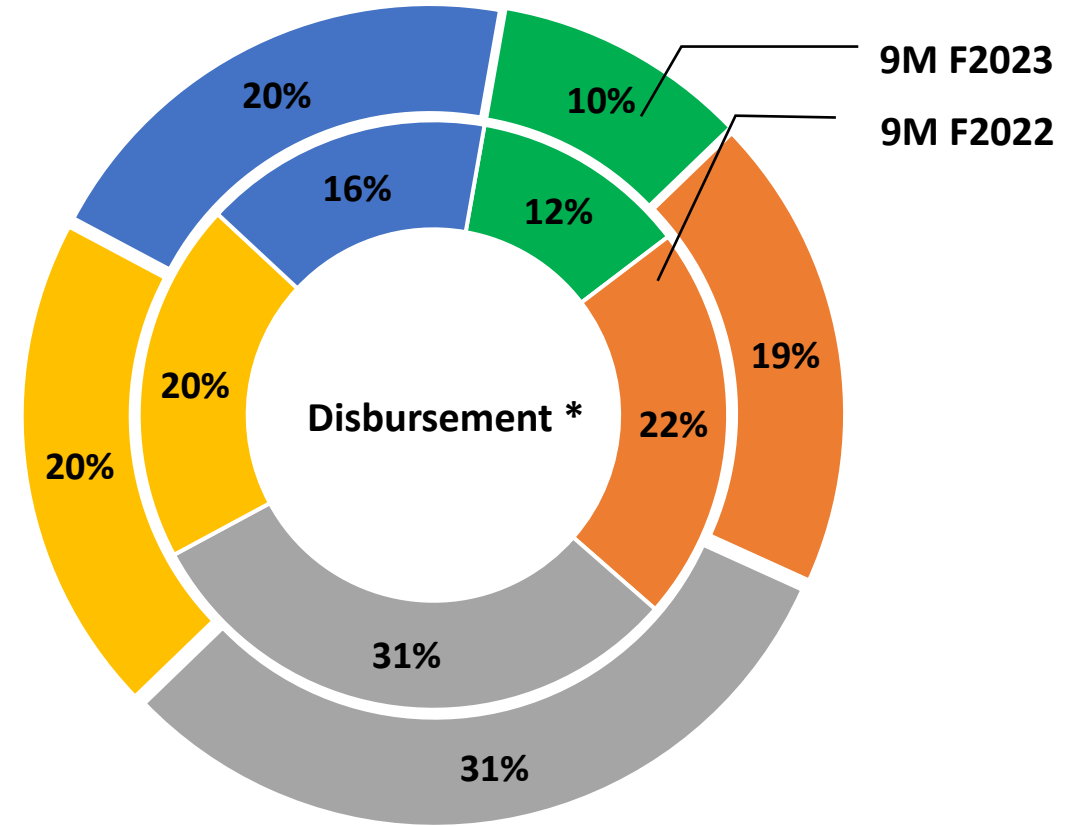
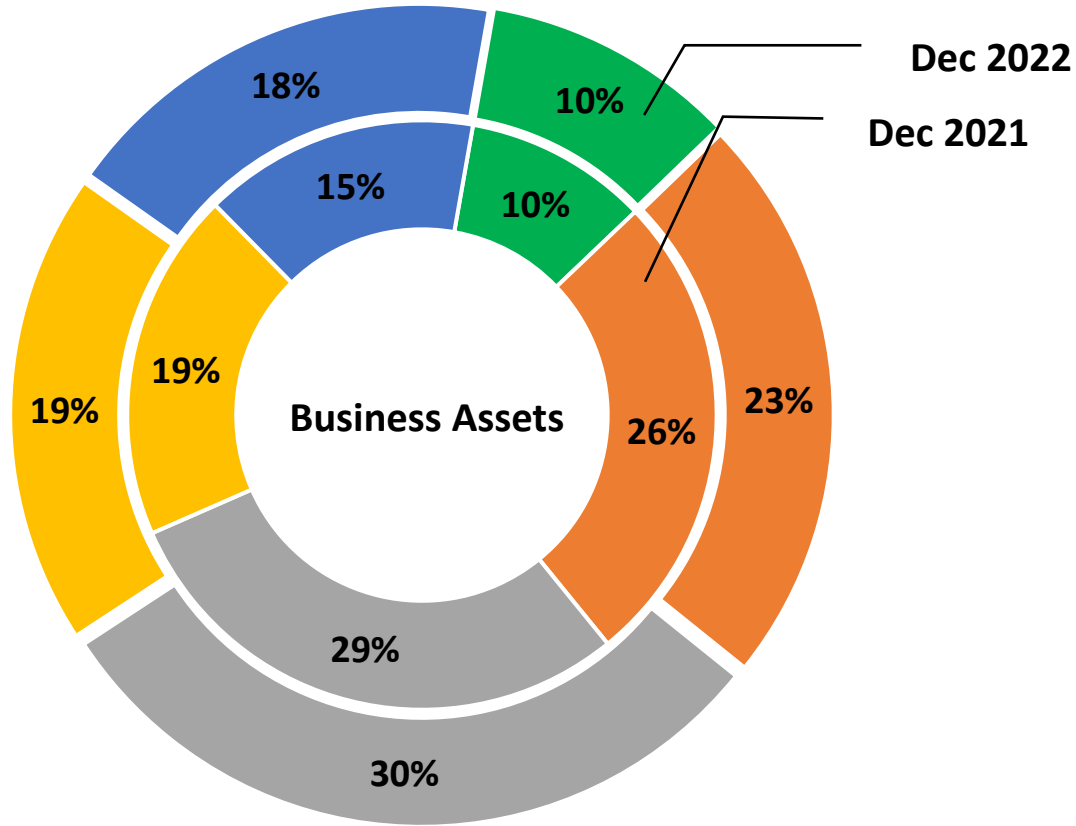
on standalone basis

Asset Class	Nine-month ended Dec – 22	Nine-month ended Dec – 21	Year ended March – 22
Auto/ Utility vehicles	33%	32%	32%
Tractors	15%	17%	16%
Cars	20%	22%	22%
Commercial vehicles and Construction equipments	11%	13%	12%
Pre-owned vehicles	12%	10%	11%
SME and Others	9%	6%	7%
Contribution of M&M assets in Business Assets	43%	46%	46%

* Share of SME: 5%

Break down by Geography

on standalone basis



■ CENTRAL ■ EAST ■ NORTH ■ SOUTH ■ WEST

■ CENTRAL ■ EAST ■ NORTH ■ SOUTH ■ WEST

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

EAST: Arunachal Pradesh, Assam, Bihar, Jharkhand, Meghalaya, Mizoram, Orissa, Sikkim, Tripura, West Bengal;

CENTRAL: Chhattisgarh, Madhya Pradesh;

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

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

* Prepared on Finance Amount

Broad Based Liability Mix

on standalone basis

All figures in INR crores

Funding Mix by Investor Category

Investor Type	Dec' 22		Sep'22	Mar'22
	Amount	% Share	% Share	% Share
Banks / Dev. Institutions	39,628	55.8%	53.8%	48.4%
Mutual Funds	6,000	8.4%	8.8%	9.1%
Insurance & Pension Funds	12,996	18.3%	18.8%	18.2%
FIs & Corporates	5,115	7.2%	8.6%	9.9%
Others	7,329	10.3%	9.9%	14.4%
Total	71,068	100%	100%	100%

Funding Mix by type of Instrument

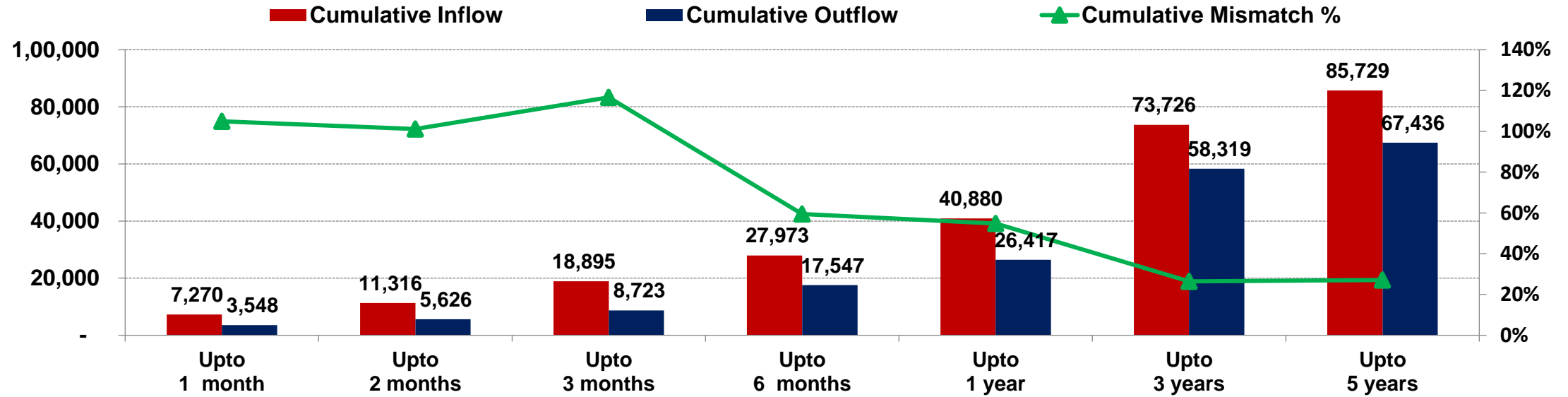
Instrument Type	Dec' 22		Sep'22	Mar'22
	Amount	% Share	% Share	% Share
NCDs	18,605	26.2%	27.0%	29.2%
Retail NCDs	3,837	5.4%	5.7%	7.6%
Bank Loans	27,366	38.5%	36.4%	27.5%
Offshore Borrowings	1,414	2.0%	2.9%	4.6%
Fixed Deposits	5,948	8.4%	9.9%	15.1%
CP, ICD, TREPS	5,832	8.2%	6.5%	1.5%
Securitisation/ Assignment	8,067	11.4%	11.6%	14.5%
Total	71,068	100%	100%	100%

Computed based on FV/ Principal value

^ Based on holding as at respective period ends

ALM Position and Liability Maturity

All figures in INR crores



Liability Maturity [^]	Jan-23	Feb-23	Mar-23	Q4 FY23	Apr-23	May-23	Jun-23	Q1 FY24	Next 6 months
Bank Loans	190	300	1,339	1,829	449	1,046	2,105	3,600	5,429
Market Instruments (NCD/ CP)	1,805	810	1,200	3,815	855	1,398	2,090	4,343	8,158
Others (FD/ ICD)	399	322	179	900	338	238	455	1,031	1,931
Total	2,394	1,432	2,718	6,544	1,642	2,682	4,650	8,974	15,518

In addition to undrawn sanctioned lines, the Company held Cash/ Liquid investments of ~ INR 10,800 crores

* Based on provisional ALM as on Dec 31, 2022

[^] excl. Securitisation and as on Dec 31, 2022

Key Financials

on standalone basis

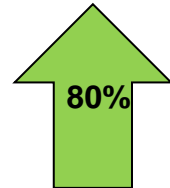
Disbursement

Total Income

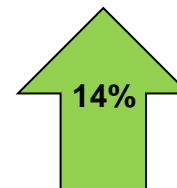
Profit after Tax

Q3 FY 23

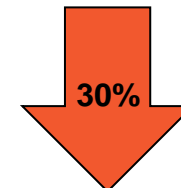
Rs. 14,467 crores



Rs. 2,892 crores



Rs. 629 crores



Q3 FY 22

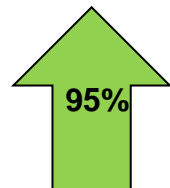
Rs. 8,032 crores

Rs. 2,543 crores

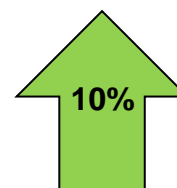
Rs. 894 crores

9M FY 23

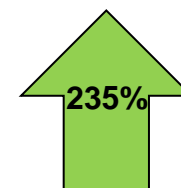
Rs. 35,764 crores



Rs. 7,999 crores



Rs. 1,300 crores



9M FY 22

Rs. 18,380 crores

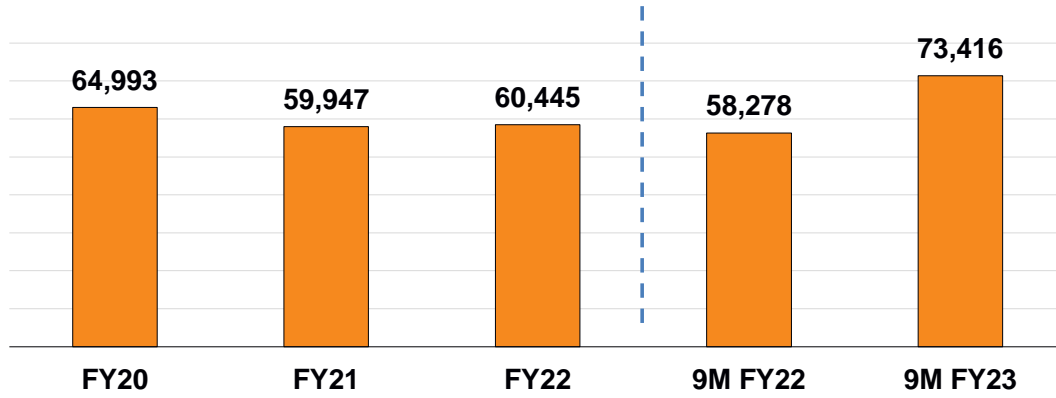
Rs. 7,252 crores

Rs. 388 crores

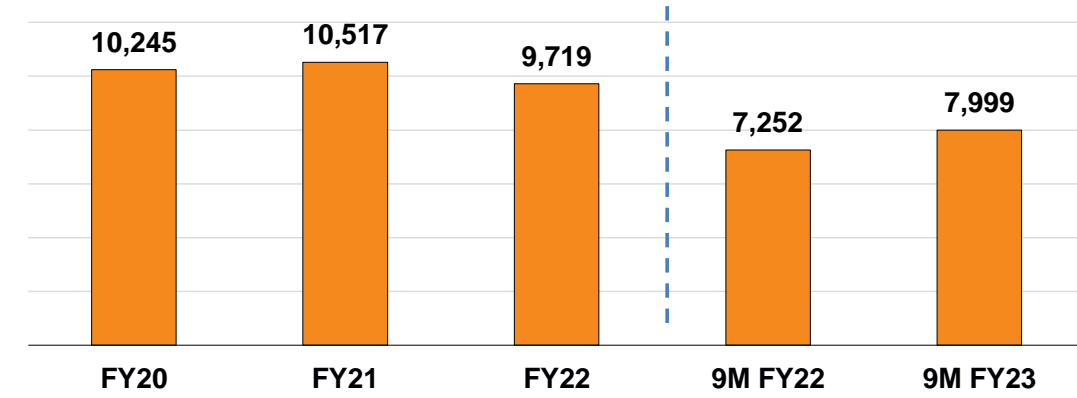
Growth Trajectory

on standalone basis

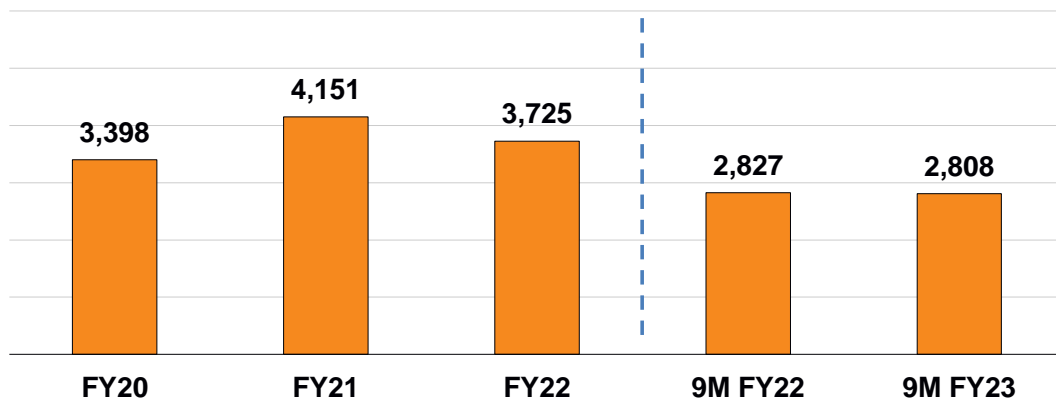
Loan Book ⁽¹⁾ (Rs. crores)



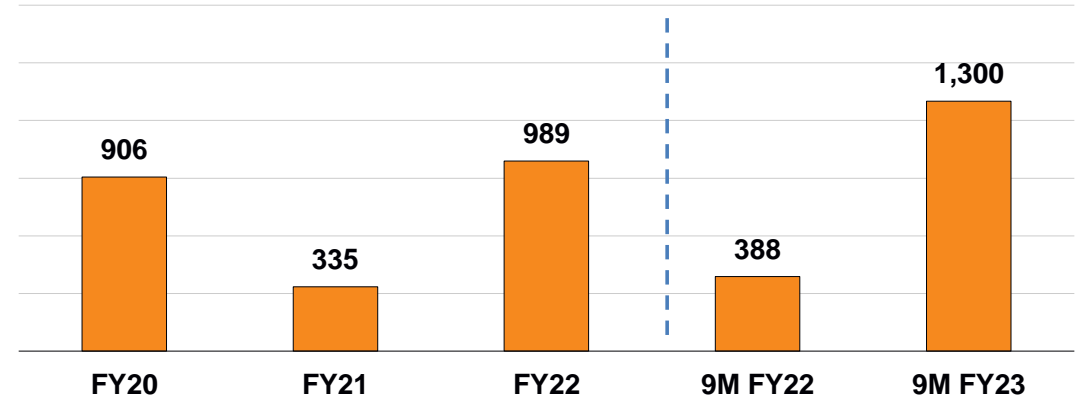
Revenues (Rs. crores)



Pre-Provisioning Operating Profit (Rs. crores)



Profit after Tax ⁽²⁾ (Rs. crores)



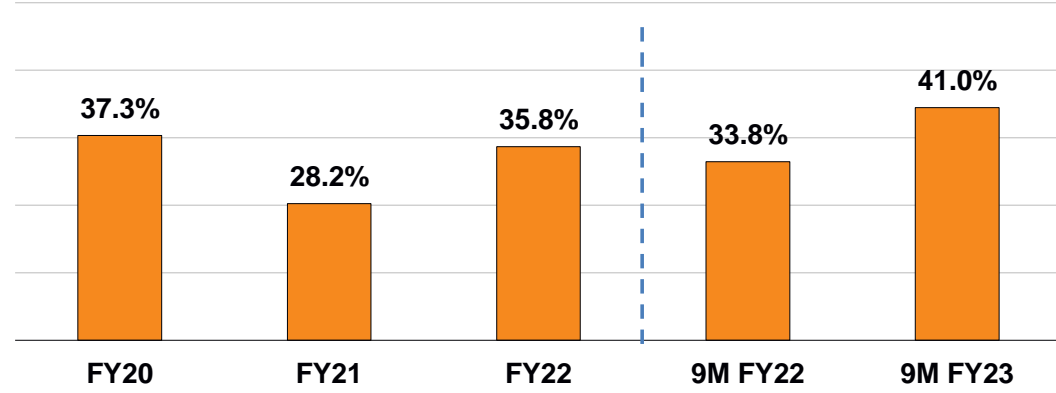
Note : ⁽¹⁾ Loan Book net of provisions.

⁽²⁾ PAT post exceptional items.

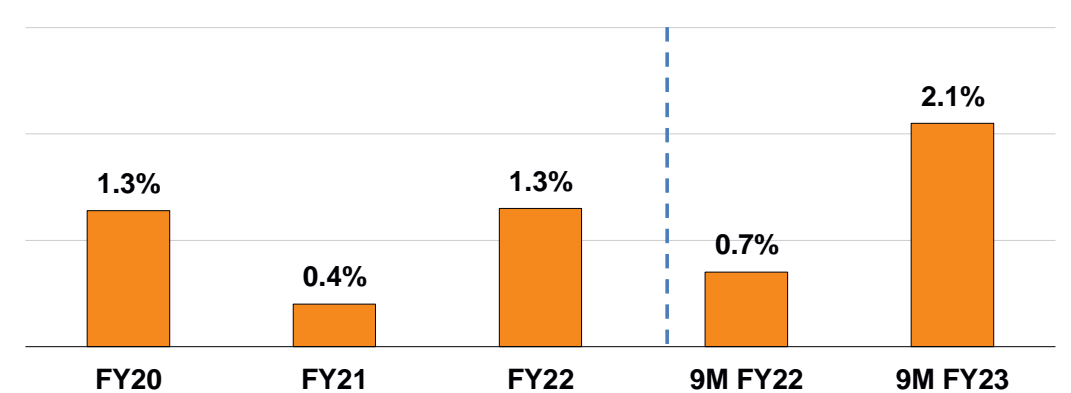
Financial Performance

on standalone basis

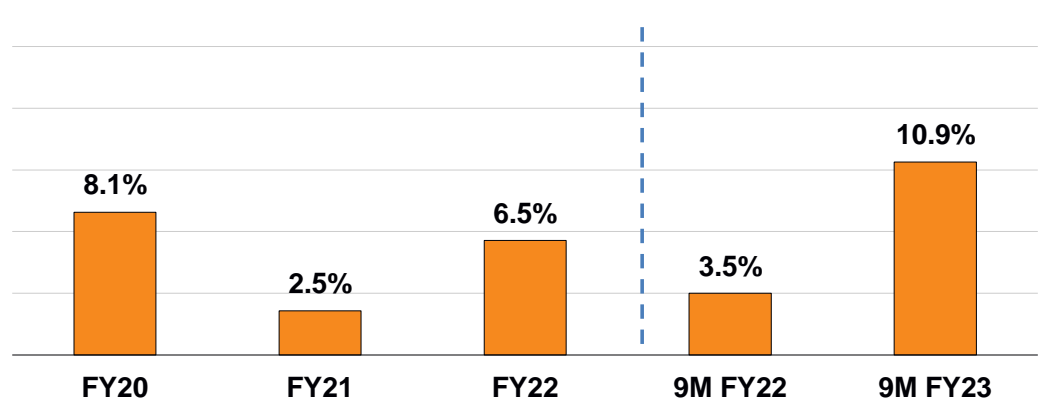
Cost to income ratio ⁽¹⁾ (%)



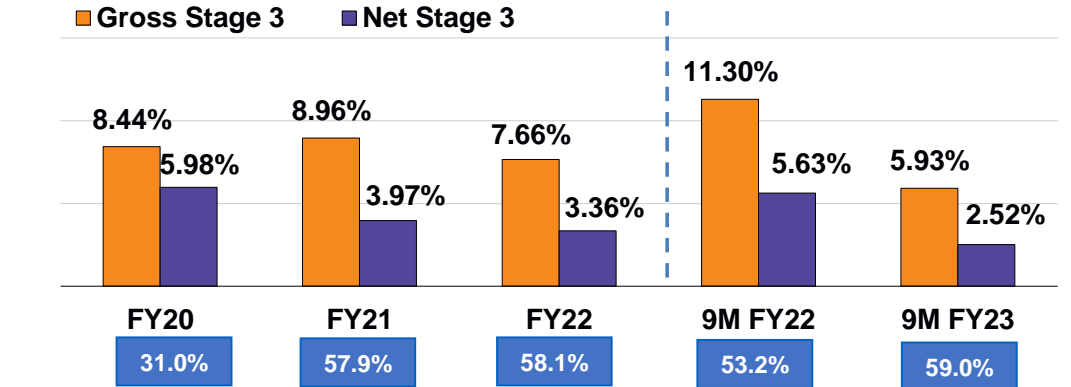
Return on Assets (ROA) ⁽²⁾ (%)



Return on Net Worth (RONW) ⁽²⁾ (%)



Asset Quality (%)



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

* Stage 3 information provided as a percentage of Total Business Assets

Note : ⁽¹⁾ Cost to Income calculated as Operating Expenses (including depreciation)/(Net Interest Income + Other Income).

⁽²⁾ Annualised - Calculated based on average total assets/ average network

Standalone Profit & Loss Account

Particulars (Rs. in crores)	Q3FY23	Q2FY23	Q-o-Q	Q3FY22	Y-o-Y	FY22
Revenue from operations (A)	2,863	2,586	11%	2,528	13%	9,658
Less: Finance cost (B)	1,242	1,069	16%	951	31%	3,920
NII (C= A+B)	1,621	1,517	7%	1,577	3%	5,738
Other Income (D)	29	23	24%	14	154%	61
Total Income (E=C+D)	1,650	1,540	7%	1,591	4%	5,799
Employee benefits expense (F)	400	376	6%	303	32%	1,172
Other expenses (G)	200	255	(22%)	197	1%	775
Depreciation and amortization (H)	52	46	14%	29	78%	127
Total Expenses (I=F+G+H)	652	677	(4%)	529	23%	2,074
Pre-Provisioning Operating Profit (J=E-I)	998	863	16%	1,062	(6%)	3,725
Provisions and write-offs (K)	155	198	(22%)	(148)	-	2,368
Profit before Exceptional items (L=J-K)	843	665	27%	1,210	(30%)	1,357
Exceptional Items (M)*	-	(55)		-	-	-
Profit before Tax (N=L+M)	843	610	38%	1,210	(30%)	1,357
Tax expense (O)	214	162	32%	316	(32%)	368
Net Profit after Taxes (P=N-O)	629	448	40%	894	(30%)	989

* Provision towards impairment made on investment in the Sri Lanka subsidiary due to evolving economic crisis resulting in currency devaluation

Figures re-grouped and rounded where found relevant

Standalone Profit & Loss Account

Particulars (Rs. in crores)	9MFY23	9MFY22	Y-o-Y	FY22
Revenue from operations (A)	7,935	7,215	10%	9,658
Less: Finance cost (B)	3,243	2,984	9%	3,920
NII (C= A+B)	4,692	4,231	11%	5,738
Other Income (D)	65	37	75%	61
Total Income (E=C+D)	4,757	4,268	11%	5,799
Employee benefits expense (F)	1,129	851	33%	1,172
Other expenses (G)	686	505	36%	775
Depreciation and amortization (H)	134	85	58%	127
Total Expenses (I=F+G+H)	1,949	1,441	35%	2,074
Pre-Provisioning Operating Profit (J=E-I)	2,808	2,827	(1%)	3,725
Provisions and write-offs (K)	999	2,304	(57%)	2,368
Profit before Exceptional items (L=J-K)	1,809	523	246%	1,357
Exceptional Items (M)*	(55)	-	-	-
Profit before Tax (N=L+M)	1,754	523	236%	1,357
Tax expense (O)	454	135	237%	368
Net Profit after Taxes (P=N-O)	1,300	388	235%	989

* Provision towards impairment made on investment in the Sri Lanka subsidiary due to evolving economic crisis resulting in currency devaluation

Figures re-grouped and rounded where found relevant

Standalone Balance Sheet

Particulars (Rs. in crores)	As on Dec 31, 2022	As on Dec 31, 2021	As on Mar 31, 2022
ASSETS			
Financial Asset			
a) Cash and cash equivalents	251	337	328
b) Bank balance other than (a) above	3463	3,530	3,823
c) Derivative financial instruments		66	27
d) Trade Receivables	33	6	9
e) Loans	73,416	58,278	60,445
f) Investments	11,183	11,064	8,440
g) Other Financial Assets	259	323	223
Financial Asset	88,605	73,604	73,295
Non-Financial Asset			
a) Current tax assets (Net)	499	520	462
b) Deferred tax assets (Net)	800	862	837
c) Property, plant and equipment	630	337	383
d) Intangible assets	12	11	9
e) Other non-financial assets	548	236	303
Non-Financial Assets	2,489	1,966	1,994
Total Assets	91,094	75,570	75,289

Standalone Balance Sheet (Contd.)

Particulars (Rs. in crores)	As on Dec 31, 2022	As on Dec 31, 2021	As on Mar 31, 2022
LIABILITIES AND EQUITY			
Financial Liabilities			
a) Derivative financial instruments	117	203	182
b) Payables			
i) Trade payables	1,082	683	955
ii) Other payables	47	24	50
c) Debt Securities	23,405	19,363	18,253
d) Borrowings (Other than Debt Securities)	38,108	25,492	26,006
e) Deposits	5,930	9,080	8,426
f) Subordinated Liabilities	3,480	3,128	3,130
g) Other financial liabilities	2,125	2,290	2,316
Financial Liabilities	74,294	60,263	59,318
Non-Financial liabilities			
a) Current tax liabilities (Net)	102	14	14
b) Provisions	205	196	221
c) Other non-financial liabilities	95	64	108
Non-Financial Liabilities	402	274	343
Equity			
a) Equity Share capital	247	247	247
b) Other Equity	16,151	14,786	15,381
Equity	16,398	15,033	15,628
Total Equities and Liabilities	91,094	75,570	75,289

Figures re-grouped and rounded where found relevant

Summary & Key Ratios

on standalone basis

Particulars	Nine-month ended Dec – 22	Nine-month ended Dec – 21	Year ended March – 22
RONW (Avg. Net Worth) - annualised	10.9%	3.5%	6.5%
Debt / Equity	4.33:1	3.80:1	3.57:1
Capital Adequacy	23.4%	26.8%	27.8%
Tier I	20.5%	23.3%	24.3%
Tier II	2.9%	3.5%	3.5%
EPS (Basic) (Rs.)	10.55	3.15	8.02
Book Value (Rs.)	132.7	121.7	126.5
Dividend %	-	-	180%
New Contracts during the period (Nos.)	760,680	441,605	647,222
No. of employees	26,056*	19,958	19,998

* Includes migration from manpower staffing agencies of ~ 6,000 employees on its rolls under a fixed term contract.

Figures restated where found relevant

Spread Analysis

on standalone basis

Particulars	Quarter ended Dec – 22	Quarter ended Sep – 22	Quarter ended Dec – 21	Nine-month ended Dec – 22	Nine-month ended Dec – 21	Year ended March – 22
Total Loan Income / Average Business Assets	13.7%	13.4%	14.7%	13.5%	13.8%	13.8%
Total Income / Average Assets	13.0%	12.7%	13.7%	12.8%	12.7%	12.8%
Interest cost / Average Assets	5.6%	5.2%	5.1%	5.2%	5.2%	5.2%
Gross Spread	7.4%	7.5%	8.6%	7.6%	7.5%	7.6%
Overheads / Average Assets	2.9%	3.3%	2.9%	3.1%	2.5%	2.7%
Write offs & provisions / Average Assets	0.7%	1.0%	-0.8%	1.6%	4.0%	3.1%
Net Spread before Tax	3.8%	3.2%*	6.5%	2.8%*	0.9%	1.8%
Net Spread after Tax	2.8%	2.4%	4.8%	2.1%	0.7%	1.3%

* After factoring exceptional items of Rs. 55 crores on account of impairment of investment in Mahindra Ideal Finance Ltd, Sri Lanka

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

Stage 3 - Analysis

on standalone basis

Particulars (Rs. in crores) except figures in %	Dec 31, 2022	Sep 30, 2022	Dec 31, 2021	Mar 31, 2022	Mar 31, 2021
Business Assets (including Provisions)	77,344	73,817	63,944	64,961	64,608
Gross Stage 3	4,589	4,942	7,223	4,976	5,786
Less: Stage 3 ECL Provisions	2,707	2,876	3,842	2,890	3,352
Net Stage 3	1,882	2,066	3,381	2,086	2,434
Gross Stage 3 as % of Business Assets	5.93%	6.70%	11.30%	7.66%	8.96%
Net Stage 3 as % of Business Assets	2.52%	2.91%	5.63%	3.36%	3.97%
Coverage Ratio (%) – based on Stage 3 ECL	59.0%	58.2%	53.2%	58.1%	57.9%
Stage 1 & 2 provision to Business Assets (%)	1.5%	1.8%	2.8%	2.5%	2.0%
Coverage Ratio (%) – including Stage 1 & 2 provision	84.9%	85.8%	78.4%	90.6%	80.4%

Particulars (in units) except figures in %	Dec 31, 2022	Sep 30, 2022	Dec 31, 2021	Mar 31, 2022	Mar 31, 2021
Contracts under Stage 3 (90 dpd)	108,339	116,746	184,743	119,202	139,038
% of Live Cases under Stage 3	4.9%	5.6%	7.1%	5.8%	6.7%
Repossessed Assets (out of above Stage 3 contracts)	5,513	9,642	15,064	9,059	8,556

Figures restated, re-grouped and rounded where found relevant

Credit Charge

on standalone basis

Particulars (Rs. in crores)	Q3FY23	Q2FY23	Q3FY22	9MFY23	9MFY22	FY22	FY21
Stage-1 Provisions	(75)	59	(39)	52	(45)	22	(127)
Stage-2 Provisions	(99)	(123)	(270)	(482)	562	295	119
Stage-3 Provisions	(169)	(281)	(437)	(183)	490	(462)	1,572
Provisions – P&L Charge	(343)	(345)	(746)	(613)	1,007	(145)	1,564
Write-Offs	498	543	599	1,612	1,297	2,513	2,171
Total	155	198	(147)	999	2,304	2,368	3,735

Figures re-grouped and rounded where found relevant

Stage Wise Provisioning

on standalone basis

Stage-Wise Assets and Provisioning												
Rs. in crores	As on 31 st Dec 2022				As on 30 th Sep 2022				As on 31 st Mar 2022			
	Business Assets (Amount and %)		Provisions & Coverage		Business Assets (Amount and %)		Provisions & Coverage		Business Assets (Amount and %)		Provisions & Coverage	
Stage - 1 Assets	66,267	85.7%	496	0.7%	61,684	83.6%	572	0.9%	50,727	78.1%	444	0.9%
Stage - 2 Assets	6,488	8.4%	693	10.7%	7,190	9.7%	791	11.0%	9,257	14.2%	1,174	12.7%
Stage - 3 Assets	4,589	5.9%	2,707	59.0%	4,943	6.7%	2,876	58.2%	4,976	7.7%	2,890	58.1%
Total	77,344		3,896	5.0%	73,817		4,239	5.8%	64,961		4,508	6.9%

Stage 2 includes restructured assets of Rs. 1,760 crores as of Q3 FY23; Out of these, assets of Rs. 546 crores (0.7% of the Business Assets) have Nil overdues

Stage 3 includes restructured assets of Rs. 880 crores as of Q3 FY23

Comparison of IRACP and IND-AS Provisioning requirement			
Rs. in crores	IRACP (A)	IND-AS (B)	Difference (B-A)
Stage 1 and Stage 2	454	1,189	735
Stage 3	2,015	2,707	692
Total	2,469	3,896	1,427

Figures re-grouped and rounded where found relevant



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Key Financials

on consolidated basis

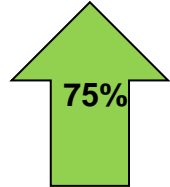
Disbursement

Total Income

Profit after Tax

Q3 FY 23

Rs. 14,911 crores

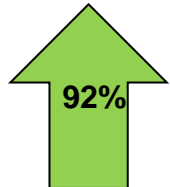


Q3 FY 22

Rs. 8,520 crores

9M FY 23

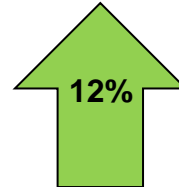
Rs. 37,028 crores



9M FY 22

Rs. 19,330 crores

Rs. 3,353 crores



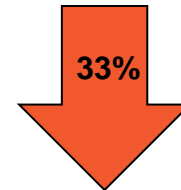
Rs. 2,986 crores

Rs. 9,296 crores



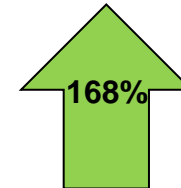
Rs. 8,503 crores

Rs. 664 crores



Rs. 992 crores

Rs. 1,396 crores



Rs. 522 crores

Consolidated Profit & Loss Account

Particulars (Rs. in crores)	Q3FY23	Q2FY23	Q-o-Q	Q3FY22	Y-o-Y	FY22
Revenue from operations (A)	3,324	3,011	10%	2,974	12%	11,318
Less: Finance cost (B)	1,373	1,192	15%	1,070	28%	4,418
NII (C= A+B)	1,951	1,819	7%	1,904	3%	6,900
Other Income (D)	29	18	55%	11	(16%)	83
Total Income (E=C+D)	1,980	1,837	8%	1,915	2%	6,983
Employee benefits expense (F)	535	506	6%	415	29%	1,613
Other expenses (G)	324	357	(9%)	271	20%	1,044
Depreciation and amortization (H)	63	54	26%	35	60%	152
Total Expenses (I=F+G+H)	922	917	0%	721	28%	2,809
Pre-Provisioning Operating Profit (J=E-I)	1,058	920	15%	1,194	(11%)	4,174
Provisions and write-offs (K) ^	182	208	(12%)	(130)	-	2,691
Profit before Exceptional items (L=J-K)	876	712	23%	1,324	(34%)	1,483
Exceptional Items (M)	-	(56)	-	-	-	21
Share of Profit of Associates (N)	7	12	(38%)	10	(30%)	45
Profit before taxes (O= L+M+N)	883	668	33%	1,334	(34%)	1,549
Tax expense (P)	219	176	25%	342	(36%)	399
Net Profit after Taxes (Q=O-P)	664	492	35%	992	(33%)	1,150

Figures re-grouped and rounded where found relevant

Consolidated Profit & Loss Account

Particulars (Rs. in crores)	9MFY23	9MFY22	Y-o-Y	FY22
Revenue from operations (A)	9,236	8,452	9%	11,318
Less: Finance cost (B)	3,616	3,364	7%	4,418
NII (C= A+B)	5,620	5,088	10%	6,900
Other Income (D)	59	50	17%	83
Total Income (E=C+D)	5,679	5,138	11%	6,983
Employee benefits expense (F)	1,516	1,162	30%	1,613
Other expenses (G)	1,008	693	46%	1,044
Depreciation and amortization (H)	161	102	56%	152
Total Expenses (I=F+G+H)	2,685	1,957	37%	2,809
Pre-Provisioning Operating Profit (J=E-I)	2,994	3,181	(6%)	4,174
Provisions and write-offs (K) ^	1,099	2,560	(57%)	2,691
Profit before Exceptional items (L=J-K)	1,895	621	205%	1,483
Exceptional Items (M)	(56)	21	-	21
Share of Profit of Associates (N)	31	39	(21%)	45
Profit before taxes (O= L+M+N)	1,870	681	175%	1,549
Tax expense (P)	474	159	198%	399
Net Profit after Taxes (Q=O-P)	1,396	522	168%	1,150

Figures re-grouped and rounded where found relevant

Consolidated Balance Sheet

Particulars (Rs. in crores)	As on Dec 31, 2022	As on Dec 31, 2021	As on Mar 31, 2022
ASSETS			
Financial Asset			
a) Cash and cash equivalents	599	466	765
b) Bank balance other than (a) above	4,133	3,693	4,062
c) Derivative financial instruments	-	67	27
d) Trade Receivables	100	61	65
e) Loans	80,392	65,531	67,660
f) Investments	11,434	11,246	8,654
g) Other Financial Assets	325	566	271
Financial Asset	96,983	81,630	81,504
Non-Financial Asset			
a) Current tax assets (Net)	562	645	486
b) Deferred tax Assets (Net)	904	934	952
c) Property, plant and equipment	797	409	461
d) Intangible assets under development	2	2	2
e) Goodwill	-	43	43
f) Other Intangible assets	13	13	11
g) Other non-financial assets	593	187	350
Non-Financial Assets	2,871	2,233	2,305
Total Assets	99,854	83,863	83,809

Figures re-grouped and rounded where found relevant

Consolidated Balance Sheet (Contd.)

Particulars (Rs. in crores)	As on Dec 31, 2022	As on Dec 31, 2021	As on Mar 31, 2022
LIABILITIES AND EQUITY			
Financial Liabilities			
a) Derivative financial instruments	117	204	182
b) Payables			
i) Trade payables	1,198	843	1,113
ii) Other payables	47	24	51
c) Debt Securities	26,617	22,595	21,597
d) Borrowings (Other than Debt Securities)	40,952	28,020	28,653
e) Deposits	5,838	9,016	8,286
f) Subordinated Liabilities	3,940	3,588	3,590
g) Other financial liabilities	2,714	2,858	2,875
Financial Liabilities	81,423	67,148	66,347
Non-Financial liabilities			
a) Current tax liabilities (Net)	110	16	28
b) Provisions	256	251	276
c) Other non-financial liabilities	108	71	121
Non-Financial Liabilities	474	338	425
Equity			
a) Equity Share capital	247	247	247
b) Other Equity	17,566	15,982	16,649
c) Non-controlling interests	144	148	141
Equity (incl attributable to minority investors)	17,957	16,377	17,037
Total Equities and Liabilities	99,854	83,863	83,809

Figures re-grouped and rounded where found relevant



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Particulars (Rs. in crores)	Q3FY23	Q3FY22	9MFY23	9MFY22	Year ended March – 22
Loans disbursed	444	488	1,264	951	1,602
No. of Customer Contracts (nos.)	12,229	23,806	41,110	45,412	75,327
Loans & Advances (net)	6,835	7,030	6,835	7,030	7,029
Total income	338	353	995	1,047	1,377
PBT	14	85	58	59	58
PAT	14	67	48	48	48
Net-worth	1,506	1,454	1,506	1,454	1,455
Gross Stage 3 %	16.42%	16.19%	16.42%	16.19%	11.33%
Net Stage 3 %	11.82%	11.75%	11.82%	11.75%	8.47%

- **Business Area:** Provide loans for home construction, extension, purchase and improvement to customers in rural and semi-urban India
- **Shareholding pattern:** MMFSL – 98.43%; MRHFL Employee Welfare Trust and Employees – 1.57%
- **Reach:** Currently spread in 16 States & 2 Union Territory

Particulars (Rs. in crores)	Q3FY23	Q3FY22	9MFY23	9MFY22	Year ended March – 22
No. of Policies for the Period (nos.)	9,96,025	5,25,623	21,47,352	12,71,491	18,63,160
Net Premium	979	610	2,350	1,538	2,360
Total income	123	97	306	234	348
PBT	18	24	29	42	70
PAT	13	18	22	31	52
No. of employees (nos.)	777	1,047	777	1,047	1027

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

* On 21st October 2022, the Company entered into a Share Purchase Agreement with Inclusion Resources Private Limited (IRPL) to acquire 20% equity stake in its subsidiary Mahindra Insurance Brokers Ltd (MIBL) at a consideration of Rs. 206.39 Crore. This proposed transaction is subject to the approval of Insurance Regulatory and Development Authority of India (IRDAI). Subsequent to the acquisition, MIBL will become a wholly owned subsidiary of the Company.



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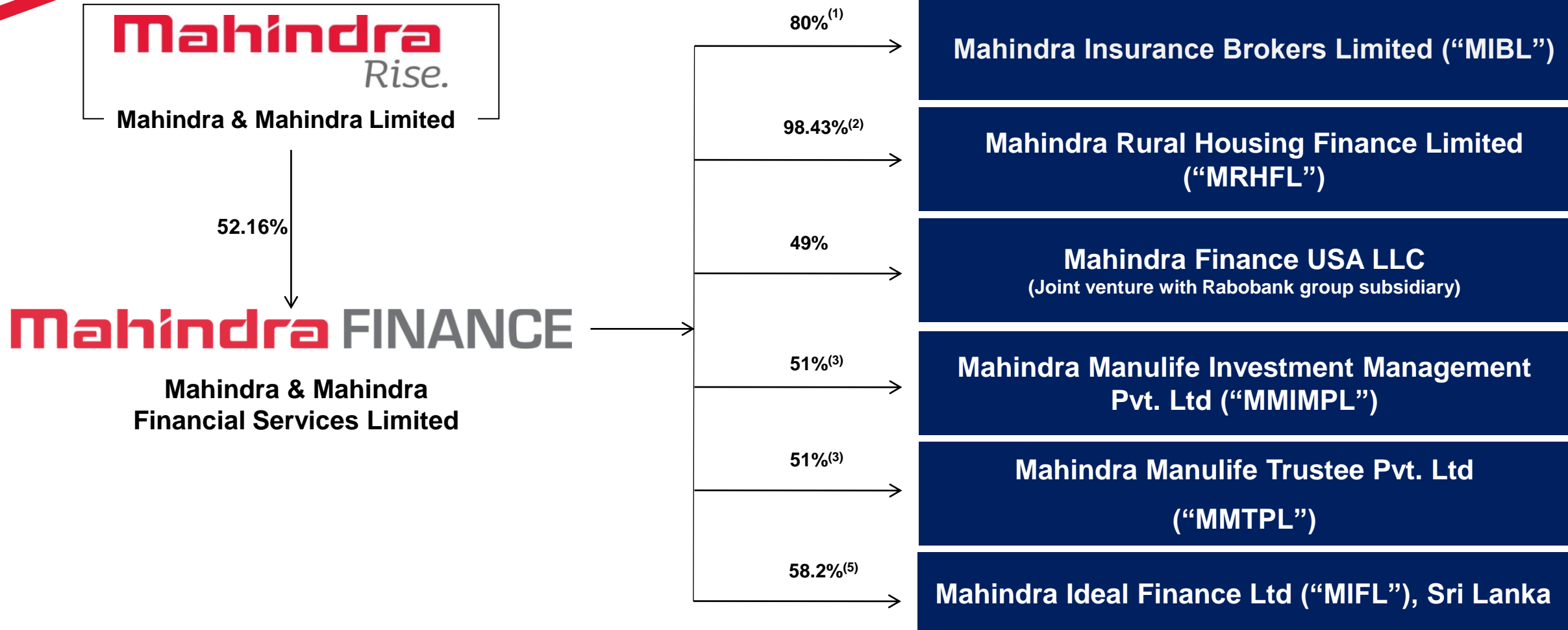
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Company Background

- Parentage:** Mahindra & Mahindra Financial Services Limited (“MMFSL”) is a subsidiary of Mahindra and Mahindra Limited (*Mcap: Rs 1.68 trillion*)*
- About MMFSL:** MMFSL (*Mcap: Rs 294 billion*)*, one of India’s leading non-banking finance companies focused in the rural and semi-urban sector
- Key Business Area:** Primarily in the business of financing purchase of new and pre-owned auto and utility vehicles, tractors, cars, commercial vehicles, construction equipment and SME Financing
- Vision:** MMFSL’s vision is to be a leading provider of financial services in the rural and semi-urban areas of India
- Reach:** Has 1,386 offices covering 27 states and 7 union territories in India, with over 8.7 million customer contracts since inception
- Credit Ratings:** All rating agencies – CRISIL, India Ratings, CARE ad Brickwork has assigned AAA/Stable rating to the Company’s long term and subordinated debt

**Source: Market capitalisation as of February 2, 2023 from BSE website*

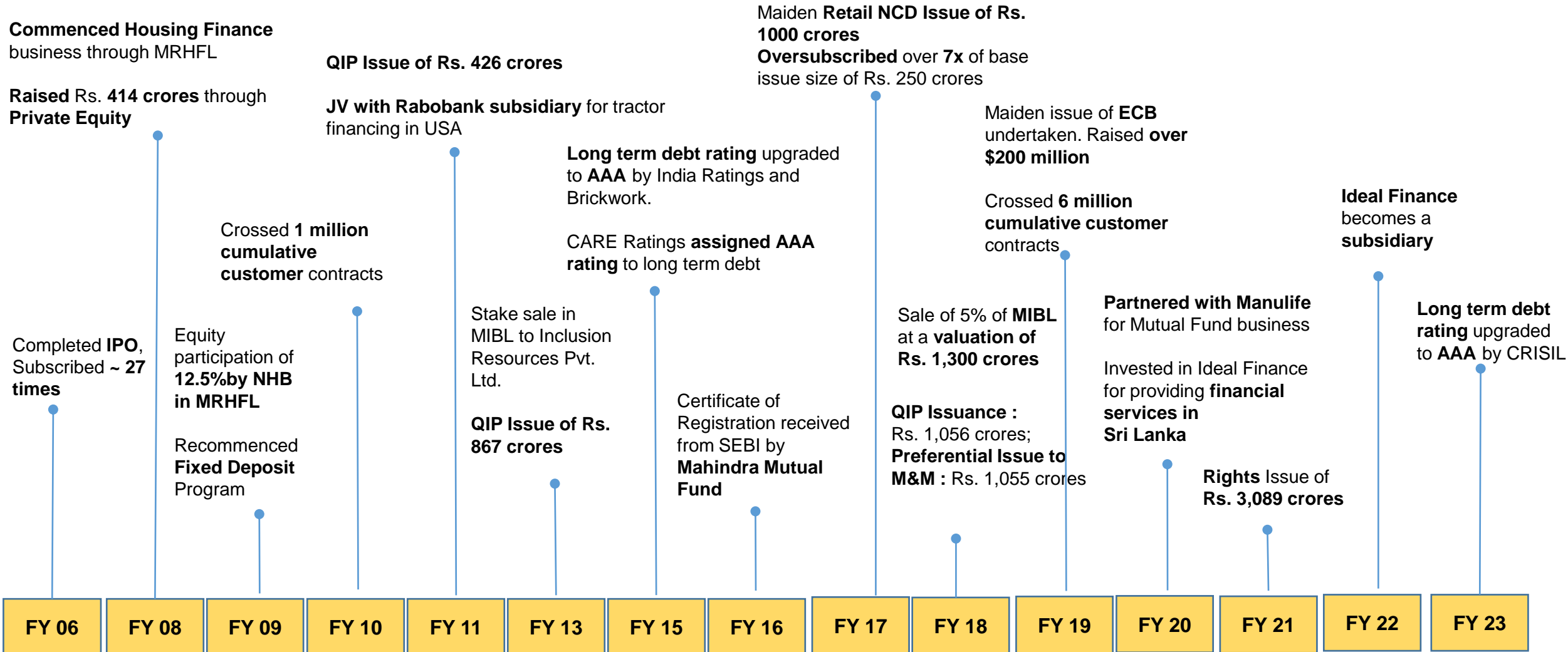
MMFSL Group structure



Note:

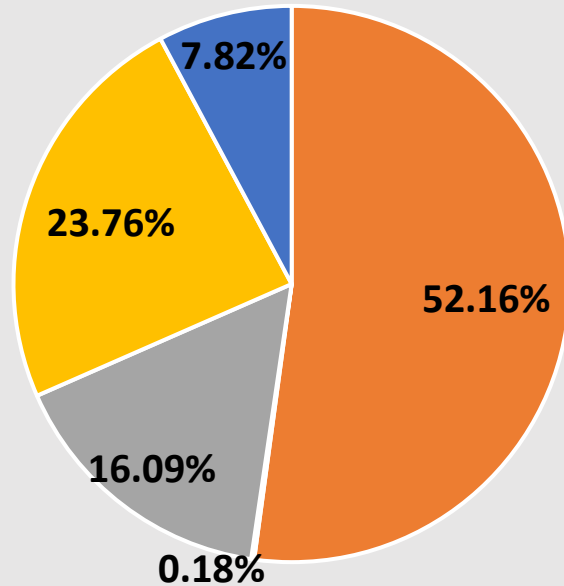
- Balance 20% with Inclusion Resources Pvt. Ltd. (IRPL), subsidiary of AXA XL Group. The Company, on 21st October 2022, has entered in definitive documents to acquire 20% equity stake in MIBL held by IRPL, subject to regulatory approvals. Subsequent to the acquisition, MIBL will become a wholly owned subsidiary of the Company.
- Balance 1.58% held by MRHFL Employee Welfare Trust and employees
- Manulife Investment Management (Singapore) Pte. Ltd. holds 49% of the shareholding of MMIMPL and MMTPL.
- Mahindra Finance CSR Foundation is a wholly owned subsidiary to undertake all CSR initiatives under one umbrella
- MIFL wef 8th July 2021 is a subsidiary of the Company

Our Journey



Shareholding Pattern (as on December 31, 2022)

Shareholding Pattern



- Promoter
- FII
- Non-Institutions
- Esop Trust
- Mutual Funds and DII's

Top 10 Public Shareholders

- Life Insurance Corporation Of India.
- HDFC Life Insurance Company Limited
- Wishbone Fund, Ltd.
- HDFC Trustee Company Ltd .
- Ashish Dhawan
- Nippon Life India Trustee Ltd.
- SBI Long Term Equity Fund
- Bank Muscat India Fund
- Kotak Funds – India Midcap Fund
- Kotak Emerging Equity Scheme

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



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

Expand Branch Network

Leverage existing customers base through Direct Marketing Initiatives

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

Broad base Liability Mix

Continuing to attract, train and retain talented employees

Effective use of technology to improve productivity

Leverage the “Mahindra” Ecosystem

1 ***Stabilize Asset Quality*** Focus on bringing the volatility down

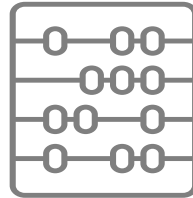
2 ***Recharge Growth*** Build high quality diversified business

3 ***Strengthen Tech & Digital*** Data informed thinking

4 ***Future Ready Human Capital*** High Performing Organisation

Sustainable profitable growth: Vision 2025

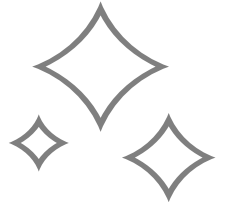
Stable asset quality
GS-3 < 6%



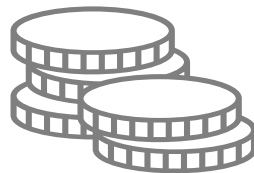
2x AUM



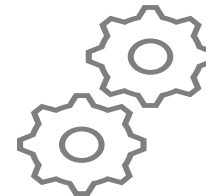
New business contribution:
15%



Maintain NIMs ~7.5%



Operating leverage: Cost to
Assets ~2.5%



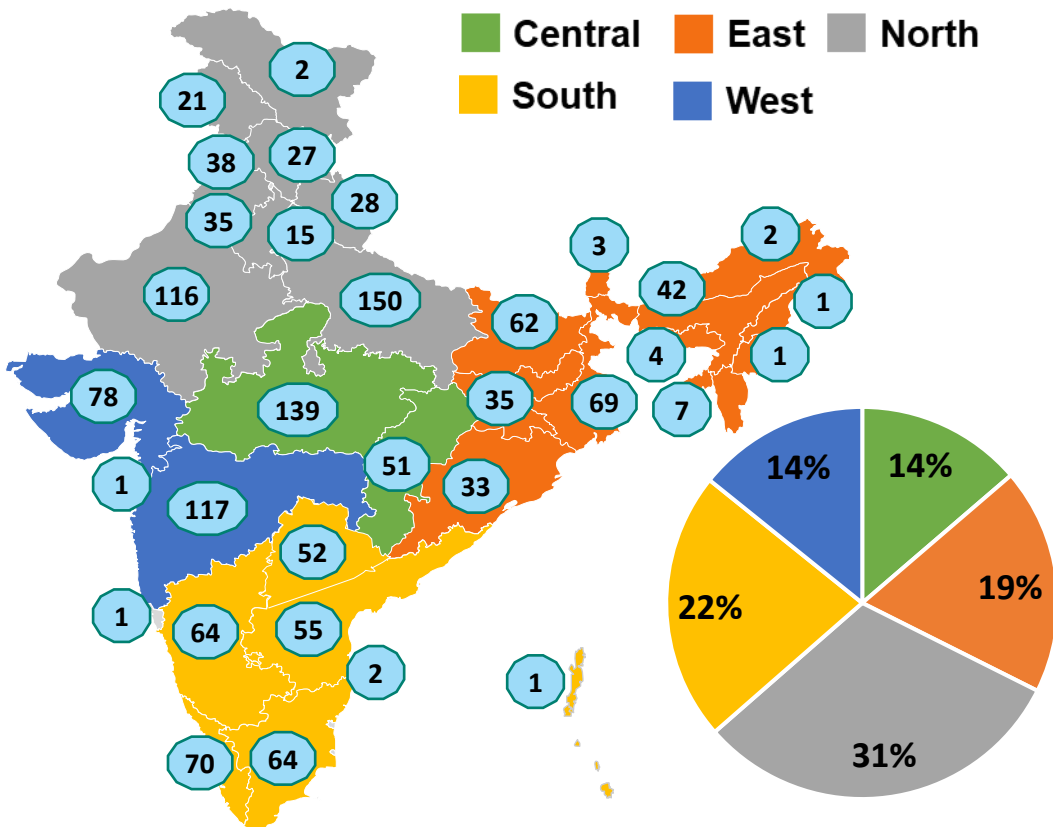
RoA ~2.5%



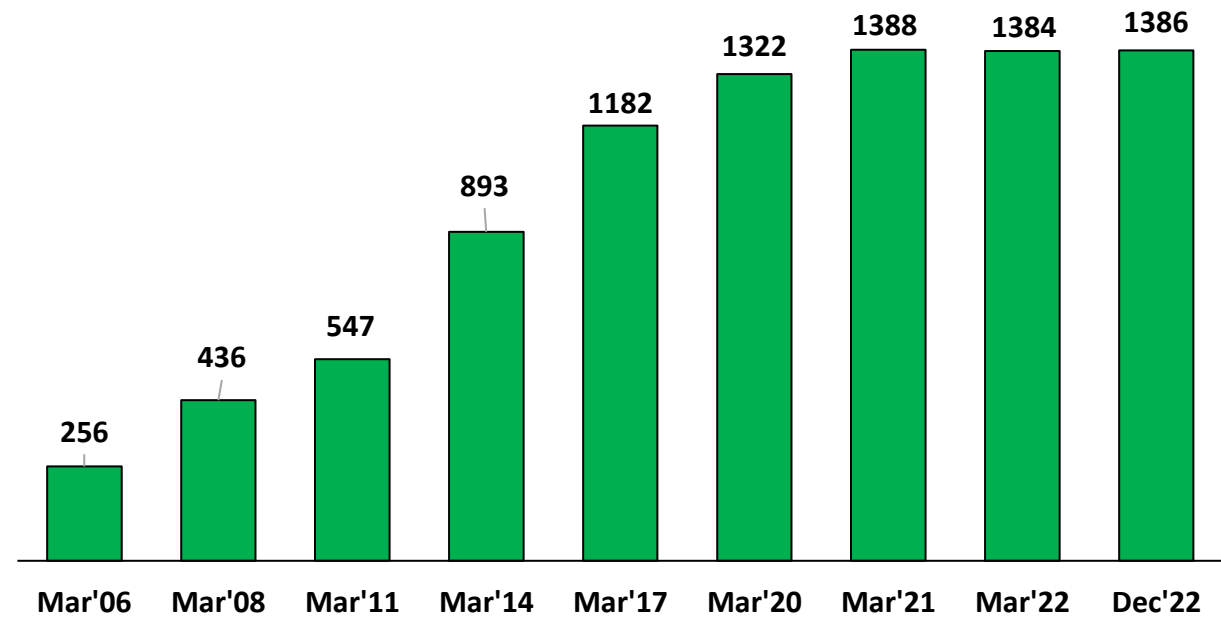
Extensive Branch Network

- Extensive branch network with presence in 27 states and 7 union territories in India through 1,386 offices
- Branches have authority to approve loans within prescribed guidelines

Coverage



Branch Network as of



Diversified Product Portfolio

Vehicle Financing

- Loans for auto and utility vehicles, tractors, cars, commercial vehicles and construction equipments



Pre-Owned Vehicles

- Loans for pre-owned cars, multi-utility vehicles, tractors and commercial vehicles



SME Financing

- Loans for varied purposes like project finance, equipment finance and working capital finance



Personal Loans

- Offers personal loans typically for weddings, children's education, medical treatment and working capital



Mutual Fund Distribution

- Advises clients on investing money through AMFI certified professionals



Insurance Broking

- Insurance solutions to retail customers as well as corporations through our subsidiary MIBL



Housing Finance

- Loans for buying, renovating, extending and improving homes in rural and semi-urban India through our subsidiary MRHFL



Mutual Fund & AMC

- Asset Management Company/ Investment Manager to 'Mahindra Manulife Mutual Fund',



Employee engagement & training

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

Covid initiatives taken for employees

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

Technology initiatives

- Next gen API commissioned for scaling partnerships, integrating fintech ecosystem & create enterprise wide microservices layer
- Deployed digital assets on the cloud to auto scale as we grow & strengthened the resiliency for technology platforms
- Modernising applications by implementing digital processes:
 - Omnichannel communication interface (SMS/Email/WhatsApp)
 - Integrated customer service – with click of a button
 - Direct OEM integrations & lead sourcing in low bandwidth area
 - Enabling digital collections thru BBPS, Fino & CSC
- Provide outcome-based data driven visual dashboards for quicker and strategic business decisions
- Continues to harness the power of end users thru secured and digital practices and tools
 - Agile practices and workforce across various verticals
 - Moving towards DevSecOps model of software development
 - New gen device agnostic e-learning module
 - Moving towards Zero trust architecture

Credit Rating

MMFSL believes that its credit rating and strong brand equity enables it to borrow funds at competitive rates

Credit Rating	India Ratings	Outlook
Long term and Subordinated debt (incl. MLD); Bank Facilities; Fixed Deposit Programme	IND AAA IND PP-MLD AAA emr	Stable
Short term debt	IND A1+	--
	CRISIL	Outlook
Long term and Subordinated debt; Bank Facilities; Fixed Deposit Programme	CRISIL AAA	Stable
Short term debt	CRISIL A1+	--
	CARE Ratings	Outlook
Long term and Subordinated debt	CARE AAA	Stable
	Brickwork	Outlook
Long term and Subordinated debt	BWR AAA	Stable



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Awards & Accolades

- Ranked **54th** among India Best Companies to Work 2021 by Great Place to Work[®] Institute
- India's **30th** Best workplaces in BFSI 2021 by Great Place to Work[®] Institute
- India's Best workplaces in NBFCs 2021 by Great Place to Work[®] Institute
- Included 3rd time in FTSE4Good Index Series demonstrating strong Environmental, Social and Governance (ESG) practices
- Ranked 45th amongst Top 100 Indian companies in Climate Leadership Report by Futurescapes 2022 (Only NBFC in top 50 position)
- Included in the 'CRISIL Sustainability Yearbook 2022' in the Leadership category for ESG performance
- Participating in Dow Jones Sustainability Index (DJSI) Corporate Sustainability Assessment for 8 years; Included in the DJSI Sustainability yearbook 5 times
- Upgraded to "B" Rating in CDP Disclosure, Indicating the company is management.
- 1st NBFC in India to be Signatory member to United Nations Global Compact.



CSR Initiatives

- To further solidify our adherence towards the well-being of the driver communities, your Company successfully completed the Phase I of its flagship program – 'Swabhimaan' impacting the lives of 50,000+ beneficiaries across India and launched the Phase II of this program
- This multi-year program's focus has been to address the professional, financial, and familial challenges faced by the drivers and their families and further contributes to their overall well-being. Through the Phase II of this program, we aim to benefit additional 33,500+ beneficiaries through key interventions initiatives like:
 - ❑ Training New Drivers; Auto Mechanic Training for Women
 - ❑ Road Safety Training for Existing Drivers
 - ❑ A Financial Planning Workshop for Drivers
 - ❑ Scholarship for Drivers' Children
- Supporting Skills development for Persons with Disabilities at Mumbai & Vizag.
- Released FSS CSR Calendar interventions for employees volunteering which includes various physical and virtual interventions like tree plantation, blood donation, Samantar, health camps etc.



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Provisioning Norms

Stage	Description	Provision Mechanism
Stage 1	0- 30 days past due	PD * LGD * Stage 1 Asset
Stage 2	> 30 to <= 90days past due	PD * LGD * Stage 2 Asset
Stage 3	> 90 days past due	LGD * EAD of Stage 3 Asset*

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

PD – Probability of Default;

LGD – Loss given Default;

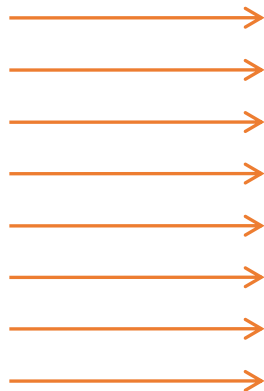
EAD – Exposure at Default

**Fair valued at reporting date*

Key Risks & Management Strategies

Key Risks

- Volatility in interest rates
- Rising competition
- Raising funds at competitive rates
- Dependence on M&M
- Occurrence of natural disasters
- Adhering to write-off standards
- Employee retention
- Physical cash management



Management Strategies

- Matching of asset and liabilities
- Increasing branch network
- Maintaining credit rating & improving asset quality
- Increasing non-M&M Portfolio
- Increasing geographical spread
- Diversify the product portfolio
- Job rotation / ESOP/ Recovery based performance initiatives
- Insurance & effective internal control

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