

26<sup>th</sup> July, 2021

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

**Scrip Code : 532720**

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

**Scrip Code : M&MFIN**

Dear Sirs,

**Sub: Investors / Analysts' Presentation**

We refer to our letter furnished today, viz. 26<sup>th</sup> July, 2021 on the above subject.

In this connection, we are enclosing herewith the revised Investors/Analysts presentation on the Unaudited Financial Results of the Company for the first quarter ended 30<sup>th</sup> June, 2021.

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

Kindly take the same on record.

Thanking you,

Yours Faithfully,

**Mahindra & Mahindra Financial Services Limited**

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

Encl: a/a

# Mahindra & Mahindra Financial Services Limited

Quarter Result Update  
June - 2021

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

CIN - L65921MH1991PLC059642



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

**Executive Summary**

**Financial Information**

**Key Subsidiaries**

**Company Overview**

**Business Strategy**

**Awards & CSR Initiatives**

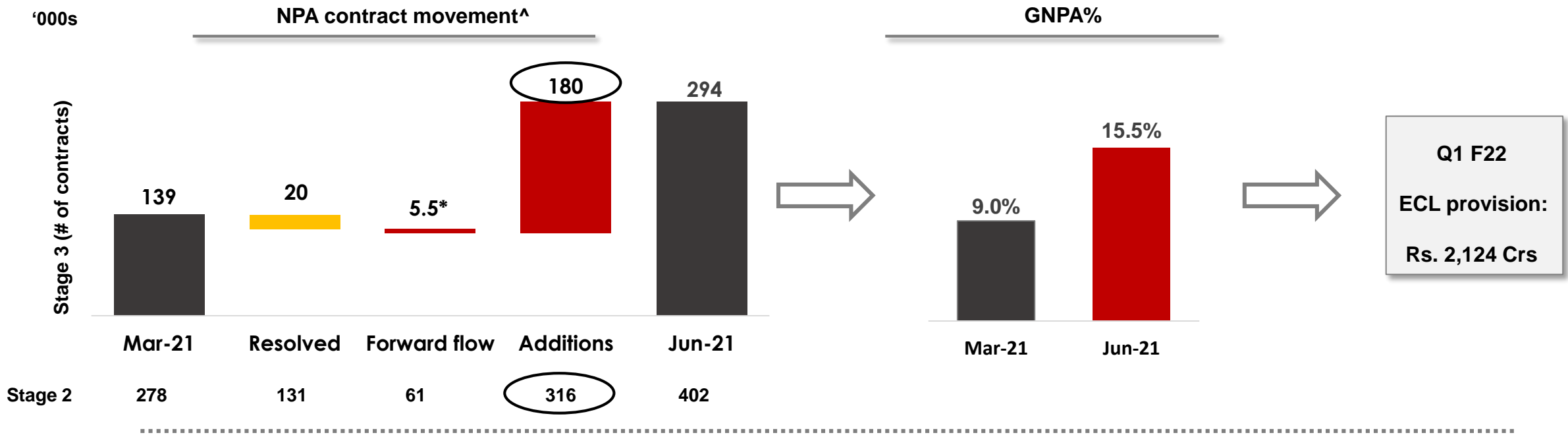
**Risk Management Policies**

# Executive summary

- **ECL provision\* of Rs. 2,124 Crs in Q1 F22** ... loan assets ↑ in Stage 3 (180K contracts), Stage 2 (316K contracts)
  - Driven by covid-related liquidity issues for consumers and limited restructuring
- **Provision reversals expected for 80-90%** of loan contracts over Q3/ Q4 F22
  - Contracts with part-payment or < 50% loan o/s ... Stage 3 (170K+ contracts), Stage 2 (250K+ contracts)
- **Similar trends** seen in prior periods of economic stress
  - Demonetization: GNPA at peak 14.5%, after 3 quarters 9%, post recovery 6 -7%
- **Maintained additional overlay provision of Rs. 2,709 Crs** (up from Rs. 2,316 cr in Mar'21)
- **CRAR of 23.8%** and **Stage 3 coverage at 53.7%** ... well-capitalised and prudent
- Growth in June & July indicates economic recovery

*^excluding Covid overlays and bad/debt termination losses*

# GNPA and Provisions



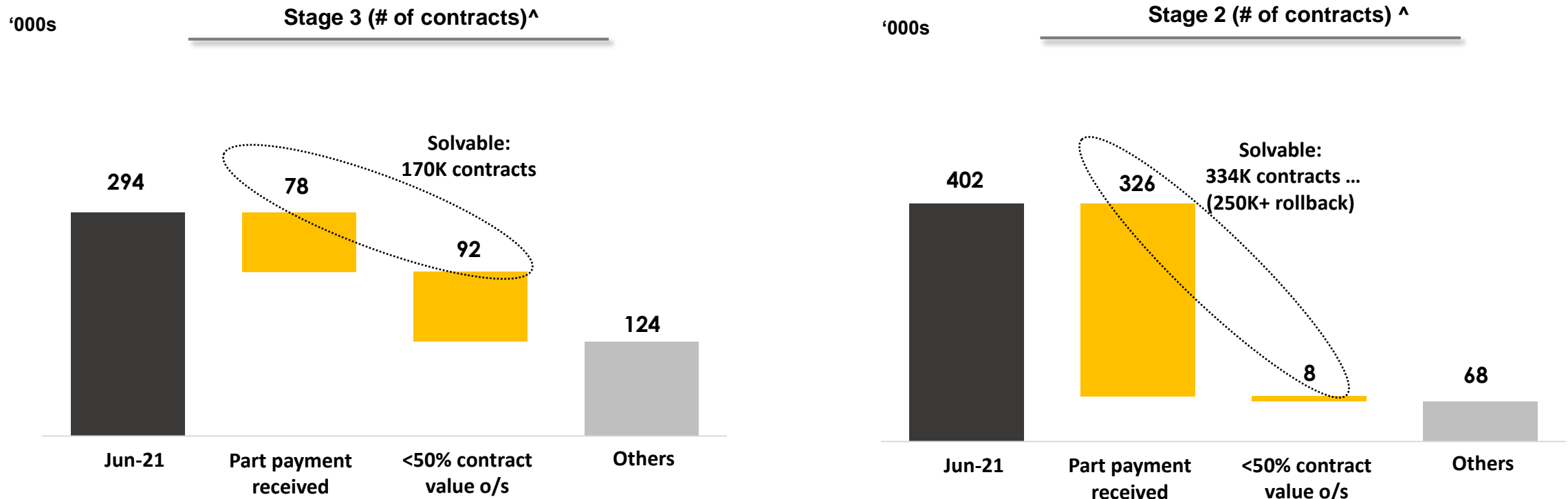
## Key Drivers

- Rural impact with significant impact during COVID wave ... temporary liquidity challenges
- Liquidity for Earn and Pay customers w/ COVID Wave 2 impact
- Limited restructuring for NPA contracts ... customer preference, higher interest payout for customers

*^Refers to Retail Loans only*

\* 5.5K contracts have been written off in Stage 3 during 1Q F22

# Deep dive – Stage 3 & 2 contracts ... go forward approach



**Gradual recovery with higher economic activity to resolve customer cashflow challenge in 3 – 4 quarters**

**Provision reversals expected for 80-90% of loan contracts over Q3/Q4 F22**

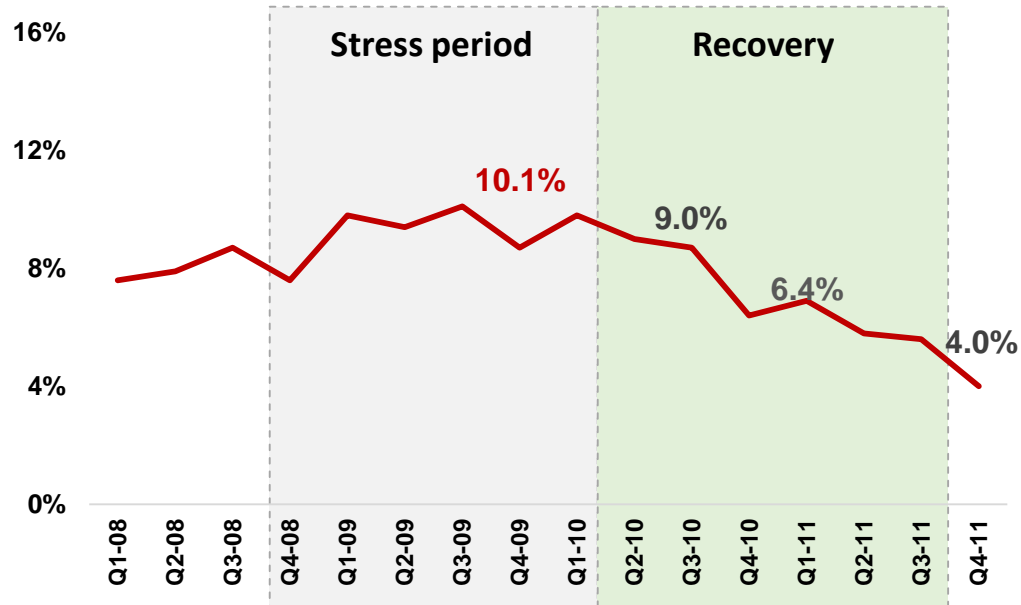
*^Refers to Retail Loans only*

Part payment contracts : Showcases customer intent to pay ... liquidity challenge  
 <50% contract value o/s : Showcases collateral protection  
 Others : Showcases contracts with focused collection efforts

# Historic trends for GNPA

## Economic Crisis

GNPA: >180 days, I-GAAP

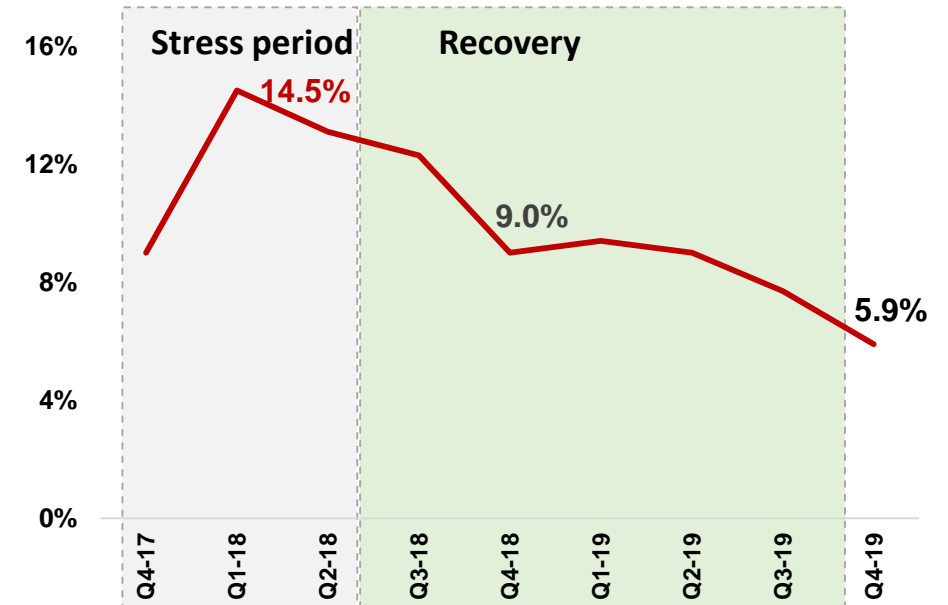


### Credit Loss %

- 24 months prior 1.5%
- During period 2.0%
- 24 months post 1.0%

## Demonetization

GNPA: >90 days, IND AS

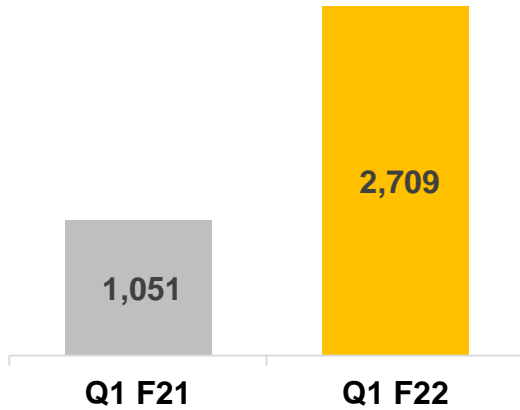


### Credit Loss %

- 24 months prior 1.3%
- During period 1.8%
- 24 months post 1.3%

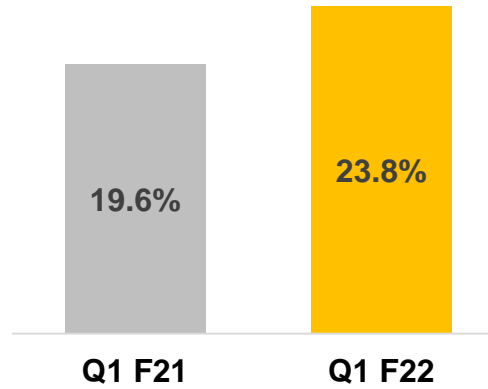
# Business strength

Overlay provisions (Rs. Crs)



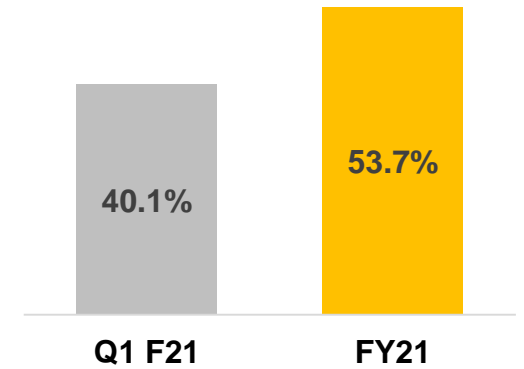
Overlay provisions maintained

Capital Adequacy



Well capitalized

Stage 3 - Coverage Ratio



Prudent



# Business context of Q1 F22

40%+ of  
branches  
closed at peak

Containment zone

40% of the  
working days  
available

Working days

Covid Positive  
Q1FY22: 7%

Impact on workforce

Dose 1: 70%  
Both doses: 7%

Employees Vaccinated

3,872 crores,  
42% ↑ YoY

Disbursements

Q1FY22: 80%  
June 21: 90%  
May 21: 67%  
Apr 21: 72%

Collection Efficiency

Q1FY22: 64%  
FY21: 58%

Non-Cash collections

Stage-3  
Q1FY22: 15.5%  
FY21: 9.0%

Asset Quality



# Break down of Disbursements

on standalone basis

Asset Class	Quarter ended June – 21	Quarter ended June – 20	Year ended March – 21
Auto/ Utility vehicles	36%	23%	34%
Tractors	25%	29%	18%
Cars	20%	15%	21%
Commercial vehicles and Construction equipments	4%	6%	5%
Pre-owned vehicles	12%	3%	12%
SME and Others	3%	24%	10%

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

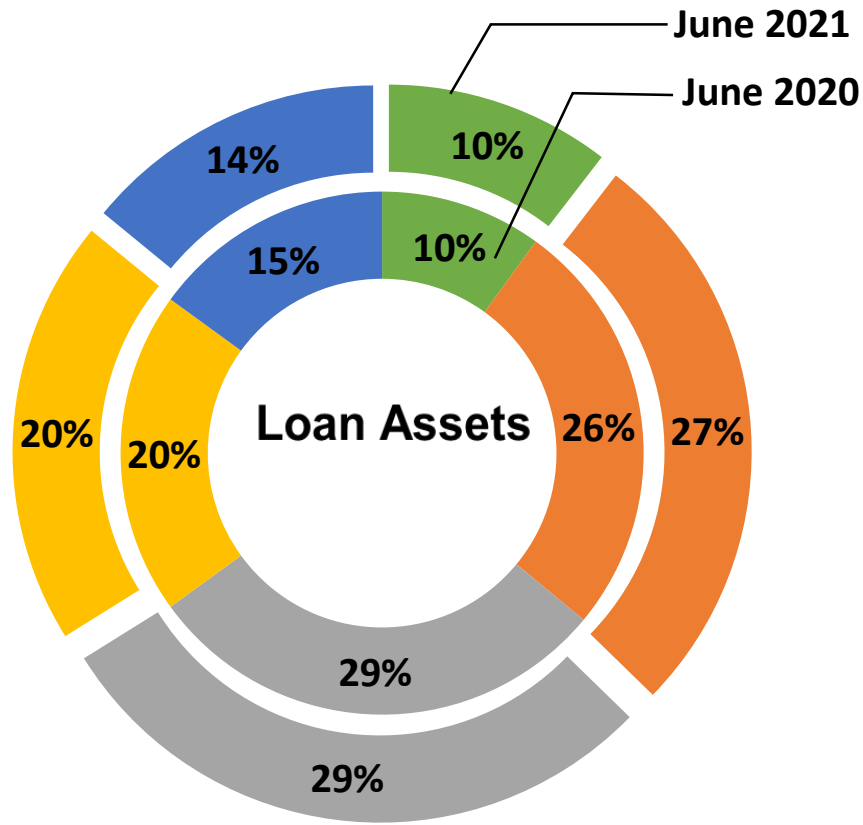
# Break down of Business Assets

on standalone basis

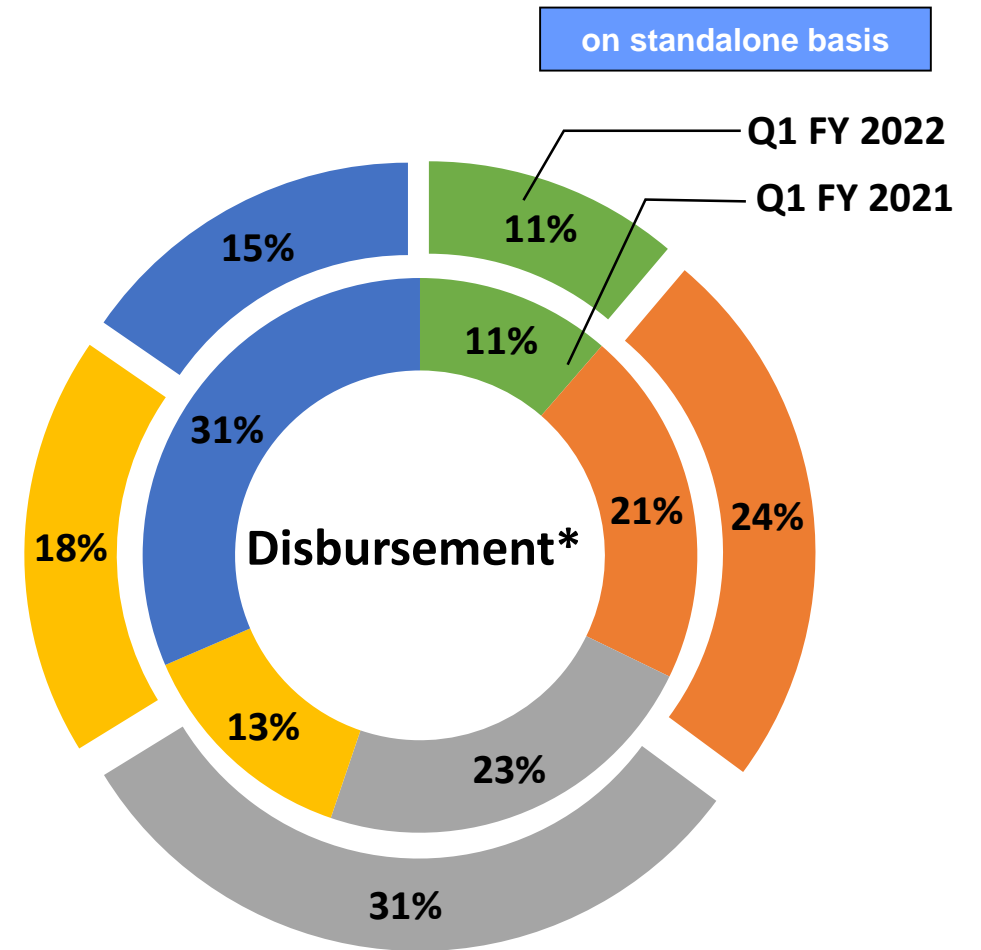
Asset Class	Quarter ended June – 21	Quarter ended June – 20	Year ended March – 21
Auto/ Utility vehicles	29%	28%	30%
Tractors	17%	17%	17%
Cars	21%	21%	22%
Commercial vehicles and Construction equipments	14%	19%	16%
Pre-owned vehicles	12%	10%	9%
SME and Others	7%	5%	6%
<b>Contribution of M&amp;M assets in AUM</b>	<b>44%</b>	<b>44%</b>	<b>45%</b>

\* Share of SME: 3%

# Break down by Geography



■ CENTRAL 
 ■ EAST 
 ■ NORTH 
 ■ SOUTH 
 ■ WEST



**NORTH:** Chandigarh, Delhi, Haryana, Himachal Pradesh, Jammu and Kashmir, Ladakh, Punjab, Rajasthan, Uttar Pradesh, 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	Jun'21		Mar'21
	Amount	% Share	% Share
Banks/ Dev. Institutions	26,778	48.1%	50.5%
Mutual Fund	4,710	8.5%	7.6%
Insurance & Pension Funds	9,705	17.5%	16.3%
FIs & Corporates	4,804	8.6%	8.7%
Others	9,624	17.3%	16.9%
<b>Total</b>	<b>55,621</b>	<b>100.0%</b>	<b>100.0%</b>

## Funding Mix by type of Instrument

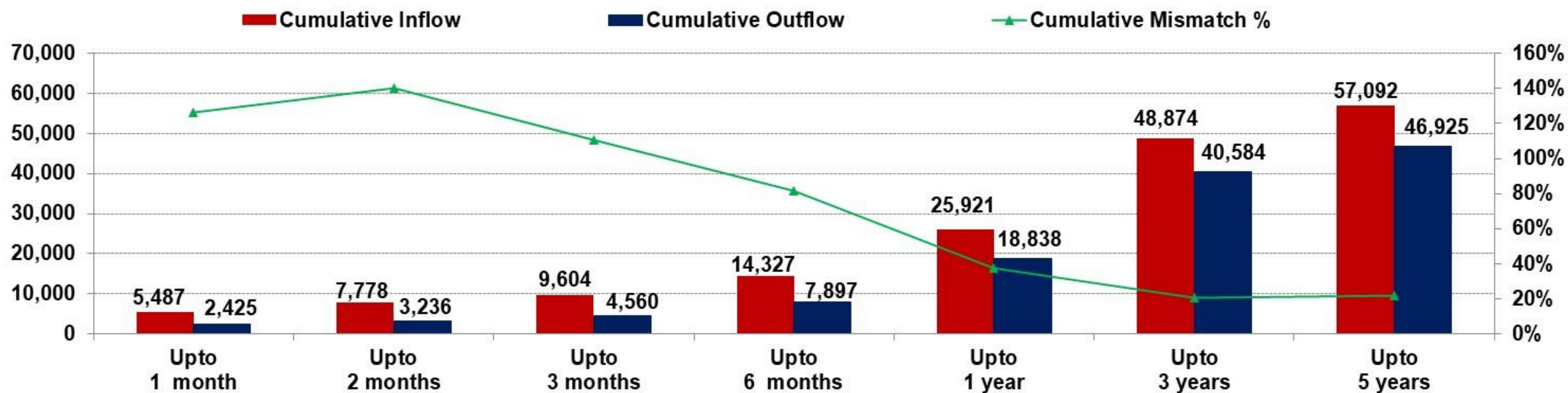
Instrument Type	Jun'21		Mar'21
	Amount	% Share	% Share
NCDs	14,936	26.9%	25.4%
Retail NCDs	4,298	7.7%	7.3%
Bank Loans	12,650	22.8%	24.5%
Offshore Borrowings	4,022	7.2%	6.9%
Fixed Deposits	9,334	16.8%	16.2%
CP, ICD, TREPS	1,073	1.9%	2.0%
Securitisation/ Assignment	9,308	16.7%	17.7%
<b>Total</b>	<b>55,621</b>	<b>100.0%</b>	<b>100.0%</b>

Computed based on FV/ Principal value

^ Based on holding as at respective period ends

# ALM Position and Liability Maturity

All figures in INR crores



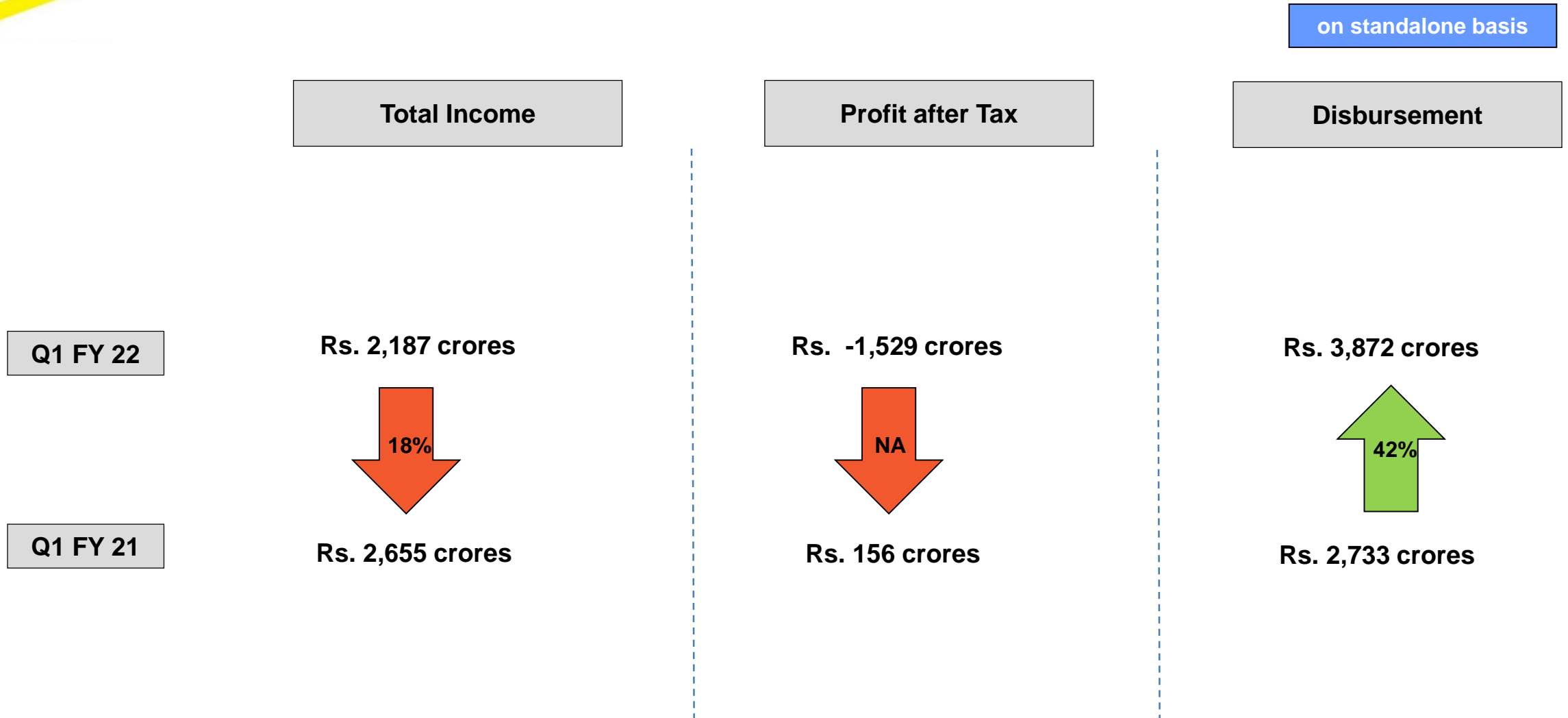
Liability Maturity <sup>^</sup>	Jul-21	Aug-21	Sep-21	Q1 FY 22	Oct-21	Nov-21	Dec-21	Q2 FY 22	H1 FY 22
Bank Loans	185	190	883	1,258	14	229	1,232	1,475	2,733
Market Instruments (NCD/ CP)	575	95	-	670	250	95	256	601	1,271
Others (FD/ ICD)	330	375	294	998	352	323	335	1,010	2,008
<b>Total</b>	<b>1,090</b>	<b>659</b>	<b>1,177</b>	<b>2,926</b>	<b>616</b>	<b>647</b>	<b>1,823</b>	<b>3,086</b>	<b>6,012</b>

Held Cash/ Liquid investments of ~ INR 9,000 crores, in addition to undrawn sanctioned lines of upwards of Rs. 2,500 crores

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

<sup>^</sup> excl. Securitisation and as on June 30, 2021

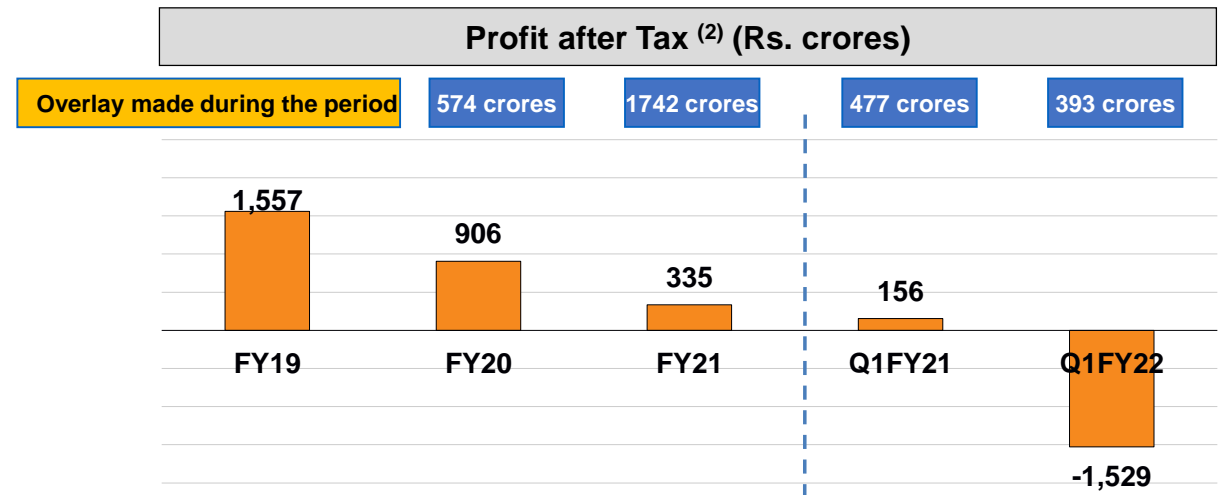
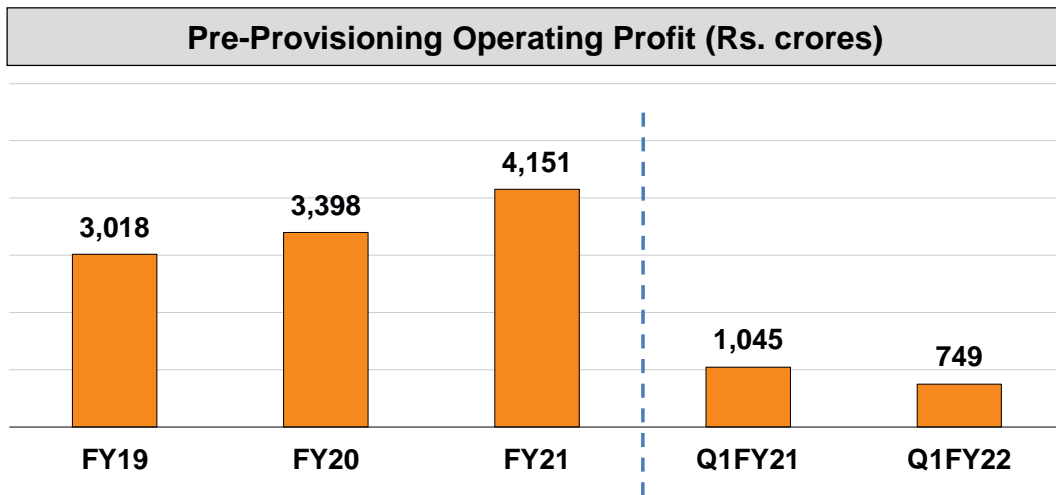
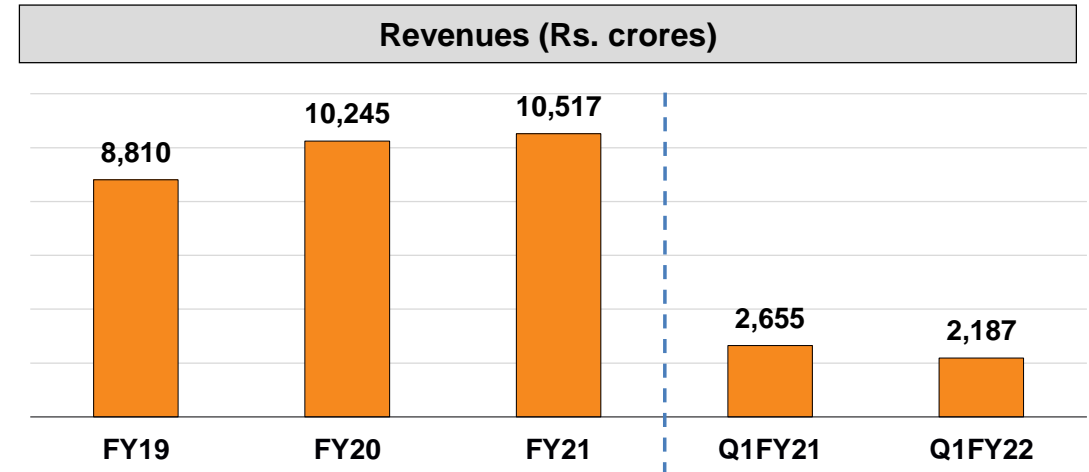
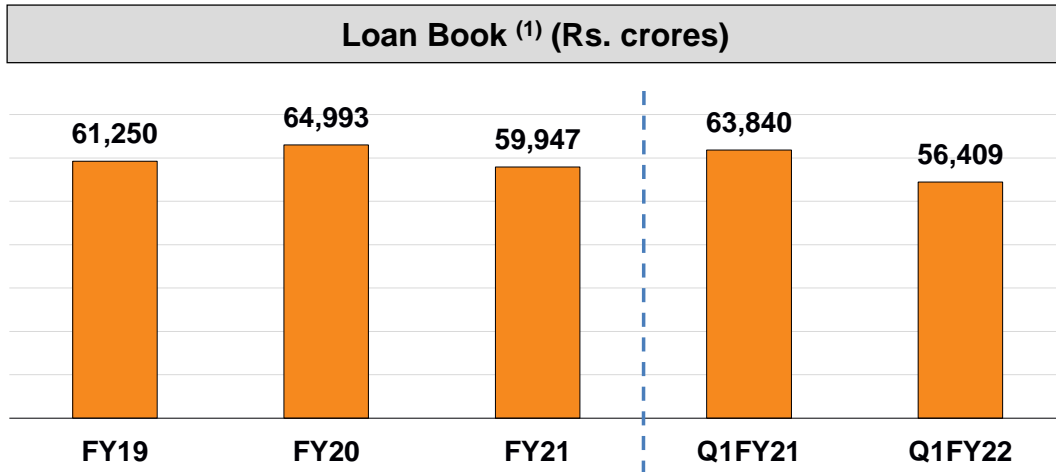
# Key Financials





# Growth Trajectory

on standalone basis



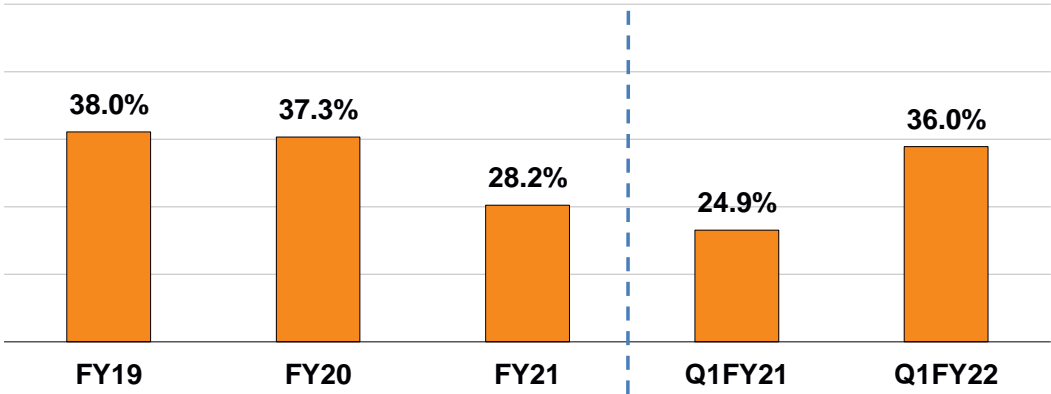
Note : <sup>(1)</sup> Loan Book net of provisions.

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

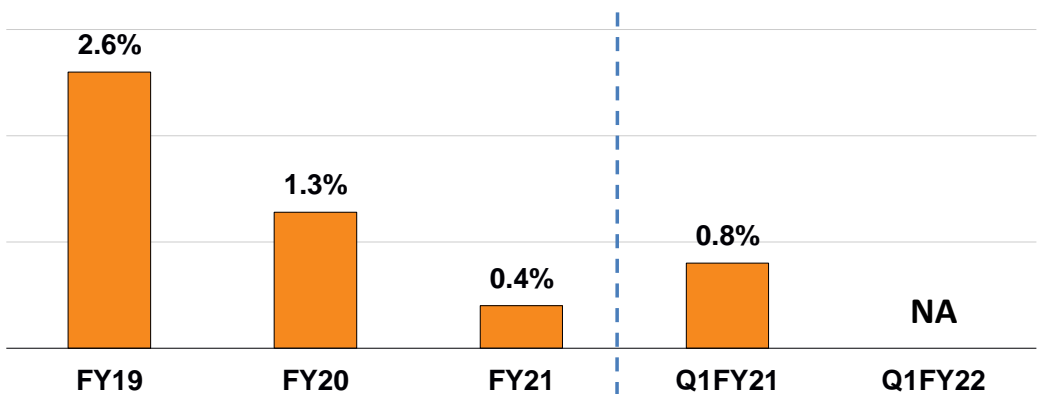
# Financial Performance

on standalone basis

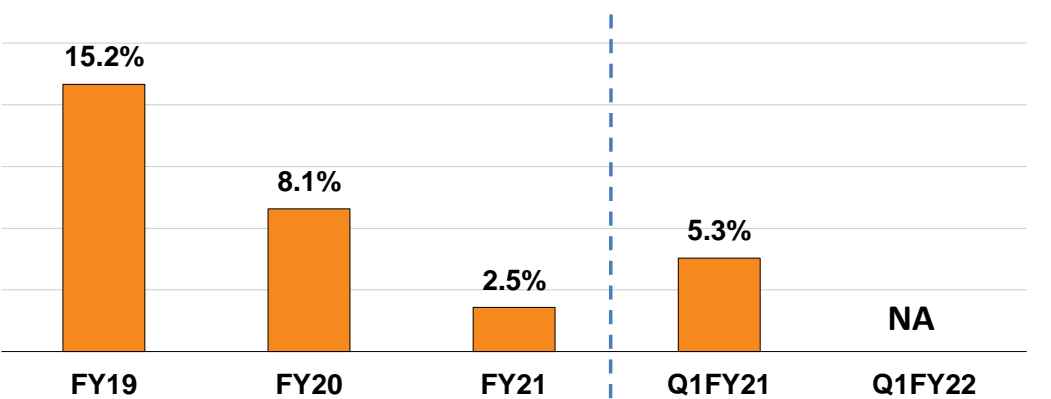
Cost to income ratio <sup>(1)</sup> (%)



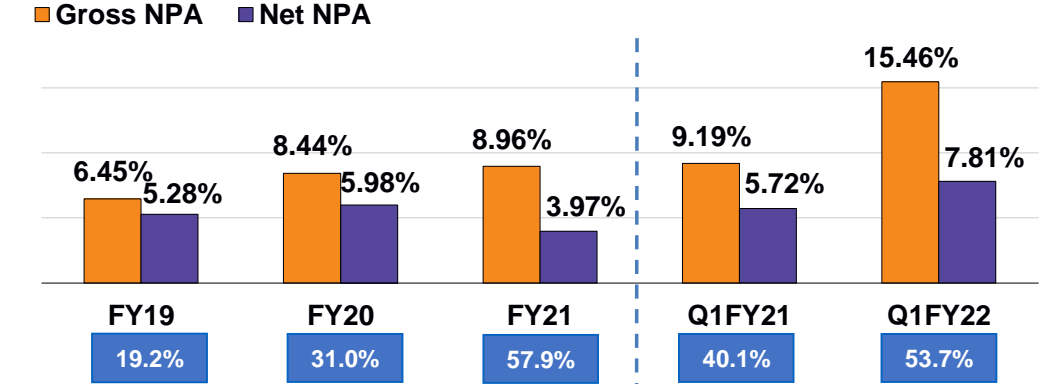
Return on Assets (ROA) <sup>(2)</sup> (%)



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



Asset Quality (%)



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

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

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

# Standalone Profit & Loss Account

Particulars (Rs. in crores)	Q1FY22	Q1FY21	Y-o-Y	FY21
Revenue from operations (A)	2,176	2,641	-17.6%	10,395
Less: Finance cost (B)	1,018	1,265	-19.5%	4,733
<b>NII (C= A+B)</b>	<b>1,158</b>	<b>1,376</b>	<b>-15.8%</b>	<b>5,662</b>
Other Income (D)	11	14	-23.3%	122
<b>Total Income (E=C+D)</b>	<b>1,169</b>	<b>1,390</b>	<b>-15.9%</b>	<b>5,784</b>
Employee benefits expense (F)	270	224	20.2%	1,015
Other expenses (G)	123	90	37.8%	492
Depreciation and amortization (H)	27	31	-14.1%	126
<b>Total Expenses (I=F+G+H)</b>	<b>420</b>	<b>345</b>	<b>21.6%</b>	<b>1,633</b>
<b>Pre-Provisioning Operating Profit (J=E-I)</b>	<b>749</b>	<b>1,045</b>	<b>-28.3%</b>	<b>4,151</b>
Provisions and write-offs (K) ^	2,819	843	234.5%	3,735
<b>Profit before Exceptional items (L=J-K)</b>	<b>(2,070)</b>	<b>202</b>	<b>-</b>	<b>416</b>
Exceptional Items (M)	-	6*	-	6
<b>Profit before Tax (N=L+M)</b>	<b>(2,070)</b>	<b>208</b>	<b>-</b>	<b>422</b>
Tax expense (O)	(541)	52	-	87
<b>Net Profit after Taxes (P=N-O)</b>	<b>(1,529)</b>	<b>156</b>	<b>-</b>	<b>335</b>

^ During Q1FY22, created Covid overlay provisions of Rs. 393 crores as Stage-3 provisions.

\* On account of sale of shares by the Company in the AMC business to Manulife

# Standalone Balance Sheet

Particulars (Rs. in crores)	As on Jun 30, 2021	As on Jun 30, 2020	As on Mar 31, 2021
<b>ASSETS</b>			
<b>Financial Asset</b>			
a) Cash and cash equivalents	402	1,501	571
b) Bank balance other than (a) above	2,771	755	2,699
c) Derivative financial instruments	48	59	26
d) Trade Receivables	4	10	8
e) Loans	56,409	63,840	59,947
f) Investments	9,347	9,783	11,607
g) Other Financial Assets	524	537	514
<b>Financial Asset</b>	<b>69,505</b>	<b>76,485</b>	<b>75,372</b>
<b>Non-Financial Asset</b>			
a) Current tax assets (Net)	470	287	402
b) Deferred tax assets (Net)	1,395	435	862
c) Property, plant and equipment	311	326	311
d) Capital work-in-progress			10
e) Intangible assets	16	25	19
f) Other non-financial assets	88	53	60
<b>Non-Financial Assets</b>	<b>2,280</b>	<b>1,126</b>	<b>1,664</b>
<b>Total Assets</b>	<b>71,785</b>	<b>77,611</b>	<b>77,036</b>

Figures re-grouped and rounded where found relevant

# Standalone Balance Sheet (Contd.)

Particulars (Rs. in crores)	As on Jun 30, 2021	As on Jun 30, 2020	As on Mar 31, 2021
<b>LIABILITIES AND EQUITY</b>			
<b>Financial Liabilities</b>			
a) Derivative financial instruments	146	65	173
b) Payables			
i) Trade payables	481	402	596
ii) Other payables	25	18	47
c) Debt Securities	17,001	20,418	16,835
d) Borrowings (Other than Debt Securities)	26,112	30,688	29,142
e) Deposits	9,307	8,900	9,451
f) Subordinated Liabilities	3,150	3,346	3,149
g) Other financial liabilities	2,118	2,018	2,604
<b>Financial Liabilities</b>	<b>58,340</b>	<b>65,855</b>	<b>61,997</b>
<b>Non-Financial liabilities</b>			
a) Current tax liabilities (Net)	14	14	14
b) Provisions	155	158	215
c) Other non-financial liabilities	66	52	99
<b>Non-Financial Liabilities</b>	<b>235</b>	<b>224</b>	<b>328</b>
<b>Equity</b>			
a) Equity Share capital	246	123	246
b) Other Equity	12,964	11,409	14,465
<b>Equity</b>	<b>13,210</b>	<b>11,532</b>	<b>14,711</b>
<b>Total Equities and Liabilities</b>	<b>71,785</b>	<b>77,611</b>	<b>77,036</b>

Figures re-grouped and rounded where found relevant

# Summary & Key Ratios

on standalone basis

Particulars	Quarter ended June – 21	Quarter ended June – 20	Year ended March – 21
RONW (Avg. Net Worth) ^	NA	5.3%	2.5%
Debt / Equity	4.21:1	5.49:1	3.98:1
<b>Capital Adequacy<sup>§</sup></b>	<b>23.8%</b>	<b>19.6%</b>	<b>26.0%</b>
Tier I	20.1%	15.3%	22.2%
Tier II	3.7%	4.3%	3.8%
EPS (Basic) (Rs.)*	-12.41	1.73	3.03
Book Value (Rs.)	106.9	186.7	119.1
Dividend %	-	--	40%
New Contracts During the period (Nos.)	86,321	46,190	453,593
No. of employees	19,571	21,431	19,952

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

<sup>§</sup> Computed post considering dividend for the year

<sup>^</sup> Average Net-Worth computed based on the period for which the Rights Issue proceeds capital has utilised

# Spread Analysis

on standalone basis

Particulars	Quarter ended June – 21	Quarter ended June – 20	Year ended March – 21
Total Loan Income / Average Business Assets	12.6%	14.8%	15.0%
Total Income / Average Assets	11.8%	14.0%	13.9%
Interest cost / Average Assets	5.5%	6.7%	6.2%
<b>Gross Spread</b>	<b>6.3%</b>	<b>7.3%</b>	<b>7.7%</b>
Overheads / Average Assets	2.3%	1.8%	2.2%
Write offs & NPA provisions / Average Assets	15.1%	4.4%	4.9%
Net Spread	-11.1%	1.1%	0.6%
<b>Net Spread after Tax</b>	<b>-8.2%</b>	<b>0.8%</b>	<b>0.4%</b>

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

# Collection Efficiency and Restructuring

on standalone basis

Collection Efficiency <sup>^</sup>	April	May	June	Quarter 1
FY 2022	72%	67%	90%	80%
FY 2021	27%	50%	85%	67%

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

Restructuring/ ECLGS	Number of Contracts		Amount (INR crores)	
	Q1 FY22	FY 21	Q1 FY22	FY 21
Restructuring	59,455	262	2,172	63
ECLGS	767	36,138	27	528

Details on Restructuring 2.0	% of Customers having paid during Q1FY22	% paid out of the amount due
Repayment by Customers	50%	32%

\* till invocation of restructuring



# NPA Analysis

on standalone basis

Particulars (Rs. in crores) except figures in %	As on Jun 30, 2021	As on Jun 30, 2020	As on Mar 31, 2021
Business Assets (including Provisions)	63,582	67,672	64,608
<b>Gross NPA (Stage 3)</b>	<b>9,832</b>	<b>6,218</b>	<b>5,786</b>
Less: ECL Provisions (Stage 3)	5,281	2,492	3,352
<b>Net NPA (Stage 3)</b>	<b>4,551</b>	<b>3,726</b>	<b>2,434</b>
Gross NPA as % of Business Assets (Stage 3)	15.46%	9.19%	8.96%
Net NPA as % of Business Assets (Stage 3)	7.81%	5.72%	3.97%
<b>Coverage Ratio (%) – based on Stage 3 ECL</b>	<b>53.7%</b>	<b>40.1%</b>	<b>57.9%</b>
Stage 1 & 2 provision to Business Assets (%)	3.0%	2.0%	2.0%
<b>Coverage Ratio (%) – including Stage 1 &amp; 2 provision</b>	<b>72.9%</b>	<b>61.5%</b>	<b>80.4%</b>

Particulars (in units) except figures in %	As on Jun 30, 2021	As on Jun 30, 2020	As on Mar 31, 2021
Contracts under NPA (90 dpd)	294,225	143,080	139,038
% of Live Cases under NPA	11.5%	5.4%	5.4%
Repossessed Assets (out of above NPA)	9,828	9,426	8,556

Figures re-grouped and rounded where found relevant

# Movement of Provisions and Management Overlay

on standalone basis

Rs. in crores	Q1FY22			Year ended March – 21		
	ECL Provisions	Overlay	Total	ECL Provisions	Overlay	Total
Stage-1 Provisions	(33)	-	(33)	(69)	(58)	(127)
Stage-2 Provisions	621 <sup>^</sup>	-	621	161	(42)	119
Stage-3 Provisions	1,536	393	1,929	(270)	1,842	1,572
<b>Provisions – P&amp;L Charge</b>	<b>2,124</b>	<b>393</b>	<b>2,517</b>	<b>(178)</b>	<b>1,742</b>	<b>1,564</b>
<b>Write-Offs*</b>	<b>302</b>	<b>-</b>	<b>302</b>	<b>2,171</b>	<b>-</b>	<b>2,171</b>
<b>Total</b>	<b>2,426</b>	<b>393</b>	<b>2,819</b>	<b>1,993</b>	<b>1,742</b>	<b>3,735</b>

\* Includes terminations losses, net of bad-debt recovery

<sup>^</sup> includes additional provision of Rs. 157 crores on restructured contracts

## Cumulative Management Overlay

Rs. in crores	Mar 31, 2020	Jun 30, 2020	Sep 30, 2020	Dec 31, 2020	Mar 31, 2021	Jun 30, 2021
Stage – 1 Overlay	58	70	71	-	-	-
Stage – 2 Overlay	42	37	279	17	-	-
Stage – 3 Overlay	474	944	1,134	1,047	2,316	2,709
<b>Total Overlay</b>	<b>574</b>	<b>1,051</b>	<b>1,484</b>	<b>1,064</b>	<b>2,316</b>	<b>2,709</b>

Figures re-grouped and rounded where found relevant

# Stage Wise Provisioning

on standalone basis

Stage-Wise Assets and Provisioning								
Rs. in crores	As on 30 <sup>th</sup> Jun 2021				As on 31 <sup>st</sup> Mar 2021			
	Business Assets	%	Provisions	Coverage	Business Assets	%	Provisions	Coverage
Stage - 1 Assets	41,434	65.17%	389	0.9%	50,713	78.49%	423	0.8%
Stage - 2 Assets	12,316	19.37%	1,500	12.2%	8,109	12.55%	879	10.8%
Stage - 3 Assets	9,832	15.46%	5,281	53.7%	5,786	8.96%	3,352	57.9%
<b>Total</b>	<b>63,582</b>		<b>7,170</b>	<b>11.3%</b>	<b>64,608</b>		<b>4,654</b>	<b>7.2%</b>

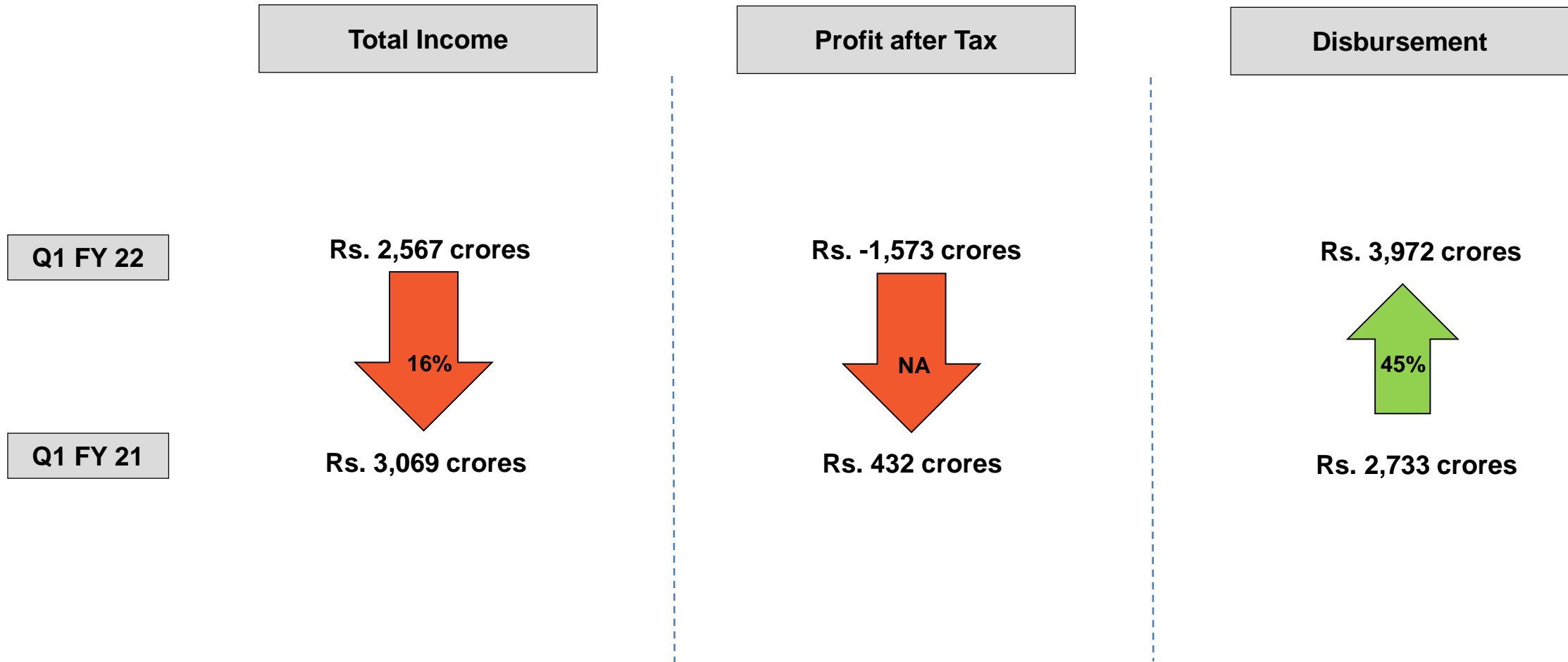
Comparison of IRACP and IND-AS Provisioning requirement			
Rs. in crores	IRACP (A)	IND-AS (B)	Difference (B-A)
Stage 1 and Stage 2	413	1,889	1,476
Stage 3	2,622	5,281	2,659
<b>Total</b>	<b>3,035</b>	<b>7,170</b>	<b>4,135</b>

Figures re-grouped and rounded where found relevant



# Key Financials (Consolidated)

on consolidated basis



# Consolidated Profit & Loss Account

Particulars (Rs. in crores)	Q1FY22	Q1FY21	Y-o-Y	FY21
Revenue from operations (A)	2,550	3,057	-16.6%	12,050
Less: Finance cost (B)	1,151	1,401	-17.8%	5,307
<b>NII (C= A+B)</b>	<b>1,399</b>	<b>1,656</b>	<b>-15.5%</b>	<b>6,743</b>
Other Income (D)	17	12	43.7%	120
<b>Total Income (E=C+D)</b>	<b>1,416</b>	<b>1,668</b>	<b>-15.1%</b>	<b>6,863</b>
Employee benefits expense (F)	365	299	22.0%	1,384
Other expenses (G)	171	120	42.5%	663
Depreciation and amortization (H)	33	38	-13.5%	151
<b>Total Expenses (I=F+G+H)</b>	<b>569</b>	<b>457</b>	<b>24.5%</b>	<b>2,198</b>
<b>Pre-Provisioning Operating Profit (J=E-I)</b>	<b>847</b>	<b>1,211</b>	<b>-30.0%</b>	<b>4,665</b>
Provisions and write-offs (K)	3,005	949	216.7%	3,999
<b>Profit before Share of associates(L=J-K)</b>	<b>(2,158)</b>	<b>262</b>	<b>-</b>	<b>666</b>
Exceptional items (M)	-	229*	-	229
Share of Profit of Associates (N)	17	13	25.5%	39
<b>Profit before taxes (O= L+M+N)</b>	<b>(2,141)</b>	<b>504</b>	<b>-</b>	<b>934</b>
Tax expense (P)	(568)	72	-	154
<b>Net Profit after Taxes (Q=O-P)</b>	<b>(1,573)</b>	<b>432</b>	<b>-</b>	<b>780</b>

\*On account of sale of shares by the Company in the AMC business to Manulife

Figures re-grouped and rounded where found relevant

# Consolidated Balance Sheet

Particulars (Rs. in crores)	As on Jun 30, 2021	As on Jun 30, 2020	As on Mar 31, 2021
<b>ASSETS</b>			
<b>Financial Asset</b>			
a) Cash and cash equivalents	509	1,685	808
b) Bank balance other than (a) above	3,145	755	3,174
c) Derivative financial instruments	48	59	26
d) Trade Receivables	53	49	55
e) Loans	63,341	71,624	67,076
f) Investments	10,367	9,753	12,028
g) Other Financial Assets	561	614	551
<b>Financial Asset</b>	<b>78,024</b>	<b>84,539</b>	<b>83,718</b>
<b>Non-Financial Asset</b>			
a) Current tax assets (Net)	493	312	414
b) Deferred tax Assets (Net)	1,506	506	945
c) Property, plant and equipment	376	403	379
d) Capital Work-in-progress	-	-	10
e) Intangible assets under development	1	1	1
f) Other Intangible assets	17	27	19
g) Other non-financial assets	144	78	113
<b>Non-Financial Assets</b>	<b>2,537</b>	<b>1,327</b>	<b>1,883</b>
<b>Total Assets</b>	<b>80,561</b>	<b>85,866</b>	<b>85,601</b>

Figures re-grouped and rounded where found relevant

# Consolidated Balance Sheet (Contd.)

Particulars (Rs. in crores)	As on Jun 30, 2021	As on Jun 30, 2020	As on Mar 31, 2021
<b>LIABILITIES AND EQUITY</b>			
<b>Financial Liabilities</b>			
a) Derivative financial instruments	146	65	173
b) Payables			
i) Trade payables	632	587	732
ii) Other payables	25	18	47
c) Debt Securities	20,560	22,339	19,671
d) Borrowings (Other than Debt Securities)	29,037	34,800	32,454
e) Deposits	9,222	8,870	9,366
f) Subordinated Liabilities	3,610	3,756	3,609
g) Other financial liabilities	2,706	2,632	3,283
<b>Financial Liabilities</b>	<b>65,938</b>	<b>73,067</b>	<b>69,335</b>
<b>Non-Financial liabilities</b>			
a) Current tax liabilities (Net)	14	17	14
b) Provisions	202	215	271
c) Other non-financial liabilities	72	61	105
<b>Non-Financial Liabilities</b>	<b>288</b>	<b>293</b>	<b>390</b>
<b>Equity</b>			
a) Equity Share capital	246	123	246
b) Other Equity	13,989	12,293	15,530
c) Non-controlling interests	100	90	99
<b>Equity (incl attributable to minority investors)</b>	<b>14,335</b>	<b>12,506</b>	<b>15,876</b>
<b>Total Equities and Liabilities</b>	<b>80,561</b>	<b>85,866</b>	<b>85,601</b>

Figures re-grouped and rounded where found relevant





# Mahindra Rural Housing Finance Limited

Particulars (Rs. in crores)	Q1FY22	Q1FY21	Year ended March – 21
Loans disbursed	100	-	797
No. of Customer Contracts (nos.)	3,060	-	34,559
Loans & Advances (net)	6,932	7,784	7,128
Total income	334	385	1,455
PBT	-94	57	195
PAT	-65	48	151
Net-worth	1,339	1,297	1,403
Gross NPA (Stage 3)	18.16%	15.50%	13.16%
Net NPA % (Stage 3)	13.78%	9.99%	9.87%

- **Business Area:** Provide loans for home construction, extension, purchase and improvement to customers in rural and semi-urban India
- **Shareholding pattern:** MMFSL – 98.42%; MRHFL Employee Welfare Trust and Employees – 1.58%
- **Reach:** Currently spread in 14 States & 1 Union Territory

<sup>^</sup> The Company has cumulative management overlay of Rs. 99 crores as of 30 June 2021, for covering the contingencies that may arise due to COVID – 19 pandemic. This includes additional provision of Rs. 75 crores on account of restructured assets.

# Mahindra Insurance Brokers Limited

Particulars (Rs. in crores)	Quarter ended June – 21	Quarter ended June – 20	Year ended March – 21
No. of Policies for the Period (nos.)	3,12,937	2,01,188	1,439,023
Net Premium	448	289	1,794
Total income	60	41	269
PBT	5	3	44
PAT	3	2	32
No. of employees (nos.)	1,123	1,173	1,117

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



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

**Executive Summary**

**Financial Information**

**Key Subsidiaries**

**Company Overview**

**Business Strategy**

**Awards & CSR Initiatives**

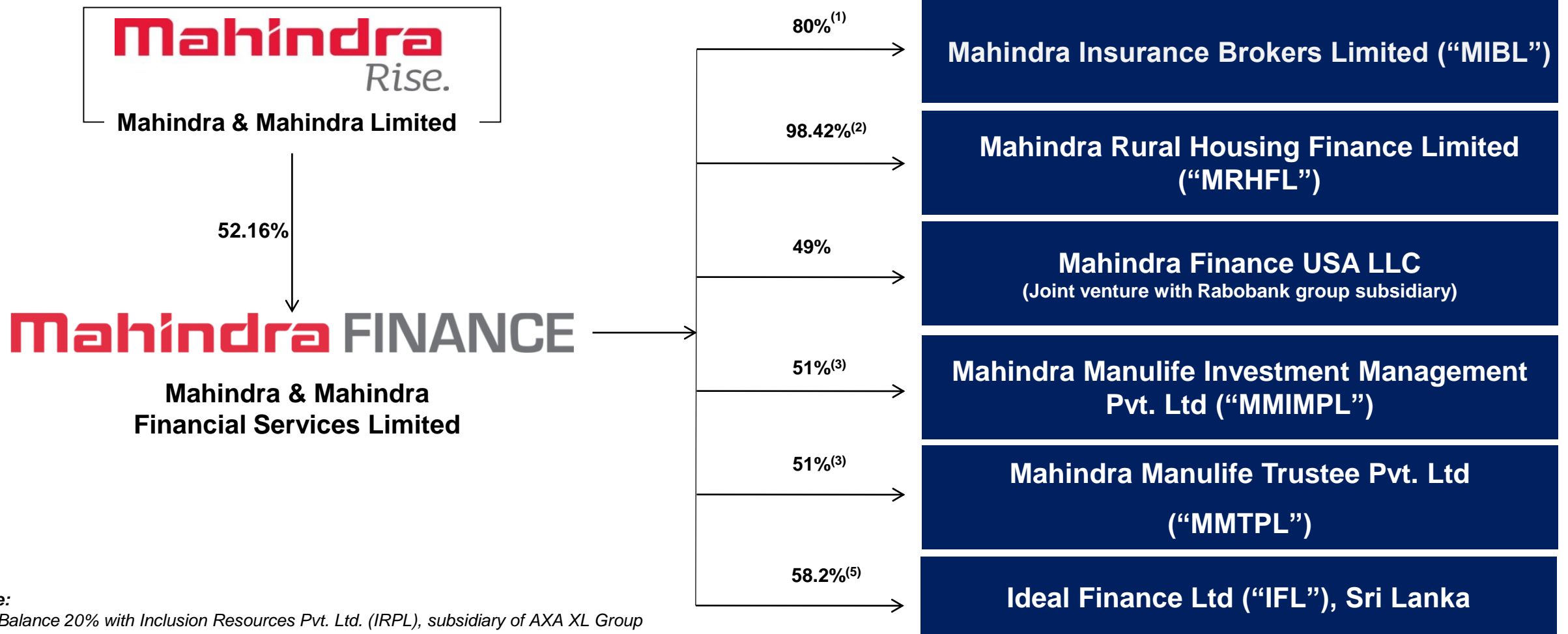
**Risk Management Policies**

# Company Background

<b>Parentage:</b>	Mahindra & Mahindra Financial Services Limited (“MMFSL”) is a subsidiary of Mahindra and Mahindra Limited ( <i>Mcap: Rs 950 billion</i> )*
<b>About MMFSL:</b>	MMFSL ( <i>Mcap: Rs 191 billion</i> )*, one of India’s leading non-banking finance companies focused in the rural and semi-urban sector
<b>Key Business Area:</b>	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
<b>Vision:</b>	MMFSL’s vision is to be a leading provider of financial services in the rural and semi-urban areas of India
<b>Reach:</b>	Has 1,391 offices covering 27 states and 7 union territories in India, with over 7.39 million vehicle finance customer contracts since inception
<b>Credit Ratings:</b>	India Ratings has assigned AAA/Stable, CARE Ratings has assigned AAA/Stable, Brickwork has assigned AAA/Stable and CRISIL has assigned AA+/Stable rating to the Company’s long term and subordinated debt

*\*Source: Market capitalisation as of July 23, 2021 from BSE website*

# MMFSL Group structure



**Note:**

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

# Our Journey

Commenced Housing Finance business through MRHFL

Raised Rs. 414 crores through Private Equity

QIP Issue of Rs. 426 crores

JV with Rabobank subsidiary for tractor financing in USA

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

Rights Issue of Rs. 3,089 crores

Completed IPO, Subscribed ~ 27 times

Equity participation of 12.5% by NHB in MRHFL

Recommended Fixed Deposit Program

Crossed 1 million cumulative customer contracts

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

CARE Ratings assigned AAA rating to long term debt

Stake sale in MIBL to Inclusion Resources Pvt. Ltd.

QIP Issue of Rs. 867 crores

Certificate of Registration received from SEBI by Mahindra Mutual Fund

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

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

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

Crossed 6 million cumulative customer contracts

Partnered with Manulife for Mutual Fund business

Invested in Ideal Finance for providing financial services in Sri Lanka

FY 06

FY 08

FY 09

FY 10

FY 11

FY 13

FY 15

FY 16

FY 17

FY 18

FY 19

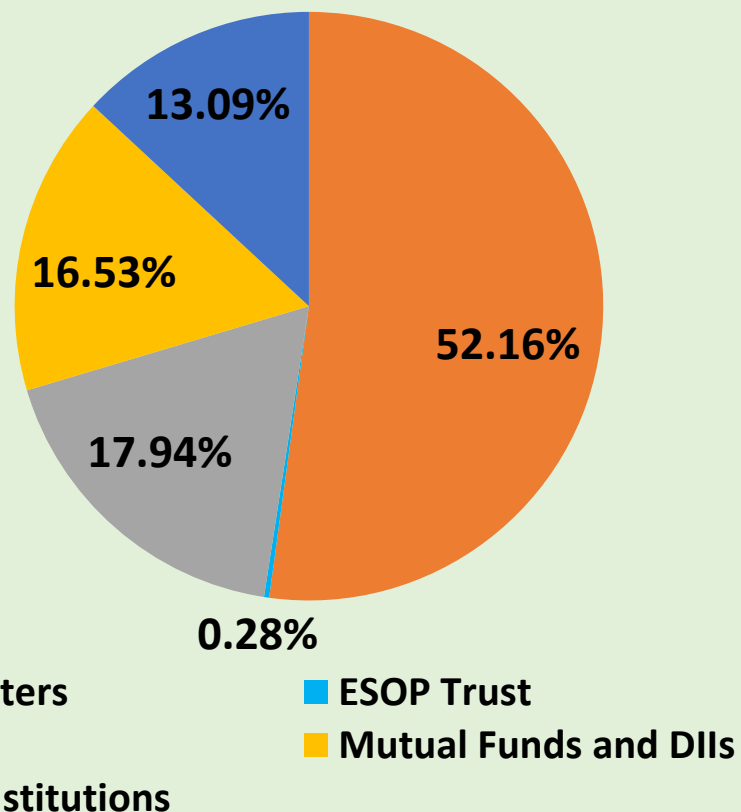
FY 20

FY 21



# Shareholding Pattern (as on June 30, 2021)

## Shareholding Pattern



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

## Top 10 Public Shareholders

- Life Insurance Corporation Of India
- HDFC Life Insurance Company Limited
- Wishbone Fund, Ltd.
- Government Pension Fund Global
- Valiant Mauritius Partners Offshore Limited
- HDFC Trustee Company Ltd
- Buena Vista Asian Opportunities Master Fund Ltd
- Bank Muscat India Fund
- Kotak Emerging Equity Scheme
- Life Insurance Corporation Of India P & GS Fund





# Business Strategy

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

**Expand Branch Network**

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

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

**Broad base Liability Mix**

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

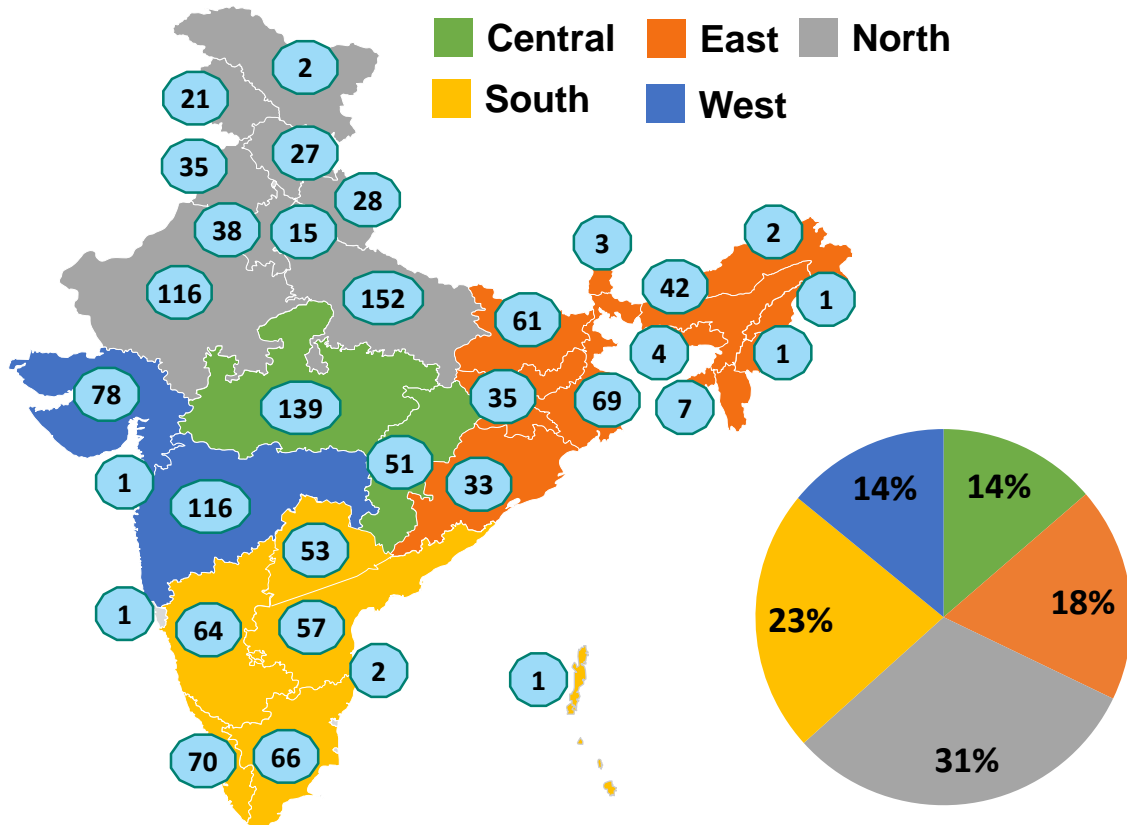
**Effective use of technology to improve productivity**

**Leverage the “Mahindra” Ecosystem**

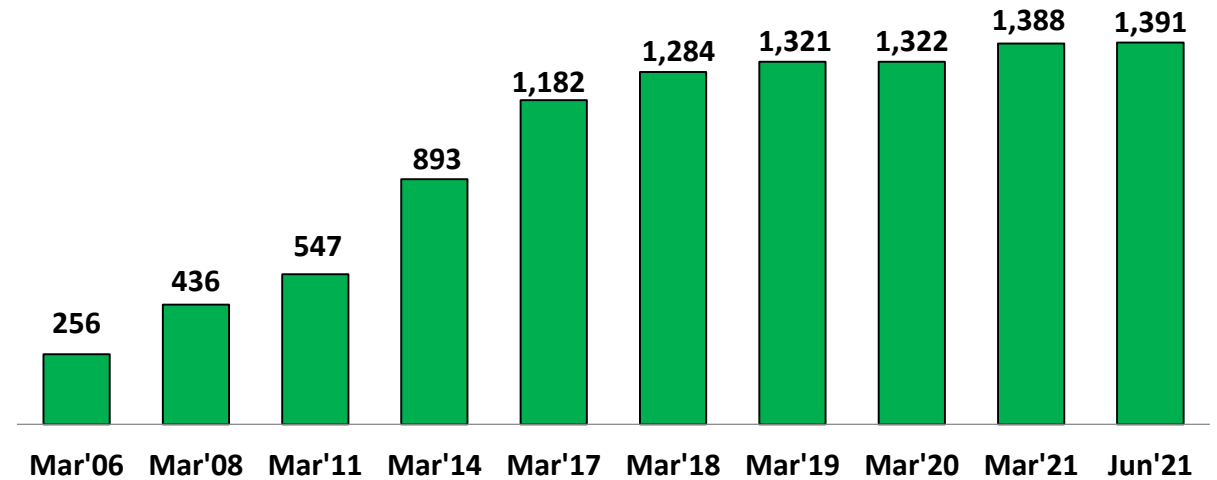
# Extensive Branch Network

- Extensive branch network with presence in 27 states and 7 union territories in India through 1,391 offices
- Branches have authority to approve loans within prescribed guidelines

Coverage



Branch Network as of



# Diversified Product Portfolio

## Vehicle Financing

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



## Pre-Owned Vehicles

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



## SME Financing

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



## Personal Loans

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



## Mutual Fund Distribution

- Advises clients on investing money through AMFI certified professionals



## Insurance Broking

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



## Housing Finance

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



## Mutual Fund & AMC

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



# Employee Management and Technology Initiatives

## Employee engagement & training

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

## Covid initiatives taken for employees

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

## Technology initiatives

- All our offices are connected to the centralised data centre in Mumbai through Lease line/tablets
- Through tablets and mobile applications connected by GPRS to the central server, we transfer data which provides
  - Prompt intimation by SMS to customers
  - Complete information to handle customer queries with transaction security
  - On-line collection of MIS on management’s dashboard
  - Recording customer commitments
  - Enables better internal checks & controls
- Continues to enhance digital capabilities and use of technology to improve efficiency and function normally in current scenario
  - Providing computers and tablets to employees to operate from home
  - On-line training and learning sessions to improve capabilities
  - Promoting digital/ non-cash collections

# Credit Rating

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

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





# Awards & Accolades

- Ranked **54<sup>th</sup>** among India Best Companies to Work 2021 by Great Place to Work<sup>®</sup> Institute
- India's **30<sup>th</sup>** Best workplaces in BFSI 2021 by Great Place to Work<sup>®</sup> Institute
- India's Best workplaces in NBFCs 2021 by Great Place to Work<sup>®</sup> Institute
- Included **2<sup>nd</sup> time** in the renowned FTSE4Good Index Series for ESG (Environmental, Social & Governance) performance.
- Included in '**DJSI Sustainability Yearbook 2021**'.



# CSR Initiatives

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





# Risk Management Policies

## Provisioning Norms

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

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

*PD – Probability of Default;*

*LGD – Loss given Default;*

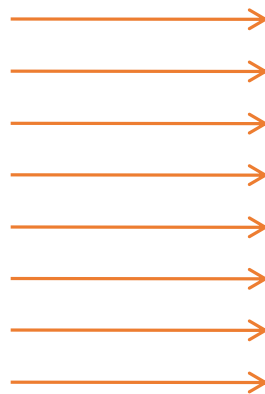
*EAD – Exposure at Default*

*\*Fair valued at reporting date*

## Key Risks & Management Strategies

### Key Risks

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



### Management Strategies

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

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# Thank You

*Transforming rural lives  
across the country*